

**Fort Monmouth Economic Revitalization Authority
In-Person & Telephonic Board Meeting
502 Brewer Avenue, Oceanport, N.J. 07757
Dial In: 888-431-3598 / Access Code: 1123026
Agenda – August 21, 2024**

1. **Call to Order**
2. **Notice of Public Meeting**
3. **Pledge of Allegiance**
4. **Roll Call**
5. **Welcome**
6. **Approval of Previous Month's Board Meeting Minutes**
7. **Executive Director/Secretary Report & Update**
8. **Public Comment Regarding Board Action Items**
9. **Committee Reports**
 - Audit Committee – Anthony Talerico, Jr., Chairman
 - Real Estate Committee – McKenzie Wilson, Chairwoman
 - Environmental Staff Advisory Committee – Elizabeth Dragon, Chairwoman
 - Historical Preservation Staff Advisory Committee – Tom Tvrdik, Chairman
 - Housing Staff Advisory Committee – Vacant, Chairperson
 - Veterans Staff Advisory Committee – Vacant, Chairperson
10. **Board Actions**
 1. Consideration of Approval of Memorandum of Understanding & Grant Agreement between the FMERA and the Two Rivers Water Reclamation Authority for the Demolition of Abandoned FMERA Pump Stations on the Main Post in Oceanport.
 2. Consideration of Approval of the Third Amendment to the Reinstated Amended and Merged Purchase and Sale Agreement & Redevelopment Agreement with OPort Partners for the Warehouse, Post Office, Commissary/PX & the Parking Lot Parcel in Oceanport.
 3. Consideration of Approval of the Fourth Amendment to the Purchase and Sale Agreement & Redevelopment Agreement with TetherView Property Management, LLC, subsequently assigned to the Fort Monmouth Business Center for the Allison Hall Parcel in Oceanport.
11. **Other Items**
12. **Public Comment Regarding any FMERA Business**
13. **Adjournment**

MEMORANDUM

To: Members of the Board

From: Kara Kopach
Executive Director

Date: August 21, 2024

Subject: Monthly Status Report

Summary

The following are brief descriptions of the Fort Monmouth Economic Revitalization Authority (FMERA) staff's monthly activities which include the Treasurer's Report, and Update on Utilities and Infrastructure, Update on Development & Marketing and Update on the Fort Monmouth Redevelopment

Treasurer's Report

The budget process for 2025 is about to get underway. In the coming weeks, FMERA staff will hold budget sessions and begin drafting the 2025 FMERA Budget. The draft budget will then be presented to the Audit Committee for their review. The 2025 FMERA Budget is scheduled to be brought to the Board for its consideration and approval at the December meeting.

Executive Director's Report

• Update on Utilities and Infrastructure

- The six remaining former army sanitary pump stations on the main post have now been completely abandoned. Electrical infrastructure to each pump station and the emergency generators have been removed. The structures are now ready for abatement and demolition. In 2017 there were eleven pump stations on the main post, and two on the Suneagles Golf Course. The closure of all thirteen pump stations is a huge milestone for FMERA as efforts are being made to completely shut down the antiquated Army sewer system.
- The installation of a new water service line to the McAfee Center and Building 602 is complete. FMERA is now entirely out of the water supply business.
- FMERA continues to work with Jersey Central Power & Light staff toward the construction of a new 22-megawatt electrical substation and 15KVA distribution system on the Main Post. JCP&L recently received the CAFRA permit for the substation portion of the buildout from the New Jersey Department of Environmental Protection. This new infrastructure will systematically replace the existing 4160V electrical grid and make JCP&L the primary power provider. FMERA continues to repair, replace, and maintain aged electrical infrastructure on the Fort pending the commissioning of the new substation and distribution system.
- The abatement and demolition project, which will ultimately clear Buildings 550 and 551 from the parcel of the same name continues. There were unanticipated asbestos issues in one of the buildings which are being addressed by the contractor. This pushes the project completion out until year's end.
- Field data collection continues in evaluating the condition of stormwater infrastructure located on the Main Post of Fort Monmouth. The project involves identifying and recording necessary repairs and/or replacements to pipes, manholes, catch basins and outfall structures. The goal is to convey ownership of stormwater infrastructure to the Boroughs of Eatontown and Oceanport once the stormwater infrastructure study is completed and all necessary repairs are made.
- Two new infrastructure projects will commence this summer and fall. Working with Two Rivers Water Reclamation Authority, the 7/8 Sanitary Main Extension Project will connect to the upstream end of the South Interceptor and continue the sanitary main westerly along Oceanport Way to the western end of the Eatontown Housing parcel. Thereafter, working with New Jersey American Water, the Phase 4 Water Main Extension Project will extend water service easterly along Todd Avenue and Oceanport Way supplying water to the Eatontown Housing Parcel
- The Facilities and On-site Maintenance Teams continues to maintain fire suppressions systems of buildings to be reused by the Mega Parcel purchaser.

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 eighteen properties:

- Former Patterson Army Hospital on December 13, 2013, with AcuteCare Systems.
- Monmouth County Adult Shelter on November 17, 2016, with Monmouth County.
- Officer Housing Parcels on January 13, 2017, with RPM Development, LLC. RPM Development 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 and medical offices.
- Oceanport Municipal Complex on August 16, 2017, where the Borough of Oceanport purchased the property for their new Oceanport Borough Hall, Police Department, Department of Public Works and Office of Emergency Management.
- 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 renovated the Dance Hall as a banquet facility. They have booked over 200 weddings and events since opening.
- Building 501, on April 24, 2019, with Family Promise of Monmouth County, an approximately 1.7-acre site, via a Legally Binding Agreement (LBA). Lunch Break has now merged with Family Promise and will expand the services offered on the site.
- 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 19, 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. NJCU is currently partnering with RWJ to utilize the university's state-of-the art training facilities.
- 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. Birdsmouth, a brewery opened in 2022, Baseline Social, a full-service state of the art bar and restaurant opened last summer and Mr. Green Tea, the specialty mochi and ice cream distributor is also open.
- Marina, on March 25, 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, on November 24, 2021, with Somerset Development, LLC, a 15-acre site located on Parkers Creek, being developed with up to 185 new and renovated historic housing units. Townhouses are for sale, many of which have already been sold and are occupied. The riverwalk for this site is also fully constructed and connects to the walking trail on the RPM property.
- Allison Hall, on May 20, 2022, with Fort Monmouth Business Center, LLC, a 13-acre parcel which includes the reuse of the historic building, as well as retail, office, business lofts, and open space/recreation uses. Construction is underway on this site as both the business lofts and retail are being built while other site prep like the retention basins are ongoing.
- Nurses Quarters, on June 25, 2024, with RPM Development, LLC for the renovation of the 24-unit residential complex along with 10 new townhomes on Main Street adjacent to the former Patterson Army Hospital.

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

- Motor Pool, on November 17, 2016, with Monmouth County for a public works facility.

- Suneagles Golf Course, on December 18, 2020, with Martelli Development, LLC, who has upgraded the existing Golf Course and renovated the historic Gibbs Hall. Martelli Signature Homes has constructed and sold numerous townhouses in the middle of the course and continues to construct housing units.
- 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. NJAW has demolished the existing structures on the site.
- Eatontown Parks Parcel, on March 7, 2022, with the Borough of Eatontown, a 3.82-acre tract known as the Nicodemus Avenue Park Parcel located on Nicodemus Avenue for active recreation uses. The Borough has demolished all of the existing structures and is designing the park for a splash pad, additional recreational amenities, and accompanying bathrooms.

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

- Howard Commons, with Lennar Corporation for the construction of 275 Housing Units along Pinebrook Road, together with a retail component consisting of a maximum building square footage of 40,000 fronting on Hope Road and the paved and parking areas located within the property. Lennar has an obligation to provide twenty units of supportive housing on the property. Lennar will demolish over 480 vacant soldier housing units as part of the redevelopment and construct a 5-acre parcel for the Borough of Eatontown to use as open space.

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

- Parcel E, on January 13, 2013, with Commvault for the headquarters. Commvault announced in March 2023 that they will be selling this building, with the intention of retaining some space for its operations via lease.
- Building 2525, on February 5, 2016, with Aaski Technologies for technology and office uses. Aaski sold a portion of the property to the Kiely Company following project completion.
- Child Development Center, on March 18, 2016, with Trinity Hall, for the all-girls high school. Trinity Hall completed their second-generation project on the site and is currently pursuing its third-generation expansion.
- 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, was originally transferred to Commvault Systems, Inc. for use as corporate office and training space. The Charles Wood Fire Station is now targeted for use as a regional emergency services center.
- Parcel C with Lennar Corporation, on August 2, 2018, approved for 243 residential units and up to 58,000 sq. ft. of retail development. Lennar has completed the residential portion of this site but the commercial deliverables remain and have been adversely impacted due to the changing market conditions for retail.
- Parcel C1 with Lennar Corporation, on August 2, 2018. Lennar has constructed and sold all 45 single family homes.
- Parcel F-1 – Myer Center and Building 2705, on December 16, 2022, an approximately 36-acre parcel in Tinton Falls where RWJ Barnabas Health (RWJBH) plans to create a health campus to include a cancer center, medical offices, and a future hospital. RWJBH has broken ground and is constructing its cancer center.

Also in **Tinton Falls**, FMERA has executed contracts on three properties:

- 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. A closing is planned this summer.
- Tinton Falls Commercial Parcel (Pulse Power, Building 2719, and the Pistol Range) with RWJBH for 1) construction of a three-story Medical Office Building; 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.
- County Woodlands Parcel, with Monmouth County for a 23.78-acre property for county open space preservation.

3. **Development & Marketing Update**

FMERA continues to make good progress on the Fort's redevelopment, with about 86% of the Fort's 1,126 acres sold, under contract, in negotiations, or entering the request for proposals process. To date, FMERA has sold 35 parcels, and another 6 parcels are under contract or have Board-approved contracts for a first-generation project. FMERA anticipates closing on the Fabrication Shops within the next few weeks.

FMERA's redevelopment continues to move forward, with new homes, businesses, and amenities coming online on a rolling basis. In the Oceanport section of the Fort, Allison Hall is rehabilitating three structures on the site and has made significant progress on the construction of its new facilities. The Allison Hall parcel, known as Riverwalk Center, plans to welcome a wide array of tenants from restaurants, recreation, fitness, a brewery, and more. New homes continue to populate the Parkers Creek development by Pulte, and Baseline Social has become a local hot spot, offering dining and interactive experiences, like golf caves and live music. Mr. Green Tea, the specialty mochi and ice cream distributor and Birdsmouth Brewery are also open for business at the former Commissary. The developer of the property is currently finalizing its plans for the next phase of on-site development. In Eatontown, the historic rehabilitation and renovation of Gibbs Hall is now complete. Martelli Development continues to make excellent progress on the residential component of Suneagles Golf Course, The Ridge, and is also nearing completion on its affordable housing units. Lennar's professionals have started work on-site at the Howard Commons property. In Tinton Falls, most of the Charles Wood area is already developed. However, construction of RWJBarnabas Health's medical campus has begun with the 100,000 sf Cancer Center. Trinity Hall's expansion is currently underway.

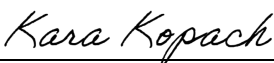
The remainder of FMERA's projects are in various stages of development, many of which are still in the due diligence, design, and approvals phases. Continuous demolition and construction can otherwise be seen Fort-wide. As for the Mega Parcel, Netflix's plans for Phase 1a have been reviewed by FMERA and a Mandatory Conceptual Review letter has been issued. The plans will ultimately be reviewed by the municipalities and the County for Planning Board approvals, as well. Plan Amendment #20 set forth the overlay zoning that will be utilized for review and compliance. Netflix has also begun work on site plans for their next phase of redevelopment. While the developer continues to move forward ahead of schedule, the approval period is 36 months and substantial administrative work needs to be completed. At present, Netflix is beginning to clear out Vail Hall, which is slated for reuse. FMERA staff is in the process of drafting its next Request for Offers to Purchase for an affordable housing development on the Eatontown Housing Parcel, which is also subject to Plan Amendment # 20. FMERA anticipates issuing an RFOTP for this parcel in the next several months.

FMERA is actively working to promote the services and opportunities now available at the Fort through media, meetings, and additional speaking engagements.

FMERA encourages the public to participate in some of the great community events taking place at the Fort. Our next blood drive in conjunction with RWJBarnabas and Monmouth County is scheduled for September 12th at the Fort Monmouth Recreation Center. Additionally, we look forward to welcoming HABcore, in support of their 5K Skeleton Run on October 26th.

As businesses and amenities come online, FMERA continues to create visibility for these new assets through our social media as well as through our on-site wayfinding signage initiative.

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


Kara Kopach

Prepared by: Regina McGrade

Resolution Regarding
Memorandum of Understanding and Grant Agreement between the Fort Monmouth Economic
Revitalization and the Two Rivers Water Reclamation Authority

WHEREAS, on March 11, 2021, the President signed the “American Rescue Plan Act of 2021” P.L. 117-2 (the “ARP Act”) into law; and, as part of the ARP Act, Congress at subtitle M of the ARP Act, amended Title VI of the Social Security Act (42 U.S.C. 801 et seq.) by adding Sections 602 and 603 to create the “Coronavirus State Fiscal Recovery Fund” (“CSFRF”). Monies in the CSFRF are to be used, generally: (a) to respond to the public health emergency with respect to COVID-19 or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality; (b) to respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers of the State of New Jersey (“State”) who are performing such essential work, or by providing grants to eligible workers who perform essential work; (c) for the provision of government services to the extent of the reduction in revenue of the State due to the COVID-19 public health emergency relative to revenues collected in the most recent full fiscal year of the State prior to the emergency; or (d) to make necessary investments in water, sewer, or broadband infrastructure; and

WHEREAS, the State Treasurer has entered into a Memorandum of Understanding (“MOU”) dated as of July 22, 2021, with New Jersey Department of Community Affairs (“DCA MOU”), as Grants Manager for the State CSFRF funds, to provide those grant management functions and processes for the State that are necessary to administer and manage and disburse funds accordingly; and

WHEREAS, pursuant to the Fiscal Year 2022 Appropriations Act, L. 2021, c. 133, as may be amended from time to time, FMERA received a line-item appropriation of \$10,500,000 of CSFRF funds entitled “Fort Monmouth Water and Sewer,” (“Appropriated Funds”). Following the Board’s October 2021 approval, FMERA and the DCA entered into a MOU dated as of November 15, 2021, distributing to FMERA the Appropriated Funds for planning, survey, design, engineering, construction/installation and replacement of the former Army owned sewer system on the former Fort Monmouth military base, and planning, survey, design, engineering and construction/installation of water mains to replace the Army owned water system and connect development to other newly replaced water mains on the former the Fort; and

WHEREAS, the Parties enter into this MOU to reflect the mutual understanding of the Parties relative to the demolition of the abandoned out of service Pump Stations (the “Project”) within the Boroughs of Oceanport and Eatontown. The purpose of the Project is to demolish the identified abandoned Sanitary Pump Stations in compliance with all applicable environmental regulations.

WHEREAS, the Demolition Work will consist of the following tasks as described in the attached memorandum. All demolished material shall be properly disposed; and

WHEREAS, FMERA shall pay 100% of the costs of the Project not to exceed Two Hundred and Sixteen Thousand Five Hundred Dollars (\$216,500.00) (“Project Costs”), including but not limited to consulting fees, design fees, permit costs, and all demolition costs associated with or arising from the Project. The Parties will reserve the right to reject all bids should the costs for demolition and demolition observation engineering services exceed the Project Costs. FMERA hereby confirms that FMERA will pay the Project Cost associated with the Demolition Work; and

WHEREAS, TRWRA shall not be required to utilize any of its own funds to pay costs or expenses of the Demolition work and associated demolition observation engineering services. TRWRA will return to FMERA upon completion of the Project any amount of the Project Costs that is not expended for the Project.

WHEREAS, the Parties understand and agree that FMERA may utilize federal funding available under the American Rescue Plan Act of 2021 ("Federal Funds") to pay for the Project Costs. Notwithstanding the above, FMERA may choose to utilize other funds for the Project Costs either to supplement or in lieu of Federal Funds; and

WHEREAS, contemporaneously with the MOU, FMERA is entering into a Grant Agreement with TRWRA in order to permit FMERA to disburse Two Hundred and Sixteen Thousand Five Hundred Dollars (\$216,500.00) ("Grant Funds") from the Appropriated Funds to TRWRA for the costs of the Project ("Project Costs"). TRWRA may propose to amend Project Costs by providing written notice of the proposed amendment to FMERA, which shall be subject to FMERA's approval; and

WHEREAS, TRWRA shall hold the Grant Funds in escrow and shall use Grant Funds solely as necessary for Project Costs. Upon execution of this Agreement and commencement of the Project, and until Project completion, TRWRA agrees to submit to FMERA monthly financial reports. The monthly reports should be sufficiently detailed to allow FMERA's staff to review; and

WHEREAS, in addition, staff requests delegated authority to FMERA's Executive Director to increase the Project Costs by an amount not to exceed 10% of the Project Costs for unforeseen costs associated with this Project. Any increase in costs beyond this amount is subject to FMERA's Board approval; and

WHEREAS, the attached MOU and Grant Agreement between FMERA and TRWRA are in substantially final form. The final terms of the MOU and Grant Agreement will be subject to the approval of FMERA's Executive Director and a review as to the form by 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 1) a Memorandum of Understanding and Grant Agreement between the Fort Monmouth Economic Revitalization Authority and the Two Rivers Water Reclamation Authority regarding the funding and demolition (including preparation of all applications and associated, prerequisite environmental, engineering and demolition permits) of the abandoned FMERA out of service Pump Stations located within the Borough of Oceanport and 2) the grant of delegated authority to FMERA's Executive Director to increase the cost by an amount not to exceed 10% for unforeseen costs.

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: August 21, 2024

EXHIBIT 1

MEMORANDUM

TO: Members of the Board

FROM: Kara Kopach
Executive Director

RE: Memorandum of Understanding and Grant Agreement between FMERA and the Two Rivers Water Reclamation Authority.

DATE: August 21, 2024

Request

I am requesting that the Board approve 1) a Memorandum of Understanding ("MOU") and Grant Agreement ("Agreement") between the Fort Monmouth Economic Revitalization Authority ("FMERA") and the Two Rivers Water Reclamation Authority ("TRWRA") (the "Parties") regarding the funding and demolition (including preparation of all applications and associated, prerequisite environmental, engineering and demolition permits) of the abandoned FMERA out of service Pump Stations located within the Borough of Oceanport and 2) the grant of delegated authority to FMERA's Executive Director to increase the cost by an amount not to exceed 10% for unforeseen costs.

Background

On March 11, 2021, the President signed the "American Rescue Plan Act of 2021" P.L. 117-2 (the "ARP Act") into law; and, as part of the ARP Act, Congress at subtitle M of the ARP Act, amended Title VI of the Social Security Act (42 U.S.C. 801 et seq.) by adding Sections 602 and 603 to create the "Coronavirus State Fiscal Recovery Fund" ("CSFRF"). Monies in the CSFRF are to be used, generally: (a) to respond to the public health emergency with respect to COVID- 19 or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality; (b) to respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers of the State of New Jersey ("State") who are performing such essential work, or by providing grants to eligible workers who perform essential work; (c) for the provision of government services to the extent of the reduction in revenue of the State due to the COVID-19 public health emergency relative to revenues collected in the most recent full fiscal year of the State prior to the emergency; or (d) to make necessary investments in water, sewer, or broadband infrastructure.

The State Treasurer has entered into a MOU dated as of July 22, 2021, with New Jersey Department of Community Affairs ("DCA MOU"), as Grants Manager for the State CSFRF funds, to provide those grant management functions and processes for the State that are necessary to administer and manage and disburse funds accordingly.

Pursuant to the Fiscal Year 2022 Appropriations Act, L. 2021, c. 133, as may be amended from time to time, FMERA received a line-item appropriation of \$10,500,000 of CSFRF funds entitled "Fort Monmouth Water and Sewer," ("Appropriated Funds"). Following the Board's October 2021 approval, FMERA and the DCA entered into a MOU dated as of November 15, 2021, distributing to FMERA the Appropriated Funds for planning, survey, design, engineering, construction/installation and replacement of the former Army owned sewer system on the former Fort Monmouth military base, and planning, survey, design, engineering and construction/installation of water mains to replace the Army owned water system and connect development to other newly replaced water mains on the former the Fort.

Memorandum of Understanding with TRWRA

The Parties enter into this MOU to reflect the mutual understanding of the Parties relative to the demolition (defined below) of the abandoned out of service Pump Stations (the "Project") within the Boroughs of Oceanport and Eatontown. The purpose of the Project is to demolish the identified abandoned Sanitary Pump Stations in compliance with all applicable environmental regulations.

The Demolition Work will consist of the following tasks: mobilize, excavate, and demolish all abandoned sewer pump stations formerly used to convey sewage from the Fort to the TRWRA system. The work is more specifically described as the pumping out of any residual liquid product in the wet well/dry wells; the removal of all electrical/mechanical equipment; removal of the roof structure; removal of the above ground masonry (concrete/block/brick), cut off of the concrete walls to three (3) feet below grade; punch holes in the foundation floor/walls; backfill the entire below grade structure with clean fill; and restore the surface area to match the existing conditions at the station. All demolished material shall be properly disposed of.

FMERA shall pay 100% of the costs of the Project not to exceed Two Hundred and Sixteen Thousand Five Hundred Dollars (\$216,500.00) ("Project Costs"), including but not limited to consulting fees, design fees, permit costs, and all demolition costs associated with or arising from the Project. The Parties will reserve the right to reject all bids should the costs for demolition and demolition observation engineering services exceed the Project Costs. FMERA hereby confirms that FMERA will pay the Project Cost associated with the Demolition Work.

TRWRA shall not be required to utilize any of its own funds to pay costs or expenses of the Demolition work and associated demolition observation engineering services. TRWRA will return to FMERA upon completion of the Project any amount of the Project Costs that is not expended for the Project.

The Parties understand and agree that FMERA may utilize federal funding available under the American Rescue Plan Act of 2021 ("Federal Funds") to pay for the Project Costs. Notwithstanding the above, FMERA may choose to utilize other funds for the Project Costs either to supplement or in lieu of Federal Funds.

The Parties acknowledge that TRWRA will enter into a contract(s) with the lowest responsible bidder for the Demolition work. Any and all contracts with consultants or contractors entered into by TRWRA in connection with the Demolition work were entered into by TRWRA in accordance with the Local Public Contracts Law.

Grant Agreement with TRWRA

Contemporaneously with the MOU, FMERA is entering into a Grant Agreement with TRWRA in order to permit FMERA to disburse Two Hundred and Sixteen Thousand Five Hundred Dollars (\$216,500.00) ("Grant Funds") from the Appropriated Funds to TRWRA for the costs of the Project ("Project Costs"). TRWRA may propose to amend Project Costs by providing written notice of the proposed amendment to FMERA, which shall be subject to FMERA's approval. TRWRA shall hold the Grant Funds in escrow and shall use Grant Funds solely as necessary for Project Costs. Upon execution of this Agreement and commencement of the Project, and until Project completion, TRWRA agrees to submit to FMERA monthly financial reports. The monthly reports should be sufficiently detailed to allow FMERA's staff to review.

In addition, staff requests delegated authority to FMERA's Executive Director to increase the Project Costs by an amount not to exceed 10% of the Project Costs for unforeseen costs associated with this Project. Any increase in costs beyond this amount is subject to FMERA's Board approval.

The attached MOU and Grant Agreement between FMERA and the TRWRA are in substantially final form. The final terms of the MOU and Grant Agreement will be subject to the approval of FMERA's Executive Director and a review as to the 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 approve 1) a Memorandum of Understanding and Grant Agreement between the Fort Monmouth Economic Revitalization Authority and the Two Rivers Water Reclamation Authority regarding the funding and demolition (including preparation of all applications and associated, prerequisite environmental, engineering and demolition permits) of the abandoned FMERA out of service Pump Stations located within the Borough of Oceanport and 2) the grant of delegated authority to FMERA's Executive Director to increase the cost by an amount not to exceed 10% for unforeseen costs.


Kara Kopach

Attachments: FMERA & TRWRA Grant Agreement & Memorandum of Understanding
Prepared by: Regina McGrade

Resolution Regarding

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

WHEREAS, at the December 2017 meeting, staff recommended, and the Board approved the issuance of three separate Request for Offers to Purchase (“RFOTPs”) for the Commissary and PX, the Warehouse District, and the Post Office Area with the option to propose individual or interrelated projects on one or more parcels; and

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

WHEREAS, the PSARA for the Post Office and Warehouse Parcels between FMERA and OPort Partners, LLC (“OPort” or “Purchaser”) was approved by the Board at its July 17, 2019 (“Warehouse PSARA”) meeting and executed by FMERA and OPort on September 16, 2019; and

WHEREAS, the PSARA for the Commissary/PX and Parking Lot (“Commissary PSARA”) was approved by the Board at its November 13, 2019 meeting and executed by FMERA and OPort on February 5, 2020; and

WHEREAS at the June 2020 Board meeting, the Board approved the merger of the Post Office, Parking Lot and Commissary/PX parcels for one cohesive parcel to encompass Class A office space which can support both general and food related research uses and flex space as ancillary related product storage and distribution in support of other primary uses. The merger also serves as a support to the Commissary space, which shall serve as an enrichment center incorporating a provision for food services, a culinary school, crafts production, arts adaptation (including music and art facilities for enrichment learning for all ages) as well as the display of art. The complex may also potentially include retail, office, entertainment, research and development. This merger simplifies land use planning and land use compliance. In order to facilitate the merger, timelines including Due Diligence, Approval Period, Reuse Plan Amendment, and Closing between the Warehouse and Commissary Parcels were aligned within this amendment; and

WHEREAS, the Purchase Price was reduced in exchange for an expedited closing by September 30, 2020 in which OPort agreed to close without receiving All Approvals to allow FMERA to meet its financial obligations for 2020. If Purchaser did not close by September 30, 2020, OPort would be obligated to pay the original Purchase Price of Four Million Nine Hundred and Fifty Thousand dollars. The reduced purchase price remains above the required minimum bids threshold as required under the RFOTP; and

WHEREAS, the PSARA was also Reinstated as Purchaser had conditionally terminated the Warehouse PSARA by letter dated April 22, 2020 and the Commissary PSARA by letter dated June 5, 2020 with the hope that FMERA would provide an extension to the Due Diligence Period to complete additional environmental testing and building inspection. FMERA agreed to both extensions as OPort was working in good faith during the Due Diligence Period and was entitled to additional time to investigate the site; and

WHEREAS, subject to Section 8(c)(i) of the Reinstated, Amended and Merged Purchase and Sale Agreement and Redevelopment Agreement, the Purchase Price for the Property was to be reduced to a total of Four Million three Hundred Fifty Thousand Dollars in the event OPort exercised its option to waive All Approvals and close early on the Property, by September 30, 2020. Due to unforeseen items in the closing process, OPort requested and the FMERA Board granted an extension to the Closing timeline of October 20, 2020. OPort closed on the Property on October 16, 2020, and received a reduction of the Purchase Price, as defined under the Agreement. The First Amendment was executed on October 16, 2020.; and

WHEREAS, citing changes to various market conditions brought about by Covid-19, in particular the decline of traditional office occupancy, Purchaser requested via phone call and email dated August 19, 2022, a modification to the Project description to include additional Research and Development uses, as permitted within District A under Plan Amendment #15, to attract a larger potential pool of tenants given market conditions. OPort had been proceeding with the Project in good faith and as the requested expansion of uses was in alignment with the Reuse Plan, the Board granted the request at its November 2022 meeting. The Second Amendment was executed November 30, 2022; and

WHEREAS, on June 19, 2024, via email correspondence, the Purchaser requested to bifurcate Phase 2 and extend the Project Completion timeline for Phase 2 until March 16, 2026 for Phase 2(a) and until September 16, 2026 for Phase 2(b) citing both changes to the commercial real estate market and construction lending challenges resulting from the COVID-19 pandemic. Phase 2 is to include the development of the remainder of the property. Phase 2a shall include the development of Buildings A, B, & C and Phase 2b shall include the development of Buildings D, E, & F, as more particularly shown on **Exhibit A**. Further, Purchaser and FMERA mutually wish to amend and clarify the Redevelopment Project description related to the intended uses for the Commissary and District A, which remain in alignment with the Reuse Plan, as amended.

WHEREAS, all other material terms of the Reinstated, Amended and Merged PSARA will remain unchanged. The attached Third Amendment to Reinstated, Amended and Merged PSARA is in substantially final form. The final terms of the Third Amendment will be subject to the approval of FMERA's Executive Director and as to form by the Attorney General's Office. The Real Estate Committee has approved the request and recommends it to the Board for approval.

THEREFORE, BE IT RESOLVED THAT:

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

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

Attachment

Dated: August 21, 2024

EXHIBIT 2

MEMORANDUM

TO: Members of the Board

FROM: Kara Kopach
Executive Director

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

DATE: August 21, 2024

Request

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

Background

At the December 2017 meeting, staff recommended, and the Board approved the issuance of three separate RFOTPs for the Commissary and PX, the Warehouse District, and the Post Office Area – with the option to propose individual or interrelated projects on one or more parcels.

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

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

Warehouse PSARA

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

amendment to the Reuse Plan or completion of Due Diligence. Its Approval period was for fourteen months with an optional six-month extension. The Project was to be completed within eighteen (18) months after completion of demolition and site work not to exceed twenty-two (22) months after closing on the Property. Closing(s) on the Property shall occur within thirty (30) days after satisfaction or waiver of the Conditions Precedent to Closing. Conditions precedent to Closing include OPort obtaining or waiving All Approvals within the Approval Period necessary to develop the Project; an amendment to the Reuse Plan to accommodate the Project; FMERA obtaining title and a FOST to Parcels 57; and the consent of the NJEDA Board. Purchaser was to have thirty (30) days to apply and diligently pursue approvals following the later to occur of the final and non-appealable amendment to the Reuse Plan or completion of Due Diligence. OPort estimated that it will create approximately four hundred thirty-nine (439) part-time and/or full-time permanent jobs within twenty-four (24) months of project completion or pay a penalty of \$1,500 per permanent job not created. OPort is responsible for funding a total of one thousand (1000') linear feet of new water main and one thousand (1000') linear feet of new sewer main along Rasor and Anson Avenues, or in such other off-site location as directed by FMERA. Abutting developers will be obligated to install or fund additional water and sewer infrastructure to complete the connection of the Property to off-site public utilities. Purchaser will also be responsible for running new electrical distribution lines from the Property to an upgraded JCP&L substation following FMERA's conveyance of the abutting electric substation to JCP&L at a future date.

Commissary PSARA

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

Under the terms of the Commissary PSARA, Purchaser proposed to reuse the remaining Commissary building for a commercial building and to demolish all the remaining buildings. The site would ultimately serve as an enrichment center incorporating a provision for food service, a culinary school, crafts production, arts adaption, etc. Purchaser was to pay three million (\$3,000,000.00) dollars for the property and invest a total of twenty-three million (\$23,000,000.00) dollars into the Project. OPort was provided a sixty-day Due Diligence period commencing on the effective date of the PSARA and had two additional thirty (30) day due diligence extensions. Its Approval period was for fourteen months with an optional six-month extension. The Project was to be completed twenty-seven (27) months after closing on the Property. Closing(s) on the Property was to occur within thirty (30) days after satisfaction or waiver of the Conditions Precedent to Closing. Conditions precedent to Closing include OPort obtaining or waiving All Approvals within the Approval Period necessary to develop the Project; an amendment to the Reuse Plan to accommodate the Project; FMERA obtaining title and a FOST to Parcels 55, 57, 64, and 65; and the consent of the NJEDA Board. The parties would endeavor to satisfy these contingencies prior to the expiration of Purchaser's Approval Period. Purchaser was to have thirty (30) days to apply and diligently pursue approvals following the later to occur of the final and non-appealable amendment to the Reuse Plan or completion of Due Diligence. OPort estimated that it will create approximately three hundred eleven (311) part-time and/or full-time permanent jobs within twenty-four (24) months of project completion or pay a penalty of \$1,500 per permanent job not created. OPort will also be responsible for funding a total of five hundred (500') linear feet of new water main and five hundred (500') linear feet of new sewer main along Rasor and Anson Avenues, or in such other off-site location as directed by FMERA. Abutting developers will be obligated to install or fund additional water and sewer infrastructure to complete the connection of the Property to off-site public utilities. Purchaser will also be responsible for running new electrical distribution lines from the Property to an upgraded JCP&L substation following FMERA's conveyance of the abutting electric substation to JCP&L at a future date.

Reinstated Amended and Merged Warehouse PSARA and Commissary PSARA

At the June 2020 Board meeting, the Board approved the merger of the Post Office, Parking Lot and Commissary/PX parcels for one cohesive parcel to encompass Class A office space which can support both general and food related research uses and flex space as ancillary related product storage and distribution in support of other primary uses. The merger also serves as a support to the Commissary space, which shall serve as an enrichment center incorporating a provision for food services, a culinary school, crafts production, arts adaptation (including music and art facilities

for enrichment learning for all ages) as well as the display of art. The complex may also potentially include retail, office, entertainment, research and development. This merger simplifies land use planning and land use compliance. In order to facilitate the merger, timelines including Due Diligence, Approval Period, Reuse Plan Amendment, and Closing between the Warehouse and Commissary Parcels were aligned within this amendment.

The Purchase Price was reduced in exchange for an expedited closing by September 30, 2020 in which OPort agreed to close without receiving All Approvals to allow FMERA to meet its financial obligations for 2020. If Purchaser did not close by September 30, 2020, OPort would be obligated to pay the original Purchase Price of Four Million Nine Hundred and Fifty Thousand dollars. The reduced purchase price remains above the required minimum bids threshold as required under the RFOTF.

The PSARA was also Reinstated as Purchaser had conditionally terminated the Warehouse PSARA by letter dated April 22, 2020 and the Commissary PSARA by letter dated June 5, 2020 with the hope that FMERA would provide an extension to the Due Diligence Period to complete additional environmental testing and building inspections. FMERA agreed to both extensions as OPort was working in good faith during the Due Diligence Period and was entitled to additional time to investigate the site.

First Amendment to the Reinstated, Amended and Merged Purchase and Sale & Redevelopment Agreement

Subject to Section 8(c)(i) of the Reinstated, Amended and Merged Purchase and Sale Agreement and Redevelopment Agreement, the Purchase Price for the Property was to be reduced to a total of Four Million three Hundred Fifty Thousand Dollars (\$4,350,000.00) in the event OPort exercised its option to waive All Approvals and close early on the Property, by September 30, 2020. Due to unforeseen items in the closing process, OPort requested and the FMERA Board granted an extension to the Closing timeline of October 20, 2020. OPort closed on the Property on October 16, 2020 and received a reduction of the Purchase Price, as defined under the Agreement. The First Amendment was executed on October 16, 2020.

Second Amendment to the Reinstated, Amended and Merged Purchase and Sale & Redevelopment Agreement

Citing changes to various market conditions brought about by Covid-19, in particular the decline of traditional office occupancy, Purchaser requested via phone call and email dated August 19, 2022, a modification to the Project description to include additional Research and Development uses, as permitted within District A under Plan Amendment #15, to attract a larger potential pool of tenants given market conditions. OPort had been proceeding with the Project in good faith and as the requested expansion of uses was in alignment with the Reuse Plan, the Board granted the request at its November 2022 meeting. The Second Amendment was executed November 30, 2022.

Third Amendment to the Reinstated, Amended and Merged Purchase and Sale & Redevelopment Agreement

By way of email on June 19, 2024, Purchaser requested to bifurcate Phase 2 and extend the Project Completion timeline for Phase 2 until March 16, 2026 for Phase 2(a) and until September 16, 2026 for Phase 2(b) citing both changes to the commercial real estate market and construction lending challenges resulting from the COVID-19 pandemic.

Phase 2 is to include the development of the remainder of the property. Phase 2a shall include the development of Buildings A, B, & C and Phase 2b shall include the development of Buildings D, E, & F, as more particularly shown on **Exhibit A**.

Further, Purchaser and FMERA mutually wish to amend and clarify the Redevelopment Project description related to the intended uses for the Commissary and District A, which remain in alignment with the Reuse Plan, as amended.

As the Purchaser has been proceeding in good faith, FMERA staff recommends approving the extension request.

All other material terms of the Reinstated, Amended and Merged PSARA will remain unchanged. The attached Third Amendment to Reinstated, Amended and Merged PSARA is in substantially final form. The final terms of the Third Amendment will be subject to the approval of FMERA's Executive Director and 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 approve the Third Amendment to the Reinstated Amended and Merged Purchase and Sale Agreement & Redevelopment Agreement with OPort Partners, LLC for the Warehouse, Post Office, Commissary/PX & the Parking Lot in Oceanport.


Kara Kopach

Attachment: Third Amendment to the Purchase and Sale & Redevelopment Agreement
Prepared by: Sarah Giberson

Draft

**Resolution Regarding
Fourth Amendment to Purchase and Sale & Redevelopment Agreement Fort Monmouth Business Center for
the Allison Hall Parcel in Oceanport**

WHEREAS, at the June 2015 meeting, the Board authorized staff to offer the Allison Hall Complex for sale through the Offer to Purchase process; and

WHEREAS, FMERA approved TetherView Property Management, LLC's (:TetherView) offer to purchase and redevelop the Allison Hall Complex; and

WHEREAS, TetherView's Purchase and Sale Agreement & Redevelopment Agreement ("PSARA") called for the renovation of Allison Hall and Building 210 for office, retail and/or commercial uses and the reuse of Building 210's ground floor as a restaurant and the second floor as office or retail use; the demolition of Building 196, Building 359 and Building 210's annex; the development of either 100,000± sf of office space in one building to accommodate one user, or up to 60,000± sf of business lofts and up to 30,000± sf of retail space along Oceanport Avenue; the reuse of Building 199 for office, retail and/or commercial uses; and the construction of a 12-foot wide promenade along Parkers Creek linking the development to the west with Oceanport Avenue (the "Project"); and

WHEREAS, the PSARA for Allison Hall was approved by the Board at its October 2018 meeting and executed by FMERA and TetherView on November 26, 2018; and

WHEREAS, the PSARA was amended on July 26, 2019 by the First Amendment to the PSARA to allow Purchaser an additional sixty days to complete due diligence for the limited purpose of assessing its site once the sewer design plan was received from FMERA; and

WHEREAS, TetherView assigned its rights to the Project to its affiliate Fort Monmouth Business Center, LLC ("FMBC") on April 8, 2020, of which Michael Abboud remains in majority control; and

WHEREAS, on January 26, 2021, by way of written correspondence, FMBC requested and FMERA approved FMBC's request for a six-month extension of its Approval Period to June 7, 2021, ; citing additional delays based on COVID and demonstrating that it was moving through the approvals process on a good faith basis; and

WHEREAS, on July 15, 2020, the Board approved FMBC's request for the release of its 10% deposit in the Second Amendment to the PSARA, citing economic hardships attributable to the COVID-19 pandemic and governmental delays that impeded FMBC's ability to acquire the necessary approvals for the Project. The Second Amendment was executed on August 11, 2020; and

WHEREAS, at its June 2021 meeting, the FMERA Board approved a 120-day extension to the PSARA Approval Period. The Third Amendment was executed on July 8, 2021; and

WHEREAS, FMBC closed on the property on May 19, 2022 and commenced construction on both Phases of the Project; and

WHEREAS, by way of letter dated July 8, 2024, FMBC requested modifications to the proposed use of Allison Hall to permit a boutique hotel and further requested the Project Completion timeline for Phases 1 & 2 be combined and extended until July 6, 2026, citing both changes to the commercial real estate market and construction lending challenges resulting from the COVID-19 pandemic; and

WHEREAS, further, the project description has been amended to permit the expansion of Building 210 by approximately 5,100 square feet. As the use of Allison Hall as a boutique hotel is permitted under Reuse Plan Amendment #11, and the boutique hotel would be a unique amenity to the Fort's overall redevelopment, FMERA

staff supports this request. Further, as construction is on-going and extensive site work has been completed, FMERA staff also recommends that the Board approve the merging and extending of the Project Completion timeline until July 6, 2026; and

WHEREAS, all other material terms of the PSARA will remain unchanged. The attached Fourth 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 Fourth Amendment to the Purchase and Sale Agreement & Redevelopment Agreement with Fort Monmouth Business Center, for the Allison Hall Parcel in the Oceanport section of Fort Monmouth. on terms substantially consistent to those set forth in the attached memorandum and with final terms acceptable to the Executive Director and the Attorney General's Office and authorizes the Executive Director to execute the Agreement.

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

Attachment

Dated: August 21, 2024

EXHIBIT 3

MEMORANDUM

TO: Members of the Board

FROM: Kara Kopach
Executive Director

RE: Fourth Amendment to Purchase and Sale Agreement & Redevelopment Agreement with Fort Monmouth Business Center, successor-in-interest to TetherView Property Management, LLC, for the Allison Hall Parcel in Oceanport

DATE: August 21, 2024

Request

I am requesting that the Board approve the Fourth Amendment to the Purchase and Sale Agreement & Redevelopment Agreement (“PSARA”) with Fort Monmouth Business Center, LLC (“FMBC” or “Purchaser”), for the Allison Hall Parcel (“Allison Hall”) in the Oceanport section of Fort Monmouth.

Background

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

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

The PSARA for Allison Hall was approved by the Board at its October 2018 meeting and executed by FMERA and TetherView on November 26, 2018. The parties amended the PSARA on July 26, 2019 to allow Purchaser an additional sixty (60) days to complete due diligence for the limited purpose of assessing its site once FMERA received the sewer design plan from Two Rivers Water Reclamation Authority for the planning, survey, and design of a new sewer main.

On April 8, 2020, TetherView assigned its rights to the Project to its affiliate, Fort Monmouth Business Center, LLC (“FMBC”), of which Michael Abboud retains majority control.

On January 26, 2021, by way of written correspondence, FMBC requested FMERA grant the final six-month extension of its Approval Period citing additional delays based on COVID, but also demonstrating that it was moving through the approval process in good faith. FMERA granted that extension until June 7, 2021.

Rule Modification and Second Amendment

On May 20, 2020, the FMERA Board approved a Rule Modification under of Executive Order 103 (“EO 103”) for Purchase and Sale & Redevelopment Agreements (“PSARAs”), which allowed COVID-impacted development projects

with purchase prices over \$2,000,000 or an aggregate purchase price of \$2,000,000 for all the Developer's projects to request the return of its 10% deposit, as defined under N.J.A.C. 19:31C-2.7(b).

On July 10, 2020, FMBC submitted a request to FMERA via letter, requesting the release of its 10% deposit citing the following COVID-driven impacts to the project: 1) a loss in revenues from related businesses due to contract terminations, unpaid account receivables, and lost leasing income; 2) delays in performance by counter-parties under contract and at times excusable under Force Majeure provisions; and 3) governmental delays impacting approvals for the Project.

On July 15, 2020, the Board approved FMBC's request for the release of its 10% deposit, citing economic hardships attributable to the COVID-19 pandemic and governmental delays that have impeded FMBC's ability to acquire necessary approvals for the Project. The Second Amendment was executed on August 11, 2020.

Third Amendment

At its June 2021 meeting, the FMERA Board approved a 120-day extension to the PSARA Approval Period. The Third Amendment was executed on July 8, 2021.

FMBC closed on the property on May 19, 2022 and commenced construction on both Phases of the Project.

Fourth Amendment

By way of letter dated July 8, 2024, FMBC requested modifications to the proposed use of Allison Hall (Building 209) to permit a boutique hotel and further requested the Project Completion timeline for Phases 1 & 2 be combined and extended until July 6, 2026, citing both changes to the commercial real estate market and construction lending challenges resulting from the COVID-19 pandemic.

Further, the project description has been amended to permit the expansion of Building 210 by approximately 5,100 square feet.

As the use of Allison Hall as a boutique hotel is permitted under Reuse Plan Amendment #11, and the boutique hotel would be a unique amenity to the Fort's overall redevelopment, FMERA staff supports this request. Further, as construction is on-going and extensive site work has been completed, FMERA staff also recommends that the Board approve the merging and extending of the Project Completion timeline until July 6, 2026.

All other material terms of the PSARA will remain unchanged. The attached Fourth 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 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 approve the Fourth Amendment to the Purchase and Sale Agreement & Redevelopment Agreement with Fort Monmouth Business Center, for the Allison Hall Parcel in the Oceanport section of Fort Monmouth.



Kara Kopach

Attachment: Fourth Amendment to Purchase and Sale Agreement & Redevelopment Agreement
Prepared by: Sarah Giberson