

NOTE:

Below is a Dial-In number for access to the June 17th Board meeting. If you wish to participate in the FMERA Board meeting, please use this call-in procedure:

Dial In: 888-431-3598

Access Code: 1123026

TO: Members of the Board

FROM: Bruce Steadman
Executive Director and Secretary

DATE: June 17, 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 Reinstated Amendment and Merger to Purchase and Sale & Redevelopment Agreement with OPort Partners, LLC for the Commissary & PX Complex, the Parking Lot, the Warehouse District and Post Office Area and Oceanport.
2. Consideration of Approval of the Second Amendment to the Purchase and Sale & Redevelopment Agreement with Barker Circle Partnership, LLC for Barker Circle in Oceanport.
3. Consideration of Approval of Issuance of Fort Monmouth Special Liquor License Letter of Consent for the Dance Hall aka The Park Loft in Oceanport.
4. Consideration of Approval of Consent to adoption of Redevelopment Plan Amendment #13 to the Fort Monmouth Reuse and Redevelopment Plan” (“Redevelopment Plan”) by the Borough of Oceanport within the Boundaries of Oceanport.
5. Consideration of Approval of Transmittal to Host Municipalities of Proposed Plan Amendment #15 Permitting an Alternative Development Scenario with respect to the Commissary and PX Complex, the Parking Lot, the Warehouse District, and the Post Office Area in Oceanport.

12. **Other Items**

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

- Responses to questions submitted online or in writing

14. **Adjournment**

MEMORANDUM

TO: Members of the Board

FROM: Bruce Steadman
Executive Director

DATE: June 17, 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

With the close of the second quarter on June 30th, FMERA staff will begin preparing the financial and operational summary for the first half of 2020. Staff will be meeting to assess the first six months of 2020 and assess the performance against the 2020 organization goals. FMERA's 2019 Comprehensive Annual Report, approved by the Board at the May meeting, has been issued, distributed and posted to the Authority's website in accordance with Executive Order No. 37.

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

The facilities, environmental, and maintenance teams continue to maintain the fort through the Covid-19 situation utilizing safe practices and health guidelines.

Facilities is currently working on the following projects:

- An investigation of the underground course of storm water in Oceanport.
- Planning the installation of a 24" water main extension along Avenue of Memories by New Jersey American Water
- Planning the installation of an 8" water main extension from College Avenue in Eatontown, to Wilson Avenue, to Avenue of Memories
- A Two Rivers Water Reclamation Authority force main extension in the 400 area
- Sanitary main extension on North Drive to serve the Bowling Center and development west to Route 35.

FMERA is currently working with the Army Corps. of Engineers on the following:

- The Group 2 Deed, which includes 11 environmental carve-out parcels for a total of 17.722 acres, is with the Army for signature.
- The Group 3 FOST, which includes 10 environmental carve-out parcels for a total of 9.284 acres, was signed by James Briggs, Chief of the Operation Branch, BRAC Division, on May 4, 2020.
- A draft Group 3 Deed was received by the FMERA on June 8, 2020 for review.
- The Group 4 Deed is expected to be completed by December.

Buildings slated for sale or reuse are regularly checked. The heating systems in inactive buildings have been shut down. Sanitary lift stations and generators are inspected weekly, and we closely monitor the fort's electrical power system. Facilities continues to assist developers, and supports the real estate development team with RFOTP's, MCR's, 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:

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

In **Eatontown**, FMERA has executed or approved contracts on the following five 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.
- Sunegles 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.
- 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 where FMERA executed a PSARA with U.S. Home Corporation d/b/a Lennar Monmouth Developers.

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

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.

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

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

Proposals were due on May 11th and two proposals were received. An evaluation committee has reviewed the proposals and will be meeting with the lead proposer.

3. Marketing Update

FMERA continues to engage with leads and prospective purchasers via teleconference as the team navigates the challenges of COVID-19. FMERA remains focused on its mission and will continue to market its two largest remaining parcels, the 400 Area and the McAfee Center; however, the release of the associated Requests For Offers to Purchase may be delayed. FMERA is closely monitoring on-going projects and providing additional support to its developers to ensure the successful redevelopment of properties currently under contract.

FMERA's 2019 Annual Report was distributed via email and is now available for review on our website. Please take a moment to review our progress over the year.

FMERA would also like to take a moment to recognize Flag Day, which took place Sunday, June 14th. Although our annual ceremony was not held, we hope you had an opportunity to review our photos from years past in the spring newsletter. In celebration of the flag, we extend our heartfelt thanks to our service men and women and wish the Army a Happy 245th birthday.

Our team continues to work remotely and is available during normal business hours via email and cell phone. Please sign-up for our email list and visit our website, www.fortmonmouthnj.com, for the latest updates regarding our operations.

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

will permit Flex Space, Medical Office, Office, and Research & Development. The Property uses have been modified to remove community business.

5. Project Schedule:

- a. Purchaser will commence construction for Phase I within thirty (30) days of receipt of all applicable permits; Purchaser will Complete construction within Twenty-Four (24) months of Closing if Purchaser closes by September 30, 2020 and within Eighteen (18) months of Closing if Purchaser closes after September 30, 2020.
- b. Purchaser shall commence Phase II within thirty (30) days of receipt of all applicable approvals; Purchaser will Complete Phase II within Forty-eight (48) months of the Closing if Purchaser closes by September 30, 2020 and within thirty-six (36) months of Closing if Purchaser closes after September 30, 2020. If Purchaser closes pursuant to Section 8(c)(2), Purchaser shall complete any three buildings of Phase II within 18 months of Closing in order demonstrate good faith progress.
- c. If Purchaser elects not to complete the Project in phases, Purchaser will commence construction on the Project within thirty (30) days of receipt of all applicable permits; Purchaser will Complete construction of the Project within forty-eight (48) months of Closing if Purchaser closes by September 30, 2020 and within thirty-six (36) months of Closing if Purchaser closes after September 30, 2020.

6. Due Diligence Period: The Due Diligence Period is hereby extended until August 22, 2020.

7. Conditions Precedent to Closing now include the following:

- a. Seller using all reasonable efforts to provide Purchaser with an access agreement from the Army for the remaining environmental carveouts.
- b. At or prior to closing, Seller shall convey the western side of Rasor/Ansen Avenue for no consideration to the Purchaser as a private access drive or to the Borough of Oceanport for dedication.

All other material terms of the PSARA as presented to the Real Estate Committee and the Board will remain unchanged.

The attached Reinstated Amendment and merger to PSARA was transmitted to the Real Estate Committee on June 16th and is in DRAFT form. The final terms of the amendment will be subject to the approval of FMERA's Executive Director, Oport and the Attorney General's Office.

Recommendation

In summary, I am requesting that the Board approve the Reinstated Amendment and Merger to Purchase and Sale & Redevelopment Agreement with OPort Partners, LLC for the Warehouse, Post Office, Commissary/PX & the Parking Lot in Oceanport

Bruce Steadman

Prepared by: Kara Kopach

**Resolution Regarding
Reinstated Amendment and Merger to Purchase and Sale & Redevelopment Agreement with OPort Partners,
LLC for the Warehouse, Post Office, Commissary/PX & the Parking Lot in Oceanport**

WHEREAS, at the December 2017 meeting, staff recommended, and the Board approved the issuance of three separate Request for Offers to Purchase (“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, since all of these parcels were in close proximity to one another and to facilitate proposals of the highest and best use, the RFOTP scoring provided additional consideration to parties who proposed to purchase multiple parcels. Additionally, parties bidding on the Commissary & PX and/or the Warehouse District had the option of also bidding on the Parking Area and received additional scoring consideration over bidders on those parcels who elected not to bid on the Parking Area; and

WHEREAS, FMERA received five proposals for the Commissary and PX Parcels, four proposals for the Post Office Area and five proposals for the Warehouse District in response to its May 8, 2018 RFOTP. Following the evaluation and scoring process, OPort was selected as the highest-scoring potential Purchaser of two of the three parcels, the Warehouse District and the Post Office Area. Although OPort included an offer for the 1000 Area Parking, the Commissary & PX Complex, another proposer scored highest in conjunction with its proposed use for the Commissary & PX Complex. Therefore, the evaluation committee recommended proceeding with negotiations with OPort for a PSARA for the Warehouse and Post Office Parcels only. The PSARA for the Post Office and Warehouse Parcels was approved by the Board at its July 17, 2019 (“Warehouse PSARA”) meeting and executed by FMERA and OPort on September 16, 2019; and

WHEREAS, on October 11, 2019, the highest-scoring potential Purchaser for the Commissary and PX Parcels and 1000 Area Parking terminated its negotiations for the Commissary and PX Parcels and 1000 Area Parking. As OPort was the second highest score, FMERA initiated negotiations with OPort for these parcels. The PSARA for the Commissary/PX and Parking Lot (“Commissary PSARA”) was approved by the Board at its November 13, 2019 meeting and executed by FMERA and OPort on February 5, 2020; and

WHEREAS, under the terms of the Warehouse PSARA, Purchaser proposed to demolish all of the existing buildings and use the Warehouse Parcel for Class A office buildouts, and Post Office for additional Class A office buildouts. Purchaser was to pay One million nine hundred and fifty thousand (\$1,950,000.00) dollars for the property and invest a total of thirty-one million four hundred and forty-three thousand and seven hundred and fifty (\$31,443,750) dollars into the Project. Twelve million nine hundred thousand (\$12,900,000.00) dollars as the Post Office Area and eighteen million five hundred and forty-three thousand and seven hundred and fifty (\$18,543,750.00) dollars as to the Warehouse District. OPort was provided a sixty-day Due Diligence period commencing on the effective date of the PSARA and had thirty days to apply and diligently pursue approvals following the later to the occur of the final and non-appealable amendment to the Reuse Plan or completion of Due Diligence; and

WHEREAS, its Approval period was for fourteen months with an optional six-month extension. The Project was to be completed within eighteen months after completion of demolition and site work not to exceed twenty-two months after closing on the Property. Closing(s) on the Property shall occur within thirty days after satisfaction or waiver of the Conditions Precedent to Closing as described in the attached memorandum; and

WHEREAS, under the terms of the Commissary PSARA, Purchaser proposed to reuse the remaining Commissary building for a commercial building and to demolish all the remaining buildings. The site would ultimately serve as an enrichment center incorporating a provision for food service, a culinary school, crafts production, arts adaption, etc., Purchaser was to pay three million (\$3,000,000.00) dollars for the property and invest a total of twenty-three million (\$23,000,000.00) dollars into the Project. OPort was provided a sixty-day Due Diligence period commencing on the effective date of the PSARA and had two additional thirty-day due diligence

extensions. Its Approval period was for fourteen months with an optional six-month extension. The Project was to be completed twenty-seven months after closing on the Property. Closing(s) on the Property was to occur within thirty days after satisfaction or waiver of the Conditions Precedent to Closing as described in the attached memorandum; and

WHEREAS, after OPort was awarded both the Warehouse and Commissary PSARAs, OPort submitted to staff that the highest and best use for the two parcels was to merge the Post Office, Parking Lot and Commissary/PX parcels for one cohesive parcel to encompass Class A office space which can support both general and food related research uses and flex space as ancillary related product storage and distribution in support of other primary uses. This merger will also serve as a support to the Commissary space which shall serve as an enrichment center incorporating a provision for food services, a culinary school, crafts production, arts adaptation (including music and art facilities for enrichment learning for all ages) as well as the display of art. The complex may also potentially include retail, office, entertainment, research and development. This merger simplifies land use planning and land use compliance. In order to facilitate this merger, timelines including Due Diligence, Approval Period, Reuse Plan Amendment, and Closing between the Warehouse and Commissary Parcels need to be standardized; and

WHEREAS, while the Warehouse parcel will remain a standalone parcel, as is separated due to the JCP&L owned right of way which intersects the parcels, the timelines for the Warehouse Parcel have been brought into alignment within this amendment; and

WHEREAS, due to COVID-19 related delays in closings for various Fort properties, FMERA negotiated a six hundred thousand (\$600,000.00) Purchase Price reduction with Purchaser in exchange for an expedited closing by September 30, 2020 in which OPort has agreed to close without receiving All Approvals. This early closing will allow FMERA to continue to meet its financial obligations for 2020. If Purchaser does not close on the Property by September 30, 2020, OPort must pay the original Purchase Price of Four Million Nine Hundred and Fifty Thousand (\$4,950,000.00) dollars. The reduced purchase price remains above the required minimum bids threshold as required under the RFOTPs; and

WHEREAS, FMERA staff reviewed the impact of reduced purchase price on OPort's score under the RFOTP process. OPort is the only remaining bidder who submitted bids for all four properties. Arrow Holdings is the only other remaining bidder; however, even with the adjusted Purchase Price, OPort remains the highest scored project for the site; and

WHEREAS, due to delays in due diligence activities based on previously undiscovered environmental items and COVID-19 delays, Purchaser conditionally terminated the Warehouse PSARA by letter dated April 22, 2020 with the hope that FMERA would provide an extension to the Due Diligence Period to complete additional environmental testing. Due to delays in due diligence activities based on existing environmental and building items and COVID-19 delays, Purchaser conditionally terminated the Commissary PSARA by letter dated June 5, 2020 with the hope that FMERA would provide an extension to the Due Diligence Period to completed additional environmental testing and building inspection. FMERA agreed that for both extensions as OPort was working in good faith during the Due Diligence Period and was entitled to additional time to investigate the site. Therefore, under the terms of this modification, the Reinstatement and Merger will allow for a Due Diligence Period extension until August 22, 2020; and

WHEREAS, on May 20, 2020, the FMERA Board approved a Rule Modification under of Executive Order 103 ("EO 103") for Purchase and Sale & Redevelopment Agreements ("PSARAs"), that allows COVID-impacted development projects with purchase prices over \$2,000,000 or an aggregate purchase price of \$2,000,000 for all the Developer's projects to request the return of its 10% deposit, as defined under N.J.A.C. 19:31C-2.7(b); and

WHEREAS, on June 2, 2020, OPort submitted a request to FMERA via certification, requesting the release of its 10% deposit due to increased costs and time delays in the due diligence investigations of the property, suspension of all non-essential development work, increased Company carrying costs and increased professional costs to account for accelerated performance timelines as significant hurdles to the project's development which has created a COVID-19 financial hardship; and

WHEREAS, the release of the 10% deposit will be used to fund remaining environmental due diligence and associated engineering, legal and consulting fees, and to Support the Company's main business payroll, utilities, rental and mortgage payments other qualified business expenses.

WHEREAS, the attached reinstatement, amendment and merger to the PSARA includes revisions to material terms as described in the attached memorandum; and

WHEREAS, all other material terms of the PSARA as presented to the Committee and the Board will remain unchanged. The attached Reinstated, Amended, and Merged Amendment to PSARA is not in substantially final form. The final terms of the amendment will be subject to the approval of FMERA's Executive Director, Oport and the Attorney General's Office. The Real Estate Committee has reviewed the request and recommends it to the Board for approval.

THEREFORE, BE IT RESOLVED THAT:

1. The Authority approves the Reinstated Amendment and Merger to Purchase and Sale & Redevelopment Agreement with OPort Partners, LLC for the Warehouse, Post Office, Commissary/PX & the Parking Lot in Oceanport on terms substantially consistent to those set forth in the attached memorandum and with final terms acceptable to the Executive Director and the Attorney General's Office and authorizes the Executive Director to execute the Agreement.

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

Attachment

Dated: June 17, 2020

EXHIBIT 1

MEMORANDUM

TO: Members of the Board

FROM: Bruce Steadman
Executive Director

RE: Reinstated Amendment and Merger to Purchase and Sale & Redevelopment Agreement with OPort Partners, LLC for the Warehouse, Post Office, Commissary/PX & the Parking Lot in Oceanport

DATE: June 17, 2020

Request

I am requesting that the Board approve this Reinstated Amendment and Merger to the Purchase and Sale & Redevelopment Agreement (“PSARA”) with OPort Partners, LLC (“OPort” or “Purchaser”), for the Warehouse, Post Office, Commissary/PX & the Parking Lot in the Oceanport section of Fort Monmouth.

Background

1. Requests for Offers to Purchase (“RFOTP”)

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.

- a. The Commissary & PX Parcel consists of the 53,700± sf Commissary, completed in 1998 and the Post Exchange (PX) complex, a series of four circa 1970 wood-frame buildings totaling 45,626± sf, along with Building 812, a 5,563± sf building constructed in 1941. The Reuse Plan envisions the Commissary as a future retail building that could serve the residential and commercial occupants of the Oceanport Education/Mixed-Use Neighborhood. Reuse Plan Amendment #2 envisions the demolition of both the PX and Building 812 for future low- and medium-density housing, along with ancillary open space. Due to an altered surrounding landscape and renewed interest in the Commissary and the PX for reuse as office/R&D space, active recreation or for other commercial uses, staff recommended, and the Board approved broadening the allowable uses for the Commissary site to include more appropriate and potentially higher uses. These additional uses would require a Reuse Plan amendment.
- b. The Warehouse District consists of five general purpose administrative buildings (Buildings 909, 910, 911, 912 & 913) constructed in 1943 and two circa 1954 warehouse buildings (975 and 976) totaling 77,589± sf. The 7.7± acre Warehouse District is bounded by Rasor Avenue, Murphy Drive and the Monmouth County Emergency Homeless Shelter. All seven buildings are contemplated for demolition in the Reuse Plan and Plan Amendment #2, to be replaced by new housing. Given the institutional uses that will now lie to the east and south of this parcel, staff recommended that the Warehouse District property should be offered through the Request for Offers to Purchase (“RFOTP”) process for commercial, active recreation or office/R&D use rather than residential use, and the existing improvements should be demolished. These uses would require a Reuse Plan amendment.

- c. 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 property is zoned for institutional use in the Reuse Plan, as the anticipated site for a new Oceanport elementary school.

The parcel includes the 7,641± sf former Post Office (Building 1005), constructed in 1971; Tickets & Tours (Building 1010), a 2,600± sf building constructed in 1970; Building 800, a 14,964± sf administration and classroom building dating to 1942; and Building 801, the 9,267± sf recreation equipment checkout facility built in 1941.

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

- d. 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 that provided off-street parking for the buildings that adjoin it. 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.

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

FMERA received five (5) proposals for the Commissary and PX Parcels, four (4) proposals for the Post Office Area and five (5) proposals for the Warehouse District in response to its May 8, 2018 Requests for Offers to Purchase (RFOTP). Following the evaluation and scoring process, OPort was selected as the highest-scoring potential Purchaser of two of the three parcels, the Warehouse District and the Post Office Area. Although OPort included an offer for the 1000 Area Parking, the Commissary & PX Complex, another proposer scored highest in conjunction with its proposed use for the Commissary & PX Complex. Therefore, the evaluation committee recommended proceeding with negotiations with OPort for a PSARA for the Warehouse and Post Office Parcels only. The PSARA for the Post Office and Warehouse Parcels was approved by the Board at its July 17, 2019 (“Warehouse PSARA”) meeting and executed by FMERA and OPort on September 16, 2019.

On October 11, 2019, the highest-scoring potential Purchaser for the Commissary and PX Parcels and 1000 Area Parking terminated its negotiations for the Commissary and PX Parcels and 1000 Area Parking. As OPort was the second highest score, FMERA initiated negotiations with OPort for these parcels. The PSARA for the Commissary/PX and Parking Lot (“Commissary PSARA”) was approved by the Board at its November 13, 2019 meeting and executed by FMERA and OPort on February 5, 2020.

Warehouse PSARA

Under the terms of the Warehouse PSARA, Purchaser proposed to demolish all of the existing buildings and use the Warehouse Parcel for Class A office buildouts, and Post Office for additional Class A office buildouts. Purchaser was to pay One million nine hundred and fifty thousand (\$1,950,000.00) dollars for the property and invest a total of thirty-one million four hundred and forty-three thousand and seven hundred and fifty (\$31,443,750) dollars into the Project. Twelve million nine hundred thousand (\$12,900,000.00) dollars as the Post Office Area and eighteen million five hundred and forty-three thousand and seven hundred and fifty (\$18,543,750.00) dollars as to the Warehouse District. OPort was provided a sixty-day Due Diligence period commencing on the effective date of the PSARA and had thirty days to apply and diligently pursue approvals following the later to the occur of the final and non-appealable

amendment to the Reuse Plan or completion of Due Diligence. Its Approval period was for fourteen months with an optional six-month extension. The Project was to be completed within eighteen (18) months after completion of demolition and site work not to exceed twenty-two (22) months after closing on the Property. Closing(s) on the Property shall occur within thirty (30) days after satisfaction or waiver of the Conditions Precedent to Closing. Conditions precedent to Closing include OPort obtaining or waiving All Approvals within the Approval Period necessary to develop the Project; an amendment to the Reuse Plan to accommodate the Project; FMERA obtaining title and a FOST to Parcels 57; and the consent of the NJEDA Board. The parties will endeavor to satisfy these contingencies prior to the expiration of Purchaser's Approval Period. Purchaser will have thirty (30) days to apply and diligently pursue approvals following the later to occur of the final and non-appealable amendment to the Reuse Plan or completion of Due Diligence. OPort estimated that it will create approximately four hundred thirty nine (439) part-time and/or full-time permanent jobs within twenty-four (24) months of project completion or pay a penalty of \$1,500 per permanent job not created. OPort will also be responsible for funding a total of one thousand (1000') linear feet of new water main and one thousand (1000') 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.

Commissary PSARA

Under the terms of the Commissary PSARA, Purchaser proposed to reuse the remaining Commissary building for a commercial building and to demolish all the remaining buildings. The site would ultimately serve as an enrichment center incorporating a provision for food service, a culinary school, crafts production, arts adaptation, etc., Purchaser was to pay three million (\$3,000,000.00) dollars for the property and invest a total of twenty three million (\$23,000,000.00) dollars into the Project. OPort was provided a sixty-day Due Diligence period commencing on the effective date of the PSARA and had two additional thirty (30) day due diligence extensions. Its Approval period was for fourteen months with an optional six-month extension. The Project was to be completed twenty-seven (27) months after closing on the Property. Closing(s) on the Property was to occur within thirty (30) days after satisfaction or waiver of the Conditions Precedent to Closing. Conditions precedent to Closing include OPort obtaining or waiving All Approvals within the Approval Period 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. The parties would endeavor to satisfy these contingencies prior to the expiration of Purchaser's Approval Period. Purchaser was to have thirty (30) days to apply and diligently pursue approvals following the later to occur of the final and non-appealable amendment to the Reuse Plan or completion of Due Diligence. OPort estimated that it will create approximately three hundred eleven (311) part-time and/or full-time permanent jobs within twenty-four (24) months of project completion or pay a penalty of \$1,500 per permanent job not created. OPort will also be responsible for funding a total of 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.

2. Reinstatement, Amendment and Merger of Warehouse PSARA and Commissary PSARA

- a. Merger: After OPort was awarded both the Warehouse and Commissary PSARAs, OPort submitted to staff that the highest and best use for the two parcels was to merge the Post Office, Parking Lot and Commissary/PX parcels for one cohesive parcel to encompass Class A office space which can support both general and food related research uses and flex space as ancillary related product storage and distribution in support of other primary uses. This merger will also serve as a support to the Commissary space which shall serve as an enrichment center incorporating a provision for food services, a culinary school, crafts production, arts adaptation (including music and art facilities for enrichment learning for all ages) as well as the display of art. The complex may also potentially include retail, office, entertainment, research and development. This merger simplifies land use planning and land use compliance. In order to facilitate this merger, timelines

including Due Diligence, Approval Period, Reuse Plan Amendment, and Closing between the Warehouse and Commissary Parcels need to be standardized.

While the Warehouse parcel will remain a standalone parcel, as is separated due to the JCP&L owned right of way which intersects the parcels, the timelines for the Warehouse Parcel have been brought into alignment within this amendment.

- b. **Purchase Price Reduction:** Due to COVID-19 related delays in closings for various Fort properties, FMERA negotiated a six hundred thousand (\$600,000.00) Purchase Price reduction with Purchaser in exchange for an expedited closing by September 30, 2020 in which OPort has agreed to close without receiving All Approvals. This early closing will allow FMERA to continue to meet its financial obligations for 2020. If Purchaser does not close on the Property by September 30 2020, OPort must pay the original Purchase Price of Four Million Nine Hundred and Fifty Thousand (\$4,950,000.00) dollars. The reduced purchase price remains above the required minimum bids threshold as required under the RFOTPs.

FMERA staff reviewed the impact of reduced purchase price on OPort's score under the RFOTP process. OPort is the only remaining bidder who submitted bids for all four properties. Arrow Holdings is the only other remaining bidder; however, even with the adjusted Purchase Price, OPort remains the highest scored project for the site.

- c. **Reinstatement:** Due to delays in due diligence activities based on previously undiscovered environmental items and COVID-19 delays, Purchaser conditionally terminated the Warehouse PSARA by letter dated April 22, 2020 with the hope that FMERA would provide an extension to the Due Diligence Period to complete additional environmental testing. Due to delays in due diligence activities based on existing environmental and building items and COVID-19 delays, Purchaser conditionally terminated the Commissary PSARA by letter dated June 5, 2020 with the hope that FMERA would provide an extension to the Due Diligence Period to completed additional environmental testing and building inspection. FMERA agreed that for both extensions as OPort was working in good faith during the Due Diligence Period and was entitled to additional time to investigate the site. Therefore, under the terms of this modification, the Reinstatement and Merger will allow for a Due Diligence Period extension until August 22, 2020;

3. Rule Modification

On May 20, 2020, the FMERA Board approved a Rule Modification under of Executive Order 103 ("EO 103") for Purchase and Sale & Redevelopment Agreements ("PSARAs"), that allows COVID-impacted development projects with purchase prices over \$2,000,000 or an aggregate purchase price of \$2,000,000 for all the Developer's projects to request the return of its 10% deposit, as defined under N.J.A.C. 19:31C-2.7(b).

In consideration of the current irregularities and vagaries of the real estate marketplace caused by the global, country-wide, and state-wide fall-out from COVID-19 and in response to EO 103, the FMERA Board's rule modifications provides assistance to developers who have significant amounts of money held in escrow as a result of N.J.A.C. 19:31C-2.7(b) deposit requirement. This relief equates to FMERA's release of some or all of the 10% deposit submitted upon entrance into exclusive negotiations or execution of the PSARA. Per the Board approved rule modification and in order to qualify for this release, the Developer would A) have to demonstrate financial hardship and B) have to demonstrate that the released deposit money will be used: 1) to finance additional due diligence activities (e.g., legal, engineering, other consulting) for the project in question, 2) for such other business operations at the developer's main business(es) such as payroll, utilities, rental or mortgage payments, and similar other operating expenses, or 3) to replace income from leases or mortgages that have been deferred or vacated by the developer's tenants.

On June 2, 2020, OPort submitted a request to FMERA via certification, requesting the release of its 10% deposit and provided justification which demonstrated COVID-driven impacts to the project. OPort's letter cited increased costs and time delays in the due diligence investigations of the property, suspension of all non-essential development

work, increased Company carrying costs and increased professional costs to account for accelerated performance timelines as significant hurdles to the project's development and has created a financial hardship based on COVID-19 and as the COVID-driven reason for the deposit request. The release of the 10% deposit will be used to fund remaining environmental due diligence and associated engineering, legal and consulting fees, and to Support the Company's main business payroll, utilities, rental and mortgage payments other qualified business expenses. OPort shall be required to certify to this financial hardship and use of the deposit prior to its release.

Reinstated Amendment and Merger to Purchase and Sale & Redevelopment Agreement

The attached reinstatement amendment and merger to the PSARA includes the following revisions to material terms:

1. **Deposit Return**: The Deposit under the Agreement shall be reduced to five percent (5%) of the original Purchase Price in the sum of \$247,500. The balance of the existing Deposit in the sum of \$495,000 plus accrued interest, if any, shall be immediately refunded to OPort subject to the following conditions:
 - a. Purchaser certifies that it is experiencing financial hardships as a result of the COVID-19 pandemic; and the returned portion of the original Deposit shall be used to allow OPort to maintain and have cash available as needed to finance its ongoing business operations including: 1) environmental due diligence and associated engineering, legal and consulting fees, 2) business payroll or 3) utility costs and other qualified business expenses, etc..
 - b. Purchaser shall be obligated, upon Seller's request, to provide documentation regarding the use of the returned Deposit monies;
 - c. Purchaser shall have fifteen (15) days to supply such documentation that reasonably satisfies Seller as to the use of the returned Deposit monies. Should Purchaser fail to provide such documentation; OPort must either 1) return the 10% deposit which shall be held in escrow until Closing as originally contemplated in the CCP and WPO PSARAs; or 2) be subject to default as described in Section 23 of both the CCP and WPO PSARAs; and
 - d. Notwithstanding the above, the obligation to retain the 5% deposit ("Modified Deposit") remain unchanged; the provisions here in no way alter the conditions as provided in Section 23 of the CCP and WPO PSARAs, respectively, including Seller's right to retain and/or receive the Initial and Second Deposit as described in these Agreements.
 - e. Upon the return of the 10% Deposit to Purchaser, the amount payable at Closing pursuant to Subparagraph 4(a) shall be adjusted accordingly to reflect the return of the 10% Deposit. The 10% Deposit return shall in no way impact the Purchase Price. The amount represented by the 10% Deposit return shall be due to Seller upon the initial closing notwithstanding decision to close subject to 8(c)(1) or 8(c)(2) below.
2. **Purchase Price**. In the event that the Purchaser exercise Purchaser's option to waive the Approvals Period and proceed to Closing on or before September 30, 2020 pursuant to Sections 8(c)(i), the Purchase Price shall be reduced to a total of Four Million Three Hundred Fifty Thousand Dollars (\$4,350,000.00); and
3. **Redevelopment Project**: Purchaser has modified the Redevelopment Project for the parcels to include two phases of demolition and construction:
 - a. Phase I: shall include the adaptive reuse of the existing Commissary building in accordance with existing or approved zoning, and the use of the southern portion of the Parking Lot Sub-parcel for parking purposes.
 - b. Phase II: shall include the development of the remaining area of the overall Property as defined in the agreement.
4. **Property Uses**: Commissary/PX parcel shall permit, Food Service, Flex space, Office, R&D and Instructional Schools and Studios. The Commissary Building must be adaptively reused as Craft Production facility; Food Service - Related Establishment, or for Food Service - Research & Development (R&D). The Warehouse District

will permit Flex Space, Medical Office, Office, and Research & Development. The Property uses have been modified to remove community business.

5. Project Schedule:

- a. Purchaser will commence construction for Phase I within thirty (30) days of receipt of all applicable permits; Purchaser will Complete construction within Twenty-Four (24) months of Closing if Purchaser closes by September 30, 2020 and within Eighteen (18) months of Closing if Purchaser closes after September 30, 2020.
- b. Purchaser shall commence Phase II within thirty (30) days of receipt of all applicable approvals; Purchaser will Complete Phase II within Forty-eight (48) months of the Closing if Purchaser closes by September 30, 2020 and within thirty-six (36) months of Closing if Purchaser closes after September 30, 2020. If Purchaser closes pursuant to Section 8(c)(2), Purchaser shall complete any three buildings of Phase II within 18 months of Closing in order demonstrate good faith progress.
- c. If Purchaser elects not to complete the Project in phases, Purchaser will commence construction on the Project within thirty (30) days of receipt of all applicable permits; Purchaser will Complete construction of the Project within forty-eight (48) months of Closing if Purchaser closes by September 30, 2020 and within thirty-six (36) months of Closing if Purchaser closes after September 30, 2020.

6. Due Diligence Period: The Due Diligence Period is hereby extended until August 22, 2020.

7. Conditions Precedent to Closing now include the following:

- a. Seller using all reasonable efforts to provide Purchaser with an access agreement from the Army for the remaining environmental carveouts.
- b. At or prior to closing, Seller shall convey the western side of Rasor/Ansen Avenue for no consideration to the Purchaser as a private access drive or to the Borough of Oceanport for dedication.

All other material terms of the PSARA as presented to the Real Estate Committee and the Board will remain unchanged.

The attached Reinstated Amendment and merger to PSARA was transmitted to the Real Estate Committee on June 16th and is in DRAFT form. The final terms of the amendment will be subject to the approval of FMERA's Executive Director, Oport and the Attorney General's Office.

Recommendation

In summary, I am requesting that the Board approve the Reinstated Amendment and Merger to Purchase and Sale & Redevelopment Agreement with OPort Partners, LLC for the Warehouse, Post Office, Commissary/PX & the Parking Lot in Oceanport

Bruce Steadman

Prepared by: Kara Kopach

**Resolution Regarding
Second Amendment to Purchase and Sale & Redevelopment Agreement with Regional Development Group,
LLC, subsequently assigned to Barker Circle Partnership, LLC for Barker Circle in Oceanport**

WHEREAS, FMERA issued a Request for Offers to Purchase ("RFOTP") in connection with the planned redevelopment of the Barker Circle Complex in Oceanport on March 8, 2017. The Barker Circle Complex consists of an approximately 19.5± acre parcel of land containing seven buildings and totaling approximately 198,598 gsf located on Oceanport Avenue in the Main Post Area of Fort Monmouth. The Barker Circle Complex is located in the Fort's National Register Historic District and the buildings are considered contributing historic resources and are therefore subject to historic preservation covenants; and

WHEREAS, the PSARA was approved by the Board at its September 2019 meeting and executed on November 7, 2019; and

WHEREAS, Regional Development Group, LLC ("RDG") assigned the PSARA to an affiliate, Barker Circle Partnership, LLC ("BCP"), created specifically for the Project immediately following execution of the PSARA; and

WHEREAS, BCP will pay Four Million Eight Hundred and Fifty Thousand (\$4,850,000) Dollars for the property and proposes to use the Barker Circle Complex for mixed-uses consisting of seventy-five residential units broken out as sixty market rate units and fifteen affordable housing units subject to confirmation that the affordable housing units satisfy Purchaser's obligation to set aside at least twenty percent of the total residential units as housing that is affordable to low- and moderate-income households in accordance with N.J.A.C. 19:31C-3.23; and

WHEREAS, On May 20, 2020, the FMERA Board approved a Rule Modification under of Executive Order 103 ("EO 103") for Purchase and Sale & Redevelopment Agreements ("PSARAs"), that allows COVID-impacted development projects with purchase prices over \$2,000,000 to request the return of its 10% deposit, as defined under N.J.A.C. 19:31C-2.7(b); and

WHEREAS, on June 1, 2020, BCP submitted a request to FMERA via letter, requesting the release of its 10% deposit and provided justification which demonstrated COVID-driven impacts to the project; BCP's letter cited delays obtaining financing through financial institutions and the on-going development of new lending criteria in response to the pandemic, as significant hurdles to the project's development; and

WHEREAS, the release of the 10% deposit will be used to fund remaining site-work, planning & design required for the Mandatory Conceptual Review process and the Oceanport Planning Board review and BCP shall be required to certify to this financial hardship and use of the deposit prior to its release; and

WHEREAS, the attached amendment to the PSARA includes revisions to material terms as described in the attached memorandum; and

WHEREAS, all other material terms of the PSARA as presented to the Committee and the Board will remain unchanged. The attached Second Amendment to PSARA is in substantially final form. The final terms of the amendment will be subject to the approval of FMERA's Executive Director and the Attorney General's Office. 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 to the Purchase and Sale & Redevelopment Agreement with Barker Circle Partnership, LLC for Barker Circle in Oceanport on terms substantially consistent to those set forth in the attached memorandum and with final terms acceptable to the Executive Director and the Attorney

General's Office and authorizes the Executive Director to execute the Agreement.

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

Attachment

Dated: June 17, 2020

EXHIBIT 2

DRAFT

MEMORANDUM

TO: Members of the Board

FROM: Bruce Steadman
Executive Director

RE: Second Amendment to Purchase and Sale & Redevelopment Agreement with Regional Development Group, LLC, subsequently assigned to Barker Circle Partnership, LLC for Barker Circle in Oceanport.

DATE: June 17, 2020

Request

I am requesting that the Board approve this Reinstatement and Second Amendment to the Purchase and Sale & Redevelopment Agreement (“PSARA”) with Regional Development Group, LLC (“RDG”), subsequently assigned to its affiliate, Barker Circle Partnership, LLC (“BCP” or “Purchaser”) for Barker Circle in the Oceanport section of Fort Monmouth.

Background

FMERA issued a Request for Offers to Purchase (“RFOTP”) in connection with the planned redevelopment of the Barker Circle Complex in Oceanport on March 8, 2017. The Barker Circle Complex consists of an approximately 19.5± acre parcel of land containing seven buildings (Buildings 205, 206, 207, 208, 275, 282, and 287) totaling approximately 198,598 gsf located on Oceanport Avenue in the Main Post Area of Fort Monmouth. The Barker Circle Complex is located in the Fort’s National Register Historic District and the buildings are considered contributing historic resources and are therefore subject to historic preservation covenants.

The PSARA was approved by the Board at its September 2019 meeting and executed by FMERA and RDG on November 7, 2019.

FMERA staff reviewed and approved RDG assignment of the PSARA to an affiliate, BCP, created specifically for the Project immediately following execution of the PSARA. BCP remains subject to section 27 of the PSARA, including but is not limited to Chapter 51 compliance, demonstration of financial ability to complete the project, and unqualified and unconditional acceptance of the terms and conditions of the PSARA.

BCP will pay Four Million Eight Hundred and Fifty Thousand (\$4,850,000) Dollars for the property. Purchaser proposes to use the Barker Circle Complex for mixed-uses consisting of 75 residential units broken out as sixty (60) market rate units and fifteen (15) affordable housing units (for sale or for rent, solely at Purchaser’s option), subject to confirmation that the affordable housing units satisfy Purchaser’s obligation to set aside at least twenty (20%) percent of the total residential units as housing that is affordable to low- and moderate-income households in accordance with N.J.A.C. 19:31C-3.23. Purchaser will use best efforts to target a portion of the affordable housing units for occupancy by veterans. BCP proposes to reuse the remaining buildings for commercial use; Building 206 as office space, Building 275 as a theater, and Building 282 as a restaurant. Purchaser intends to

ground lease both of the latter two buildings from FMERA and take title to the balance of the Property. Purchaser's site plan and subdivision will be subject to FMERA's Mandatory Conceptual Review and Oceanport's planning board review.

Rule Modification and Second Amendment

On May 20, 2020, the FMERA Board approved a Rule Modification under of Executive Order 103 ("EO 103") for Purchase and Sale & Redevelopment Agreements ("PSARAs"), that allows COVID-impacted development projects with purchase prices over \$2,000,000 to request the return of its 10% deposit, as defined under N.J.A.C. 19:31C-2.7(b).

In consideration of the current irregularities and vagaries of the real estate marketplace caused by the global, country-wide, and state-wide fall-out from COVID-19 and in response to EO 103, the FMERA Board's rule modification provides assistance to developers who have significant amounts of money held in escrow as a result of N.J.A.C. 19:31C-2.7(b) deposit requirement. This relief would equate to FMERA's release of some or all of the 10% deposit submitted upon entrance into exclusive negotiations or execution of the PSARA. Per the Board approved rule modification and in order to qualify for this release, the Developer would A) have to demonstrate financial hardship and B) have to demonstrate that the released deposit money will be used: 1) to finance additional due diligence activities (e.g., legal, engineering, other consulting) for the project in question, 2) for such other business operations at the developer's main business(es), such as payroll, utilities, rental or mortgage payments, and similar other operating expenses, or 3) to replace income from leases or mortgages that have been deferred or vacated by the developer's tenants. In other words, it must be shown that the released deposit money will be used to offset the Developer's economic hardship (as a result of COVID-19) and therefore, fuel the continued operation of the developer's business.

On June 1, 2020, BCP submitted a request to FMERA via letter, requesting the release of its 10% deposit and provided justification which demonstrated COVID-driven impacts to the project. BCP's letter cited delays obtaining financing through financial institutions and the on-going development of new lending criteria in response to the pandemic, as significant hurdles to the project's development. The release of the 10% deposit will be used to fund remaining site-work, planning & design required for the Mandatory Conceptual Review process and the Oceanport Planning Board review. BCP shall be required to certify to this financial hardship and use of the deposit prior to its release.

The attached amendment to the PSARA includes the following revisions to material terms:

1. The Deposit under the Agreement shall be reduced to five percent (5%) of the original Purchase Price in the sum of \$242,500. The balance of the existing Deposit in the sum of \$485,000 plus accrued interest, if any, shall be immediately refunded to BCP subject to the following conditions:
 - a. Purchaser certifies that it is experiencing financial hardships as a result of the COVID-19 pandemic; and the returned portion of the original Deposit shall be used to allow BCP to maintain and have cash available as needed to finance its ongoing business operations including: 1) to finance additional site work for the Project, 2) for planning & design required for the Mandatory Conceptual Review Process and Oceanport Planning Board review or 3) for other essential business operations including payroll, service fees, etc.
 - b. Purchaser shall be obligated, upon Seller's request, to provide documentation regarding the use of the returned Deposit monies;
 - c. Purchaser shall have fifteen (15) days to supply such documentation that reasonably satisfies Seller as to the use of the returned Deposit monies. Should Purchaser fail to provide such documentation; BCP must either 1) return the 10% deposit which shall be held in escrow until Closing as originally contemplated in the Agreement; or 2) be subject to default as described in Section 23 of the Agreement; and

- d. Notwithstanding the above, the obligation to retain the 5% deposit ("Modified Deposit") remain unchanged; the provisions here in no way alter the conditions as provided in Section 23 of the Agreement.
2. Purchase Price. Section 5 of the Agreement is hereby modified to provide that the Initial Deposit shall be in the sum of Two Hundred and Forty-Two Thousand Five Hundred (\$242,500.00) Dollars and the Second Deposit shall be the amount of Four Hundred and Eight Five Thousand (\$485,000) Dollars; and

All other material terms of the PSARA as presented to the Committee and the Board will remain unchanged. The attached Second Amendment to PSARA is in substantially final form. The final terms of the amendment will be subject to the approval of FMERA's Executive Director and the Attorney General's Office. 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 Second Amendment to the Purchase and Sale & Redevelopment Agreement ("PSARA") with Barker Circle Partnership, LLC, for Barker Circle in the Oceanport section of Fort Monmouth.

Bruce Steadman

Prepared by: Sarah Giberson

DRAFT

ADOPTED
June 17, 2020

**Resolution Regarding
Issuance of Fort Monmouth Special Liquor License Letter of Consent for the
Dance Hall aka The Park Loft in Oceanport**

WHEREAS, on August 17, 2018, Governor Murphy signed an amendment to New Jersey's Alcoholic Beverage Law that expanded the number of on-site retail consumption licenses available in Eatontown, Tinton Falls, and Oceanport, restricted for use within the boundaries of formally owned or operated military installations. The legislation called for twelve special liquor licenses ("licenses") to be distributed among Fort Monmouth's three host municipalities as follows: two licenses for Tinton Falls, six licenses for Eatontown; and four licenses for Oceanport; and

WHEREAS, the issuance of licenses will be a cooperative effort by both the FMERA Board and the Boroughs; but, each Borough will be responsible for establishing its own award criteria and sale prices in accordance with the terms set forth by N.J.S.A. 33:1-12.52 and FMERA will be responsible for identifying Fort Monmouth projects that qualify for the license and recommending them to the Boroughs for award of a license; and

WHEREAS, using Board-approved objective criteria, the FMERA staff will recommend to the Board qualified projects and request the Board pass a resolution supporting the issuance of a letter of consent; the Borough(s) must receive FMERA's letter of consent prior to issuing a liquor license for any Fort Monmouth project; and

WHEREAS, developers seeking special liquor licenses for the Project area must submit an application to FMERA requesting a Liquor License Letter of Consent and each request for special license must identify the specific use for the request ("Proposed Special License Use"). A redeveloper may request multiple Licenses for different Proposed Special License Uses, but each use will be scored separately, and a letter of consent must be issued for each License; and

WHEREAS, at the December 2019 FMERA Board meeting, the Board approved the objective criteria to evaluate projects' suitability for a special license; and

WHEREAS, the decision by the FMERA Board to provide a letter of consent shall be based upon consideration of whether the proposed special license will advance the conversion, redevelopment, or revitalization of the project area in accordance with FMERA's plan for the project area and based upon objective criteria established by the FMERA Board. FMERA may request any additional information for the applicant that it deems necessary to evaluate above criteria; and

WHEREAS, if it is determined by FMERA staff that a project and the proposed special license use meets the above-mentioned criteria, FMERA staff shall make a recommendation to the FMERA Board to pass a resolution expressing its support of award; and

WHEREAS, the letter of consent does not constitute an approval for a special license as the applicant remains subject to all qualifying criteria of the statute which shall be reviewed by the host borough and the Division of Alcoholic Beverage Control, including but not limited to, completion of the Mandatory Conceptual Review process, property transfers and qualification as a plenary retail consumption licensee pursuant to Title 33; and

WHEREAS, if awarded, the License shall not be transferrable to other sites outside the Fort boundary until the dissolution of FMERA; and

WHEREAS, should any material change regarding the applicant or project or the proposed special license use occur after the letter of consent has been submitted, the applicant must inform FMERA and must resubmit for consideration; and

WHEREAS, these criteria resulted in the creation of an application and a scoring rubric that will be utilized to qualify or disqualify projects requesting a recommendation from the FMERA Board. A scoring rubric and application are included as an attachment; and

WHEREAS, FMERA received an application from The Loft Partnership, LLC, the contract purchaser for the Dance Hall aka The Park Loft, in the month of June 2020; and

WHEREAS, a panel of three (3) FMERA staff were selected and independently reviewed and scored applications for Liquor License Letters of Consent for The Park Loft, planned for redevelopment as a renovated catering & event space and microbrewery; and

WHEREAS, using the approved evaluation criteria, the three (3) evaluators unanimously agreed that the Proposed Special License Use significantly impacts the conversion, redevelopment, and revitalization of Fort Monmouth and has the potential to further its economic impact in conjunction with the use of a special license. The Park Loft received an average score of 210; 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 issuance of a Liquor License Letter of Consent for the Dance Hall aka The Park Loft in Oceanport.
2. This resolution shall take effect immediately, but no action authorized herein shall have force and effect until 10 days, Saturdays, Sundays, and public holidays excepted, after a copy of the minutes of the Authority meeting at which this resolution was adopted has been delivered to the Governor of the State of New Jersey for his approval, unless during such 10-day period the Governor of the State of New Jersey shall approve the same, in which case such action shall become effective upon such approval, as provided by the Act.

Attachment

Dated: June 17, 2020

EXHIBIT 3

MEMORANDUM

TO: Members of the Board

FROM: Bruce Steadman
Executive Director

RE: Issuance of Fort Monmouth Special Liquor License Letter of Consent for the Dance Hall aka The Park Loft in Oceanport.

DATE: June 17, 2020

Request

I am requesting that the Board approve the issuance of Liquor License Letters of Consent for one (1) qualified Fort Monmouth project seeking a special liquor license from the Borough of Oceanport.

Background

On August 17, 2018, Governor Murphy signed an amendment to New Jersey's Alcoholic Beverage Control Act that expanded the number of on-site retail consumption licenses available in Eatontown, Tinton Falls, and Oceanport within the boundaries of formally owned or operated military installations. The legislation called for twelve (12) special liquor licenses ("Licenses") to be distributed among Fort Monmouth's three host municipalities as follows: two (2) licenses for Tinton Falls, six (6) licenses for Eatontown; and four (4) licenses for Oceanport. The additional liquor licenses are intended to attract new businesses, generate jobs, and support the overall economic revitalization of the region.

The issuance of Licenses is to be a cooperative effort by both the FMERA Board and the Boroughs, however, each Borough will be responsible for establishing its own award criteria and sale prices in accordance with the terms set forth by N.J.S.A. 33:1-12.52. FMERA is responsible for identifying Fort Monmouth projects that qualify for the License and recommending them to the Boroughs for award of a License.

Using Board-approved objective criteria, the FMERA staff is to recommend to the Board qualified projects and request the Board pass a resolution supporting the issuance of a letter of consent. The Borough(s) must receive FMERA's letter of consent prior to issuing a License for any Fort Monmouth project.

Application and Fort Monmouth Liquor License Recommendation Criteria

Developers seeking special liquor licenses for the Project area must submit an application to FMERA requesting a Liquor License Letter of Consent. Each request for a special license must identify the specific use for the request ("Proposed Special License Use"). A redeveloper may request multiple Licenses for different Proposed Special License Uses, but each use will be scored separately, and a letter of consent must be issued for each License.

The FMERA Board approved the following objective criteria to evaluate projects' suitability for a License:

General requirements:

- Requests for letter of consent are exclusively reserved for first generation Fort Monmouth redevelopers and/or their assignee(s), until such time as all licenses are awarded.
- After April 1, 2023, or the statutory timeframe set forth in N.J.S.A. 33:1-12.52 for transfer of licenses among the municipalities, FMERA may consider second generation developers.
- A Purchase and Sale Agreement and Redevelopment Agreement ("PSARA") with a defined Project must be approved by FMERA and the New Jersey Economic Development Authority;
- Project must be contained within the Project area as defined by N.J.S.A. 33:1-12.52(a); and
- Use of the License must be consistent with Reuse Plan (as amended), RFOTP, and approved and executed PSARA;

Evaluation Criteria:

- The proposed special license will advance the conversion, redevelopment, or revitalization of Fort Monmouth for the benefit of the host municipalities;
- The grant of a special license is linked to Project's intended use and financial feasibility;
- The grant of the special license will facilitate the highest and best use of the property.
- Project does not include a 110-room hotel;
- RFOTP and/or PSARA does not provide option to obtain a state concessionaire permit;
- Project includes 150,000 square-feet of retail space;
- Primary use of Project involves the production and/or consumption of alcohol.

The decision by the FMERA Board to provide a letter of consent shall be based upon consideration of whether the Proposed Special License Use will advance the conversion, redevelopment, or revitalization of the project area in accordance with FMERA's plan for the project area and based upon objective criteria established by the FMERA Board. FMERA may request any additional information for the applicant that it deems necessary to evaluate above criteria.

If it is determined by FMERA staff that a project and the proposed special license use meets the above-mentioned criteria, FMERA staff shall make a recommendation to the FMERA Board to pass a resolution expressing its support of award.

The letter of consent does not constitute an approval for a special license. The applicant remains subject to all qualifying criteria of the statute which shall be reviewed by the host Borough and the Division of Alcoholic Beverage Control, including but not limited to, completion of the Mandatory Conceptual Review process, property transfers and qualification as a plenary retail consumption licensee pursuant to Title 33. If awarded, the License shall not be transferrable to other sites outside the Fort boundary until the dissolution of FMERA.

Should any material change regarding the applicant or project or the Proposed Special License Use occur after the letter of consent has been submitted, the applicant must inform FMERA and must resubmit for consideration.

Evaluation and Scoring

FMERA received an application from The Loft Partnership, LLC, the contract purchaser for the Dance Hall aka The Park Loft, in the month of June 2020.

A panel of three (3) FMERA staff were selected and independently reviewed and scored applications for Liquor License Letters of Consent for The Park Loft, planned for redevelopment as a renovated catering & event space and microbrewery.

Using the approved evaluation criteria, the three (3) evaluators unanimously agreed that the Proposed Special License Use significantly impacts the conversion, redevelopment, and revitalization of Fort Monmouth and has the potential to further its economic impact in conjunction with the use of a special license. The Park Loft received an average score of 210.

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 a Liquor License Letter of Consent for the Dance Hall aka The Park Loft in Oceanport.

Bruce Steadman

Prepared by: Sarah Giberson

DRAFT

ADOPTED
June 17, 2020

Resolution Regarding
Consent to adoption of Redevelopment Plan Amendment #13 to the Fort Monmouth Reuse and Redevelopment
Plan (“Redevelopment Plan”) by the Borough of Oceanport

WHEREAS, the N.J. Local Redevelopment and Housing Law (LRHL) offers municipalities tools to encourage redevelopment in areas that meet the statutory criteria of an *area in need of redevelopment*. On February 6, 2020, the Borough of Oceanport authorized the Borough Planning Board to conduct a study of an Oceanport area of Fort Monmouth to investigate whether all or a portion of certain properties located in the Borough within the former Fort Monmouth, and identified as the “Squier Hall” parcel, the “McAfee Center” parcel and the “Tech Campus South” parcel (collectively the “Study Area”) meets the statutory criteria for such designation. (Per the LRHL, the designation may be made if, following the investigation by the planning board and a public hearing for which notice has been given, the area is determined to meet one or more of the statutory criteria; and

WHEREAS, on April 28, 2020, the Oceanport Planning Board held a public hearing, with notice of the hearing completed pursuant to the LRHL. The Planning Board determined that the properties located within the study area meet the criteria set forth in the LRHL, as described below. On May 7, 2020, the Borough approved the designation as a non-condemnation area in need of redevelopment per the Planning Board’s findings, via resolution and subject to the consent of the FMERA Board and

WHEREAS, on May 20, 2020, the FMERA Board consented to the designation of the *area in need of redevelopment* for the property contained within Oceanport’s municipal boundaries, and consented to designation of the *area in need of redevelopment* for the property currently outside of Oceanport’s municipal boundaries on the condition that the boundary is modified within 180 days of the FMERA’s Board approval; and

WHEREAS, on May 22, 2020, FMERA received the application from the Borough of Oceanport for the Authority’s consent to the adoption of Amendment #13 to the Fort Monmouth Reuse and Redevelopment Plan as a redevelopment plan for the Squier Hall parcel; Amendment #13 to the Fort Monmouth Reuse and Redevelopment Plan was approved by the FMERA Board on April 23, 2019; and

WHEREAS, pursuant to N.J.A.C. 19:31C-3.25(b)(1) the Authority’s consent is required for Oceanport’s “adoption of a redevelopment plan pursuant to LRHL for a duly designated area in need of redevelopment or rehabilitation or a portion thereof.” FMERA staff has reviewed the application and the Redevelopment plan completed by certified planning consultants, Phillips Pross LLC for selected properties as designated by the Borough of Oceanport as a non-condemnation area in need of redevelopment; and

WHEREAS, the proposed Redevelopment Plan will govern the Squier Hall Parcel, a ±26.8-acre parcel of land located on Sherill Avenue in the Oceanport Reuse Area; the parcel is bordered by Parkers Creek to the north and is currently improved with Building #283, a ±76,538 gsf building known as Squier Hall, constructed in 1935. Squier Hall is listed as a contributing building in the Fort Monmouth Historic District. Other buildings on the parcel include Buildings #288, #291, #292, #293, #295 and #296 and these buildings are not listed as contributing historic buildings in the Fort Monmouth Historic District. The extant buildings on the parcel total ±77,297 square feet in building footprint; and

WHEREAS, the proposed Redevelopment Plan will maintain the development concepts and plans articulated in the Reuse Plan but further permits alternative development scenarios on the Squier Hall parcel that was adopted by the FMERA Board on April 23, 2019 as Plan Amendment #13. The Redevelopment plan would permit the demolition of additional Buildings #291 and #295 (in addition to Buildings #288, #292, #293 and #296, which were previously approved for demolition) and allow for the development of a College Campus on the Squier Hall Parcel; and

WHEREAS, Pursuant to N.J.A.C. 19:31C-3.25(b), FMERA Staff reviewed the proposed application and proposed Redevelopment Plan based on the criteria as described in the attached memorandum; and

WHEREAS, FMERA acknowledges that portions of the *area in need designation* were located outside the municipal boundaries of the Borough of Oceanport and subject to a conditioned consent. This conditioned consent does not include the area identified in the Redevelopment Plan and therefore does not impact the analysis as stated above; 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 consent to the adoption of the Proposed Redevelopment Plan by the Borough of Oceanport in accordance with the N.J. Local Redevelopment and Housing Law (LRHL) and Fort Monmouth Land Use Rules for the area within the Borough of Oceanport's boundaries.
2. This resolution shall take effect immediately, but no action authorized herein shall have force and effect until 10 days, Saturdays, Sundays, and public holidays excepted, after a copy of the minutes of the Authority meeting at which this resolution was adopted has been delivered to the Governor of the State of New Jersey for his approval, unless during such 10-day period the Governor of the State of New Jersey shall approve the same, in which case such action shall become effective upon such approval, as provided by the Act.

Attachment
Dated: June 17, 2020

EXHIBIT 4

DRAFT

MEMORANDUM

TO: Members of the Board

FROM: Bruce Steadman
Executive Director

RE: Consent to adoption of Redevelopment Plan Amendment #13 to the Fort Monmouth Reuse and Redevelopment Plan” (“Redevelopment Plan”) by the Borough of Oceanport.

DATE: June 17, 2020

Request

I am requesting that the Board consent with condition to the adoption Redevelopment Plan Amendment #13 to the Fort Monmouth Reuse and Redevelopment Plan by the Borough of Oceanport in accordance with the N.J. Local Redevelopment and Housing Law (LRHL) and Fort Monmouth Land Use Rules.

Background

The N.J. Local Redevelopment and Housing Law (LRHL) offers municipalities tools to encourage redevelopment in areas that meet the statutory criteria of an *area in need of redevelopment*. On February 6, 2020, the Borough of Oceanport authorized the Borough Planning Board to conduct a study of an Oceanport area of Fort Monmouth to investigate whether all or a portion of certain properties located in the Borough within the former Fort Monmouth, and identified as the “Squier Hall” parcel, the “McAfee Center” parcel and the “Tech Campus South” parcel (collectively the “Study Area”) meets the statutory criteria for such designation. (Per the LRHL, the designation may be made if, following the investigation by the planning board and a public hearing for which notice has been given, the area is determined to meet one or more of the statutory criteria.

On April 28, 2020, the Oceanport Planning Board held a public hearing, with notice of the hearing completed pursuant to the LRHL. The Planning Board determined that the properties located within the study area meet the criteria set forth in the LRHL, as described below. On May 7, 2020, the Borough approved the designation as a non-condemnation area in need of redevelopment per the Planning Board’s findings, via resolution and subject to the consent of the FMERA Board.

On May 20, 2020, the FMERA Board consented to the designation of the *area in need of redevelopment* for the property contained within Oceanport’s municipal boundaries, and consented to designation of the *area in need of redevelopment* for the property currently outside of Oceanport’s municipal boundaries on the condition that the boundary is modified within 180 days of the FMERA’s Board approval.

On May 22, 2020, FMERA received the application from the Borough of Oceanport for the Authority’s consent to the adoption of Amendment #13 to the Fort Monmouth Reuse and Redevelopment Plan as a redevelopment plan for the Squier Hall parcel. Amendment #13 to the Fort Monmouth Reuse and Redevelopment Plan was approved by the FMERA Board on April 23, 2019.

Pursuant to N.J.A.C. 19:31C–3.25(b)(1) the Authority’s consent is required for Oceanport’s “adoption of a redevelopment plan pursuant to LRHL for a duly designated area in need of redevelopment or rehabilitation or a portion thereof.” FMERA staff has reviewed the application and the Redevelopment plan completed by certified

planning consultants, Phillips Preiss LLC for selected properties as designated by the Borough of Oceanport as a non-condemnation area in need of redevelopment. The Redevelopment plan is attached for review.

Summary of the Redevelopment Plan

The proposed Redevelopment Plan will govern the Squier Hall Parcel. The Squier Hall Parcel is a ±26.8-acre parcel of land located on Sherill Avenue in the Oceanport Reuse Area. The parcel is bordered by Parkers Creek to the north. It is currently improved with Building #283 which is a ±76,538 gsf building known as Squier Hall. Squier Hall was constructed in 1935 and was built as the first permanent Signal Corps laboratory but was later used as office space for the Program Executive Office Enterprise Information Systems and the Defense Information Systems Agency. Squier Hall is listed as a contributing building in the Fort Monmouth Historic District. The other buildings on the parcel include Buildings #288, #291, #292, #293, #295 and #296 and these buildings are not listed as contributing historic buildings in the Fort Monmouth Historic District. The extant buildings on the parcel total ±77,297 square feet in building footprint.

The proposed Redevelopment Plan will maintain the development concepts and plans articulated in the Reuse Plan but further permits alternative development scenarios on the Squier Hall parcel that was adopted by the FMERA Board on April 23, 2019 as Plan Amendment #13. The Redevelopment plan would permit the demolition of additional Buildings #291 and #295 (in addition to Buildings #288, #292, #293 and #296, which were previously approved for demolition) and allow for the development of a College Campus on the Squier Hall Parcel.

Pursuant to N.J.A.C. 19:31C-3.25(b), FMERA Staff reviewed the proposed application and proposed Redevelopment Plan based on the following criteria:

1. *In accordance with N.J.A.C. 19:31C-3.19(a), all provisions of the LRHL redevelopment plan shall be consistent with the Reuse Plan.*

The Redevelopment Plan continues to allow for the reuse of the ±76,538 square foot Squier Hall for educational purposes and specifically allows it to be used for higher education classrooms and ancillary education uses. The reuse of Squier Hall for such use was anticipated in the Reuse Plan. The Redevelopment Plan does not permit continuation of expansion of non-confirming use. The redevelopment plan does not allow any deviation in density and FAR as established in the Land Use Rules. The total square footage of non-residential uses on site will not exceed a Floor Area Ratio (FAR) of 0.30 across the campus, which is the FAR currently permitted in the Land Use Rules. The Redevelopment plan contemplates that the building will be reused for classroom space. Buildings #288, #291, #292, #293, #295, and #296, as well as other ancillary structures, will be demolished. This amendment does not result in the creation of additional square footage of buildings. Instead, it merely clarifies that the current allowable square footage can be used for academic purposes associated with a College Campus. These uses are compatible with the uses contemplated for Squier Hall. Additionally, the location of these buildings on Sherill Avenue is consistent with the uses contemplated in the High Tech and Green Industry Campus in the Reuse Plan.

2. *Whether consent to the LRHL redevelopment plan would result in a material change in the overall development yield or affordable housing obligations of the host municipality as provided in this subchapter or would result in any negative impact to the Authority's obligations pursuant to the Fair Housing Act of 1985.*

This amendment does not permit any residential dwelling units on the Subject Parcel. No housing units will need to be relocated as a result of the Redevelopment Plan. The total residential units on the Oceanport Reuse Area will remain 720 units as was contemplated in the *Reuse Plan* and subsequent amendments to the Oceanport Reuse Area and thus the redevelopment plan does not change the overall residential yield or affordable housing obligation of the Borough of Oceanport. Because no change in the total residential development yield is envisioned, consenting to the Redevelopment Plan would not have any impact on the construction of affordable housing as delineated in the *Reuse Plan*.

3. *Whether consenting to the LRHL redevelopment plan will result in any significant adverse impact on other areas of Fort Monmouth.*

The redevelopment plan aims to attract college-aged students and develop a future workforce on Fort Monmouth in conjunction with the technology campus planned for the adjacent McAfee Center would likely increase the amount of non-residential tax revenues, and thereby lessen the burden on local residents. The higher education uses contemplated for the Squier Hall Parcel in the Redevelopment Plan will likely to generate more positive fiscal impacts for a municipality, i.e., generate more tax revenues, than do other land uses, including residential development. The higher education uses would not generate an increase in the number of school children. Additionally, the redevelopment plan affords FMERA with an opportunity to leverage existing assets through the Reuse of Building #283 within the Oceanport Reuse Area and to attract students and develop the future workforce on Fort Monmouth. Proximity to the McAfee Center, planned for reuse as a future technology campus, ideally positions students for potential research, internship and other opportunities within walking distance. Thus, *consenting* the Redevelopment Plan will not result in any adverse impact on the other areas of Fort Monmouth.

4. *Whether consenting to the LRHL redevelopment plan would substantially impair the intent and purposes of this subchapter (that is, whether this subchapter will remain rational and coordinated land use rules following the implementation of the LRHL redevelopment plan).*

The Redevelopment Plan is consistent with the goals and objectives of the Reuse Plan and the Land Use Rules. The Redevelopment Plan addresses several criteria established under N.J.A.C. 19:31C-3.25. Therefore, consenting to the Redevelopment Plan would not impair the intent and purposes of the criteria established under N.J.A.C. 19:31C-3.25.

5. *Whether the consent to the LRHL redevelopment plan would have any negative impact to the Authority's obligations pursuant to Defense Base Closure and Realignment Act of 1990, Pub. L. 101-510 (10 U.S.C. § 2687), any agreement with the U.S. Army conveying Fort Monmouth property to the Authority, and whether such consent would require Federal review, consent, or approvals.*

FMERA acquired ownership of the Squier Hall parcel by a Quitclaim Deed from the U.S Army October 25, 2016, recorded with the Monmouth County Clerk's Office on November 28, 2016. Pursuant to the Defense Base Closure and Realignment Act of 1990 Pub. L. 101-510 (10 U.S.C. § 2687), FMERA entered into the Purchase and Sale Agreement and Redevelopment Agreement with KKF UNIVERSITY ENTERPRISES, LLC for the redevelopment of the Squier Hall parcel. Subsequently, FMERA conveyed the Squier Hall parcel to KKF UNIVERSITY ENTERPRISES, LLC through Quitclaim Deed dated December 18, 2019. As such, consenting to the proposed Redevelopment Plan will not impact the FMERA's any obligations to Defense Base Closure and Realignment Act of 1990 nor would consenting to the proposed Redevelopment Plan would require any Federal review, consent, or approvals.

6. *Whether consenting to the LRHL redevelopment plan will have significant adverse infrastructure ramifications within the Fort Monmouth Project Area.*

As indicated in the Reuse Plan, impacts on the existing gas, electric, water, wastewater and telephone utilities servicing Fort Monmouth will have to be evaluated at site plan review for a specific project. Additionally, the redevelopment calls for a detailed traffic analysis which would be required as part of any site plan review related to the reuse and/or development of this parcel. Any necessary traffic mitigation and any impact on the infrastructure system would be addressed during the site plan review process. Therefore, consenting to the Redevelopment Plan will not have adverse infrastructure ramifications within the Fort Monmouth Project Area.

FMERA acknowledges that portions of the *area in need designation* were located outside the municipal boundaries of the Borough of Oceanport and subject to a conditioned consent. This conditioned consent does not include the area identified in the Redevelopment Plan and therefore does not impact the analysis as stated above.

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 consent to the adoption of the Proposed Redevelopment Plan by the Borough of Oceanport in accordance with the N.J. Local Redevelopment and Housing Law (LRHL) and Fort Monmouth Land Use Rules for the area within the Borough of Oceanport's boundaries.

Bruce Steadman

Prepared by: Upendra Sapkota

DRAFT

**Resolution Regarding
Transmittal to Host Municipalities of Proposed Fifteenth Plan Amendment 15 Permitting Alternative
Development Scenario in Oceanport**

WHEREAS, the FMERA Act, P.L. 2010, c.51, in N.J.S.A. 52:27I-26(c), and the Land Use Rules, in 19:31C-3.27(c), authorize FMERA to amend the plan from time to time as development progresses; and

WHEREAS, pursuant to the Land Use Rules, FMERA must transmit any proposed Reuse Plan amendment to the governing body of the three municipalities for a 45-day comment period and then consider any comments prior to the Board approving or disapproving the amendment; and

WHEREAS, the Reuse Plan envisions the redevelopment of the Oceanport Reuse Area for approximately 1.75 million square feet of non-residential space and 720 residential units which would include a high-tech/green-industry cluster, education/medical campus, a neighborhood center, a boutique hotel and spa, and expansive green space including the historic Parade Ground; and

WHEREAS, with respect to the Commissary & PX Complex and Parking Lot, the Reuse Plan as well as Reuse Plan Amendment #2 contemplates the renovation and reuse of The Commissary as a retail and/or community center and the demolition of the PX Complex. With respect to the Warehouse District, the Reuse Plan as well as Reuse Plan Amendment #2 contemplates the demolition of all seven buildings on the Warehouse District and the construction of new housing, however, FMERA has identified an alternate placement for housing. With respect to the Post Office Area, the Reuse Plan as well as Plan Amendment #2 contemplates the demolition of all four buildings on the Post Office Area parcel and the construction of a new public elementary school within the parcel, however, the Borough of Oceanport has since identified an alternate resolution for a new public elementary school; and

WHEREAS, the Amendment, prepared by Upendra Sapkato, FMERA's Senior Project Officer of Planning and Development and FMERA's planning consultant, Phillips Preiss (PPG) would permit those uses as described in the attached memorandum; and

WHEREAS, this Amendment affects only the Oceanport Reuse Area and does not contemplate the construction of any non-residential square footage. This Amendment is consistent with the Reuse Plan and permits up to 720 residential dwelling units in the Oceanport Reuse Area; and

WHEREAS, the uses contemplated in this Amendment permits diverse tech-oriented uses and these uses are consistent with the goal and uses contemplated in the Reuse Plan. The uses would not adversely impact any of the "Transportation Circulation Improvement Goals" established in the Reuse Plan. The uses do not impact any active recreation or open space contemplated in the Reuse Plan. Furthermore, this Amendment aims to encourage the concept of placemaking and the development of public space, plaza, and walkways within the redevelopment area which is consistent with the Reuse Plan. The Amendment is well aligned with the sustainably element of the Reuse Plan. The uses contemplated in this Amendment are compatible with the surrounding land uses anticipated in the Reuse Plan and subsequent amendments; and

WHEREAS, this Amendment permits up to +/- 268,700 Sq. ft commercial and R& D related uses in the Warehouse-Commissary-Post Office area, with the maximum permitted FAR range 0.30 which is not significantly high for the uses contemplated in the Reuse Plan. Therefore, the proposed uses and the total increase of square footage as a result of the proposed amendment, will not generate significant additional traffic above what was anticipated in the Reuse Plan. As such, the existing road network system as contemplated in the Reuse Plan is expected to accommodate any additional traffic generated from the commercial and R& D uses. A detailed traffic analysis would be prepared as part of any site plan review related to the reuse and/or development of this parcel. Any necessary traffic mitigation would be addressed at that time; and

WHEREAS, this Amendment would maintain the overarching land use concepts, objectives and principles of the Reuse Plan and addresses the relationship of the new uses at the subject parcel with the surrounding uses. Thus, the Reuse Plan would remain a rational coordinated land use plan; and

WHEREAS, this Amendment is consistent with the Authority's BRAC obligations and the existing Phase 2 Economic Development Conveyance ("EDC") agreement with the Army by open space uses envisioned in the Reuse Plan approved as part of the BRAC process; and

WHEREAS, the attached Amendment #15 is not in substantially final form and the final terms of Amendment #15 are subject to the approval of the Executive Director and the Attorney General's office; and

WHEREAS, the Real Estate Committee has reviewed the proposed plan change Amendment #15 and recommends Board approval of the transmittal of the proposed amendment to the governing body of each host municipality.

THEREFORE, BE IT RESOLVED THAT:

1. For the reasons expressed in the attached memorandum, the Authority approves the transmittal to the governing body of each of the three host municipalities of the proposed attached Amendment #15 to the Fort Monmouth Reuse and Redevelopment Plan that would permit an alternative development scenario in the Oceanport Reuse Area.

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

ATTACHMENT

Dated: June 17, 2020

EXHIBIT 5

MEMORANDUM

TO: Members of the Board

FROM: Bruce Steadman
Executive Director

RE: Approval of Transmittal to Host Municipalities of Proposed Plan Amendment #15 Permitting an Alternative Development Scenario with respect to the Commissary and PX Complex, the Parking Lot, the Warehouse District, and the Post Office Area in Oceanport.

DATE: June 17, 2020

Request

I am requesting that the Board approve the transmittal to the three host municipalities of proposed Plan Amendment #15 to the Fort Monmouth Reuse and Redevelopment Plan (“Reuse Plan”) that would permit an alternative development scenario regarding the Commissary and PX Complex, the Parking Lot, the Warehouse District, and the Post Office Area in Oceanport.

Background

In 2008, the Reuse Plan was completed and accepted by the U.S. Department of Housing and Urban Development and the U.S. Department of Defense and serves as the Plan for the redevelopment and revitalization of Fort Monmouth to be implemented by FMERA. FMERA’s enabling legislation, P.L. 2010 c. 51 (the “Act”), the Land Use Rules subsequently adopted in 2013, N.J.A.C. 19:31C-3 et seq. (“Land Use Rules”), and the Reuse Plan contemplate that amendments to the Reuse Plan would be required from time to time. Specifically, the Act authorizes FMERA “to adopt, revise, adjust, and implement ... any aspect of the plan.”

Reuse Plan amendments allow FMERA to respond to opportunities that arise through the Request for Offers to Purchase (“RFOTP”) process. The amendment is required to be a report or statement with proposals that include the following:

1. Objectives, assumptions, and standards on which the plan is based;
2. The relationship to statewide, county and municipal planning objectives;
3. Proposed land uses; and
4. Any significant relationship to municipal and county plans as well as the State Development and Redevelopment Plan.

According to the Land Use Rules, the FMERA Board shall consider the following as guidance when reviewing a proposed amendment:

1. Whether the proposed amendment would result in a material change in the overall development yield or affordable housing obligations of the host municipality, or would result in any negative impact to the Authority’s obligations pursuant to the Fair Housing Act of 1985;

2. Whether the proposed amendment would result in any significant adverse impact on other areas of Fort Monmouth;
3. Whether the proposed amendment would substantially impair the intent and purposes of the Reuse Plan;
4. Whether the proposed amendment would have any negative impact on the Authority's obligations pursuant to the Base Realignment and Closure Act ("BRAC") and any agreement with the U.S. Army conveying Fort Monmouth property to the Authority; and
5. Whether the proposed amendment would have significant adverse infrastructure ramifications different from those envisioned in the Reuse Plan.

In accordance with the Act and the Land Use Rules, prior to approving an amendment to the Plan, the amendment must be transmitted to the governing body of each host municipality for a 45-day comment period, at the end of which each municipality may provide FMERA with a written report containing the municipality's recommendations. Staff will review the report from each host municipality and prepare a preliminary analysis with reasons for accepting or not accepting the recommendations. This report shall be presented to the Board for its consideration and approval.

Development Contemplated under the Reuse Plan

The Reuse Plan envisions the redevelopment of the Oceanport Reuse Area for approximately 1.75 million square feet of non-residential space and 720 residential units. The development would include a high-tech/green-industry cluster, education/medical campus, a neighborhood center, a boutique hotel and spa, and expansive green space including the historic Parade Ground.

With respect to the Commissary & PX Complex and Parking Lot, the Reuse Plan as well as Reuse Plan Amendment #2 contemplates the renovation and reuse of The Commissary as a retail and/or community center and the demolition of the PX Complex. With respect to the Warehouse District, the Reuse Plan as well as Reuse Plan Amendment #2 contemplates the demolition of all seven buildings on the Warehouse District and the construction of new housing; however, FMERA has identified an alternate placement for housing. With respect to the Post Office Area, the Reuse Plan as well as Plan Amendment #2 contemplates the demolition of all four buildings on the Post Office Area parcel and the construction of a new public elementary school within the parcel however, the Borough of Oceanport has since identified an alternate resolution for a new public elementary school.

The Proposed Reuse Plan Amendment

The attached proposed Plan Amendment #15 prepared by Upendra Sapkota, FMERA's Senior Project Officer of Planning and Development and FMERA's planning consultant Phillips Preiss (PPG) would permit the following on the subject parcels:

DISTRICT A

The Post Office Area, Commissary & PX-Complex and Parking Lot

The proposed amendment would permit the following on the Commissary & PX Complex:

- a. Permitted Principal Uses
 1. Food Service - Research & Development (R&D)
 2. Flex Space
 3. Office
 4. Research & Development
 5. Instructional Schools and Studios

- b. Permitted Uses for Commissary Building

The Commissary Building must be adaptively reused. The following uses are permitted for the adaptive reuse of the Commissary Building.

 1. Craft Production facility
 2. Food Service - Related Establishment
 3. Food Service - Research & Development (R&D)

- c. Floor Area Ratio (FAR): The permitted Floor Area Ratio will not exceed 0.30.
- d. Building Height: The standard set forth in the FMERA Land Use Rules *N.J.A.C. 19:31C-3.5(c)* shall apply to this proposed amendment. Pursuant to N.J.A.C. 19:31C-3.5(c)(3) rooftop appurtenances, such as parapets and other design features, may exceed the permitted building height by up to 15 percent above the permitted building height set forth herein.
- e. Maximum Impervious Lot Coverage: The permitted Maximum Impervious Lot Coverage for this Area shall not exceed 75%
- f. Additional Modifications to the Reuse Plan as reflected in the Attached Amendment

The Warehouse District

The proposed amendment would permit the following on the Warehouse District:

- a. Permitted Principal Uses
 - 1. Flex Space
 - 2. Medical Office
 - 3. Office
 - 4. Research & Development
- b. Floor Area Ratio (FAR): The permitted Floor Area Ratio shall not exceed 0.30
- c. Building Height: The standard set forth in the FMERA Land Use Rules *N.J.A.C. 19:31C-3.5(c)* shall apply to this proposed amendment. Pursuant to N.J.A.C. 19:31C-3.5(c)(3) rooftop appurtenances, such as parapets and other design features, may exceed the permitted building height by up to 15 percent above the permitted building height set forth herein.
- d. Maximum Impervious Lot Coverage: The permitted Maximum Impervious Lot Coverage for this Area shall not exceed 70%
- e. Additional Modifications to the Reuse Plan as reflected in the Attached Amendment

Parking Requirements:

The parking requirement, including Shared Parking ratio shall be applicable to both Warehouse District and District A.

Each use permitted shall provide the minimum number of automobile parking spaces indicated in the table below.

- 1. Flex Space shall minimally require one space per 800 square feet of GFA.
- 2. Office shall minimally require four spaces per 1,000 square feet of GFA.
- 3. Research & Development shall minimally require four spaces per 1,000 square feet of GFA.
- 4. Food Service - Research and Development shall minimally require four spaces per 1,000 square feet of GFA.
- 5. Entertainment & Recreation Use shall minimally require four spaces per 1,000 square feet of GFA.

Shared Parking: Shared parking calculation shall be calculated per FMERA Land Use Rules 19:31C-3.7 (b) (1-4)

Loading Requirements:

- 1. The Loading space requirements for the Warehouse District and District A shall be modified to allow the following minimum requirements:
 - a. One space/first 10,000 sq. ft. and then 1 space/40,000 sq. ft.
- 2. All other loading requirements as set forth in FMERA's Land Use Rules 19:31C-3.7(c)(1-3) shall be applicable for loading.

Staff has reviewed the Amendment with regard to the criteria in the Land Use Rules, in N.J.A.C. 19:31C-3.27(c)(5), for reviewing a proposed amendment and proposes the following conclusions:

- 1) This Amendment affects only the Oceanport Reuse Area. This amendment does not contemplate the construction of any residential square footage. This Amendment is consistent with the Reuse Plan and permits up to 720 residential dwelling units in the Oceanport Reuse Area.
- 2) This Amendment permits diverse tech-oriented uses and these uses are consistent with the goal and uses contemplated in the Reuse Plan.
- 3) This Amendment would not adversely impact any of the “Transportation Circulation Improvement Goals” established in the Reuse Plan.
- 4) This Amendment does not impact any active recreation or open space contemplated in the Reuse Plan. Furthermore, this Amendment aims to encourage the concept of placemaking and the development of public space, plaza, and walkways within the redevelopment area which is consistent with the Reuse Plan.
- 5) This Amendment is well aligned with the sustainably element of the Reuse Plan.
- 6) The uses contemplated in this Amendment are compatible with the surrounding land uses anticipated in the Reuse Plan and subsequent amendments.
- 7) This Amendment permits up to +/- 268,700 Sq. ft commercial and R& D related uses in the Warehouse-Commissary-Post Office area, with the maximum permitted FAR range 0.30 which is not significantly high for the uses contemplated in the Reuse Plan. Therefore, the proposed uses and the total increase of square footage as a result of the proposed amendment, will not generate significant additional traffic above what was anticipated in the Reuse Plan. As such, the existing road network system as contemplated in the Reuse Plan is expected to accommodate any additional traffic generated from the commercial and R& D uses. A detailed traffic analysis would be prepared as part of any site plan review related to the reuse and/or development of this parcel. Any necessary traffic mitigation would be addressed at that time.
- 8) This Amendment would maintain the overarching land use concepts, objectives and principles of the Reuse Plan and addresses the relationship of the new uses at the subject parcel with the surrounding uses. Thus, the Reuse Plan would remain a rational coordinated land use plan.
- 9) This Amendment is consistent with the Authority’s BRAC obligations and the existing Phase 2 Economic Development Conveyance (“EDC”) agreement with the Army by incorporating open space uses envisioned in the Reuse Plan approved as part of the BRAC process.

In order for the Authority to begin the public process required before the Board considers approval or disapproval of the amendment to the Plan, FMERA staff is requesting approval to transmit the attached proposed Amendment #15 to the governing body of each of the three host municipalities.

Attached is Reuse Plan Amendment #15 which is not in substantially final form. The final terms of Reuse Plan Amendment #15 are subject to the approval of the 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 transmittal to the three host municipalities of the proposed Amendment #15 to the Reuse Plan that would permit alternative development scenarios in Oceanport. The Board action is still subject to the Attorney General’s office review.

Bruce Steadman

Prepared by: Regina McGrade