

TO: Members of the Board

FROM: Bruce Steadman
Executive Director and Secretary

DATE: January 20, 2021

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, Interim Chairman
 - Environmental Staff Advisory Committee – Kenneth J. Kloo, Chairman
 - Historical Preservation Staff Advisory Committee – Jay Coffey, Chairman
 - Housing Staff Advisory Committee – Sean Thompson, Chairman
 - Veterans Staff Advisory Committee – Lillian Burry, Chairwoman

11. **Board Actions**

1. Consideration of Approval of the Second Amendment to the Purchase and Sale & Redevelopment Agreement and Ground Lease with Parker Creek Partners, LLC for the Bowling Center Parcel in Eatontown
2. Consideration of Approval of the Fourth Amendment to the Purchase and Sale & Redevelopment Agreement with the Borough of Eatontown for a Department of Public Works Complex on the 1123 Parcel.
3. Consideration of Approval of a Purchase and Sale & Redevelopment Agreement with New Jersey American Water for a Water Tower at Howard Commons in Eatontown.

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: January 20, 2021

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

FMERA staff is beginning to prepare the Authority's 2020 Annual Report and financial statements for presentation to the Audit Committee, which serve as FMERA's Comprehensive Annual Report to meet the requirements of Executive Order No. 37 (2006). It is expected that a draft report and statements will be available for review in mid-March, and finals presented to the Board in April.

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

Executive Director's Report

• Update on Utilities and Infrastructure

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

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

- The Group 4 FOST is closed, signed, and approved by the BRAC office.
- The Group 4 deed is with the Army Corp. of Engineers for signature.

Other projects in process include:

- NJAW will be starting the installation of the 2000-foot Phase 3A 8" water main from Anson Avenue at Murphy Drive westward to Todd Avenue, then north to Avenue of Memories in the coming weeks. This main will serve the Denholtz parcels and tie the NJAW system in Main street to the Phase 1 water main in Avenue of Memories, which was completed in 2018.
- The installation of a 5600-foot 24" water main extension along Avenue of Memories by New Jersey American Water is still scheduled to begin in April of 2021.

- A sanitary main extension tying to an Eatontown Sewerage Authority main along Mill creek at North Drive at Wilson Avenue, to serve the Bowling Center and development between Wilson Avenue and Rt. 35, is scheduled following the closing for the Bowling Center.
- Regarding the Army Corp landfill capping project, the Corp's contractor is working on landfills 2, 3, 4, 5, and 25, where clearing is complete. Grading is underway ahead of the caps being placed.

The team continues to maintain buildings slated for sale or reuse. Sanitary lift stations and generators are inspected weekly, and the fort's electrical power system is monitored. The facilities team continues to assist our developers and support the real estate development team.

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 fourteen properties:

- Former Patterson Army Hospital on December 13, 2013 with AcuteCare Systems.
- 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 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.
- Commissary, Post Exchange (PX) complex, Warehouse District and a 1000 Area Parking parcel, on October 16, 2020 with OPort Partners, LLC. The Commissary/PX parcel shall permit, Food Service, Flex space, Office, R&D and Instructional Schools and Studios. The Warehouse District will permit Flex Space, Medical Office, Office, and Research & Development.

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

- 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.
- Barker Circle, with Barker Circle Partnership, LLC, an approximately 19.5-acre parcel in the historic district which includes the repurposing of buildings 205-208, and 287, as well as the Main Post Firehouse and Kaplan Hall, for residential, office and other commercial 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.

- 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 2021:

- 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 closed on the following property:

- Suneagles Golf Course, 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.

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

- 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.
- 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.
- Eatontown Parks Parcel, a 3.82-acre tract known as the Nicodemus Avenue Park Parcel located on Nicodemus Avenue with the Borough of Eatontown for active recreation uses.

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 eight properties:

- Parcel E, on January 13, 2013 with Commvault for the headquarters.
- Building 2525, on February 5, 2016 with Aaski Technologies who leases the building to other tenants for technology and office uses.
- Child Development Center, on March 18, 2016 with Trinity Hall, for the all-girl high school.
- Fort Monmouth Recreation Center and Swimming Pool, on January 6, 2017 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 on February 23, 2017 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, on May 22, 2018 transferring the property to Commvault Systems, Inc. for use as corporate office and training space.
- Parcel C1 with Lennar Corporation, on August 2, 2018 planned for 45 new single-family homes.
- Parcel C with Lennar Corporation, on August 2, 2018 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.

Also in **Tinton Falls**, FMERA is in negotiations for the sale and redevelopment of 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.

3. Marketing Update

FMERA continues to engage with leads and prospective purchasers via teleconference while operating remotely. Our team is closely monitoring on-going projects and providing additional support to its developers to ensure the successful redevelopment of properties currently under contract. The on-going pandemic has caused several unanticipated delays, however, all of FMERA’s projects continue to make excellent progress and several other projects are planned to come online in the coming months.

In the new year, FMERA will be focused on marketing several of its large parcels for redevelopment, beginning with the Parcel B property in Eatontown. The property is targeted as a mixed-use development. FMERA has re-envisioned the project in way that leverages new and unique approaches to mixed-use development and maximizes the economic impact to the surrounding communities. The development will call for 302 residential units and a highly diverse mix of commercial components and site amenities. Several other highly desirable parcels, including the 400 Area and the McAfee Center Campus, are targeted for release in the future. Interested parties may sign up for our RFOTP alerts on our website under the Developer Information tab.

As we continue to work remotely, FMERA will be exploring opportunities to participate in and attend a variety of industry panels and conferences to continue to engage with prospective developers and other related professionals. Our team remains 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.

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

Resolution Regarding
Second Amendment to the Purchase and Sale & Redevelopment Agreement and Ground Lease with Parker Creek Partners, LLC for the Bowling Center Parcel in Eatontown

WHEREAS, FMERA issued a Request for Offers to Purchase (“RFOTP”) on June 22, 2018 in connection with the sale of the 2.8-acre Bowling Center Parcel in Eatontown (the “Property”); the Bowling Center, also known as Building 689, is an approximately 17,599 sf structure located at the corner of Saltzman and Wilson Avenues. The 2.8-acre parcel also includes Building 682, a 4,720-sf wood frame building constructed in 1941 slated for demolition; and

WHEREAS, the Seller and Parker Creek Partners, LLC (“PCP”) entered into a certain Purchase and Sale Agreement and Redevelopment Agreement dated as of July 2, 2019, in which PCP committed to develop the Property in one or more phases for commercial, recreational, entertainment and retail uses and which will consist of the renovation and expansion of the existing Bowling Center and upgrades to the kitchen, and adding a bar, bocce courts, pool tables, shuffleboard tables and a stage. The Purchaser will also be obligated to demolish Building 682 and install necessary site improvements at its sole cost and expense; and

WHEREAS, under the terms of the PSARA, Purchaser was entitled to an Approval Period of up to ninety days following the completion of Due Diligence to obtain all necessary approvals (the “Approval Period”), and if proceeding in good faith, an additional ninety day extension (the “Approval Extension Period”), and the Approval Extension Period expired on May 1, 2020; and

WHEREAS, due to COVID -19 related delays and shutdowns, Purchaser was not able to obtain all approvals in the designated timeframe and requested additional time to obtain the necessary approvals; and

WHEREAS, utilizing the Board Approved Delegated Authority provided to the Executive Director at the April 15, 2020 FMERA Board meeting, the FMERA Executive Director granted an additional five-month Approval Period extension, executed July 15, 2020, which was retroactively applied from May 1, 2020 via the First Amendment to the PSARA; and

WHEREAS, under the terms of the PSARA, Purchaser is obligated to close within one hundred and twenty (120) days following the satisfaction or waiver of the Conditions Precedent to Closing, which occurred on October 1, 2020; and

WHEREAS, Purchaser has requested a two-month extension to close by March 30, 2021 via correspondence dated January 5, 2021, citing changes in the bank underwriting process and delays with the County approvals process; and

WHEREAS, FMERA staff has reviewed this request and recommends the Real Estate Committee review and recommend the Board approve an extension to close; and

WHEREAS, the attached amendment to the PSARA includes the following revision to material terms: an extension to close no later than March 30, 2021; 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 and Ground Lease with Parker Creek Partners, LLC for the Bowling Center Parcel in Eatontown for an extension of the Approval Period 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: January 20, 2021

EXHIBIT 1

DRAFT

MEMORANDUM

TO: Members of the Board

FROM: Bruce Steadman
Executive Director

RE: Second Amendment to the Purchase and Sale & Redevelopment Agreement and Ground Lease with Parker Creek Partners, LLC for the Bowling Center Parcel in Eatontown

DATE: January 20, 2021

Request

I am requesting that the Board approve the Second Amendment to the Purchase and Sale & Redevelopment Agreement (“PSARA”) with Parker Creek Partners, LLC (“PCP”) for the sale, renovation and expansion of the Bowling Center (the “Project”) in the Eatontown Reuse Area.

Background

FMERA issued a Request for Offers to Purchase (“RFOTP”) on June 22, 2018 in connection with the sale of the 2.8-acre Bowling Center Parcel in Eatontown (the “Property”). The Bowling Center, also known as Building 689, is an approximately 17,599 sf structure located at the corner of Saltzman and Wilson Avenues. The 2.8-acre parcel also includes Building 682, a 4,720-sf wood frame building constructed in 1941, which must be demolished by PCP.

PCP intends to develop the Property in one or more phases for commercial, recreational, entertainment and retail uses. The Project will consist of the renovation and expansion of the existing Bowling Center and upgrades to the kitchen, and adding a bar, bocce courts, pool tables, shuffleboard tables and a stage. The Purchaser will be obligated to demolish Building 682 and install necessary site improvements at its sole cost and expense.

Pursuant to the terms of the PSARA, PCP will pay \$1,350,000 for the Property, which exceeds the \$1,000,000 minimum bid specified in the RFOTP, and has the option to ground lease a portion of the 2.8-acre Bowling Center Parcel for ninety-nine (99) years for \$1 per year. Closing will occur within one-hundred twenty (120) days after satisfaction of all conditions precedent to closing, including: completion of due diligence; receipt of Mandatory Conceptual Review approval from FMERA; submission of Purchaser’s site plan application to the Borough of Eatontown; and FMERA’s receipt of title to Parcel 102D, an environmental carve-out, from the Army.

First Amendment Due Diligence Extension & Delegated Authority

Under the terms of the PSARA, Purchaser was entitled to an Approval Period of up to ninety (90) days following the completion of Due Diligence to obtain all necessary approvals (the “Approval Period”), and if proceeding in good faith, an additional ninety (90) day extension (the “Approval Extension Period”). The Approval Extension Period expired on May 1, 2020.

Due to COVID -19 related delays and shutdowns, Purchaser was not able to obtain all approvals in the designated timeframe and required additional time to obtain the necessary approvals. FMERA granted an additional five-

month (5) month Approval extension to the Approval Extension Period by utilizing the Board Approved Delegated Authority provided to the Executive Director at the April 15, 2020 FMERA Board meeting. That Board Approval provided the Executive Director delegated authority to authorize timeline extensions for projects impacted by COVID-19, without Board approval.

The FMERA Executive Director granted an additional five (5) month Approval Period extension, executed July 15, 2020, which was retroactively applied from May 1, 2020 via the First Amendment to the PSARA.

Second Amendment to the PSARA: Extension to the Closing Timeline

Under the terms of the PSARA, Purchaser is obligated to close within one hundred and twenty (120) days following the satisfaction or waiver of the Conditions Precedent to Closing, which occurred on October 1, 2020. Based on this timeframe, Purchaser was expected to close on or before February 1, 2021. Purchaser has requested an extension to close by March 30, 2021 via correspondence dated January 5, 2021, citing changes in the bank underwriting process and delays with the County approvals process. FMERA staff has reviewed this request and recommends the Real Estate Committee review and recommend the Board approve an extension to close.

The attached amendment to the PSARA includes the following revisions to material terms: an extension to close no later than March 30, 2021.

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 with Parker Creek Partners, LLC for the Bowling Center Parcel in Eatontown.

Bruce Steadman

Prepared by: Sarah Giberson

Resolution Regarding
Fourth Amendment to and the Reinstatement of the Purchase and Sale & Redevelopment Agreement with the
Borough of Eatontown for a Department of Public Works Complex on the 1123 Parcel

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

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

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

WHEREAS, under the terms of the First Amendment, executed September 2, 2019, Purchaser agreed to: i) amend the Approval Period to run for a total period not to exceed six months, beginning at the expiration of the Due Diligence Period; and ii) Close within thirty days of the expiration of the amended six month Approval Period, subject to receipt of an NFA from the NJDEP for the two environmental carve-out parcels located within the Property and regardless of whether other Conditions Precedent to Closing have been waived or satisfied; and

WHEREAS, following the expiration of the Due Diligence Period, the Borough entered the Approval Period which was set to expire on May 30, 2020; however, on May 15, 2020, via email correspondence, the Borough requested an extension to the Approval Period due to challenges navigating COVID-19 and also turnover in Borough staff; and

WHEREAS, the FMERA staff reviewed the Borough's request and the Executive Director agreed to retroactively extend the Approval Period under his Delegated Authority for five months or until October 30, 2020; the Second Amendment was executed on July 30, 2020; and

WHEREAS, on October 2, 2020, via letter correspondence, the Borough requested an additional extension to the Approval Period, set to expire on October 30, 2020, citing delays in the Borough budget approval process for 2020; the budget approval was required in order for the Borough to authorize funds for the remaining environmental work to be completed by T&M Associates; and

WHEREAS, the Borough requested an additional five-month extension to the Approval Period, or April 1, 2021; as the Approval Period was set to expire before the Third Amendment could be adopted, the Borough conditionally terminated and reinstated the PSARA under the Third Amendment, executed November 29, 2020; and

WHEREAS, during its review of the Borough's mandatory conceptual review application, FMERA staff identified that Building 1124 was slated for demolition although the Project as set forth in the PSARA identifies 1124 as slated for renovation; and

WHEREAS, FMERA notified the Borough of this conflict and the Borough confirmed its position regarding the intended demolition of Building 1124; as amended, the Reuse Plan allows for the demolition of Building 1124; and

WHEREAS, FMERA has reviewed the site plan and concurs that the demolition of 1124 is acceptable and supports the highest and best use of the Property; and

WHEREAS, all other terms of the PSARA will remain unchanged. The attached Fourth Amendment to the PSARA is in substantially final form. The final terms of the amendment will be subject to the approval of FMERA's Executive Director, the Borough of Eatontown, and the Attorney General's Office. 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 Fourth Amendment to and the Reinstatement of the PSARA with the Borough of Eatontown for the 1123 Parcel for an extension of the Approval Period 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: January 20, 2021

EXHIBIT 2

MEMORANDUM

TO: Members of the Board

FROM: Bruce Steadman
Executive Director

RE: Fourth Amendment to the Purchase and Sale & Redevelopment Agreement with the Borough of Eatontown for a Department of Public Works Complex on the 1123 Parcel

DATE: January 20, 2021

Request

I am requesting that the Board approve the execution of the Fourth Amendment to the Purchase and Sale & Redevelopment Agreement (“PSARA”) with the Borough of Eatontown (“Borough”) providing for an amendment to the Redevelopment Project.

Background

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

On January 16, 2019, the Members of the Board authorized the execution of the PSARA between FMERA and the Borough of Eatontown for the Property. The PSARA was executed on May 8, 2019.

Pursuant to the terms of the PSARA, Purchaser was provided a ninety (90) day Due Diligence Period commencing on the Effective Date of the PSARA and; an Initial Approval Period of twelve (12) months commencing at the end of the Due Diligence period; and a six (6) month Approval Extension Period, subject to FMERA approval. Closing would occur within thirty (30) days of satisfaction or waiver of the Conditions Precedent to Closing.

Due Diligence & First Amendment

Due to the existing constraints of the site and a need to further investigate two (2) Army-owned environmental carve-out parcels known as ECP Parcel 41 and ECP Parcel 43, environmental contractor T&M Associates made a recommendation to the Borough of Eatontown to request an extension of the Due Diligence Period, which expired on August 8, 2019 per the terms of the PSARA. A request to extend the Due Diligence Period to November 29, 2019 was subsequently submitted to the FMERA Board and approved at the July 2019 meeting.

Under the terms of the First Amendment, executed September 2, 2019, Purchaser agreed to: i) amend the Approval Period to run for a total period not to exceed six (6) months, beginning at the expiration of the Due Diligence Period; and ii) Close within thirty (30) days of the expiration of the amended six (6) month Approval Period,

subject to receipt of an NFA from the NJDEP for the two environmental carve-out parcels located within the Property and regardless of whether other Conditions Precedent to Closing have been waived or satisfied.

Delegated Authority & Second Amendment

Following the expiration of the Due Diligence Period, the Borough entered the Approval Period which was set to expire on May 30, 2020. On May 15, 2020, via email correspondence, Purchaser requested an extension to the Approval Period due to challenges navigating COVID-19 at the Borough and also turnover in Borough staff.

Per the Board's action on April 15, 2020, the Executive Director was granted Delegated Authority to approve any pre-closing or post-closing extensions for up to five months for delays for COVID-19 related reasons so long as the developer has requested such an extension in writing and satisfied FMERA's request for any supporting documentation. The FMERA staff reviewed the Borough's request and the Executive Director agreed to retroactively extend the Approval Period under his Delegated Authority for five months or until October 30, 2020. The Second Amendment was executed on July 30, 2020.

Reinstatement & Third Amendment

On October 2, 2020, via letter correspondence, Purchaser requested an additional extension to the Approval Period, set to expire on October 30, 2020, citing delays in the Borough budget approval process for 2020. The budget approval was required in order for the Borough to authorize funds for the remaining environmental work to be completed by T&M Associates. The Borough requested an additional five (5) month extension to the Approval Period, until April 1, 2021. As the Approval Period was set to expire before the Third Amendment could be adopted, the Borough conditionally terminated and reinstated the PSARA under the Third Amendment, executed November 29, 2020.

Demolition of Building 1124 & Fourth Amendment

The Borough of Eatontown submitted its initial Mandatory Conceptual Review packet to FMERA on October 28, 2020. During its review, FMERA staff identified that Building 1124 was slated for demolition on the Borough's site plan. The Project as set forth in the PSARA identifies 1124 as slated for renovation. FMERA notified the Borough of this conflict and the Borough confirmed its position regarding the intended demolition of Building 1124. As amended, the Reuse Plan allows for the demolition of Building 1124.

FMERA has reviewed the site plan and concurs that the demolition of 1124 is acceptable and supports the highest and best use of the Property. FMERA staff recommends the Real Estate Committee review and recommend the Board approve the demolition of Building 1124.

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

Recommendation

In summary, I am requesting that the Board approve the proposed Fourth Amendment to the PSARA with the Borough of Eatontown for the 1123 Parcel for an amendment to the Redevelopment Project.

Bruce Steadman

Prepared by: Sarah Giberson

Resolution Regarding
Authorization to enter into a Purchase and Sale & Redevelopment Agreement with New Jersey
American Water for a water tank on the Water Tank Parcel

WHEREAS, On December 29, 2014, FMERA publicly advertised a Request for Offers to Purchase (“Howard Commons RFOTP”) an approximately 63.67 acre of land and improvements located in the Charles Wood Are of Fort Monmouth known as Howard Commons Parcel (“Howard Commons Parcel”), in accordance with FMERA’s Rules for the Sale of Real and Personal Property, N.J.A.C. 19:31C-2.1 et seq., which included the Water Tank Parcel; and

WHEREAS, since the issuance of the Howard Commons RFOTP significant environmental contamination has been found on the Howard Commons Parcel, in the form of historically applied pesticides, which has led to delays in development and the withdrawal of the top scoring bidder to the Howard Commons RFOTP; FMERA remains in negotiations with the only remaining bidder to the Howard Commons RFOTP - US Home Corporation, a wholly owned subsidiary of Lennar Corporation (“Lennar”) a corporation of the State of Delaware, located at 2465 Kuser Road, Floor 3, Hamilton, New Jersey 08690, and expects to enter into a Purchase and Sale Agreement and Redevelopment Agreement during the first Quarter of 2021; and

WHEREAS, since the issuance of the Howard Commons RFOTP, NJAW has indicated to FMERA that there is severe shortage of water storage capacity and pressure in the surrounding area of Monmouth County and has indicated it is in need of land to build an approximately two million gallon storage tank to better serve the surrounding community’s needs; and

WHEREAS, these issues impact Fort properties that FMERA owns and remains responsible to redevelop and as NJAW serves as the sole source water provider in the Tinton Falls/Eatontown/Oceanport area, FMERA staff responded to NJAW’s request by identifying a 3.945 tract of land located on the Howard Commons Parcel herein identified as the Water Tank Parcel or Property; and

WHEREAS, the Water Tank Parcel is uniquely suited to serve NJAW’s needs by providing approximately four acres of land surrounded on two sides by undeveloped preserved forest, a municipal road on another and a fourth side that encompasses soon to be built residential units which will be buffered by trees; and

WHEREAS, by correspondence dated January 4, 2021 Lennar has agreed to exclude the Water Tank Parcel from the Howard Commons RFOTP in exchange for foregoing costs associated with demolition and remediation at that site; and

WHEREAS, a water storage tank located anywhere near Fort Monmouth would ultimately benefit development projects at Fort Monmouth and others in the surrounding areas, especially large volume water users; and

WHEREAS, in addition, as part of the Fort’s overall utility replacement and improvement plan and to connect the western Main Post properties to the eastern Main Post properties on the Fort, FMERA requires that a 24-inch water main extension be built from Route 35 east along Avenue of Memories to the intersection of Avenue of Memories and Irwin Avenue (“Water Main Extension”), totaling approximately 5,500 linear feet. FMERA anticipates that the Water Main Extension would cost FMERA approximately \$1.3 million; and

WHEREAS, as part of the purchase price for the Water Tank Parcel, NJAW has agreed to install the Water Main Extension under the terms set forth in the PSARA, expediting the installation of the line by three to five years; and

WHEREAS, Purchaser has agreed to make the Homeless Trust payment of \$80,220.00 based on all developable acreage and complete the Water Main Extension at no cost to FMERA by December 31, 2021; and

WHEREAS, Purchaser will have a sixty-day Due Diligence Period commencing on the Effective Date of the PSARA; an Initial Approval Period of six months commencing at the end of the Due Diligence period; and a six-month Approval Extension Period, subject to FMERA approval; and

WHEREAS, closing will occur within thirty days satisfaction or waiver of the Conditions Precedent to Closing and it is anticipated that a Reuse Plan Amendment will be required to permit the construction of the water tank on the site; and

WHEREAS, NJAW's Capital Investment shall be the aggregate of (1) the cost to demolish the existing buildings and construct a two million-gallon water storage tank on the property, and (2) the installation of the Water Main Extension; and

WHEREAS, the project includes the development of an 2,000,000 gallon NJAW water tank to resolve water pressure and capacity issues in the surrounding area and will consist of the demolition of Buildings 3034, 3035, 3036 and 3037 within the timelines set forth under the PSARA as well as associated paving, ancillary storage and landscape buffering to support the site for the water tank use; and

WHEREAS, NJAW has agreed it is responsible for establishing service and accounts for any utility service required to service the site and the water tank; for replacement, repair, maintenance and/or relocation of utilities within the Property to serve the Project, subject to Seller's review and approval; and for coordinating communication services to the Property through a provider of its choosing; and

WHEREAS, the attached PSARA between FMERA and the NJAW is in substantially final form. The final terms of the PSARA are subject to the approval of FMERA's Executive Director and the Attorney General's Office. On January 19, 2021, via email the Real Estate Committee reviewed and approved the request and recommends it to the Board for approval.

THEREFORE, BE IT RESOLVED THAT:

1. The Authority approves the Authorization to enter into a Purchase and Sale & Redevelopment Agreement with New Jersey American Water for a water tank on the Water Tank Parcel on terms substantially consistent to those set forth in the attached memorandum and with final terms acceptable to the Executive Director and the Attorney General's Office and authorizes the Executive Director to execute the Agreement.

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

MEMORANDUM

TO: Members of the Board

FROM: Bruce Steadman
Executive Director

RE: Authorization to enter into a Purchase and Sale & Redevelopment Agreement with New Jersey American Water for a water tank on the Water Tank Parcel

DATE: January 20, 2020

Request

I am requesting that the Board authorize FMERA staff to enter into a Purchase and Sale & Redevelopment Agreement (“PSARA”) with New Jersey American Water (“NJAW” or “Purchaser”) for a 3.945-acre tract known as the Water Tank Parcel (“the Property”) including Portions of Building 3034 and Buildings 3035, 3036, and 3039 and land located along Pinebrook Road in the Eatontown Section of Fort Monmouth, New Jersey.

Background

On December 29, 2014, FMERA publicly advertised a Request for Offers to Purchase (“Howard Commons RFOTP”) an approximately 63.67 acre of land and improvements located in the Charles Wood Are of Fort Monmouth known as Howard Commons Parcel (“Howard Commons Parcel”), in accordance with FMERA’s Rules for the Sale of Real and Personal Property, N.J.A.C. 19:31C-2.1 et seq., which included the Water Tank Parcel. Since the issuance of the Howard Commons RFOTP significant environmental contamination has been found on the Howard Commons Parcel, in the form of historically applied pesticides, which has led to delays in development and the withdrawal of the top scoring bidder to the Howard Commons RFOTP. FMERA remains in negotiations with the only remaining bidder to the Howard Commons RFOTP - US Home Corporation, a wholly owned subsidiary of Lennar Corporation (“Lennar”) a corporation of the State of Delaware, located at 2465 Kuser Road, Floor 3, Hamilton, New Jersey 08690, and expects to enter into a Purchase and Sale Agreement and Redevelopment Agreement during the first Quarter of 2021.

Since the issuance of the Howard Commons RFOTP, NJAW has indicated to FMERA that there is severe shortage of water storage capacity and pressure in the surrounding area of Monmouth County and has indicated it is in need of land to build an approximately two million gallon storage tank to better serve the surrounding community’s needs. These issues impact Fort properties that FMERA owns and remains responsible to redevelop. As NJAW serves as the sole source water provider in the Tinton Falls/Eatontown/Oceanport area, FMERA staff responded to NJAW’s request by identifying a 3.945 tract of land located on the Howard Commons Parcel herein identified as the Water Tank Parcel or Property. The Water Tank Parcel is uniquely suited to serve NJAW’s needs by providing approximately four acres of land surrounded on two sides by undeveloped preserved forest, a municipal road on another and a fourth side that encompasses soon to be built residential units which will be buffered by trees.

The Water Tank Parcel is also impacted by the environmental contamination identified on the Howard Commons Parcel. The Water Tank Parcel includes portions of Building 3034 and Buildings 3035, 3036 & 3037 which are identified for demolition. The estimated costs for remediation and demolition on the Water Tank Parcel is between \$1,025,000.00 to \$1,275,000.00, which includes demolition costs for the entirety of Building 3034. By way of a Term Sheet dated September 9, 2020 and by correspondence dated January 4, 2021 Lennar has agreed to exclude

the Property from the Howard Commons RFOTP in exchange for foregoing costs associated with demolition and remediation at that site.

A water storage tank located anywhere near Fort Monmouth would ultimately benefit development projects at Fort Monmouth and others in the surrounding areas, especially large volume water users, such as RWJ Barnabas which has an executed Purchase and Sale Agreement with New Jersey Economic Development Authority (“NJEDA”) and FMERA for the redevelopment of Myer Center parcel as well as several anticipated projects on Parcel B, the Tinton Falls Commercial Area, and the McAfee Center parcels.

In addition, as part of the Fort’s overall utility replacement and improvement plan and to connect the western Main Post properties to the eastern Main Post properties on the Fort, FMERA requires that a 24-inch water main extension be built from Route 35 east along Avenue of Memories to the intersection of Avenue of Memories and Irwin Avenue (“Water Main Extension”), totaling approximately 5,500 linear feet. FMERA anticipates that the Water Main Extension would cost FMERA approximately \$1.3 million. As part of the purchase price for the Water Tank Parcel, NJAW has agreed to install the Water Main Extension under the terms set forth in the PSARA, expediting the installation of the line by three to five years. The Project (as defined in the PSARA) shall resolve a major impediment to redevelopment on Fort Monmouth by allowing FMERA to market properties to developers that require large volumes of water and provide overall improvements to the infrastructure of the Fort.

Using the Fort’s appraisal for the land area in the Main Post, the fair market value of 3.945 acres for open space recreation use, net of the demolition costs, results in an estimated value of \$0 for the Property. Purchaser has agreed to make the Homeless Trust payment of \$80,220.00 based on all developable acreage.

Purchase and Sale & Redevelopment Agreement

FMERA staff is pleased to report that negotiations with the NJAW have resulted in the following terms: NJAW will pay \$80,220 to the Homeless Trust Fund for the approximately 3.945-acre property for water utility uses related to the NJAW water tank and completed the Water Main Extension at no cost to FMERA by December 31, 2021. Per the PSARA, Purchaser will have a sixty (60) day Due Diligence Period commencing on the Effective Date of the PSARA; an Initial Approval Period of six (6) months commencing at the end of the Due Diligence period; and a six (6) month Approval Extension Period, subject to FMERA approval. Closing will occur within thirty (30) days satisfaction or waiver of the Conditions Precedent to Closing. NJAW has represented that intends to elect to waive All Approvals and Close on the property but has agreed to provide progress updates to FMERA every 6 months on the status of approvals. FMERA will convey the Property to the Borough in as-is condition, but with clear title and subject to the Army’s on-going obligations under CERCLA to address any pre-existing contamination that may exist on the Property. It is anticipated that a Reuse Plan Amendment will be required to permit the construction of the water tank on the site.

NJAW’s Capital Investment shall be the aggregate of (1) the cost to demolish the existing buildings and construct a two (2) million-gallon water storage tank on the property, and (2) the installation of the Water Main Extension.

The project includes the development of an 2,000,000 gallon NJAW water tank to resolve water pressure and capacity issues in the surrounding area and will consist of the demolition of Buildings 3034, 3035, 3036 and 3037 within the timelines set forth under the PSARA as well associated paving, ancillary storage and landscape buffering to support the site for the water tank use.

The Project will be completed over multiple Phases. Phase I consists of the demolition of the Buildings 3034, 3035, 3036 and 3037, including any all asbestos abatement work; the Purchaser will follow standard demolition procedures and ensure any subsurface spaces are removed and soil is graded after demolition. NJAW will commence demolition of Phase I of Project no later than ninety (90) days after Closing. Purchaser will Complete Phase I of the Project no later than March 31, 2022. Phase II consists of the construction of the two million gallon water tank, of a height not to exceed 35 feet, including any required remediation. The water tank project shall also include other site improvements necessary to operate the tank and support water utility operations (e.g. booster pump station and generator) and a mature foliage buffer and/or berm shall be installed on the western

boundary of the Property. At Purchaser's discretion, Purchaser may seek to create a paved area of approximately 3,250 square feet, and storage facilities for limited utility equipment storage to support Purchaser's water utility operations

Regarding infrastructure and utility improvements, the NJAW has agreed to the following: Purchaser is responsible for establishing service and accounts for any utility service required to service the site and the water tank. Purchaser is also responsible for replacement, repair, maintenance and/or relocation of utilities within the Property to serve the Project, subject to Seller's review and approval. Purchaser is responsible for coordinating communication services to the Property through a provider of its choosing.

The attached PSARA between FMERA and the NJAW is in substantially final form. The final terms of the PSARA are subject to the approval of FMERA's Executive Director and the Attorney General's Office. On January 19, 2021, via email the Real Estate Committee reviewed and approved the request and recommends it to the Board for approval.

Recommendation

In summary, I am requesting that the Board authorize FMERA staff to enter into a Purchase and Sale & Redevelopment Agreement with New Jersey American Water for a water tank on the Water Tank Parcel.

Bruce Steadman

Prepared by: Kara Kopach