

TO: Members of the Board

FROM: Bruce Steadman
Executive Director and Secretary

DATE: February 16, 2022 – 5:00p.m.

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 Requests for Offers to Purchase (RFOTPs)
 - Update on Marketing Effort
 - Action Items for Next Month
10. **Committee Reports**
 - Audit Committee – Robert Lucky, Chairman
 - Real Estate Committee – Robert Lucky, Interim Chairman
 - Environmental Staff Advisory Committee – Diane Dow, Chairwoman
 - Historical Preservation Staff Advisory Committee – Jay Coffey, Chairman
 - Housing Staff Advisory Committee – Robert Long, Chairman
 - Veterans Staff Advisory Committee – Lillian Burry, Chairwoman
11. **Board Actions**
 1. Consideration of Approval of the 1st Amendment to the Redevelopment Agreement for the Myer Center Parcel in Tinton Falls.
 2. Consideration of Approval of an Agreement between FMERA and JCP&L for Installation of Electric Distribution Facilities on the Main Post of Fort Monmouth in Eatontown and 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: February 16, 2022

Subject: Monthly Status Report

Summary

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

Treasurer's Report

Staff is preparing the Authority's 2021 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 in for review in mid-March, and finals presented to the Board in April.

The Authority's independent auditors, CliftonLarsonAllen, have begun their audit of the Authority's 2021 operations. The Auditors will report on the Authority's financial statements and accompanying notes, as well as report on the Authority's internal controls and compliance with Government Auditing Standards. Field work is scheduled to begin February 22.

Executive Director's Report

• Update on Utilities and Infrastructure

The facilities, environmental, and site-maintenance team continues to operate to maintain the utility infrastructure to serve our developers, residences, and businesses. The team also handles the maintenance and inspections of the buildings.

FMERA is currently working on completing the following Deeds with the Army:

- The Group 5 Deed is in draft form at the Army level awaiting the Record of Decision from the Army Corps of Engineers.

Other projects in process include:

- The installation of the New Jersey American Water Avenue of Memories water main is complete.
- The NJDCA funded \$5.2M for the installation of the East Interceptor, pump house, and force main along Oceanport Avenue has been transferred to Two Rivers Water Reclamation Authority. Proposals are due back to TRWRA in March.
- The NJDCA funded \$159,325 for the Professional Engineering Services with the Eatontown Sewerage Authority has been transferred for the sewer improvement projects within the Eatontown section of the Fort.
- Work associated with the Army's landfill capping project is still progressing. Eight of the nine landfills are complete or substantially complete, the final landfill, Landfill 8, will be completed by the end of February.

- The DCA Bureau of Fire Code Enforcement has now inspected 64 buildings on the main post. The team continues to address identified fire safety concerns and prepare a management plan.
- The NJDEP approved a Treatment Works Agreement, or TWA, for the Somerset on-site sanitary system design on the Lodging parcel. The DEP also approved the TWA for the \$5.2M Two Rivers Water Reclamation Authority project to install the east interceptor, pump station and Oceanport Avenue force main.

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 seventeen 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 KKI 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.
- Manna, on March 22, 2021, with AP Development Partners, LLC, which will continue to operate as a marina/public boat ramp and restaurant.
- 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.

Also in **Oceanport**, FMERA has executed or approved contracts on the following two 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.
- Nurses Quarters, with RPM Development, LLC for the 24-unit residential complex on Main Street adjacent to the former Patterson Army Hospital.

In **Eatontown**, FMERA has closed on the following three properties:

- Suneagles Golf Course, on December 18, 2020 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 and restaurant in the interim so it remains open to the public as the redevelopment progresses.
- New Jersey American Water Tank Parcel, on April 23, 2021, a parcel located on a 3.945-acre tract on the Howard Commons parcel to install a water tank 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.
- Bowling Center, on February 9, 2022 between FMERA and Parker Creek Partners thru a Purchase & Sale Agreement. The Bowling Center will be incorporated in the Mega Parcel RFOTP.

Also in **Eatontown**, FMERA has executed or approved contracts on the following two 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.
- 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.

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 C with Lennar Corporation, on August 2, 2018 approved for 243 residential units and up to 58,000 sq. ft. of retail development.
- Parcel C1 with Lennar Corporation, on August 2, 2018 planned for 45 new single-family homes.

FMERA has executed contracts on three 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.
- Tinton Falls Commercial Parcel (Pulse Power, Building 2719, and the Pistol Range) with RWJBH for 1) construction of a three-story Medical Office Building anticipated to have be approximately 121,125 GSF; 2) installation of a grid-supply solar energy system; 3) construction of active recreational facilities, including two (2) multi-purpose grass or turf athletic fields, one (1) baseball / softball field, up to five (5) tennis courts, and a field house; 4) passive recreation, including a community walking / nature trail that enhances walkability and interconnectedness of the Tinton Falls section of Fort Monmouth; and 5) open space to benefit the surrounding area.

3. Marketing Update

FMERA remains focused on the continued movement and progress of on-going projects at this time. With the highest and best use of the property and job creation in mind, FMERA released its Mega RFOTP, which staff believes will further our redevelopment initiatives and support the economic vitality of the region. Although the Board voted to terminate the RFOTP at its last meeting, FMERA plans to issue a new Mega Parcel RFOTP inclusive of additional acreage in the next several weeks.

The Mega Parcel RFOTP is seeking proposals for the redevelopment of an approximately 290-acre property spanning the Boroughs of Eatontown and Oceanport. FMERA has a strong interest in bolstering the innovation economy to create more and better jobs locally, as well as throughout the state, and to further revitalize Fort Monmouth. By supporting one or more key sectors, including but not limited to life sciences, information and high tech, clean energy, food and beverage, and film and digital media, staff believes Fort is positioned to serve as a regional hub for one of these dynamic industries and further attract other business within and around the Fort Monmouth area, as a result. Recently, FMERA acquired an additional piece of property that is slated to be added to the Mega RFOTP, subject to the Board's review and approval this evening. Tonight's Board action will result in modified timelines and a new proposal period for the Mega RFOTP. More information will be presented on this subject during the course of this meeting. The details of a new RFOTP will be available on our website in the coming weeks. Please note that the RFOTP process remains open and competitive to all interested parties. A formal evaluation process remains in place and all proposals will be evaluated against the included evaluation criteria once the proposal period closes.

FMERA staff is presently working a hybrid schedule with our offices open daily. We kindly ask that all visitors remain masked while at the FMERA office. Please visit our website, www.fortmonmouthnj.com and follow us on Instagram at [@fortmonmouthnj](https://www.instagram.com/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 with interested prospective employers and investors
- Continued outreach to our stakeholders in the 3 host municipalities, the County and others
- Continued collaboration with the NJEDA Trenton Office on marketing and business development opportunities
- Continued work on the water, sewer, and electric system improvements
- Continued drafting and revisions of documents for the 30+ projects underway

Bruce Steadman

Prepared by: Regina McGrade

ADOPTED
February 16, 2022

**Resolution Regarding
First Amendment to the Redevelopment Agreement between RWJ Barnabas Health, Inc. and the
Fort Monmouth Economic Revitalization Authority for Parcel F-1 (Myer Center) in Tinton Falls**

WHEREAS, FMERA and the New Jersey Economic Development Authority (“NJEDA”) entered into a Purchase and Sale Agreement (the “Purchase Agreement”) dated as of October 30, 2017, pursuant to which NJEDA agreed to acquire the former Myer Center in Tinton Falls situated on an approximately 36.3 acre parcel to be subdivided by deed from FMERA. The Property is bordered by two municipal streets, Corregidor Road and Pearl Harbor Avenue; and

WHEREAS, per the Purchase Agreement, the NJEDA may assign the Purchase Agreement to a redeveloper to undertake a redevelopment project on the Property so long as the redeveloper (i) is approved by the Chapter 51 Review Unit, (ii) provides FMERA with an unqualified and unconditional acceptance of the terms and conditions of the Purchase Agreement, and (iii) the redeveloper and its project are approved by FMERA. On February 18, 2018 RWJBH submitted an unsolicited offer to purchase the Property to the NJEDA through a proposed Letter of Intent and the Parties executed a non-binding Expression of Interest to Enter into an Agreement to Assign the Purchase and Sale Agreement between FMERA and NJEDA, dated October 30, 2017; and

WHEREAS, the NJEDA, FMERA and RWJBH (the “Parties”) entered into an Agreement to Assign, dated as of August 10, 2018, as amended in the First Amendment to the Agreement to Assign, dated as of June 5, 2019, as amended by the Second Amendment to the Agreement to Assign, dated December 3, 2019, as further amended by the Third Amendment to the Agreement to Assign, dated April 9, 2020, and as amended by the Fourth Amendment to the Agreement to Assign, dated October 25, 2021 (collectively the “Agreement to Assign”) pursuant to which NJEDA agreed to assign to RWJBH all of NJEDA’s rights, title and interest in the Purchase Agreement; and

WHEREAS, on October 17, 2018, the FMERA Board approved the introduction of Reuse Plan Amendment #12, and , the Board approved the Reuse Plan Amendment #12 on January 16, 2019; and

WHEREAS, RWJBH (the “Redeveloper”) and FMERA subsequently entered into a Redevelopment Agreement dated October 25, 2021 as required by the Agreement to Assign; the Redevelopment Agreement called for the redevelopment project (the “Project”); and

WHEREAS, in light of ongoing modifications to the site plan and increased demand on the parcel site, Redeveloper proposes to modify its various buildings square footage ranges under Redevelopment Agreement to provide more flexibility during its approval process as described in the attached memorandum. This Amendment in no way amends the Redeveloper’s obligation to adhere to the Reuse Plan, as amended; and

WHEREAS, Phase 2(b) remains unchanged. All other terms of the Redevelopment Agreement remain unchanged. The Reuse Plan Amendment permits the increase in square footage; and

WHEREAS, the attached First Amendment to the Redevelopment Agreement is in substantially final form. The final terms of the Redevelopment Agreement will be subject to the approval of FMERA’s Executive Director and subject to approval as to form by the Attorney General’s Office .

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 execution of the First Amendment to the Redevelopment Agreement between RWJ Barnabas Health, Inc. and the Fort Monmouth Economic Revitalization Authority for Parcel F-1 (Myer

Center) in Tinton Falls on terms substantially consistent to those set forth in the attached memorandum and with final terms acceptable to the Executive Director and a review as to form by the Attorney General's Office and authorizes the Executive Director to execute the Agreement.

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

Attachment
Dated: February 16, 2022

EXHIBIT 1

DRAFT

MEMORANDUM

TO: Members of the Board

FROM: Bruce Steadman
Executive Director

RE: First Amendment to the Redevelopment Agreement between RWJ Barnabas Health, Inc. and the Fort Monmouth Economic Revitalization Authority for Parcel F-1 (Myer Center) in Tinton Falls

DATE: February 16, 2022

Request

I am requesting that the Board approve the execution of the First Amendment to the Redevelopment Agreement (“First Amendment”) among the Fort Monmouth Economic Revitalization Authority (“FMERA” or “Seller”), and RWJ Barnabas Health, Inc. (“RWJBH” or “Redeveloper”) for Parcel F-1 (Myer Center) in Tinton Falls.

Background

FMERA and the New Jersey Economic Development Authority (“NJEDA”) entered into a Purchase and Sale Agreement (the “Purchase Agreement”) dated as of October 30, 2017, pursuant to which NJEDA agreed to acquire the former Myer Center in Tinton Falls situated on an approximately 36.3 acre parcel to be subdivided by deed from FMERA. The Property is bordered by two municipal streets, Corregidor Road and Pearl Harbor Avenue.

Per the Purchase Agreement, the NJEDA may assign the Purchase Agreement to a redeveloper to undertake a redevelopment project on the Property so long as the redeveloper (i) is approved by the Chapter 51 Review Unit, (ii) provides FMERA with an unqualified and unconditional acceptance of the terms and conditions of the Purchase Agreement, and (iii) the redeveloper and its project are approved by FMERA. On February 18, 2018, RWJBH submitted an unsolicited offer to purchase the Property to the NJEDA through a proposed Letter of Intent and the Parties executed a non-binding Expression of Interest to Enter into an Agreement to Assign the Purchase and Sale Agreement between FMERA and NJEDA, dated October 30, 2017.

The NJEDA, FMERA and RWJBH (collectively the “Parties”) entered into an Agreement to Assign, dated as of August 10, 2018, as amended in the First Amendment to the Agreement to Assign, dated as of June 5, 2019, as amended by the Second Amendment to the Agreement to Assign, dated December 3, 2019, as further amended by the Third Amendment to the Agreement to Assign, dated April 9, 2020, as amended by the Fourth Amendment to the Agreement to Assign, dated October 25, 2021, (collectively the “Agreement to Assign”) pursuant to which NJEDA agreed to assign to RWJBH all of NJEDA’s rights, title and interest in the Purchase Agreement.

On October 17, 2018, the FMERA Board approved the introduction of Reuse Plan Amendment #12 in accordance with the Redeveloper’s Conceptual Site Plan. After the Board’s introduction of the amendment, the end of the Governor’s veto period and the host municipalities’ 45-day comment period, the Board approved the Reuse Plan Amendment #12 on January 16, 2019.

RWJBH (the “Redeveloper”) and FMERA subsequently entered into a Redevelopment Agreement dated October 25, 2021 as required by the Agreement to Assign. The Redevelopment Agreement called for the following redevelopment project (the “Project”):

- Phase 1 of the Project shall include an approximately 138,000 square foot Cancer Center and Ambulatory Care Pavilion, comprised of the following uses: oncology services, imaging, radiation, and ambulatory surgery center (for clarity, a portion of the building will serve as the Cancer Center and the balance will serve as an ambulatory care center and support services), parking and interphase grading and landscaping.
- Phase 2 of the Project consists of two options which may be undertaken by RWJBH at its discretion: Phase 2(a) shall include: (A) an approximately 568,901 square foot acute care hospital, including approximately 250 beds; (B) an approximately 206,768 square foot clinical and support building; (C) an approximately 137,000 square foot medical office building; (D) a 34,000 square foot central utility plant; and (E) an approximately 404,000 square foot structured parking facility; and Phase 2(b) shall include: (A) twenty (20) acres of publicly accessible open space; (B) stone dust walking trails connecting different site components, including Cancer Center, parking lots, gazebos, and Corregidor Road; (C) Seatwall and Sculpture space; (D) at least two gazebos; and (E) landscaped open areas and plantings.

In the event that Redeveloper constructs Phase 2(b), Redeveloper shall deed restrict the property upon which Phase 2(b) is developed only for use as public open space (the "Open Space Deed Restriction"); provided, that (1) the Open Space Deed Restriction shall run only to the benefit of FMERA, and not directly to the general public, and (2) the Open Space Deed Restriction subject to extinguishment at the FMERA Board's sole discretion. The Redeveloper will construct ancillary improvements in connection with the Project, including parking, to meet the needs of the user as required by FMERA's Land Use Rules.

In addition, the Redeveloper shall create three hundred eighteen (318) full-time equivalent permanent jobs within twenty-four (24) months of the receipt of the Certificate of Occupancy for Phase 1 of the Project. For Phase 2(a), the Redeveloper shall create a total of one thousand (1,000) full-time equivalent permanent jobs at the Property within twenty-four months of the receipt of the Certificate of Occupancy for any portion of Phase 2(a) or for Phase 2(b) Redeveloper shall create a total of one (1) full-time equivalent permanent jobs at the Property within twelve (14) months of the Completion for Phase 2(b) of the Project.

Proposed First Amendment to the Redevelopment Agreement and Fifth Amendment to the Agreement to Assign

In light of ongoing modifications to the site plan and increased demand on the parcel site, Redeveloper proposes to modify its various buildings square footage ranges under Redevelopment Agreement to provide more flexibility during its approval process. This Amendment in no way amends the Redeveloper's obligation to adhere to the Reuse Plan, as amended.

The following represent the updated square footages ranges permitted per building in the First Amendment.

For Phase 1:

- a Cancer Center and Ambulatory Care Pavilion, shall be at least 138,000 square feet and shall not exceed 225,000 square feet.

For Phase 2(a):

- an acute care hospital, including approximately 250 beds shall at least 500,000 square feet and shall not exceed 605,000 square feet;
- a clinical and support facility (the clinical and support facility shall be at least 190,000 square feet and shall not exceed 326,000 square feet);
- a medical office building (the medical office building shall be at least 112,000 square feet and shall not exceed 250,000 square feet);
- an approximately 34,000 square foot central utility plant; and
- a structured parking facility that shall not exceed 940,000 square feet.

Phase 2(b) remains unchanged. All other terms of the Redevelopment Agreement remain unchanged. The Reuse Plan Amendment permits the increase in square footage.

The attached First Amendment to the Redevelopment Agreement is in substantially final form. The final terms of the Redevelopment Agreement will be subject to the approval of FMERA's Executive Director and subject to approval as to form by the Attorney General's Office. The Real Estate Committee has reviewed the request and recommends it to the Board for approval.

Recommendation

In summary, I am requesting that the Board authorize the execution of the First Amendment to the Redevelopment Agreement the Fort Monmouth Economic Revitalization Authority and RWJ Barnabas Health, Inc. for Parcel F-1 in the Tinton Falls Reuse Area.

Bruce Steadman

Prepared by: Kara A. Kopach & Regina McGrade

DRAFT

**Resolution Regarding
Agreement between FMERA and JCP&L for Installation of Electric Distribution Facilities on the Main Post of
Fort Monmouth in Eatontown and Oceanport**

WHEREAS, pursuant to the Fiscal Year 2022 Appropriations Act, L. 2021, c.,191, Twelve Million Five Hundred Thousand dollars (\$12,500,000) of State Funds were appropriated for Fort Monmouth Electrical and Transportation; and

WHEREAS, FMERA's electrical infrastructure on the Main Post is aged and trending toward obsolescence, as a result, FMERA must replace this infrastructure with a new substation and ancillary electrical equipment. Based on the aforementioned funds, FMERA initiated conversations with JCP&L to fund new electrical infrastructure on the Main Post; and

WHEREAS, upon Board approval of the Agreement and the expiration of the Governor's 10 veto period of the Board meeting minutes, FMERA will notify N.J. Treasury who will appropriate up to the full \$12.5M to FMERA; the State fiscal year runs from July 1, 2021 to June 30, 2022 allowing FMERA to request the funds during this period; and

WHEREAS, BPU No. 13, Electric, Company's Tariff for Service (the "Tariff") and approved by The New Jersey Board of Public Utilities ("BPU" or "NJBP"), directs JCP&L to evaluate customer requests to increase capacity or extend facilities based on the expected return on investment to FMERA, taking into account any contribution by FMERA to such costs; in compliance with the Tariff, JCP&L has evaluated FMERA's request to extend facilities and/or increase capacity (the "Extension"), and has determined that, considering the cost to accommodate FMERA's request and the revenues necessary to be derived therefrom, JCP&L is agreeable to proceed with the installation of the Extension based upon the terms of the attached Agreement; and

WHEREAS, per the Agreement, JCP&L will provide the Fort Monmouth Main Post located in Oceanport and Eatontown, NJ with up to 17,000KVA of capacity to serve development within the FMERA property as outlined in the Initial Load Study, dated August 2020. FMERA and JCP&L mutually agree that JCP&L's assessment of current and programmed loads within the Main Post would be serviced by JCP&L providing 17,000KVA of power. However, in anticipation of the possible future development on the Main Post, FMERA has requested and JCP&L has agreed to install a 22MVA substation. The parties agree that if FMERA's requests a site load in excess of 17,000KVA, JCP&L will undertake a load study and will perform the necessary load calculation/engineering study to determine how to accomplish the requested increase in site load and budgetary estimate for the required material and work required to meet the requested load increase; and

WHEREAS, per the terms of this Agreement, the necessary sub transmission (34.5KV) and substation related work including a nameplate rated 22MVA substation transformer to provide requested capacity for the site. This also includes three distribution circuits originating from the new JCP&L owned substation and terminating outside the fence line of the new substation. Separate line extension contracts will be required to extend these circuits onto the FMERA property to serve the new loads. By separate agreement, JCP&L will engage with FMERA to determine if existing FMERA owned distribution infrastructure can be utilized to reduce the line extension work scope required by JCP&L. Per the terms of the agreement, associated work includes, new 34.5KVV sub transmission line tap and installation of 3 SCADA controlled switches and the installation of a new JCP&L substation. If necessary, JCP&L will require, and FMERA will be responsible for, supplying and installing facilities as designated by JCP&L; and

WHEREAS, FMERA has identified two parcels of land located on a portion of Block 110, Lot 4, which may be later subdivided by FMERA the site of the future substation ("Property"); and the Property currently contains Building #886 and certain environmental issues requiring remediation as described in the attached memorandum; and

WHEREAS, to accomplish the goals of this Project and the purpose of the Appropriated Funds, it shall be necessary for the FMERA to demolish Building #886 and undertake environmental remediation in order to make the necessary electrical improvements; and

WHEREAS, per the Agreement, payments by FMERA under the agreement, totaling \$3,721,561.00 shall be made in installments of not less than the following on or before the milestones of (a) 40% upon execution of the Agreement, (b) 30% upon site delivery of substation transformer and switchgear and (c) 30% upon energization of new substation; and

WHEREAS, the Board approves granting staff delegated authority to increase the Extension by an amount not to exceed 20% for unforeseen increased costs associated with materials needed for construction of the Extension and unanticipated site conditions; and

WHEREAS, the attached Grant Agreement between FMERA and JCP&L is in substantially final form. The final terms of the agreement will be subject to the approval of JCP&L, FMERA's Executive Director and a review as to form by the Attorney General's Office; and

WHEREAS, on February 16, 2022, the Audit Committee reviewed the request and recommends it to the Board for approval.

THEREFORE, BE IT RESOLVED THAT:

1. The Authority approves an Installation of Electric Distribution Facilities Agreement between FMERA and JCP&L on terms substantially consistent to those set forth in the attached memorandum and with final terms acceptable to the Executive Director and a review as to form by the Attorney General's Office and authorizes the Executive Director to execute the Agreement.

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

Attachment

Dated: February 16, 2022

EXHIBIT 2

DRAFT

MEMORANDUM

TO: Members of the Board

FROM: Bruce Steadman
Executive Director

RE: Agreement between FMERA and JCP&L for Installation of Electric Distribution Facilities on the Main Post of Fort Monmouth in Eatontown and Oceanport.

DATE: February 16, 2022

Request

I am requesting that the Board approve an Agreement between Jersey Central Power & Light Company ("JCP&L") and the Fort Monmouth Economic Revitalization Authority ("FMERA") ("the Parties") for the installation of Electric Distributions Facilities on the Main Post of Fort Monmouth.

Background

Pursuant to the Fiscal Year 2022 Appropriations Act, L. 2021, c.,191, Twelve Million Five Hundred Thousand dollars (\$12,500,000) of State Funds were appropriated for Fort Monmouth Electrical and Transportation.

FMERA's electrical infrastructure on the Main Post is aged and trending toward obsolescence, as a result, FMERA must replace this infrastructure with a new substation and ancillary electrical equipment. Based on the aforementioned funds, FMERA initiated conversations with JCP&L to fund new electrical infrastructure on the Main Post.

Upon Board approval of the Agreement with JCP&L and the expiration of the Governor's 10 veto period of the Board meeting minutes, FMERA will notify N.J. Treasury who will appropriate up to the full \$12.5M to FMERA. The State fiscal year runs from July 1, 2021 to June 30, 2022 allowing FMERA to request the funds during this period.

Agreement with JCP&L

BPU No. 13, Electric Company's Tariff for Service (the "Tariff") and approved by The New Jersey Board of Public Utilities ("BPU" or "NJBPU"), directs JCP&L to evaluate customer requests to increase capacity or extend facilities based on the expected return on investment to FMERA, taking into account any contribution by FMERA to such costs. In compliance with the Tariff, JCP&L has evaluated FMERA's request to extend facilities and/or increase capacity (the "Extension"), and has determined that, considering the cost to accommodate FMERA's request and the revenues necessary to be derived therefrom, JCP&L is agreeable to proceed with the installation of the Extension based upon the terms of the attached Agreement.

Per the Agreement, JCP&L will provide the Fort Monmouth Main Post located in Oceanport and Eatontown, NJ with up to 17,000KVA of capacity to serve development within the FMERA property as outlined in the Initial Load Study, dated August 2020. FMERA and JCP&L mutually agree that JCP&L's assessment of current and programmed loads within the Main Post would be serviced by JCP&L providing 17,000KVA of power. However, in anticipation of the possible future development on the Main Post, FMERA has requested and JCP&L has agreed to install a 22MVA substation. The parties agree that if FMERA's requests a site load in excess of 17,000KVA, JCP&L will undertake a load study and will perform the necessary load calculation/engineering study to determine how to accomplish the requested increase in site load and budgetary estimate for the required material and work required to meet the requested load increase.

JCP&L & FMERA agree to execute a Right-of-Way Agreement to convey free of charge to JCP&L a right of way which becomes an integral part of this Agreement and includes provisions for applicable environmental covenants of record, application of New Jersey tort law to the agreement, and any applicable indemnification provisions required by law.

If upon commencing installation of the line Extension, JCP&L encounters unanticipated conditions such as environmental concerns, digging in conditions, or other obstacles that do not allow standard design methods of construction to be employed, then the costs that were developed for the Agreement, which were based upon standard design, shall be deemed null and void. JCP&L will redesign the Extension job based upon actual field conditions and present FMERA with modified costs and/or methods of installation which will constitute an addendum to the Agreement.

If applicable to this Extension, at FMERA's option, FMERA has requested and hereby elects to perform (or have someone else perform on FMERA's behalf) the trenching and installing conduit in such trench in accordance with JCP&L's specifications as FMERA's responsibility and at FMERA's expense. In doing so, FMERA acknowledges and agrees that it is not, nor will it at any time be, acting or performing the trenching or any other work (including conduit installation) as a contractor or subcontractor of JCP&L. Unless indicated otherwise, FMERA shall be responsible for all trenching and conduit required for this Extension including, if applicable, trenching and conduit for road crossings.

FMERA further agrees to be fully and solely responsible for performing the trenching and installation of conduit and in doing so agrees that the trenching and conduit installation shall fully comply with and be performed in accordance with all applicable laws and regulations and the provisions of Company's specifications in Form 115, Customer Guide for Electric Service.

JCP&L further agrees to provide electric power for safe, adequate and proper service based upon load information that the end user has submitted to JCP&L. Prior to making any future material increase or decrease in connected load, demand, or other conditions of use of service or change of purpose, arrangement, or characteristic of electrical equipment, FMERA agrees to notify JCP&L of such intention so that JCP&L may determine if any changes in its distribution facilities will be required in order to maintain safe, adequate and proper service to FMERA under the changed proposed conditions. Failure of FMERA to provide prior notice to JCP&L of such change shall render FMERA responsible and liable for any damage to JCP&L's facilities and injury to its employees caused by the changed conditions. In addition, any undisclosed load increase may result in an interruption of electric service to the Premises during peak conditions.

The initial period of electric service provided under the terms of the Agreement shall commence upon the completion of the energizing of the new 34.5KV transmission service and substation and continue for an additional ten (10) years. If FMERA does not utilize all of the requested 17,000KVA of new service capacity throughout the Initial Term for electric service hereunder, JCP&L has the right, at its sole and absolute discretion, at the end of said period, to refuse to continue reserving the excess capacity unless FMERA enters into a new Power Contract and pays to reserve the unused capacity for their future use.

Due to recent global wide supply chain issues and cost increases on building materials, staff requests that the Board approve delegated authority to staff to approve additional costs to the Extension in addition to 20% of the advanced Deposit.

Per the Agreement, payments by FMERA under the agreement, totaling \$3,721,561.00 shall be made in installments of not less than the following on or before the milestones of (a) 40% upon execution of the Agreement, (b) 30% upon site delivery of substation transformer and switchgear and (c) 30% upon energization of new substation. In addition, the Board approves granting staff delegated authority to increase the Extension by an amount not to exceed 20% for unforeseen increased costs associated with materials needed for construction of the Extension and unanticipated site conditions.