

Fort Monmouth Economic Revitalization Authority
Board Meeting
July 15, 2020
Via Teleconference

MINUTES OF THE MEETING

Members of the Authority present via teleconference via a roll call vote:

- Robert W. Lucky – Vice-Chairman, Fort Monmouth Economic Revitalization Authority (FMERA) – V
- Jay Coffey – Mayor of Oceanport – V
- Anthony Talerico – Mayor of Eatontown – V
- Tracy Buckley – Tinton Falls Borough Council President – V
- Stephanie Brown – Associate Counsel, Authorities Unit, Office of the Governor – V
- Dave Nuse – Executive VP, Real Estate & Community Development, NJ Economic Development Authority – V
- Kenneth J. Kloof – Director, Site Remediation Program, NJ Department of Environmental Protection
- Sean Thompson – Director, Division of Local Planning Services, NJ Department of Community Affairs
- Baden Almonor – Central Regional Chief, NJ Department of Labor & Workforce Development

V – Denotes Voting Member

Members of the Authority not present:

- Lillian Burry – Monmouth County Freeholder – V
- William Riviere, Principal Planner, NJ Department of Transportation

Also present:

- Bruce Steadman, FMERA Executive Director and Secretary
- Laura Draushak, Deputy Attorney General (DAG)
- FMERA staff:
 - Kara Kopach – Director of Real Estate Development
 - Sarah Giberson – Manager of Marketing & Development
 - Upendra Sapkota – Senior Planning & Development Officer
 - Kristy Dantes – Director of Facilities & Infrastructure
 - Joe Fallon – Senior Environmental Officer
 - Jennifer Lepore – Accounting Manager

The meeting was called to order by Vice-Chairman Robert Lucky at 7:00p.m., who asked for a moment of silence for unity and safety in lieu of the Pledge of Allegiance to the Flag of the United States of America, given that we needed to meet remotely again.

Bruce Steadman explained the teleconference meeting protocol with regards to the Board and public's participation. He stated that due to the current worldwide health situation, and the need to curtail or eliminate in-person meetings, the FMERA Board meeting for July was being held remotely, with Board, staff, and the public participating via telephone. He stated that all Board votes would be roll-call votes, for the purpose of verifying the Board members' votes, including acceptance of the Minutes from the previous meeting. He noted that at the beginning of the Public Comment periods, he would ask members of the public who wished to make a comment or ask a question to state their name, and that he would call on each of them to make their comment or ask their question.

Mr. Steadman thanked the staff, Board members, and the public for their cooperation in accepting and following these modifications to the normal public meeting routine and noted that otherwise it was FMERA's intention to adhere to a normal meeting agenda.

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

The first item of business was the approval of the June 17th regular meeting minutes. A motion as made to approve the minutes by Tracy Buckley and seconded by Dave Nuse.

Bruce Steadman conducted a roll call vote.

| NAME | YES | NO | ABSTAIN |
|------------------|-----|----|---------|
| Robert Lucky | X | | |
| Anthony Talerico | X | | |
| Jay Coffey | X | | |
| Tracy Buckley | X | | |
| Stephanie Brown | X | | |
| Dave Nuse | X | | |

Motion to Approve: TRACY BUCKLEY Second: DAVE NUSE
 AYes: 6

WELCOME

Vice-Chairman Robert Lucky welcomed attendees to the Authority's teleconference meeting. Dr. Lucky stated that a copy of the Board package was posted to the FMERA website to give the public the opportunity to review the information in advance of the meeting. Dr. Lucky stated that the Board would consider one board action this evening.

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

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

SECRETARY'S REPORT

Bruce Steadman stated that this July board meeting would be a remote teleconference meeting, similar to June's board meeting. He thanked all the participants and noted that it was likely that the August board meeting would also be a remote teleconference meeting. Mr. Steadman stated that the FMERA staff continues to work daily on FMERA business, albeit remotely, and are working on several projects which are still moving forward through reviews, negotiations, approvals, and other tasks. FMERA anticipates having at least 1-3 closings within the next 3 months and continues to work towards that goal.

TREASURER'S REPORT

Jennifer Lepore, Accounting Manager stated that with the close of the second quarter on June 30th, FMERA staff is preparing the financial and operational summary for the first half of 2020. Staff will be meeting to review the first six months of 2020 and assess the performance against the 2020 organization goals. FMERA staff will present the financial and operational summary to the Audit Committee at their next meeting.

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

There was no public comment.

EXECUTIVE DIRECTOR'S REPORT

1. Kristy Dantes, Director of Facilities & Infrastructure gave the following update:

The facilities, environmental, and site-maintenance teams continue to maintain the fort through the Covid-19 situation utilizing safe practices and health guidelines. Increased security, police patrols and building inspections continue.

FMERA staff is working on completing the following FOSTs and deeds with the Army:

- The Group 2 Deed, which includes 11 environmental carve-out parcels for a total of 17.7 acres has been signed by the Army and FMERA and will be recorded.
- The Group 3 FOST, which includes 10 environmental carve-out parcels for a total of 9.3 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 for review on June 8, 2020. FMERA is preparing comments to be sent back to the Army Corp.
- The Group 4 Deed is expected to be completed by December.

Other projects in process include:

- Outbound surveys for following parcels in order to move forward with transfer:
 - District A, which includes the Commissary, the Parking Lot, and Post Office Areas
 - Warehouse Parcel
 - Expo Theater and the adjoining parcels
- Planning with New Jersey American Water the installation of a 24" water main extension along Avenue of Memories, presently scheduled to begin in the spring of 2021.
- An 8" water main extension from College Avenue in Eatontown, to Wilson Avenue, to Avenue of Memories is moving forward. Upon execution of the contract, NJAW will put the project out for bid.
- In cooperation with Two Rivers Water Reclamation Authority, an extension of a sanitary force main in the 400 area has been completed. This allows the abandonment of a force main across the Allison Hall and the Lodging parcels, making way for unimpeded development.
- FMERA developed plans for a sanitary main extension on North Drive to serve the Bowling Center and development between Wilson Avenue and Rt. 35.
- Buildings slated for sale or reuse are regularly checked. Sanitary lift stations and generators are inspected weekly, and the fort's electrical power system is monitored.
- The Facilities team continues to assist developers, and supports the real estate development team with RFOTP's, MCR's, and development plans.

2. Sarah Giberson, Manager of Marketing & Development gave an overview on property sales and RFOTPs:

FMERA continues to make good progress on the Fort's redevelopment, with about three-quarters of the Fort's 1,126 acres sold, under contract, in negotiations, or entering the request for proposals process. To date, FMERA has sold 20 properties, and another 16 parcels are under contract or have Board-approved contracts.

FMERA is currently in negotiations with the leading scorer for the Tinton Falls Commercial Parcel.

These projects are in various stages of development, many of which are still in the due diligence, design, and approvals phases. With both developers and approving entities having adapted to new ways of working, we're pleased to report that our projects continue to make excellent progress.

FMERA continues to engage with leads and prospective purchasers via teleconference while operating remotely. With less than 25% of its land still available, FMERA remains focused on its mission and will continue to market its remaining parcels for redevelopment. FMERA is closely monitoring on-going projects and providing additional support to its developers to ensure the successful redevelopment of properties currently under contract.

Our team has also started to market the Parcel B property slated as a mixed-use development in Eatontown. FMERA anticipates making this parcel available through the Requests for Offers to Purchase process in the coming weeks. With

the delivery of goods and services having changed dramatically over the past 10 years, FMERA is eager to re-envision the project in a way that leverages new and unique approaches to mixed-use development and maximizes the economic impact to the surrounding communities. By targeting a broader mix of commercial uses and small-scale, complementary retail amenities, the project is poised for success as a hub for business and community engagement. The successful proposer will also be required to construct 302 housing units, 20% of which must be affordable.

FMERA would like to share the following information about an upcoming event hosted by Beacon of Life. Beacon of Life plans to host a fundraising event to celebrate veterans as well as support the Wounded Warrior Project. The event will take place at Greely Field on Fort Monmouth near the War Memorial. The event is free for veterans and a suggested \$5 donation for anyone else to enter. There will be games, raffle baskets, a 50/50, yoga and Zumba classes, music, giveaways, a food truck and fun for all! The event will be on Wednesday, August 12th from 10am-2pm with a rain date of August 19th. For more information and to RSVP call 732-592-3406.

Our team continues to work remotely and is available during normal business hours via email and cell phone. Please visit our website, www.fortmonmouthnj.com and follow us on Instagram at @fortmonmouthnj for our latest updates.

3. Additional Comments by the Executive Director

Mr. Steadman thanked the Boroughs of Eatontown, Tinton Falls, and Oceanport, and the County of Monmouth for their continued support and help on various day-to-day operating issues while working remotely; and noted the outstanding support and help received from our key state stakeholders: the NJEDA, DEP, the DOT, the DOL, the DCA, and many others.

Bruce Steadman gave an update on FMERA action items:

Action Items for Next Month.

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

COMMITTEE REPORTS

1. AUDIT COMMITTEE (ROBERT LUCKY, CHAIRMAN)

Robert Lucky stated that the Committee did not meet this month.

2. REAL ESTATE COMMITTEE (ROBERT LUCKY)

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

- Discussion regarding the Second Amendment to the PSARA with Fort Monmouth Business Center, LLC for the Allison Hall parcel for the Board approved Rule Modification for the release of its 10% RFOTP deposit. The Committee reached a consensus and agreed to recommend it to the Board for approval.
- Other Issues
 - Parcel B
 - Howard Commons
 - Expo Theater
 - Sanger Avenue
 - Eatontown Liquor Licenses
 - County & Borough Furloughs
 - Delegated Authority Extensions

- Bowling Center
- Eatontown DPW Parcel
- Chapel
- Oceanport Municipal Complex
- Fitness Center
- Tinton Falls Commercial Parcel RFOTP
- Beacon of Life Event

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

Kenneth J. Kloo stated that the Committee met on July 9th and discussed the following:

FMERA staff provided an update on the Group 2 & 3 Deeds and Group 4 Findings of Suitability to Transfer (FOSTs):

- The Group 2 Deed, which includes 11 environmental carve-out parcels for a total of 17.7 acres has been signed by the Army and FMERA and will be recorded; FMERA now holds title to this property.
- A draft Group 3 Deed was received by FMERA for review on June 8, 2020. FMERA has prepared comments to the Army draft and sent them t back to the Army Corp for review. This deed is expected to be executed by the end of August.
- The Group 4 FOST is expected to be completed by December.

FMERA staff provided an update on the Myer Center:

- Neutralization Pit at Myer Center – The Army completed a second round of chemical injections in January and has also completed post injection ground water sampling.
- The Army submitted a pilot test report to the NJDEP on June 4th. The Army is proposing to install three wells and proposing monitored natural attenuation as the final remedy with a classification exception area component.
- Per the NJDEP’s suggestion, the Army has agreed to install the third well in order to triangulate and remediate the area more aggressively.

FMERA staff provided an update on the Carve-out Parcels:

- Commissary/PX Parcel (Parcel 57) – A Remedial Investigation/Remedial Action report is being prepared for submission to the NJDEP.
- Former Auto craft Shop – The Army submitted a Remedial Investigation/Remedial Action report to the NJDEP for review in March. The NJDEP has issued a No Further Action (NFA) for the Parcel.
- Former AFFES Gas Station – The Army investigated the 5 hydraulic lifts. No discharge of soil or ground water. The Army did further delineation of the ground water and the work is complete. The Army will conduct monitored natural attenuation to establish a Classification Exception Area (CEA).
- Former Dry-Cleaning Facility – The Army has completed two rounds of chemical injections and will submit a Remedial Investigation/Feasibility Study report to the NJDEP after final review by the Army.
- Landfill Capping Project – The Army is working with NJDEP to obtain the permits to begin the project.

FMERA staff provided on update on the Howard Commons project:

- FMERA and the prospective developer are working to create an area on the site to cap the pesticide soils with the oversight of an LSRP and leave the capped and protected area as open space.

FMERA staff provided an update on the Tidelands Grant Applications:

- FMERA has submitted the grant application and is working to finalize an appraisal regarding the Tidelands claim on the Allison Hall and Lodging Parcels.

FMERA staff provided an update on the Water and Sewer projects:

- Phase 2 water line is in the planning process and NJAW is anticipating being able to schedule the installation within the next 3 months, subject to their public bidding process.
- TRWRA has installed a section of repaired sewer pipe through a portion of the 400 area to connect to the existing Army system which will allow abandonment of an obsolete sewer line in the Lodging Area.
- FMERA staff closed the meeting with an update on the RFOTPs.

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

Jay Coffey stated that the Committee did not meet this month.

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

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

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

Bruce Steadman, on behalf of Lillian Burry stated that the Committee did not meet this month

BOARD ACTIONS

- 1. The first item before the Board was the Second Amendment to the Purchase and Sale & Redevelopment Agreement with Fort Monmouth Business Center, LLC for the Allison Hall Parcel in Oceanport.

Kara Kopach read a summary of the Board memo.

The resolution is attached hereto and marked Exhibit 1.

A motion was made by Jay Coffey and was seconded by Dave Nuse.

Bruce Steadman conducted a roll call vote.

| NAME | Yes | No | Abstain |
|------------------|-----|----|---------|
| Robert Lucky | X | | |
| Anthony Talerico | X | | |
| Jay Coffey | X | | |
| Tracy Buckley | X | | |
| Stephanie Brown | X | | |
| Dave Nuse | X | | |

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

OTHER ITEMS

There were no other items before the Board.

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

There was no public comment.

There being no further business, on a motion by Jay Coffey and seconded by Tracy Buckley and unanimously approved by all voting members present, the meeting was adjourned at 7:30p.m.

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



Bruce Steadman – Secretary

ADOPTED
July 15, 2020

Resolution Regarding
Second Amendment to Purchase and Sale & Redevelopment Agreement with TetherView Property Management, LLC, subsequently assigned to Fort Monmouth Business Center for the Allison Hall Parcel in Oceanport

WHEREAS, at the June 2015 meeting, the Board authorized staff to offer the Allison Hall Complex for sale through the Offer to Purchase process. FMERA received one proposal in response to its December 29, 2016 Request for Offers to Purchase ("RFOTP"), from TetherView Property Management, LLC ("TetherView"). An evaluation committee reviewed the proposal and found it to be compliant with the RFOTP, and recommended proceeding with negotiations for a PSARA; and

WHEREAS, TetherView's proposal called for the renovation of Allison Hall and Building 210 for office, retail and/or commercial uses and the reuse of Building 210's ground floor as a restaurant and the second floor as office or retail use; the demolition of Building 196, Building 359 and Building 210's annex; the development of either 100,000± sf of office space in one building to accommodate one user, or up to 60,000± sf of business lofts and up to 30,000± sf of retail space along Oceanport Avenue; the reuse of Building 199 for office, retail and/or commercial uses; and the construction of a 12-foot wide promenade along Parkers Creek linking the development to the west with Oceanport Avenue; TetherView's total capital investment in the Project is estimated at \$14 million; and

WHEREAS, the PSARA for the Allison Hall was approved by the Board at its October 2018 meeting and executed by FMERA and TetherView Property Management, LLC on November 26, 2018 and was amended on July 26, 2019 to allow Purchaser an additional sixty days to complete due diligence for the limited purpose of assessing its site once the sewer design plan was received from FMERA; and

WHEREAS, Purchaser is now in the Approvals Period, which will expire on December 5, 2020; and

WHEREAS, TetherView Property Management, LLC assigned the rights to the Project to an affiliate on April 8, 2020, Fort Monmouth Business Center, LLC of which Michael Abboud remains in majority control; 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, 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 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; and

WHEREAS, on July 10, 2020, FMBC submitted a request to FMERA via letter, requesting the release of its 10% deposit citing the following COVID-driven impacts to the project: 1) a loss in revenues from related businesses due to contract terminations, unpaid account receivable, and lost leasing income; 2) delays in performance by counter-parties under contract and at times excusable under Force Majeure provisions; and 3) governmental delays impacting approvals for the Project. FMERA is waiting for FMBC's certification citing its rationale for declaring 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, payroll, utility costs and other qualified business expenses. FMBC 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 ("PSARA") with Fort Monmouth Business Center ("FMBC" or "Purchaser"), for the Allison Hall Parcel in the Oceanport section of Fort Monmouth, on terms substantially consistent to those set forth in the attached memorandum and with final terms acceptable to the Executive Director and the Attorney General's Office and authorizes the Executive Director to execute the Agreement.

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

Attachment

Dated: July 15, 2020

EXHIBIT 1