

TO: Members of the Board

FROM: Bruce Steadman
Executive Director and Secretary

DATE: February 19, 2020

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 Fort Monmouth Redevelopment & Marketing
 - Action Items for Next Month
10. **Committee Reports**
 - Audit Committee – Robert Lucky, Chairman
 - Real Estate Committee – Robert Lucky
 - Environmental Staff Advisory Committee – Kenneth J. Kloo, Chairman
 - Historical Preservation Staff Advisory Committee – Jay Coffey, Chairman
 - Housing Staff Advisory Committee – Sean Thompson, Chairman
 - Veterans Staff Advisory Committee – Lillian Burry, Chairwoman

11. **Board Actions**

1. Consideration of Approval of the First Amendment to the Purchase and Sale & Redevelopment Agreement with RPM Development, LLC for the Nurses Quarters in Oceanport.
2. Consideration of Approval of a Purchase and Sale & Redevelopment Agreement with U.S. Home Corporation d/b/a Lennar Monmouth Developers for Parcel B in Eatontown.

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
January 22, 2020
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
- Anthony Talerico – Mayor of Eatontown – V (via phone)
- Vito Perillo – Mayor of Tinton Falls – V
- Lillian Burry – Monmouth County Freeholder – V
- Stephanie Brown – Associate Counsel, Authorities Unit, Office of the Governor – V
- Dave Nuse – Executive VP, Real Estate & Community Development, 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
- William Riviere, Principal Planner, NJ Department of Transportation

V – Denotes Voting Member

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.

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 December 18th regular meeting minutes. A motion as made to approve the minutes by Jay Coffey and seconded by Dave Nuse.

Motion to Approve: JAY COFFEY Second: DAVE NUSE
AYes: 6

WELCOME

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

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

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

SECRETARY'S REPORT

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

TREASURER'S REPORT

Jennifer Lepore, Manager of Accounting, stated that FMERA staff is beginning to prepare the Authority's 2019 Annual Report for presentation to the Audit Committee with the audited financial statements, which serve as FMERA's Comprehensive Annual Report to meet the requirements of Executive Order No. 37 (2006). It is expected that a draft report and statements will be available for review in mid-March, and the final report will be presented to the Board in April.

The Authority's independent auditors, CliftonLarsonAllen, LLP, will begin work on their audit of the Authority's operations in early February. The auditors will report on the Authority's financial statements and accompanying notes, as well as report on the Authority's internal controls and compliance with Government Auditing Standards. Field work is scheduled to begin the last week of February.

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

There was no public comment.

EXECUTIVE DIRECTOR'S REPORT

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

The facilities, environmental, and maintenance teams are in full winter mode. Buildings slated for sale or reuse are regularly monitored, sanitary lift stations are frequently checked, and the electrical power grids are monitored to provide developers the best possible service. FMERA is working closely with New Jersey American Water and Two Rivers Water Reclamation Authority on several infrastructure projects that will serve future development. Facilities continues to work with the Army Corp. of Engineers on environmental concerns, the cleanup of carve-outs, and the landfill capping project. The Facilities department continues to assist developers with utility and environmental questions, and supports the real estate development team with RFOTP's, MCR's, tours, and development plans.

Sarah Giberson, Senior Marketing & Development Officer 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 20 properties, and another 15 parcels are under contract or have Board-approved contracts.

Within the last year, FMERA has sold 4 properties:

- Squier Hall, slated for reuse as a satellite college campus for New Jersey City University, planning to open late 2020;
- 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 was 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 in October to Global Signal Acquisitions, LLC.

Staff hopes to sell the Marina and the Fabrication Shops to our contract purchasers by the first quarter of 2020.

FMERA staff is currently in contract negotiations over the sale of 3 additional parcels.

Contracts for 2 Oceanport properties, the Commissary & PX Complex and the Nurses Quarters, were approved by the Board at the November meeting and are currently in their due diligence phase.

Sarah Giberson stated that at FMERA's November Board meeting, the Board approved 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. Next week, FMERA is hosting a redevelopment showcase to discuss its vision for the 400 Area with prospective purchasers and related professionals. Over 100 people have responded to the event and registration is now closed. Please note, due to fire code and room capacity FMERA will only be able to accommodate pre-registered guests. An RFOTP is anticipated in the first quarter of the year.

Last year, FMERA advertised the Tinton Falls Commercial parcel through the RFOTP process. Two proposals were received by the December 2, 2019 deadline. FMERA staff, in conjunction with the Office of Attorney General and the FMERA Real Estate Committee, have determined that both proposals received for the Tinton Falls Commercial Parcel RFOTP do not include enough specificity to appropriately evaluate whether the planned redevelopment captures the highest and best use of the Property or significantly advances the economic position of the municipality. Therefore, we will be asking the Board at tonight's meeting for approval to terminate the RFOTP and issue a revised RFOTP immediately after the 10-day Governor's veto period expires. Please refer to the Board Memo, which will be made available on our website, for more details.

FMERA also continues its work with NJII, an affiliate of NJIT, to advance our redevelopment efforts related to the future McAfee Innovation Campus. NJII is continuing its research and development efforts with the intention of creating a model for a viable, on-site incubator as well as attracting targeted industries to the property. Additionally, NJII is collaborating and advising FMERA on communicating our vision for an R&D/Technology/Innovation campus via the RFOTP process.

This Friday, FMERA will host a panel ("Transforming Fort Monmouth's Innovation Legacy: Repurposing One of NJ's Top Assets") at the New Jersey Planning Conference focusing on both the Fort's overall redevelopment and FMERA's plans for establishing an innovation district. This is another significant opportunity for Fort Monmouth to increase awareness and raise the profile of the Fort and its redevelopment efforts. Special thanks to our Marketing Consultant, Catherine Timko of the Riddle Company for securing this placement, along with our panel participants, Steve Denholtz of Denholtz Properties, Chelsea Kogelmeier of New Jersey Innovation Institute, and Upendra Sapkota of FMERA.

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

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

Mr. Steadman thanked Mayor Coffey for the invitation for him and Dave Nuse to give a presentation on the Fort Monmouth redevelopment at the Oceanport Council meeting on January 16th. Mr. Steadman noted it was a good meeting, with several good questions from the Council members. Mr. Steadman stated that FMERA staff is available for similar presentations in Eatontown, Tinton Falls and the County.

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 did not meet this month but will be meeting after the Authority's audit is complete.

2. REAL ESTATE COMMITTEE (ROBERT LUCKY)

Robert Lucky stated that the Committee met on January 14th and discussed the following:

- Discussion regarding the FMERA expired rules for Real and Personal Property Leasing, Sale of Real and Personal Property; Land Use. The rules, which remain part of the New Jersey Administrative Code, must be proposed as new rules subject to the sixty-day comment period. In the interim, FMERA will continue to apply the rules. FMERA is not proposing changes to the rules and requests that they be approved in their prior form. The Committee reached a consensus and agreed to recommend it to the Board for approval.
- The Committee was notified via email on January 17, 2020 to review the recommendation to terminate the Tinton Falls Commercial Parcel Request for Offer to Purchase process and issue a new RFOTP for the Tinton Falls Commercial Development Parcel. The Real Estate Committee reviewed the request and staff received approval to recommend it to the Board for approval.
- Other Issues
 - Parcel B
 - Howard Commons
 - Expo Theater
 - Lodging Area
 - Sherrill Avenue
 - 400 Area RFOTP
 - MCIA Update

Mr. Steadman noted that based on comments made by members of the Real Estate Committee, as well as language contained within the RFOTP and winning proposal, relating to future use of the Expo Theater parcel to include Community Theater, Arts, Entertainment, Cultural Events, in addition to recreation and sports events, would require a programming schedule to be included in the Term Sheet to set forth these uses.

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

Kenneth J. Kloo stated that the Committee met on January 13th and discussed the following:

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

The Public portion of the meeting was called to order at 4:30 PM.

The Committee discussed its role with regards to the Mandatory Conceptual Reviews and opened a discussion regarding the MCR Environmental Checklist for the Lodging Parcel and Allison Hall Parcel.

The following environmental requirements were identified in the MCRs for the two projects:

- Soil Erosion and Sediment Control Plans will need to be submitted due to the disturbance of more than 5,000 square feet of soil.
- Stormwater General Permits are required due to the disturbance of an acre or more of soil.
- The project areas of disturbance exceed one acre; therefore, the projects would be considered a major development and subject to the DEP's Stormwater Management requirements.
- Coastal Area Facilities Review Act (CAFRA) permits are required.

- Flood Hazard Assessments should be performed due to the properties' location next to Parkers Creek.
- The area of Parkers Creek that borders the parcels has been designated as a waterway that requires a 50-foot wide riparian zone in accordance with the Flood Hazard Control Act rules.
- State Tidelands claims for a small strip of land in the vicinity of Parker's Creek will need to be resolved.
- Osprey nesting platforms are located within the boundaries of the Lodging Parcel and FMERA has secured approval from the DEP to restrict access to the platforms by placing a protective cover on them until all demolition and construction is completed. No osprey nesting platforms are present on the Allison Hall Parcel.
- Environmental Constraints Drawings will be prepared to show the proposed developments in relation to the riparian zone, wetland areas, wetland transition zones, and the flood hazard zone.

The Committee discussed and considered additional recommendations for each of the projects.

There being no further business regarding the MCR discussion, the public portion of the meeting was closed at 5:25 PM.

FMERA staff provided an update on the Group 2 and Group 3 Findings of Suitability to Transfer (FOSTs):

- FMERA is working with the Army Corps of Engineers and is currently finalizing the Group 2 deed with regards to the ECP102D parcel, where a portion of the parcel overlaps with the M-5 landfill on the Bowling Center parcel.
- The Group 3 FOST is being circulated within the Army Corps of Engineers for final comments and will then be transferred to FMERA for review and comment.

The developer's contractor has completed the Phase I due diligence for the Lodging Parcel and installed and sampled four monitoring wells. FMERA is awaiting the results of the ground water sampling.

FMERA staff concluded the meeting with an update on the Carve-out Parcels:

- Former Dry-Cleaning Facility – The Army has completed the demolition of the facility, collected ground water samples and is finalizing the Remedial Investigation/Feasibility Study Report.
- Neutralization Pit at Myer Center – The Army began a second round of chemical injections in January.
- Former AFFES Gas Station – 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. The Army is continuing additional testing on the site.
- Building 1122 & 1123 – The buyer is completing the due diligence Phase 1 report and is preparing a Phase 2 sampling plan. The developer has collected soil samples from Building 1122, the former auto craft shop and from the former underground storage tank. The developer has conducted test pits and found no environmental concerns.
- Commissary parcel – The Army is in the process of completing remediation and excavation of PAH-contaminated soil with the goal to obtain a No Further Action (NFA) from the DEP. The Army was issued an NFA for the petroleum discharge area.
- Former Aboveground Storage Tank, Building 886 – The Army continues to evaluate the soils and anticipates completing the work in January.
- Landfill Capping Project – The Army is working to obtain permit equivalency compliance to submit to the DEP.

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

Jay Coffey stated that the Committee met on January 16th 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 Mandatory Conceptual Review (MCR) for the Lodging Area.

- A portion of the Property is located within the Fort Monmouth National Register Historic District. The Fort Monmouth Historic District is listed in both New Jersey and National Registers of Historic Places. Buildings 270, 271 and 328 are listed as contributing resources to the Fort Monmouth Historic District.
- Buildings 270 & 271 will be adaptively reused for a total of thirty-six (36) affordable residential units. Building 328 will be reused for storage and garage space and will serve as an ancillary support building to Building 270 & 271. Buildings 270, 271 & 328 will be redeveloped as per FMERA's historic guidelines and NJSHPO's requirements.
- The proposed exterior modifications to Buildings 270, 271 & 328 are necessary to meet ADA compliance and other safety requirements and these changes do not negatively affect the original overall historic character of the buildings.

The Committee reached a consensus and agreed that the renovations and reuse of Buildings 270, 271 and 328 will not impact the historic character of the buildings.

Discussion regarding the Mandatory Conceptual Review (MCR) for Allison Hall.

- Allison Hall was one of the first buildings constructed on Fort Monmouth under the Army's permanent building campaign and is listed as a contributing building in the Fort Monmouth Historic District and the National Register of Historic Places.
- The developer will renovate Allison Hall as office, retail and/or commercial uses. The developer has indicated that any proposed modification to Allison Hall will be carried out as per FMERA's historic guidelines and SHPO standards. Some minor modifications are proposed to bring them up to current standards and ADA compliance. There will be no changes to the Allison Hall building footprint.
- Proposed modifications to the Allison Hall building do not negatively affect the original historic character of the building.

The Committee reached a consensus and agreed that the renovations and reuse of Allison Hall will not impact the historic character of the buildings.

There being no further business regarding the Mandatory Conceptual Reviews (MCRs) for the Lodging Area and Allison Hall, the public portion of the meeting was closed at 4:40p.m.

Other Items of Discussion

- Update on RFOTPs

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

Sean Thompson stated that the Committee met on January 21st and discussed the following:

- Discussion regarding Parcels C & C1. FMERA has closed on both Parcels with Lennar Corporation.
 - Parcel C1 – The parcel is being developed with up to 49 residential units of which 21 of the units are under contract or sold.
 - Parcel C is being developed to accommodate up to 239 residential units and up to 58,000 sq. ft. of retail development. 20% affordable housing results in 57 units on Parcel C which includes the affordable units for Parcel C1 as well.
- Discussion regarding Howard Commons status. FMERA is currently in negotiations with the developer and the parcel will be developed for up to 275 homes with 20% affordable.
- Discussion regarding Suneagles Golf Course. Martelli Signature Homes' proposed redevelopment includes the reuse of the Golf Course; construction of up to 60 residential units within the 10-acre former Megill Housing, and 15 units affordable immediately adjacent. Martelli has received site plan approval from the Borough of Eatontown and has applied to the County.
- Discussion regarding Parcel B. Parcel B will include retail and/or commercial development on the parcel with the number of housing units at 302, with 20% affordable (60 units).
- Discussion regarding the Nurses Quarters in Oceanport. FMERA has signed a PSARA with RPM Development. The buildings will be developed as 24 to 34 one and two-bedroom apartments with 20% affordable.

- Discussion regarding the Lodging Area in Oceanport. FMERA has signed a PSARA with Somerset Development. The Lodging Area will be redeveloped with 185 townhomes. Historical Buildings 270 & 271 will be redeveloped for the 20% affordable.
- Discussion regarding Barker Circle. FMERA has signed a PSARA with Regional Development Group. Barker Circle will include the development of 75 housing units with 20% affordable units.
- Discussion regarding Permanent Supportive Housing and FMERA's obligation to provide funds for 20 units in Tinton Falls and 20 units in Eatontown.

Mr. Thompson noted that FMERA will need to obtain and file pertinent documents from completed residential projects that verify the 20% affordable residential units have been built and thusly occupied, per the FMERA statute.

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

Lillian Burry stated that the Committee did not meet this month. Further, Freeholder Burry noted that the Soldier On veterans housing project in Tinton Falls (outside the Fort boundary) is expected to have a ground-breaking in March of 2020. She noted that a federal grant and a Monmouth County grant both have been obtained by Solder On to help with the construction.

Mayor Petrillo recognized the work of the Tinton Falls Planning Board in support of the project, and he thanked Lillian for her diligent and long-lasting efforts to help produce a veterans housing project in Monmouth County.

BOARD ACTIONS

1. The first item before the Board was Consideration of Approval of Real and Personal Property Leasing; Sale of Real and Personal Property; Land Use Rules.

Anthony Talerico joined the meeting (via phone) at 7:35p.m.

Kara Kopach read a summary of the Board memo.

The resolution is attached hereto and marked Exhibit 1.

A motion was made by Lillian Burry and was seconded by Vito Perillo.

Bruce Steadman conducted a roll call vote.

NAME	YES	NO	ABSTAIN
Robert Lucky	X		
Jay Coffey	X		
Vito Perillo	X		
Anthony Talerico	X		
Lillian Burry	X		
Stephanie Brown	X		
Dave Nuse	X		

Motion to Approve: LILLIAN BURRY Second: VITO PERILLO
AYes: 7

Anthony Talerico left the meeting at 7:37p.m.

2. The second item before the Board was Consideration of Approval to terminate the Offer to Purchase Process for the Tinton Falls Commercial Parcel and the Issuance of a new Request for Offers to Purchase (RFOTP).

Kara Kopach read a summary of the Board memo.

The resolution is attached hereto and marked Exhibit 2.

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

Motion to Approve: JAY COFFEY Second: LILLIAN BURRY
AYes: 6

OTHER ITEMS

There were no other items before the Board

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

There was no public comment.

There being no further business, on a motion by Lillian Burry and seconded by Jay Coffey and unanimously approved by all voting members present, the meeting was adjourned at 7:40p.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
January 22, 2020

**Resolution Regarding
Real and Personal Property Leasing; Sale of Real and Personal Property; Land Use**

WHEREAS, on February 21, 2019, the Fort Monmouth Economic Revitalization Authority rules for Real and Personal Property at N.J.A.C. 19:31C-1, Sale of Real and Personal Property at N.J.A.C. 19:31C-2, and Land Use at N.J.A.C. 19:31C-3 expired; and

WHEREAS, the rules, which remain part of the New Jersey Administrative Code, must be proposed as new rules subject to the sixty-day comment period, and in the interim, FMERA will continue to apply the rules and is not proposing changes to the rules and requests that they be approved in their prior form; and

WHEREAS, staff is requesting approval of the expired rules proposed for Real and Personal Property Leasing, Sale of Real and Personal Property; Land Use as new rules; and to authorize staff to submit the attached notice for promulgation in the New Jersey Register, subject to final review and approval by the Office of the Attorney General and the Office of Administrative Law (OAL); 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 expired rules proposed for Real and Personal Property Leasing, Sale of Real and Personal Property; Land Use as new rules; and authorizes staff to submit the attached notice for promulgation in the New Jersey Register, subject to final review and approval by the Office of the Attorney General and the Office of Administrative Law (OAL).

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: January 22, 2020

EXHIBIT 1

Resolution Regarding
Approval to Closing out the Offer to Purchase Process for the Tinton Falls Commercial Parcel and Issuance of a
New Request for Offers to Purchase

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

WHEREAS, the Reuse Plan contemplates continued research & development use at the Pulse Power building, the demolition of Buildings 2719 and 2704 for the creation of passive or active open space, and the continued use of the Pistol Range and Fire Training Area and the Property is in the Tinton Falls Mixed-Use Technology Office / R & D Business Campus development district in the Land Use Rules and the district allows for office/research and institutional uses in a campus-like setting; and

WHEREAS, based on staff’s recommendation, and with the Real Estate Committee’s concurrence, the Board authorized proceeding with the offer to purchase process for the Tinton Falls Commercial Parcel at the August 2019 meeting of the Authority; and

WHEREAS, the August 2019 Board memorandum noted that, pursuant to the Reuse Plan and its subsequent amendments, the highest and best use of the site would be achieved by deviating from the plan and offering a larger parcel for redevelopment as either office/R&D or an alternate commercial use consistent with or complementing the planned uses in the area and allow either reuse of the buildings (exclusive of those specifically identified for demolition under the RFOTP) or demolition and redevelopment of the parcel; and

WHEREAS, this approach would require staff to evaluate proposals with an emphasis on planning and design considerations, because the surrounding area is substantially redeveloped with a mix of commercial and residential uses, as well as capital investment and job creation triggered by the redevelopment of the parcel in support of FMERA’s mission to generate jobs and reinvigorate the local economy; and

WHEREAS, on September 27, 2019, FMERA publically issued an RFOTP for the Tinton Falls Commercial Parcel with proposals due on December 2, 2019; and

WHEREAS, proposals were received from two entities; both entities proposed a significant portion of the parcel as unplanned/undefined open space, leaving the majority of the Property undeveloped for an undetermined timeframe; and

WHEREAS, N.J.A.C. 19:31C–2.13 authorizes FMERA “to reject all sealed bid(s) and offer(s) to purchase and to either re-advertise or terminate an advertised solicitation . . . for any other reason in the best interests of the Authority or the redevelopment plans for Fort Monmouth as determined by the Authority”; and

WHEREAS, in light of the proposals leaving large swaths of land without an open space deed restriction and/or without specifically defining future development, FMERA staff believes that the RFOTP does not contain the required specificity to fulfill FMERA’s purpose to oversee the development of the Fort in “a manner that will promote, develop, encourage, and maintain employment, commerce, economic development, and the public welfare” as well as to “promote and advance the economic use of the facilities located at Fort Monmouth.” C.52:27I-24; and

WHEREAS, staff believes the issuance of a new RFOTP that provides further clarification regarding the highest and best use of the Property will generate responses that provide a defined and succinct redevelopment plan that is reflective of FMERA’s vision and provides clear evidence of the related economic and community impacts; and

WHEREAS, staff is requesting authority to issue a new RFOTP for the Tinton Falls Commercial Development Parcel in order to achieve FMERA’s goal of developing a well-defined, commercial project that is complementary to the surrounding uses and furthers the economic growth of Fort Monmouth, and the new RFOTP will place greater emphasis on

qualities necessary to achieve the type of redevelopment that was envisioned in the Reuse Plan and as a result of existing and on-going redevelopment and recommend that the proposals consider incorporating additional information as described in the attached memorandum; and

WHEREAS, the Real Estate Committee has reviewed the request to terminate the Tinton Falls Commercial Parcel Request for Offer to Purchase process and the issuance of a new RFOTP for the Tinton Falls Commercial Development Parcel and recommends it to the Board for approval.

THEREFORE, BE IT RESOLVED THAT:

1. The Authority approves: (i) authorizing FMERA staff to terminate the Offer to Purchase process with respect to the Tinton Falls Commercial Redevelopment Parcel in Fort Monmouth's Tinton Falls Reuse Area without awarding a purchase contract and return the deposits to the bidders; and (ii) authorize the issuance of the new Request for Offers to Purchase the Tinton Falls Commercial Development Parcel consistent with the objectives outlined above.

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: January 22, 2020

EXHIBIT 2

MEMORANDUM

TO: Members of the Board

FROM: Bruce Steadman
Executive Director

DATE: February 19, 2020

SUBJECT: Monthly Status Report

Summary

The following are brief descriptions of the Fort Monmouth Economic Revitalization Authority (FMERA) staff's monthly activities which include Treasurer's Report, Update on Utilities and Infrastructure; Update on the Fort Monmouth Redevelopment; Update on Marketing; and Action Items for Next Month.

Treasurer's Report

Staff is preparing the Authority's 2019 Annual Report for presentation to the Audit Committee with the audited financial statements, which serve as FMERA's Comprehensive Annual Report to meet the requirements of Executive Order No. 37 (2006). It is expected that a draft report and statements will be available for review in mid-March, and finals presented to the Board in April.

The Authority's independent auditors, CliftonLarsonAllen, LLP, have begun their audit of the Authority's 2019 operations. The auditors will report on the Authority's financial statements and accompanying notes, as well as report on the Authority's internal controls and compliance with Government Auditing Standards. Field work is scheduled to begin the week of February 24th.

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

The facilities, environmental, and maintenance teams continue to maintain the Fort through the winter months. Buildings slated for sale or reuse are regularly checked, sanitary lift stations are inspected weekly, and the electrical power is monitored to provide developers and customers the best possible service. FMERA is working with New Jersey American Water on the planning and design of two water main extensions along Route 537. We are also coordinating with the Two Rivers Water Reclamation Authority on sanitary corridors through the 400 area, and Jersey Central Power and Light regarding the future build-out of the electrical power grid. These infrastructure projects are critical to future sales and development. FMERA continues to work with the Army Corp. of Engineers on environmental concerns, the cleanup of carve-outs, and the landfill capping project. Facilities continues to assist developers with utility and environmental issues, and 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 nine properties:

- Officer Housing Parcels on January 13, 2017 with RPM Development, LLC. The company renovated the 116 historic housing units, creating 68 market-rate for sale units, and 48 rental units; twenty (20%) percent of the total units are available to low- and moderate-income households.
- Main Post Chapel on February 27, 2017 with Triumphant Life Assembly of God Church who purchased the approximately 16,372 sq. ft. building for use as a house of worship.
- Russel Hall on June 23, 2017 with TetherView Property Management, LLC, a private cloud computing services company who occupies the 40,000 sq. ft. building. Russel Hall currently houses a variety of businesses including tech companies, medical offices, and an architecture firm.
- 13-acre parcel on Murphy Drive on August 16, 2017, where the Borough of Oceanport 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 medically based fitness and wellness programs, and individualized 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, on April 24, 2019 with Family Promise of Monmouth County, an approximately 1.7-acre site, 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 Telecommunications Tower and adjacent land.
- Squier Hall Complex, on December 18, 2019 with KKF University Enterprises, LLC, an approximately 31-acre site. The developer has secured a commitment from New Jersey City University for use of the site as a satellite campus and anticipates opening in Fall 2020.

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

- Barker Circle, with Regional Development Group, LLC, 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.
- Allison Hall, with Fort Monmouth Business Center, LLC, a 13-acre parcel which includes the reuse of the historic building, as well as retail, office/research & development and open space/recreation uses.
- Lodging Area, with Somerset Development, LLC, a 15-acre site located on Parkers Creek, to be developed with up to 185 new and renovated housing units.
- Marina, with AP Development Partners, LLC, currently operating as a marina/public boat ramp and restaurant.
- Warehouse District, with OPort Partners, LLC, consisting of five general purpose administrative buildings and two warehouse buildings.
- Post Office Area, including the former Post Office; Tickets & Tours building; Building 800, and Building 801.
- Commissary, with OPort Partners, LLC, which includes the former Army supermarket, the Post Exchange (PX) complex, a series of four wood-frame buildings along with Building 812, and a 1000 Area Parking parcel, a 5± acre lot that will provide off-street parking for the buildings that adjoin it.
- Nurses Quarters, with RPM Development, LLC for the 24-unit residential complex on Main Street adjacent to the former Patterson Army Hospital.

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 executed or approved 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 continues to operate the course in the interim so it remains open to the public as the redevelopment progresses.
- Building 1123, a former general office building at Avenue of Memories and Wilson Avenue with an executed PSARA with the Borough of Eatontown for the reuse by the Borough's Department of Public Works.
- Bowling Center, an approximately 2.8-acre parcel including Building 689, a 20-lane bowling alley and Building 682, a 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:

- Expo Theater, an entertainment facility, 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

At tonight's meeting, the Board will be asked to approve a Purchase and Sale & Redevelopment Agreement with U.S. Home Corporation d/b/a Lennar Monmouth Developers, for Parcel B for the development of a mixed-use town center along Route 35 totaling approximately 250,000 sq. ft. of retail and 302 housing units.

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

- Fort Monmouth Recreation Center and Swimming Pool, with the Monmouth County Park System and being used for programs which include arts & crafts, sports, exercise classes and a variety of amenities including classrooms, gymnasium and a game room.
- Parcel F-3 with the Monmouth County Park System in conjunction with the adjacent Recreation Center and Swimming Pool. Located along Hope Road, the County has expanded its services and public open space amenities currently offered at the Recreation Center.
- Charles Wood Fire Station, transferring the property to Commvault Systems, Inc. for use as corporate office and training space.
- Parcel C1 with Lennar Corporation, planned for 45 new single-family homes.
- Parcel C with Lennar Corporation, approved for 243 residential units and up to 58,000 sq. ft. of retail development.

FMERA has approved or executed a contract on two properties in Tinton Falls:

- Fabrications Shops (Pinebrook Road Commerce Center), 45,000 sq. ft. of light industrial and flex office space buildings along Pinebrook Road for sale to Pinebrook Commerce Center, LLC, which is slated to close imminently.
- Parcel F-1 – Myer Center and Building 2705, an approximately 36-acre parcel in Tinton Falls where RWJ Barnabas Health (RWJBH) plans to create a health campus. On September 20, 2017, the Board approved a Purchase and Sale Agreement (PSA) with EDA for the parcel. On June 12, 2018, the EDA Board authorized the execution of an Agreement to Assign of the PSA among EDA, FMERA and RWJBH. 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 PSA between FMERA and EDA for the property. At the Authority's September 2018 meeting, the Board approved the First Amendment to the PSA and an Agreement and Assumption Agreement. At the March 2019 meeting, the Board approved the First Amendment to the Agreement to Assign for Parcel F-1. At the November 2019 meeting, the Board approved the Second Amendment to the Agreement to Assign for Parcel F-1.

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.

At the January 22nd Board meeting, the Board approved the closing out of the Offer to Purchase Process for the Tinton Falls Commercial Parcel and the Issuance of a New Request for Offers to Purchase. In order to achieve FMERA's goal of developing a well-defined, commercial project that is complementary to the surrounding uses and furthers the economic growth of Fort Monmouth, FMERA will be issuing a new RFOTP in February. The new RFOTP will place greater emphasis on those qualities necessary to achieve the type of redevelopment that was envisioned in the Reuse Plan and as a result of existing and on-going redevelopment.

3. Marketing Update

In late January, FMERA hosted a redevelopment showcase to discuss its vision for the 400 Area with prospective purchasers and related professionals. 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. Approximately 80 real estate and associated professionals attended. FMERA has made a copy of this presentation publicly available on our website. We are now in the process of finalizing the details of the Requests for Offers to Purchase, to be released in the coming weeks.

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



Bruce Steadman

Prepared by: Regina McGrade

Resolution Regarding
First Amendment to the Purchase and Sale & Redevelopment Agreement with RPM Development, LLC for
the Nurses Quarters in Oceanport

WHEREAS, on November 13, 2019, the Board authorized the execution of the PSARA between FMERA and RPM Development Group for the Nurses Quarters Property, 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; the PSARA was executed on January 14, 2020; and

WHEREAS, RPM's proposal for the Nurses Quarters calls for residential uses consisting of 34 residential units broken down into a mix of ten three to four-bedroom owner-occupied townhomes and the reuse of twenty-four (24) one- and two-bedroom apartments as rentals, and seven of the apartments will be designated affordable housing flats; and

WHEREAS, RPM will pay Two Million One Hundred and Fifty Thousand Dollars (\$2,150,000) for the property and shall have a total Capital Investment, net of the Purchase price, of Six Million Six Hundred Thousand Dollars (\$6,690,000); and

WHEREAS, pursuant to the terms of the PSARA, RPM was provided a sixty-day Due Diligence Period commencing on the Effective Date of the PSARA; and

WHEREAS, under the terms of the PSARA, Seller was to delivery to Purchaser a survey to be used during Due Diligence for Title review, but due to a delay in the delivery of the survey for the site, RPM has requested a Due Diligence extension of sixty days to complete its investigation of the suitability of the Property for redevelopment; and

WHEREAS, RPM is proceeding in good faith and therefore, FMERA staff requests a Due Diligence extension until May 14, 2020; and

WHEREAS, all other terms of the PSARA will remain unchanged. The attached First Amendment to the PSARA is in substantially final form. The final terms of the amendment will be subject to the approval of FMERA's Executive Director 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 RPM Development, LLC for the Nurses Quarters 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: February 19, 2020

EXHIBIT 1

MEMORANDUM

TO: Members of the Board

FROM: Bruce Steadman
Executive Director

RE: First Amendment to the Purchase and Sale & Redevelopment Agreement with RPM Development, LLC for the Nurses Quarters in Oceanport

DATE: February 19, 2020

Request

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

Background

On November 13, 2019, the Board authorized the execution of the PSARA between FMERA and RPM Development, LLC for the Nurses Quarters Property, 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. The Nurses Quarters were built in 1962 and include 24 residential units. The PSARA was executed on January 14, 2020.

RPM’s proposal for the Nurses Quarters calls 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. Seven (7) of the apartments will be designated affordable housing flats. The seven (7) affordable housing flats are subject to confirmation that they 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 will pay Two Million One Hundred and Fifty Thousand Dollars (\$2,150,000) for the property and shall have a total Capital Investment, net of the Purchase price, of Six Million Six Hundred Thousand dollars (\$6,690,000). Pursuant to the terms of the PSARA, RPM was provided a sixty (60) day Due Diligence Period commencing on the Effective Date of the PSARA. Per the terms of the PSARA, Closing will occur within thirty (30) days of satisfaction of the Conditions Precedent to Closing, which include RPM completing due diligence and 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. The parties will endeavor to satisfy these contingencies within twelve (12) months of expiration of the Due Diligence Period.



RPM will commence construction of the Project forty-five (45) days after the satisfaction of all Conditions Precedent to Closing. Purchaser shall complete construction of the Project no later than twenty-four (24) months from the Commencement of Construction. FMERA will have a right to repurchase the Property if construction is not timely commenced or completed. RPM estimates that it will create a minimum of thirty-eight (38) part- or full-time, temporary construction related jobs in connection with the Project. Purchaser represents that it will create or cause to be created a minimum of one (1) permanent full or part-time job by Project completion or pay a penalty of \$1,500 for each permanent job not created.

Due Diligence & Amendment

Under the terms of the PSARA, Seller was to deliver to Purchaser a survey to be used during Due Diligence for Title review. Due to a delay in the delivery of the survey for the site, RPM has requested a Due Diligence extension of sixty (60) days to complete its investigation of the suitability of the Property for redevelopment. RPM is proceeding in good faith and therefore, FMERA staff requests a Due Diligence extension until May 14, 2020.

All other terms of the PSARA will remain unchanged. The attached First Amendment to the PSARA is in substantially final form. The final terms of the amendment will be subject to the approval of FMERA's Executive Director and the Attorney General's Office. The Real Estate Committee has reviewed the request and recommends it to the Board for approval.

Recommendation

In summary, I am requesting that the Board approve the proposed First Amendment to the PSARA with RPM Development, LLC for an extension of the Due Diligence Period.



Bruce Steadman

Attachment: First Amendment to the Purchase and Sale & Redevelopment Agreement
Prepared by: Kara Kopach

ATTACHMENT

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



**Resolution Regarding
Purchaser and Sale & Redevelopment Agreement with U.S. Home Corporation d/b/a Lennar Monmouth
Developers for Parcel B in Eatontown**

WHEREAS, FMERA issued a Request for Offers to Purchase (“RFOTP”) in connection with the planned redevelopment of Parcel B in Eatontown on March 26, 2013. At the time, Parcel B was a 55.327-acre tract fronting on Route 35 in the Eatontown Reuse Area of the Main Post; and

WHEREAS, the Fort Monmouth Reuse and Redevelopment Plan (“Reuse Plan”) calls for the 480,000± sf of existing buildings to be demolished and replaced with up to 150,000 sf of retail and commercial uses and 302 housing units, 20% of which must be affordable to low- and moderate-income households, and this portion of Parcel B is a Phase One property and title to the 55.327-acre tract was transferred to FMERA in June 2014; and

WHEREAS, in February 2014, the Board authorized staff to issue a new RFOTP for Parcel B in order to meet the Reuse Plan’s goal of creating a lifestyle town center that blends residential use with retail use in a pedestrian friendly manner, resulting in an exciting and attractive gateway to the Fort, and the new RFOTP placed greater emphasis on qualities necessary to achieve the type of “vibrant pedestrian environment” and “exciting gateway” into the Fort that was envisioned in the Reuse Plan, and for owner-occupied housing; and

WHEREAS in January 2015, the Board authorized staff to add 22 acres to Parcel B, which increased the potential buildout of retail and/or commercial development on the parcel, while keeping the number of housing units at 302, and the new RFOTP added another 12 acres including Mallette Hall as an optional component, for a total expansion of up to ±34 acres. On February 10, 2015, FMERA issued the RFOTP for the expanded Parcel B; and

WHEREAS, the Promenade at Fort Monmouth, a proposal submitted by Paramount Realty Services, Inc., received the highest score on the newly issued RFOTP, and following the Board’s authorization at the February 2016 meeting, FMERA and Paramount entered into an Exclusive Negotiations Agreement on October 3, 2016; and

WHEREAS, at the February 2017 meeting, the Members authorized the execution of a PSARA with Paramount for Parcel B; however, on February 15, 2018, Paramount withdrew its proposal and FMERA began negotiations with the second highest bidder, Lennar; and

WHEREAS, Lennar’s proposal calls for a total of 302 residential units broken down as 241 market rate units and 61 affordable housing units, and approximately 243,800 sf (but no less than 150,000 sf) of commercial space comprised of a mix of medium and small boxes and pad sites, along with a multi-purpose trail; and

WHEREAS, Lennar will have the flexibility to increase the amount of the retail space in the Retail Phase so long as adequate parking can be provided; and the retail development on the Property will be high quality, convenient, and pedestrian-friendly to create an inviting destination which will feature national, regional, and local specialty stores and restaurants in a town center format with ample and accessible parking; and

WHEREAS, the Property will be transformed into an exciting and attractive gateway into the Fort Monmouth redevelopment area by developing a live-work-play community and feature open space for seasonal community events and gatherings, landscaping and improved streetscapes, and provide connectivity between the Retail Phase and Residential Phase components and will be visually defined through a combination of architectural features, paving materials, creative use of water retention/detention basins, and other design features commonly found in upscale, town center retail developments; and

WHEREAS, that while the RFOTP specified a parcel size of up to 89 acres, FMERA has since deeded land to the County of Monmouth for the dedication of Avenue of Memories/Route 537 Extension as a public right of way; with the subtraction of the land associated with the Mallette Hall optional parcel, Parcel B's net land area now totals approximately 73 acres; and

WHEREAS, negotiations with Lennar have resulted in the following terms: Lennar will pay \$18.5 million for the property; pursuant to FMERA's June 25, 2012 EDC Agreement with the Army, FMERA will receive 40% of the net sale proceeds from the Phase 1 portion of the property, with the Army receiving the remainder, and FMERA will receive all net proceeds from the Phase 2 portion of the property; and

WHEREAS, closing will occur within 45 days after satisfaction of the conditions precedent to closing as described in the attached memorandum; and

WHEREAS, Parcel B contains environmental carve-out areas that are still Army-owned. The Army is in the process of pursuing a No Further Action ("NFA") determination from the NJDEP for one carve-out, Parcel 44, which Lennar may opt to not to take title to all or a portion of Parcel 44 at a subsequent closing, but shall notify FMERA of its decision whether to acquire Parcel 44 within sixty days of the Army's receipt of an NFA; and

WHEREAS, FMERA will be obligated to contribute up to \$250,000 in remediation costs if additional environmental issues that were not caused by Purchaser or covered under the Army's obligations under CERCLA are discovered after due diligence but prior to the end of demolition; and

WHEREAS, should FMERA be unable to convey the Property in accordance with the terms of the Agreement, Purchaser shall be entitled to liquidated damages in the amount of Five Hundred Thousand Dollars (\$500,000.00).

WHEREAS, Lennar will commence demolition of the ±1 million sf of existing buildings no later than thirty days after closing and complete demolition phase within 12 months; and construction of the residential phase of the Project will commence within three months after completion of demolition and will complete construction of all Affordable homes and fifty percent of other homes within thirty-six months after completion of demolition; and Purchaser will Complete the balance of the Homes within sixty months after Completion of Demolition; and

WHEREAS, Lennar will commence construction of the Retail Phase of the Project no later than three months after completion of demolition and will complete fifty percent of core and shell and site improvements within eighteen months of completion of demolition; and Purchaser shall complete the balance of the Retail Phase within thirty months of the completion of demolition, and the Seller may grant a twelve-month extension of the thirty-month period to complete the balance of the Retail Phase so long as Purchaser is actively developing the Retail Phase and marketing the Project; and

WHEREAS, Lennar will be responsible for extending (or reimbursing FMERA for extending) a water main from the Avenue of Memories and Wilson Avenue to the Property's southeastern corner boundary to NJAW's existing main in Route 35 either by installing a new main along the Avenue of Memories in coordination with NJAW or looping a sufficiently sized main through the Property to the existing water main in Route 35 in coordination with NJAW. Purchaser will also be responsible, at Purchaser's cost and expense, for connecting the Property to the Eatontown Sewerage Authority's sanitary sewer interceptor in the vicinity of Mill Creek and Avenue of Memories by either repairing and reusing the existing Army sewer main or installing a new main, subject to the consent and approval of the Eatontown Sewerage Authority; and

WHEREAS, Lennar shall also be responsible for the cost of bringing electric service into the Property from Route 35 in coordination with JCP&L, and will convey at no cost to JCP&L either: (i) a site for an electric substation in the general vicinity of the former substation and an easement from the new substation to the eastern boundary of the property for the purpose of continuing the electrical supply to the east; or (ii) should JCP&L determine that a new substation is not necessary, a distribution line and easement over the Property from Route 35 to its southeastern boundary to all the abutting developments to access the distribution line; and

WHEREAS, FMERA and Lennar will jointly pursue NJDOT Highway Access Permits for the proposed development and FMERA will contribute up to \$200,000 toward the costs of roadway improvement (that do not abut the Property but are required) in connection with an anticipated NJDOT developer's agreement; and

WHEREAS, based on the redevelopment provisions of the PSARA between FMERA and Lennar, FMERA staff concludes that the essential elements of a redevelopment agreement between FMERA and Lennar are sufficiently addressed. The attached PSARA is in substantially final form. The final terms of the PSARA 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 Purchase and Sale & Redevelopment Agreement for Parcel B and recommends it to the Board for approval.

THEREFORE, BE IT RESOLVED THAT:

1. The Authority approves the selection of U.S. Home Corporation, d/b/a Lennar Monmouth Developers for Parcel B in Eatontown on terms substantially consistent to those set forth in the attached memorandum and the attached Purchase and Sale & 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 Lennar Monmouth Developers 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: February 19, 2020

EXHIBIT 2

MEMORANDUM

TO: Members of the Board

FROM: Bruce Steadman
Executive Director

RE: Purchase and Sale & Redevelopment Agreement with U.S. Home Corporation d/b/a Lennar Monmouth Developers for Parcel B in Eatontown

DATE: February 19, 2020

Request

I am requesting that the Board approve the execution of a Purchase and Sale & Redevelopment Agreement (“PSARA”) with U.S. Home Corporation d/b/a Lennar Monmouth Developers (“Lennar”) for Parcel B in the Eatontown section of the Main Post.

Background

FMERA issued a Request for Offers to Purchase (“RFOTP”) in connection with the planned redevelopment of Parcel B in Eatontown on March 26, 2013. At the time, Parcel B was a 55.327-acre tract fronting on Route 35 in the Eatontown Reuse Area of the Main Post. The Fort Monmouth Reuse and Redevelopment Plan (“Reuse Plan”) calls for the 480,000± sf of existing buildings to be demolished and replaced with up to 150,000 sf of retail and commercial uses and 302 housing units, 20% of which must be affordable to low- and moderate-income households. This portion of Parcel B is a Phase One property in FMERA’s June 25, 2012 Economic Development Conveyance Agreement with the Army. Title to the 55.327-acre tract was transferred to FMERA in June 2014.

In February 2014, the Board authorized staff to issue a new RFOTP for Parcel B in order to meet the Reuse Plan’s goal of creating a lifestyle town center that blends residential use with retail use in a pedestrian friendly manner, resulting in an exciting and attractive gateway to the Fort. The new RFOTP placed greater emphasis on qualities necessary to achieve the type of “vibrant pedestrian environment” and “exciting gateway” into the Fort that was envisioned in the Reuse Plan. Additionally, the new RFOTP provided greater emphasis and weight to proposals that reflected the preference of FMERA and the Borough of Eatontown for owner-occupied housing.

In January 2015, the Board authorized staff to add 22 acres to Parcel B, which increased the potential buildout of retail and/or commercial development on the parcel, while keeping the number of housing units at 302. The new RFOTP added another 12 acres including Mallette Hall as an optional component, for a total expansion of up to ±34 acres. On February 10, 2015, FMERA issued the RFOTP for the expanded Parcel B.

The Promenade at Fort Monmouth, a proposal submitted by Paramount Realty Services, Inc., received the highest score on the newly issued RFOTP. Following the Board’s authorization at the February 2016 meeting, FMERA and Paramount entered into an Exclusive Negotiations Agreement on October 3, 2016. At the February 2017 meeting, the Members authorized the execution of a PSARA with Paramount for Parcel B. On February 15, 2018, Paramount withdrew its proposal and FMERA began negotiations with the second highest bidder, Lennar.

Project Description

Lennar's proposal calls for a total of 302 residential units broken down as 241 market rate units and 61 affordable housing units, and approximately 243,800 sf (but no less than 150,000 sf) of commercial space comprised of a mix of medium and small boxes and pad sites (which may include without limitation any combination of retail, approximately 40,000 square feet of second-floor office space, mixed-use, hospitality, and entertainment), along with a multi-purpose trail.

Lennar will have the flexibility to increase the amount of the retail space in the Retail Phase so long as adequate parking can be provided; however, this provision shall in no way constitute a waiver of any approvals required under the Land Use Regulations. The retail development on the Property will be high quality, convenient, and pedestrian-friendly to create an inviting destination which will feature national, regional, and local specialty stores and restaurants in a town center format with ample and accessible parking. The Property will be transformed into an exciting and attractive gateway into the Fort Monmouth redevelopment area by developing a live-work-play community and feature open space for seasonal community events and gatherings, landscaping and improved streetscapes, and provide connectivity between the Retail Phase and Residential Phase components. The center of the Retail Phase will be visually defined through a combination of architectural features, paving materials, creative use of water retention/detention basins, and other design features commonly found in upscale, town center retail developments.

Note that while the RFOTP specified a parcel size of up to 89 acres, FMERA has since deeded land to the County of Monmouth for the dedication of Avenue of Memories/Route 537 Extension as a public right of way. FMERA completed this dedication in October 2016 in connection with its Phase 2 closing with the Army. Further, subtracting the land associated with the Mallette Hall optional parcel, Parcel B's net land area now totals approximately 73 acres.

Purchase and Sale & Redevelopment Agreement

FMERA staff is pleased to report that negotiations with Lennar have resulted in the following terms. Lennar will pay \$18.5 million for the property. Pursuant to FMERA's June 25, 2012 Economic Development Conveyance Agreement with the Army, FMERA will receive 40% of the net sale proceeds from the Phase 1 portion of the property, with the Army receiving the remainder, and FMERA will receive all net proceeds from the Phase 2 portion of the property. Closing will occur within 45 days after satisfaction of the conditions precedent to closing. Conditions precedent to closing include: Lennar obtaining or waiving all approvals necessary to develop the project; receipt of title to ECP 38, ECP 102A, ECP 102B, Parcel 106 and Parcel 107; a final remediation document from either the New Jersey Department of Environmental Protection 1 for ECP 38, ECP 102A, ECP 102B, Parcel 106 and Parcel 107; an amendment to the Reuse Plan to accommodate the project; all signatures to the Subdivision Map as shall be necessary to allow Purchaser to record the map immediately following the recordation of the Deed; and the consent of the NJEDA Board. The parties will endeavor to complete the Reuse Plan amendment within approximately six months of receiving Lennar's Final Conceptual Site Plan. Lennar will then have 18 months to obtain all approvals. This period may be extended for an additional six months if Lennar has not obtained required approvals within the initial timeframe. FMERA will convey the property in as-is condition, but with clear title and subject to the Army's on-going obligations under CERCLA to address any pre-existing contamination that may exist on the property. Additionally, should FMERA be unable to convey the Property in accordance with the terms of the PSARA, Purchaser shall be entitled to liquidated damages in the amount of Five Hundred Thousand Dollars (\$500,000.00).

Parcel B contains environmental carve-out areas that are still Army-owned. The Army is in the process of pursuing a No Further Action ("NFA") determination from the New Jersey Department of Environmental Protection for one carve-out, Parcel 44. If the NFA is not obtained by the closing date, FMERA may convey the environmental carve-out to Lennar at a subsequent closing unless Lennar opts not to take title to all or a portion of Parcel 44. Lennar shall notify FMERA of its decision whether to acquire Parcel 44 within sixty (60) days of the Army's receipt of an NFA. FMERA will be obligated to contribute up to \$250,000 in remediation costs if additional environmental issues that were not caused by Purchaser or covered under the Army's obligations under CERCLA are discovered after due diligence but prior to the end of demolition.

The project will consist of residential and commercial components with an overall development cost of at least \$125 million, comprised of 302 residential units broken down as 241 market rate units and 61 affordable housing units; and approximately 243,800 sf. (but no less than 150,000 sf.) of retail space including a mix of medium and small boxes and pad sites and a multi-purpose trail.

Lennar will commence demolition of the ±1 million sf of existing buildings no later than thirty (30) days after closing and complete demolition phase within 12 months. Construction of the Residential Phase of the Project will commence within three (3) months after completion of demolition and will complete construction of all Affordable homes and fifty percent (50%) of other homes within thirty-six (36) months after completion of demolition. Purchaser will Complete the balance of the Homes within sixty (60) months after Completion of Demolition. The Seller may grant a twelve (12) month extension of the 60-month period to complete the balance of the homes so long as Purchaser is actively developing the Residential Phase and marketing the Project.

Lennar will commence construction of the Retail Phase of the Project no later than three (3) months after completion of demolition and will complete fifty percent (50%) of core and shell and site improvements within eighteen (18) months of completion of demolition. Purchaser shall complete the balance of the Retail Phase within thirty (30) months of the completion of demolition. The Seller may grant a twelve (12) month extension of the thirty-month period to complete the balance of the Retail Phase so long as Purchaser is actively developing the Retail Phase and marketing the Project.

Lennar will be responsible for extending (or reimbursing FMERA for extending) a water main from the Avenue of Memories and Wilson Avenue to the Property's southeastern corner boundary to NJAW's existing main in Route 35 either by installing a new main along the Avenue of Memories in coordination with NJAW or looping a sufficiently sized main through the Property to the existing water main in Route 35 in coordination with NJAW. Purchaser will also be responsible, at Purchaser's cost and expense, for connecting the Property to the Eatontown Sewerage Authority's sanitary sewer interceptor in the vicinity of Mill Creek and Avenue of Memories by either repairing and reusing the existing Army sewer main or installing a new main, subject to the consent and approval of the Eatontown Sewerage Authority. Lennar shall also be responsible for the cost of bringing electric service into the Property from Route 35 in coordination with JCP&L, and will convey at no cost to JCP&L either: (i) a site for an electric substation in the general vicinity of the former substation and an easement from the new substation to the eastern boundary of the property for the purpose of continuing the electrical supply to the east; or (ii) should JCP&L determine that a new substation is not necessary, a distribution line and easement over the Property from Route 35 to its southeastern boundary to all the abutting developments to access the distribution line. FMERA and Lennar will jointly pursue NJDOT Highway Access Permits for the proposed development and FMERA will contribute up to \$200,000 toward the costs of roadway improvement (that do not abut the Property but are required) in connection with an anticipated New Jersey Department of Transportation (NJDOT) developer's agreement.

Based on the redevelopment provisions of the PSARA between FMERA and Lennar, FMERA staff concludes that the essential elements of a redevelopment agreement between FMERA and Lennar are sufficiently addressed. The attached PSARA is in substantially final form. The final terms of the PSARA will be subject to the approval of FMERA's Executive Director and the Attorney General's Office. The Real Estate Committee has reviewed the request and recommends it to the Board for approval.

Recommendation

In summary, I am requesting that the Board authorize the execution of a Purchase and Sale & Redevelopment Agreement with U.S. Home Corporation d/b/a Lennar Monmouth Developers for Parcel B in Eatontown.

Bruce Steadman

Bruce Steadman

Attachment: Purchase and Sale & Redevelopment Agreement

ATTACHMENT

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

