

**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 – April 19, 2023**

1. **Call to Order**
2. **Notice of Public Meeting**
3. **Pledge of Allegiance**
4. **Roll Call**
5. **Welcome – Mayor Anthony Talerico, Jr., Vice-Chairman**
6. **Approval of Previous Month’s Board Meeting Minutes**
7. **Public Comment Regarding Board Action Items**
8. **Executive Director/Secretary Report & Update**
9. **Committee Reports**
 - Audit Committee – Anthony Talerico, Jr., Chairman
 - Real Estate Committee – Anthony Talerico, Jr., Chairman
 - Environmental Staff Advisory Committee – Elizabeth Dragon, Chairwoman
 - Historical Preservation Staff Advisory Committee – Jay Coffey, Chairman
 - Housing Staff Advisory Committee – Robert Long, Chairman
 - Veterans Staff Advisory Committee – Lillian Burry, Chairwoman
10. **Board Actions**
 1. Consideration of Approval of the 2022 Comprehensive Annual Report with Audited Financial Statements.
 2. Consideration of Approval of a Memorandum of Understanding between FMERA and the County of Monmouth regarding property maintenance and landscaping services.
 3. Consideration of Approval of a Memorandum of Understanding between FMERA and the Borough of Oceanport regarding the interagency agreement for funding, demolition, environmental remediation and site improvements.
11. **Other Items**
12. **Public Comment Regarding any FMERA Business**
13. **Adjournment**



**Fort Monmouth Economic Revitalization Authority
Board Meeting
March 15, 2023
Public Meeting and Teleconference**

MINUTES OF THE MEETING

Members of the Authority and/or Designees present:

- Anthony Talerico, Jr. – Mayor of Eatontown – **V (Serving as Vice-Chairperson)**
- Lillian Burry – Monmouth County Commissioner – **V**
- Stephen Gallo – Public Member – **V**
- Jay Coffey – Mayor of Oceanport – **V**
- Tracy Buckley – Tinton Falls Councilwoman – **V - Designee**
- Jamera Sirmans – Associate Counsel, Governor’s Authorities Unit – **V – Designee**
- Jorge Santos – Chief Real Estate Development Officer, NJEDA – **V – Designee – Arrived at 5:04p.m.**
- Elizabeth Dragon – Assistant Commissioner Community Investment and Economic Revitalization - **Designee**
- Robert Long – Deputy Commissioner, NJ Department of Community Affairs – **Designee**
- William Riviere – Principal Planner, NJ Department of Transportation – **Designee**
- Wayne Smith – State Veterans Program Coordinator, NJ Department of Labor & Workforce Development – **Designee**

V – Denotes Voting Member

Members of the Authority and/or Designees not present:

Also present:

- Kara Kopach, Executive Director
- FMERA staff:
 - Regina McGrade – Administrative Manager
 - Jennifer Lepore – Accounting Manager
 - Sarah Giberson – Senior Project Officer Marketing & RE Development
 - Upendra Sapkota – Senior Project Officer, Planning & Development
 - Kristy Dantes – Director of Facilities & Infrastructure
 - Joe Fallon – Senior Environmental Officer
 - Laura Drahushak – Director of Legal Affairs
- Matt Reagan, Deputy Attorney General (DAG)

The meeting was called to order by Mayor Anthony Talerico, Jr. at 5:01p.m. and followed by the Pledge of Allegiance.

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

WELCOME

Anthony Talerico, Jr. welcomed attendees to the Authority’s meeting. Mr. Talerico stated that a copy of the Board package was posted to the FMERA website to give the public the opportunity to review the information in advance of the meeting. Mr. Talerico stated that there are 2 public comment periods, the first being public comment regarding any of the Board actions and the second being any FMERA business.

The first item of business was the approval of the February 15th regular meeting minutes. A motion was made to approve the minutes by Lillian Burry and seconded by Steve Gallo.

Kara Kopach conducted a roll call vote.

NAME	YES	NO	ABSTAIN
Anthony Talerico	X		
Lillian Burry	X		
Jay Coffey	X		
Steve Gallo	X		
Tracy Buckley	X		
Jamera Sirmans	X		
Jorge Santos	X		

Motion to Approve: LILLIAN BURRY

Second: STEVE GALLO

Ayes: 7

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

There was no public comment.

EXECUTIVE DIRECTOR/SECRETARY'S REPORT & UPDATE

Over the years, the FMERA team has worked so incredibly hard to make this a community that we can be proud of. We certainly have faced our fair share of complications, but this team is some of the best and brightest in the business. It is a testament to them that we continue to roll out these infrastructure projects and upgrading our development in such rapid and efficient fashion.

I am optimistic that the community will continue to see the evolution of this redevelopment as planned projects come online and offer additional residential and commercial opportunities. I am so thankful for all of the FMERA staff that has made this possible.

COMMITTEE REPORTS

1. AUDIT COMMITTEE

Anthony Talerico, Jr. stated that the Committee did not meet this month.

2. REAL ESTATE COMMITTEE

Anthony Talerico, Jr. stated that the Real Estate Committee met on March 8th and discussed the following:

- Discussion regarding the Interagency Agreement between FMERA and the Borough of Eatontown for the design of Water Extension Phase IV which will serve to initiate and complete the design of the Water Extension Phase IV on the Main Post and will enable FMERA to move forward with planned upgrades and improvements to the water supply infrastructure. The Committee reached a consensus and agreed to recommend to the Board for approval.
- Discussion regarding an Amendment to the MOU between FMERA and the TRWRA regarding the Nurses Quarters. To expedite the abandonment of the local sewer system and to service the Nurses Quarters property, the amendment will permit the Nurses Quarters property to tie into TRWRA's existing Pump Station on Hedge Drive in Oceanport. The Committee reached a consensus and agreed to recommend to the Board for approval.
- Discussion regarding an Amendment to the MOU between FMERA and the TRWRA regarding the Construction of the Phase 2 New Gravity Sewer Lines. The Amendment will include: 1) the Alternate Bid for a sewer line on Malterer Avenue and 2) the Malterer Avenue extension to connect the Fort Athletic Club and the FMERA office to the new Malterer Avenue line. The Committee reached a consensus and agreed to recommend to the Board for approval.

Other Items:

1. Mega Parcel
2. JCP&L Distribution Agreement
3. ENVIRONMENTAL STAFF ADVISORY COMMITTEE (ELIZABETH DRAGON, CHAIRWOMAN)

Elizabeth Dragon stated that the Committee met on March 7th and discussed the following:

FMERA's Environmental Staff Advisory Committee shall be the exclusive environmental commission for all land use matters and approvals within the Fort Monmouth Project Area, therefore, a public meeting is required for all Mandatory Conceptual Reviews, or MCRs.

The Public portion of the meeting was called to order at 4:05 to discuss the MCR for Howard Commons in Eatontown.

The following environmental requirements were identified in the MCR:

- a. A Soil Erosion and Sediment Control Plan is required due to the disturbance of more than 5,000 sq. ft. of soil.
- b. An "Authorization to Discharge 5G3 Construction Activity Stormwater General Permit" is required due to the disturbance of one acre or more of soil.
- c. The developer needs to grant a utility easement to the Borough of Eatontown in order to access the stormwater infrastructure on the property.
- d. The developer must secure freshwater wetland general permits from the NJDEP in order to repair and remove stormwater outfall structures.
- e. The developer will need to add five proposed rain gardens to the site plans.
- f. The developer must secure a freshwater wetland "transitional area waiver" from the NJDEP for the disturbed land areas within the boundaries of freshwater wetlands.
- g. The developer will need to submit an individual flood hazard permit to the NJDEP if construction of the buildings is located within the limits of the flood hazard area.
- h. The developer shall secure any permits, as required, from the NJDEP if work is being proposed that will disturb any riparian zone areas.

The Committee discussed the following recommendations:

- a. The developer is considering not removing non-friable asbestos-containing materials (ACM) from impacted buildings prior to demolition. If so, 1) a licensed engineer will need to certify the safety of the buildings; and 2) an asbestos abatement plan shall be prepared and made available for public review and comment.
- b. Upon the project completion, Lennar will allow FMERA to install four (4) osprey nesting platforms.

The public portion of the meeting was closed at 5:00p.m. The meeting adjourned at 5:00p.m.

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

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

5. HOUSING STAFF ADVISORY COMMITTEE (ROBERT LONG, CHAIRMAN)

Robert Long stated that the Committee met on March 9th and discussed the following:

- A general overview of the housing obligations for the following projects under the Reuse Plan, e.g., 20% affordable of new housing units; 20 permanent supportive units in Tinton Falls, 20 permanent supportive units in Eatontown.
 - Parcel C & C1 – 288 residential units of which 57 meet the affordability standards
 - Suneagles – 75 residential units of which 15 meet the affordability standards
 - Howard Commons – 275 residential units of which 55 meet the affordability standards
 - Lodging Parcel – 180 townhomes of which 35 meet the affordability standards in Historical Buildings 270&271
 - Barker Circle – 75 housing units plus 15 affordable units

- Discussion regarding Parcels 7&8.
 - Due to the Mega parcel being developed as all commercial, the remaining housing obligations will shift to other locations on Fort Monmouth. This included Parcels 7&8. The Committee discussed these potential parcels for Eatontown's obligation. Oceanport's obligations have been identified in other tracts on Fort Monmouth.

6. VETERANS STAFF ADVISORY COMMITTEE (LILLIAN BURRY, CHAIRWOMAN)

Lillian Burry stated that the Committee did not meet this month.

BOARD ACTIONS

- 1) Consideration of Approval of the Interagency Agreement between FMERA and the Borough of Eatontown to contract for the design of Water Extension Phase IV.

Laura Drahushak read a summary of the Board memo.

The resolution is attached hereto and marked Exhibit 1.

A motion was made by Anthony Talerico and was seconded by Jay Coffey.

Kara Kopach conducted a roll call vote.

NAME	YES	NO
Anthony Talerico	X	
Lillian Burry	X	
Steve Gallo	X	
Jay Coffey	X	
Tracy Buckley	X	
Jamera Sirmans	X	
Jorge Santos	X	

Motion to Approve: ANTHONY TALERICO Second: JAY COFFEY

Ayes: 7

- 2) Consideration of Approval of an Amendment to the Memorandum of Understanding between FMERA and the TRWRA regarding the Nurses Quarters Property.

Laura Drahushak read a summary of the Board memo.

The resolution is attached hereto and marked Exhibit 2.

A motion was made by Steve Gallo and was seconded by Lillian Burry.

Kara Kopach conducted a roll call vote.

NAME	YES	NO
Anthony Talerico	X	
Lillian Burry	X	
Steve Gallo	X	
Jay Coffey	X	
Tracy Buckley	X	
Jamera Sirmans	X	
Jorge Santos	X	

Motion to Approve: STEVE GALLO Second: LILLIAN BURRY
Ayes: 7

- 3) Consideration of Approval of an Amendment to the Memorandum of Understanding between FMERA and the TRWRA regarding the Construction of the Phase 2 New Gravity Sewer Lines.

Laura Drahushak read a summary of the Board memo.

The resolution is attached hereto and marked Exhibit 3.

A motion was made by Steve Gallo and was seconded by Lillian Burry.

Kara Kopach conducted a roll call vote.

NAME	YES	NO
Anthony Talerico	X	
Lillian Burry	X	
Steve Gallo	X	
Jay Coffey	X	
Tracy Buckley	X	
Jamera Sirmans	X	
Jorge Santos	X	

Motion to Approve: STEVE GALLO Second: LILLIAN BURRY
Ayes: 7

OTHER ITEMS

There were no other items before the Board.

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

Roseanne Letson of Tinton Falls stated that she is a member of the Oceanport Historical Society. Ms. Letson stated that with Chairman's Frank Barricelli's passing, the Oceanport Historical Society has yet to appoint a new Chairman but are moving forward with Frank's plans of erecting historical signs and photos to encompass the Fort's history on the riverwalk promenade that runs along Parker Creek. Ms. Letson stated that the residents of East Gate have posted no trespassing signs along the riverwalk promenade, but it was the Historical Society's understanding that the riverwalk promenade was to remain open to the public. Ms. Letson asked for clarification of who owns the riverwalk promenade and if it be open to the public.

Kara Kopach stated that FMERA shares in the sadness of Frank Barricelli's passing, who is remembered as a breath of fresh air every time he visited the FMERA office. Ms. Kopach stated that FMERA would like to work with the Oceanport Historical Society in displaying historic signage in honor of Mr. Barricelli.

Ms. Kopach stated that the riverwalk promenade was always intended to be a cohesive walking trail that would be open to the public. Ms. Kopach stated that FMERA has worked with the individual developers to create their own path along the riverwalk. Ms. Kopach stated that after FMERA sold the Officer's Housing (East Gate) property to RPM Development, RPM subsequently sold the houses on the property to private homeowners. It is not clear what was represented during the sale of the property from RPM to the homeowners and what was represented regarding the riverwalk promenade. FMERA is aware of the signs and is currently working with the Borough of Oceanport and FMERA's legal representatives to get an understanding of who owns the riverwalk property and what can be done to ensure it is open to the public. Ms. Kopach stated that it was always anticipated that the open space on the East Gate property would be transferred and be deed restricted as open space to Monmouth County or the Borough of Oceanport. To date, the transfer has not occurred.

There being no further business, on a motion by Lillian Burry and seconded by Steve Gallo and unanimously approved by all voting members present, the meeting was adjourned at 5:26p.m.

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

Kara Kopach
Kara Kopach – Secretary

**Resolution Regarding
Interagency Agreement between the Fort Monmouth Economic Revitalization Authority and the Borough of
Eatontown to contract for the design of Water Extension Phase IV**

WHEREAS, the water mains which service the Main Post of Fort Monmouth are outdated and not suitable for future water usage requirements. Therefore, new mains must be installed to provide potable water service for current and future property owners. This interagency agreement will enable FMERA to move forward with the design of water main Phase IV, which will serve both sold properties and prospective purchasers on the Main Post, including Parcels 7 & 8, and eliminate the Army water system; and

WHEREAS, FMERA will make Twenty-Eight Thousand Eight Hundred and Fifty (\$28,850.00) Dollars in funding available to the Borough of Eatontown through a Memorandum of Understanding (MOU) to pay for all costs associated with design and engineering services related to Water Extension Phase IV design, ("Project Funding"). These funds are budgeted for this expense in the 2023 FMERA budget; and

WHEREAS, accordingly, the Borough has retained T&M Associates as their Borough Engineer for FY 23 to prepare plans and a scope of work (the "Plans") for the Project pursuant to the Local Public Contract Law. This may also include surveying services, field reconnaissance, test pits, certification applications for Soil and Erosion Control, typical NJDOT Lane Closure Plans, and a NJDOT Permit Application for Utility Opening (MT17A); and

WHEREAS, the Plans will be used by FMERA to contract with New Jersey American Water (NJAW) for the installation of a water main for portions of Fort Monmouth. The consideration for this interagency agreement is the Borough of Eatontown expediting the water main work for the eventual installation and operation of a water main on the Main Post to provide updated water service to current and future property owners and eliminate the Army water system; and

WHEREAS, the Borough selected T&M Associates via a formal RFP process for the calendar year 2023. By using the Borough of Eatontown's engineers for this work, FMERA will save the time and expense of initiating its own RFP process. Also, utilizing the Borough engineers will ensure that the project will comply with all permitting requirements and that the improvements will meet the Borough's standards; and

WHEREAS, if FMERA contracts separately for design and study services regarding the Project, FMERA shall notify the Borough of Eatontown of all services completed outside of this agreement; and

WHEREAS, the Authority will enter into this interagency agreement utilizing the attached draft MOU between FMERA and the Borough of Eatontown for this design work. The attached MOU is in substantially final form. The final terms of the MOU will be subject to the approval of the Executive Director and a review as to form by the Attorney General's Office, as well as the Borough of Eatontown. 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 interagency agreement between FMERA and the Borough of Eatontown to initiate and complete the design of Water Extension Phase IV on Fort Monmouth Main Post. This agreement will enable FMERA to move forward with planned upgrades and improvements to the water supply infrastructure.

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: March 15, 2023

EXHIBIT 1

**Resolution Regarding
Amendment to the Memorandum of Understanding between the Two Rivers Water Reclamation Authority
and the Fort Monmouth Economic Revitalization Authority**

WHEREAS, on January 18, 2017, the FMERA Board approved staff's execution of an MOU with TRWRA for the planning (including preparation of all applications and associated, prerequisite environmental and engineering services), survey and design for the replacement of the sanitary sewer system located within Oceanport section of the Fort. In October 2018, FMERA and TRWRA, through this prior interagency cooperation, completed the replacement of over 3,000 LF of new sanitary sewer mains in the Oceanport section of the Fort; and

WHEREAS, on March 19, 2019, FMERA and TRWRA entered into an interagency agreement for the replacement and abandonment of sewer service to the Nurses Quarters property ("2019 MOU"). Under the terms of the MOU, FMERA would escrow the developer's required \$125,000 contribution toward off-site sewer improvements and utilize those funds, along with other FMERA resources, to fund the new South Interceptor. Upon completion of the South Interceptor the Nurses Quarters developer was obligated to fund the connection to all buildings on the property to the new South Interceptor and properly abandon or remove the existing connection to the local sewer; and

WHEREAS, at the time of the 2019 MOU, a closing on the Nurses Quarters property was anticipated within twelve months and the South Interceptor was anticipated to be funded with thirty-six to sixty months of execution. Prior to completion of the South Interceptor, the Nurses Quarters property would continue to use the Local Sewer System serving the property; and

WHEREAS, pursuant to Fiscal Year 2023 Appropriations Act, L. 2022, c. 49, FMERA received a line-item appropriation of \$10,000,000 of State funds for "Infrastructure" ("State Funds"); and

WHEREAS, in order to expedite the abandonment of the Local Sewer System and to service the Nurses Quarters property, for which a closing is now anticipated by the end of 2023, FMERA and TRWRA are entering into this amendment to the 2019 MOU to permit the Nurses Quarters property to tie into TRWRA's existing Pump Station 8 on Hedge Drive in Oceanport. FMERA will provide State Funds in an amount not to exceed \$183,080. The costs will include the installation of a sanitary sewer improvements and contract administration and construction observation fees; and

WHEREAS, the Nurses Quarters developer will remain responsible for the costs to build the sanitary sewer to the connection point at the Nurses Quarters property line along Main Street. Additionally, the developer remains responsible under the terms of the Purchase and Sale Agreement and Redevelopment Agreement dated January 14, 2023, as amended, to provide the \$125,000 contribution toward offsite sewer installation; and

WHEREAS, staff requests Board approval to enter into this amended MOU between FMERA and TRWRA regarding the sanitary sewer service for the Nurses Quarters property located within the Borough of Oceanport and grant delegated authority to FMERA's Executive Director to increase the cost by an amount not to exceed 10% for unforeseen costs; and

WHEREAS, all other terms of the 2019 MOU remain unchanged. The attached MOU and Exhibit "A" are in substantially final form. The final document will be subject to the approval of FMERA's Executive Director, TRWRA, and as to form by Attorney General's Office. On March 13, 2023, via email, the Real Estate Committee reviewed the request and recommends it to the Board for approval.

THEREFORE, BE IT RESOLVED THAT:

1. The Authority approves the Amendment to the 2019 Memorandum of Understanding between the Fort Monmouth Economic Revitalization Authority and the Two Rivers Water Reclamation Authority regarding the sanitary sewer service for the Nurses Quarters property located within the Borough of Oceanport and the grant of delegated authority to FMERA's Executive Director to increase the cost by an amount not to exceed 10% for unforeseen costs, 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: March 15, 2023

EXHIBIT 2

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

WHEREAS, on January 18, 2017, the FMERA Board approved staff's execution of an MOU with TRWRA for the planning (including preparation of all applications and associated, prerequisite environmental and engineering services), survey and design for the replacement of the sanitary sewer system located within Oceanport section of the Fort. In October 2018, FMERA and TRWRA, through this prior interagency cooperation, completed the replacement of over 3,000 LF of new sanitary sewer mains in the Oceanport section of the Fort; and

WHEREAS, on March 19, 2019, FMERA and TRWRA entered into an interagency agreement for the replacement and abandonment of sewer service to the Nurses Quarters property ("2019 MOU"). Under the terms of the MOU, FMERA would escrow the developer's required \$125,000 contribution toward off-site sewer improvements and utilize those funds, along with other FMERA resources, to fund the new South Interceptor. Upon completion of the South Interceptor the Nurses Quarters developer was obligated to fund the connection to all buildings on the property to the new South Interceptor and properly abandon or remove the existing connection to the local sewer; and

WHEREAS, at the time of the 2019 MOU, a closing on the Nurses Quarters property was anticipated within twelve months and the South Interceptor was anticipated to be funded with thirty-six to sixty months of execution. Prior to completion of the South Interceptor, the Nurses Quarters property would continue to use the Local Sewer System serving the property; and

WHEREAS, pursuant to Fiscal Year 2023 Appropriations Act, L. 2022, c. 49, FMERA received a line-item appropriation of \$10,000,000 of State funds for "Infrastructure" ("State Funds"); and

WHEREAS, in order to expedite the abandonment of the Local Sewer System and to service the Nurses Quarters property, for which a closing is now anticipated by the end of 2023, FMERA and TRWRA are entering into this amendment to the 2019 MOU to permit the Nurses Quarters property to tie into TRWRA's existing Pump Station 8 on Hedge Drive in Oceanport. FMERA will provide State Funds in an amount not to exceed \$183,080. The costs will include the installation of a sanitary sewer improvements and contract administration and construction observation fees; and

WHEREAS, the Nurses Quarters developer will remain responsible for the costs to build the sanitary sewer to the connection point at the Nurses Quarters property line along Main Street. Additionally, the developer remains responsible under the terms of the Purchase and Sale Agreement and Redevelopment Agreement dated January 14, 2023, as amended, to provide the \$125,000 contribution toward offsite sewer installation; and

WHEREAS, staff requests Board approval to enter into this amended MOU between FMERA and TRWRA regarding the sanitary sewer service for the Nurses Quarters property located within the Borough of Oceanport and grant delegated authority to FMERA's Executive Director to increase the cost by an amount not to exceed 10% for unforeseen costs; and

WHEREAS, all other terms of the 2019 MOU remain unchanged. The attached MOU and Exhibit "A" are in substantially final form. The final document will be subject to the approval of FMERA's Executive Director, TRWRA, and as to form by Attorney General's Office. On March 13, 2023, via email, the Real Estate Committee reviewed the request and recommends it to the Board for approval.

THEREFORE, BE IT RESOLVED THAT:

1. The Authority approves the Amendment to the 2019 Memorandum of Understanding between the Fort Monmouth Economic Revitalization Authority and the Two Rivers Water Reclamation Authority regarding the sanitary sewer service for the Nurses Quarters property located within the Borough of Oceanport and the grant of delegated authority to FMERA's Executive Director to increase the cost by an amount not to exceed 10% for unforeseen costs, 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: March 15, 2023

EXHIBIT 2

MEMORANDUM

To: Members of the Board

From: Kara Kopach
Executive Director

Date: April 19, 2023

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

FMERA's independent accounting firm, CliftonLarsonAllen, LLP, completed the 2022 audit and reported their findings to Audit Committee at the April 11th meeting. The auditors issued an unmodified opinion with regard to FMERA's financial statements, which is their highest opinion. The Annual Report and audited financial statements serve as FMERA's Comprehensive Annual Report to meet the requirements of Executive Order No. 37 (2006) and the June 2012 and October 2016 Economic Development Conveyance Agreements with the Army. Based on the Audit Committee's review, the Committee recommended the presentation of the 2022 Comprehensive Annual Report for Board approval at the April 19th meeting.

Executive Director's Report

1. Update on Utilities and Infrastructure

- Construction on the new sanitary pump station, east interceptor, and force main along Oceanport Avenue continues with an expected completion by the 3rd quarter of 2023. Earle expects to complete the gravity main along Oceanport Avenue this week with the install of the last manhole in Signal Avenue inside the Pulte development. The new pump station and the associated 1,640 feet of force main conduit in Oceanport and Silverside Avenues north of Parkers Creek is substantially complete and projected to go online in May.
- The Phase II sanitary project, which includes the Barker Circle and South Interceptor lines, and the Malterer Avenue main, is in the mobilization stages. The completed project, along with the East Interceptor and Pump Station, will receive sanitary outfall from the majority of the Oceanport portion of the main post, and allow FMERA to decommission five of the six remaining FMERA operated sanitary pump stations on the main post. The last pump station, though not decommissioned, was shut down in September 2022.
- In Eatontown, the design work that will serve the Monmouth County Motor Pool, Tech Campus B, the Eatontown Parks parcel, and Barracks parcel, and the Tech B parcel with sanitary outfall to the Eatontown Sewerage Authority owned main along Mill Creek has been completed and FMERA is now working with the ESA to construct and install the necessary sewer improvements to divert flow into Eatontown.
- FMERA & JCP&L contracted in 2022 for the proposed electrical substation parcel and staff continues to work with JCP&L staff toward finalizing the plans of the proposed electrical 15KVA distribution system.
- The Facilities and On-site Maintenance Teams continues to maintain and repair heat systems and fire suppressions systems of buildings to be reused by a potential 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 seventeen properties:

- Former Patterson Army Hospital on December 13, 2013, with AcuteCare Systems.
- 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, 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. The Fitness Center now boasts over 2,100 members.
- Dance Hall parcel on April 4, 2018, to The Loft Partnership, LLC. The developer renovated the Dance Hall as a wedding banquet facility. They have booked over 172 weddings.
- 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 18, 2019, with KKF University Enterprises, LLC, an approximately 31-acre site. The developer has secured a commitment from New Jersey City University for use of the site as a satellite campus. The campus opened in the Fall 2020 and continues to have both an academic and community events presence.
- 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 last year and a restaurant and food distributor is planned this summer in the old Commissary space.
- Marina, 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, on November 24, 2021, with Somerset Development, LLC, a 15-acre site located on Parkers Creek, to be developed with up to 185 new and renovated housing units. Townhouses are for sale and some have already been sold and are occupied.
- Allison Hall, on May 18, 2022, 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.

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

- 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. The Developer 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 and will start construction in the first quarter of 2024.

- 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 and accompanying bathrooms.

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

- Building 1123, a former general office building at Avenue of Memories and Wilson Avenue with the Borough of Eatontown for the reuse by the Borough's Department of Public Works.

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. The new developer anticipates providing lease backed space to Commvault and will also provide additional tenant space to other end users.
- 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. Trinity Hall completed their second generation project on the site to expand the building's footprint twofold.
- 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. 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 anticipates starting construction on the site this year.

Also in **Tinton Falls**, FMERA has executed contracts on two 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.
- 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.

3. **Development & Marketing Update**

FMERA continues to make good progress on the Fort's redevelopment, with about 86 percent of the Fort's 1,126 acres sold, under contract, in negotiations, or entering the request for proposals process. To date, FMERA has sold 34 parcels, and another 5 parcels are under contract or have Board-approved contracts.

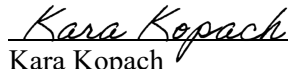
Somerset Development and Pulte Group continue to make incredible progress on the Parkers Creek residential development in Oceanport, with model homes open to the public. Nearby, the Allison Hall project has completed extensive demolition, paving the way for the construction of new business lofts, retail, and a waterfront restaurant, among other amenities. A groundbreaking ceremony is planned for June 3, 2023. 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 are underway at the Main Post, with several businesses slated to open prior to year-end.

The development team is focusing its efforts on the development of the Mega Parcel. Netflix is currently conducting its due diligence investigations, as the FMERA team continues to complete survey and easement work for the project. Additionally, in conjunction with the Facilities & Infrastructure team, the development team is supporting efforts to have infrastructure updated Fort-wide and for the Mega Parcel, as well as to expend grant funds in support of the same.

FMERA is pleased to present its Annual Report for 2022. The report will be available to the public online following the expiration of the Governor's veto period.

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
Approval of Fort Monmouth Economic Revitalization Authority 2022 Comprehensive Annual Report

WHEREAS, the Legislature enacted the Fort Monmouth Economic Revitalization Authority Act (Act), P.L. 2010, c. 51, to create the Fort Monmouth Economic Revitalization Authority (FMERA or Authority); and

WHEREAS, the Authority selected its independent auditors, CliftonLarsonAllen LLP, pursuant to Executive Order No. 122 (McGreevey); and

WHEREAS, the Authority's independent auditors audited and accepted the Authority's financial statements for January 1, 2022 to December 31, 2022 and issued an unmodified opinion regarding the financial statements; and

WHEREAS, the certification and accompanying financial statements have been executed by the Executive Director and the Accounting Manager confirming that FMERA has followed its standards, procedures and internal controls; and

WHEREAS, on April 11, 2023, per its Charter as well as section 9 of Executive Order 122 (2004), the Audit Committee reviewed the draft comprehensive annual report, including the 2022 audited financial statements prior to release and considered the relevancy, accuracy and completeness of the information presented. Also, pursuant to Executive Order 122 (2004), the independent auditor met with the Audit Committee, where it was reported that the financial audit resulted in no negative findings or internal control deficiencies. Subsequent to its review of the report, the Committee recommended that the report be presented to the Board for approval; and

WHEREAS, pursuant to Executive Order No. 37 (Corzine) the Authority is required to submit its Comprehensive Annual Report for review from its Members; and

WHEREAS, the Audit Committee has reviewed the 2022 Comprehensive Annual Report and recommends it to the Board for approval.

THEREFORE, BE IT RESOLVED THAT:

1. The Members of the Authority approve the Authority's 2022 Comprehensive Annual Report and approve submitting the Report to the Governor's Authorities Unit, the United States Department of the Army and posting it on the Authority's website.
2. The Executive Director and/or any individual authorized to execute documents pursuant to the Operating Authority is authorized to do and perform all acts necessary to effectuate the above.
3. 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.

Dated: April 19, 2023

EXHIBIT 1

MEMORANDUM

TO: Members of the Board

FROM: Kara Kopach
Executive Director

RE: 2022 Comprehensive Annual Report

DATE: April 19, 2023

Request

I am requesting that the Board approve the Authority's 2022 Comprehensive Annual Report, as required under Executive Order No. 37 (2006) and the June 2012 Phase 1 and October 2016 Phase 2 Economic Development Conveyance ("EDC") agreements with the Army.

Background

The Authority presents the Annual Report of accomplishments and activities in support of the revitalization and redevelopment of Fort Monmouth. To meet the requirements of Executive Order No. 37 (2006), the Annual Report is combined with the audited financial statements and serves as FMERA's comprehensive annual report for 2022.

Per the EDC agreements, FMERA is required to submit annual financial statements to the United States Department of the Army, certified by an independent Certified Public Accountant (CPA) that account for the annual gross and net revenues received by FMERA from all sales and leases, or equivalent use of the Phase 1 and 2 parcels and the reinvestment of EDC proceeds during the conveyance period.

The audited financial statements for the year ended December 31, 2022 were prepared by FMERA staff pursuant to Generally Accepted Accounting Principles for a government entity. The financial statements include information for operational and EDC activities. The independent accounting firm of CliftonLarsonAllen LLP has issued an unmodified opinion with regard to the 2022 financial statements which is its highest opinion.

On April 11, 2023, per its Charter, as well as section 9 of Executive Order 122 (2004), the Audit Committee reviewed the draft comprehensive annual report, including the 2022 audited financial statements prior to release and considered the relevancy, accuracy and completeness of the information presented. Also, pursuant to Executive Order 122 (2004), the independent auditor met with the Audit Committee, where it was reported that the financial audit resulted in no negative findings or internal control deficiencies. Subsequent to its review of the report, the Committee recommended that the report be presented to the Board for approval.

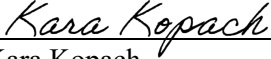
Under Executive Order No. 37 (2006), the Authority is required to obtain approval of a comprehensive annual report from its Board. Upon approval, the report will be posted on the Authority's website and submitted to the Governor's Authorities Unit and the United States Department of the Army.

The Audit Committee has reviewed the 2022 Comprehensive Annual Report and recommends it to the Board for approval.



Recommendation

In summary, I am requesting that the Board approve the 2022 Comprehensive Annual Report as required under Executive Order No. 37 (2006) and the June 2012 and October 2016 EDC agreements with the Army in order to submit the report to the Governor's Authorities Unit and the United States Department of the Army, and post to the Authority's website.


Kara Kopach

Attachments: 2022 Comprehensive Annual Report & Financials

Prepared by: Jennifer Lepore



ANNUAL REPORT 2022



**FORT
MONMOUTH**

DISCOVER ► INNOVATE ► TRANSFORM

CHAIRMAN'S MESSAGE

It has been the year of leadership changes for FMERA. In 2022, our long-standing Vice-Chairman, Dr. Robert Lucky, passed away in March. In May, our Executive Director, Bruce Steadman retired to spend some much-deserved time with his family. That same month, our Deputy Executive Director, Kara Kopach, was promoted to Executive Director of FMERA. Despite these changes, the FMERA team, including the staff, Board, and our many stakeholders and partners, performed with outstanding creativity and resilience to achieve excellent results.

Even with multiple leadership transitions, FMERA's small team of eight has continued to exceed expectations, with nearly 40 projects complete or in-progress. We completed closings on three outstanding redevelopment projects via Allison Hall (Fort Monmouth Business Center LLC) in Oceanport, the Myer Center (RWJBarnabas Health) and the Eatontown Parks Parcel (Borough of Eatontown) in Eatontown, and we prepared the foundations for several more closings in 2023. In addition to these closings, we ended the year by announcing FMERA's largest tentative property sale to-date, with the approval of a Purchase and Sale Agreement and Redevelopment Agreement with Netflix for the 292-acre Mega Parcel. In tandem with FMERA's property redevelopment efforts, critical infrastructure projects to improve the utility and road network are also underway. Specifically, FMERA has contracted for a new electrical substation, a new sanitary sewer main and pump station, and new water mains. All of these efforts have positioned FMERA for a dynamic and successful year in 2023.

I want to thank the FMERA staff, Board, and volunteer committee members, but I also want to recognize the tremendous support and counsel we have received from our many stakeholders and partners, including Tinton Falls, Eatontown, Oceanport, Monmouth County, the New Jersey Economic Development Authority (NJEDA), the New Jersey Departments of Environmental Protection, Community Affairs, Transportation, and Labor & Workforce Development, as well as the Governor's Authorities Unit, and the Office of the Attorney General. Each of these organizations, and several others that I have not mentioned, have contributed greatly to FMERA's success to date, and will continue to do so into the future.

In 2023, we will continue our mission of helping to create good jobs and tax revenue in our host municipalities which will yield benefits to each resident of our community for years to come. Our long-term goals include 10,000 new jobs and \$2.5 billion of investment within the boundaries of the former Fort Monmouth. To the members of the greater public, we continue to invite your interest, comments, and participation, as we move forward. Please keep us apprised of your opinions, concerns, and questions via email, telephone, or letter. We look forward to hearing from you.

From the FMERA team, our best wishes to our neighbors and friends for the coming year.

Anthony Talerico, Jr.

Mayor Anthony Talerico, Jr. | Vice-Chairman / Interim Chairman
Fort Monmouth Economic Revitalization Authority Board



ABOUT FMERA

FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY

On August 17, 2010, the Fort Monmouth Economic Revitalization Authority Act, P.L. 2010, c. 51, was signed into law, creating the Fort Monmouth Economic Revitalization Authority (FMERA) to provide investment, continuity, and economic growth to the communities impacted by the federal government's decision to close Fort Monmouth. FMERA replaced the Fort Monmouth Economic Revitalization Planning Authority (FMERPA) and is charged with advancing that entity's plan for reuse and redevelopment of the 1,126 acres of real estate that span parts of Eatontown, Oceanport, and Tinton Falls.

Fort Monmouth had been a key economic driver in Monmouth County and New Jersey since it was established in 1917 as Camp Little Silver. According to a 2008 report completed by the New Jersey Department of Labor and Workforce Development, the closing of Fort Monmouth represented the loss of 5,638 direct jobs and approximately 16,000 indirect jobs in the region. The report also found that more than one-third of the Fort's employees were engineers and scientists.

As such, the 20-year Reuse and Redevelopment Plan (Reuse Plan) for Fort Monmouth, created by FMERPA, emphasizes the expeditious creation of jobs and encourages economic growth in the region. The plan strives to balance development with the protection and enrichment of natural resources, while also honoring the rich history of the Fort.

The mix of land uses proposed in the plan is deliberately broad to help accelerate redevelopment and provide for the creation of a diverse range of jobs and housing types in order to meet the needs of a demographically diverse population in a competitive and changing marketplace. The inclusion of office, research and development (R&D), business services, light manufacturing, retail, housing, homeless accommodations, and civic space reflects the overarching commitment to fulfill the region's short-, medium-, and long-term development goals and provide broad-based economic opportunity.

In June 2011, the U.S. Department of Housing and Urban Development (HUD) approved the Reuse Plan and the Housing Assistance Submission, which were completed and approved under the auspices of FMERPA

and submitted to HUD in September 2008.

Pursuant to its enabling statute, FMERA is empowered to enter into a designated redevelopment agreement with the New Jersey Economic Development Authority (NJEDA) and into redevelopment agreements with public or private redevelopers; adopt land use, development and design guidelines in coordination with the impacted communities; provide and maintain utilities, streets, roads, and other infrastructure; undertake redevelopment activities; and implement revenue-raising measures for the benefit of redevelopment.

FMERA is governed by a 13-member Board. The Board includes nine voting members consisting of three public members appointed by the Governor, one ex-officio member of the Executive Branch appointed by the Governor, the mayors of Eatontown, Tinton Falls, and Oceanport, one member of the Monmouth County Board of County Commissioners, and the Chair of the NJEDA. The Commissioners of the New Jersey Departments of Labor and Workforce Development, Environmental Protection, Community Affairs, and Transportation serve as ex-officio, non-voting members of the board.

Local participation on the Board results in a broad representation of town, county, and state interests. Further, the FMERA law requires that five of the nine voting members be residents of Monmouth County. The general public and relevant New Jersey departments and agencies round out the collaborative effort, ensuring a process that balances the needs and interests of all affected stakeholders.

In May 2012, FMERA took a historic step in the Fort's redevelopment with the signing of a Phase 1 Economic Development Conveyance (EDC) Agreement outlining the transfer process for the first 500+ acres of the property from the U.S. Army to the Authority. The Phase 1 EDC Agreement, approved by the FMERA Board in April 2012, is the overarching agreement between the Army and FMERA, laying out the process by which the Phase 1 properties



were transferred.

FMERA engaged in an extensive negotiation process with the Army to establish the terms of the Phase 1 EDC Agreement which encompasses the first phase of a two-phased process for the property transfer. Phase 1 consists of Charles Wood, and three parcels on the Main Post, which were transferred to FMERA in 2014. Phase 1 parcels include the Golf Course, Howard Commons, Marina, Clinic parcel, Parcel E, Parcel F, Parcel C, Parcel C1, and Parcel B – all totaling just over 500 acres.

In 2016, following extensive negotiations, FMERA purchased the balance of the Fort from the U.S. Army.



This report includes "Project Snapshots," highlighting the economic impact of our redevelopment efforts. Please note that job creation and capital investment values are approximate only, based on contractual obligations as well as projected values. Jobs reflected may include a combination of temporary, part-time, and/or full-time positions.

RIVERWALK CENTER

RETAIL, RESTAURANT, BUSINESS LOFTS



The FMERA Board approved a PSARA with **TetherView** in 2018 for the sale and renovation of historic Allison Hall. **TetherView** will develop the parcel for office, retail, and commercial uses, and may opt to incorporate a waterfront restaurant and boutique hotel.

The planned redevelopment of the Allison Hall parcel, offering a mix of neighborhood amenities and a walkable shopping cluster, will serve as a complement to the

sold

2022



newly inhabited East Gate residences, formerly known as Officer's Housing. **TetherView** will also construct a 12-foot-wide promenade along Parkers Creek, linking the development to the west with Oceanport Avenue. This walkway is one of several planned multi-purpose trails intended to link the business and amenities throughout the Main Post and promote connectivity within the greater Fort Monmouth community.

PROJECT SNAPSHOT

150



JOB CREATION

\$14
MILLION



INVESTMENT



OFFICE



RETAIL

RWJBARNABAS HEALTH

HEALTHCARE CAMPUS



FMERA collaborated with the **NJEDA** to arrange for the demolition of the approximately 672,000-square-foot Myer Center by woman-owned Tricon Enterprises, Inc. of Keyport. The clearing of these approximately 36 acres on the Fort have encouraged the sale and ultimate redevelopment of this site in Tinton Falls.

In 2018, **Robert Wood Johnson Barnabas Health (RWJBarnabas Health)** submitted an unsolicited offer to the **NJEDA** to purchase the property, where RWJBH intends to develop a healthcare campus which

sold 2022

is currently anticipated to include an Ambulatory Care Center, a medical office building, a Cancer Institute of New Jersey Cancer Center, a System Business Office, and campus space for future medical and health facilities.

Following **NJEDA** Board approval, the FMERA Board subsequently approved the execution of an Agreement to Assign the Purchase and Sale Agreement between FMERA and **RWJBarnabas Health**. In October 2021, **RWJBarnabas Health** executed a Redeveloper's Agreement to complete the project.

FMERA sold the property to Monmouth Medical Center, Inc. (MMC) on Friday, December 16, 2022. MMC is an affiliate of RWJBarnabas Health.

RWJBarnabas Health intends to develop a full-scale health care campus, with Phase 1 including an approximately 138,000- square-foot Cancer Center and Ambulatory Care Pavilion, offering oncology services, imaging, radiation, an ambulatory surgery center, parking, and interphase grading and landscaping. Pending all necessary approvals, construction should begin in 2023.



PROJECT SNAPSHOT

300 -
1000



JOB CREATION

\$153.5
- \$650
MILLION



INVESTMENT



HEALTHCARE



EATONTOWN PARKS PARCEL

PUBLIC PARK

sold 2022



In keeping with its mission to preserve open space across the Fort, FMERA approved the sale of a 4.6-acre parcel to the **Borough of Eatontown** for use as a new municipal park and recreation site through its Local Benefit Use process. The Borough has cleared the property of its existing structures and continues to improve the property for public use and enjoyment. In addition to offering open space, Eatontown plans to install a splash pad.

On Memorial Day 2022, the Borough formally dedicated the **Captain James M. Gurbisz Memorial Park**, named in honor of an Eatontown resident who lost his life in service to his country. Per the Mayor of Eatontown, it is only fitting that a park developed on the Fort Monmouth property be named for a fallen soldier, not only to remind us of his ultimate sacrifice, but to also preserve for posterity the legacy of thousands of members of the larger military community that passed through the Fort's gates.

TRANSFORM

CONSTRUCTION & COMPLETION HIGHLIGHTS

sold

Commvault Satellite
(Charles Wood Fire Station)

Family Promise (Building 501)

Communications Tower

Monmouth County DPW (Motor
Pool)

NJAW Tank Parcel

Monmouth County Adult Shelter

Monmouth County Park System
(Parcel F-3)

Fort Monmouth Recreation Center
(Pool & Teen Center)

Tetherview (Russel Hall)



TRANSFORM

CONSTRUCTION & COMPLETION HIGHLIGHTS



SUNEAGLES GOLF COURSE, GIBBS HALL, & THE RIDGE (RESIDENTIAL)

73



JOB CREATION

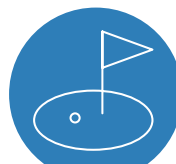
\$31.5
MILLION



INVESTMENT



RESTAURANT



RECREATION



EVENTS



RESIDENTIAL

TRANSFORM

CONSTRUCTION & COMPLETION HIGHLIGHTS



AASKI TECHNOLOGY

DEFENSE CONTRACTOR

25



JOB CREATION

\$500
THOUSAND



INVESTMENT



TECHNOLOGY

TRIUMPHANT LIFE

CHAPEL

10



JOB CREATION

\$500
THOUSAND



INVESTMENT

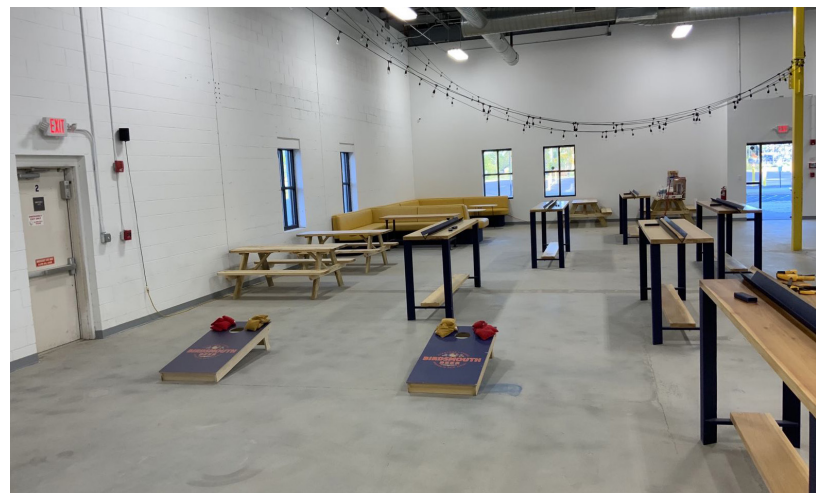


CIVIC



TRANSFORM

CONSTRUCTION & COMPLETION HIGHLIGHTS



THE BASELINE

MULTI-USE OF FORMER COMMISSARY - NEW OFFICE & FLEX SPACE



FOOD & CRAFT
PRODUCTION



INNOVATION



OFFICE



WAREHOUSE



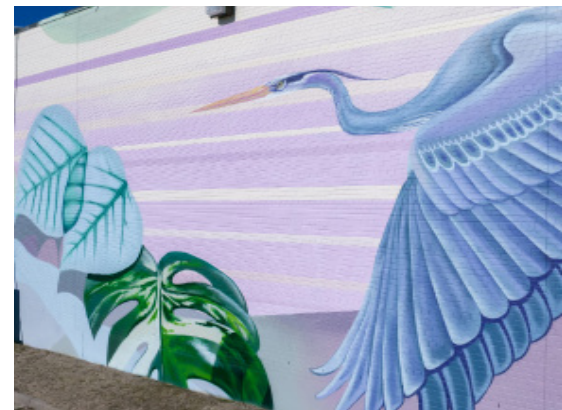
JOB CREATION



INVESTMENT

TRANSFORM

CONSTRUCTION & COMPLETION HIGHLIGHTS



TRANSFORM

CONSTRUCTION & COMPLETION HIGHLIGHTS



JOB CREATION



INVESTMENT

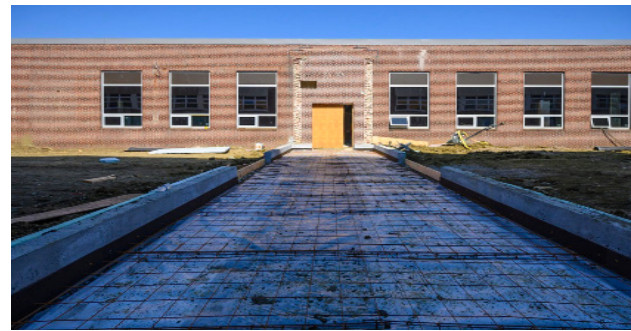


HIGHER EDUCATION

NJCU
NEW JERSEY CITY UNIVERSITY
SATELLITE CAMPUS

TRANSFORM

CONSTRUCTION & COMPLETION HIGHLIGHTS



TRANSFORM

CONSTRUCTION & COMPLETION HIGHLIGHTS



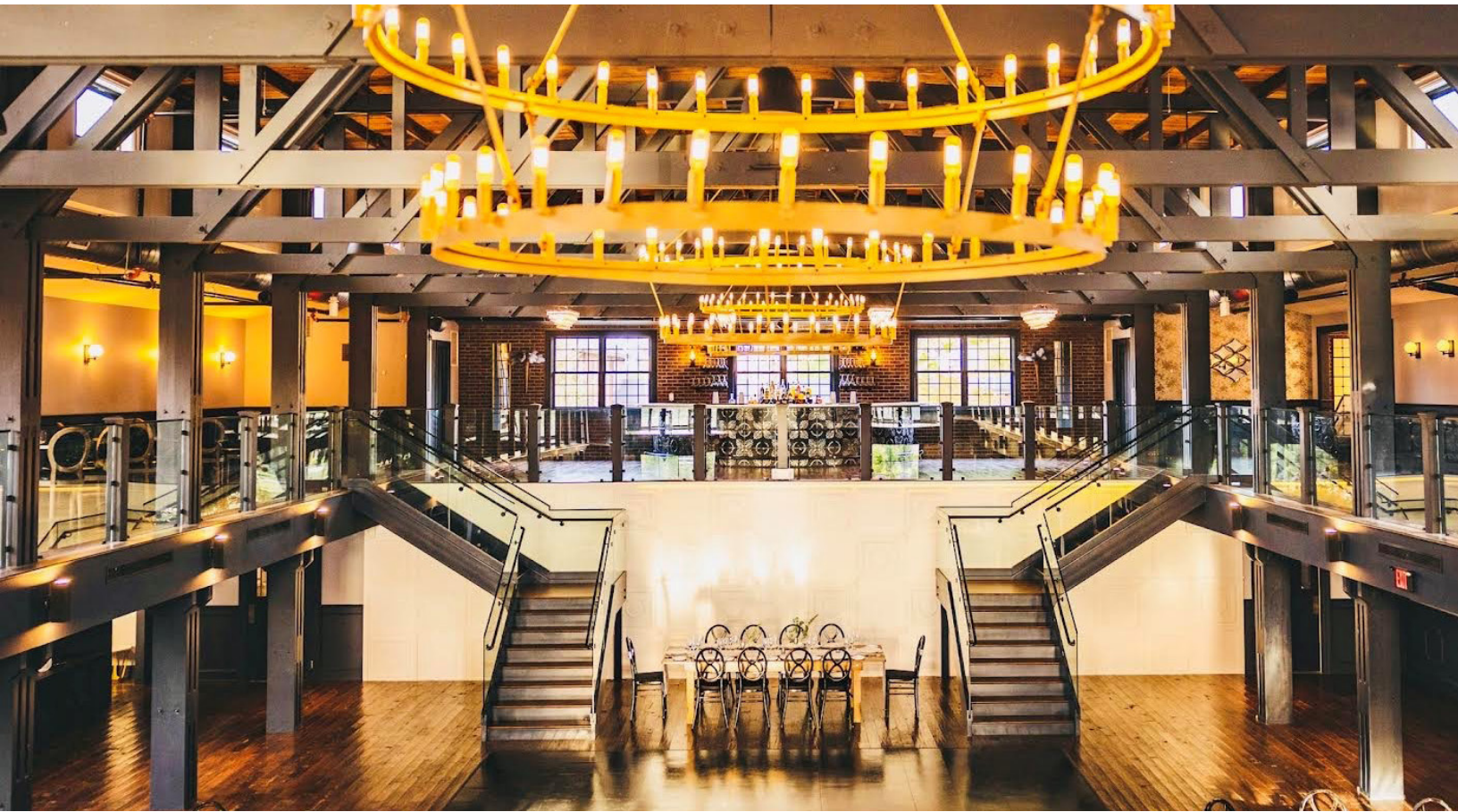
PARK LOFT

EVENT SPACE



TRANSFORM

CONSTRUCTION & COMPLETION HIGHLIGHTS



48



JOB CREATION

\$3.1
MILLION



INVESTMENT



EVENTS

TRANSFORM

CONSTRUCTION & COMPLETION HIGHLIGHTS



ANTHEM PLACE

SINGLE FAMILY HOMES IN TINTON FALLS BY LENNAR



JOB CREATION



INVESTMENT



RESIDENTIAL

TRANSFORM

CONSTRUCTION & COMPLETION HIGHLIGHTS



PATRIOTS SQUARE

TOWNHOMES & SUPPORTIVE HOUSING WITH RETAIL
IN TINTON FALLS BY LENNAR

202



JOB CREATION

\$53
MILLION



INVESTMENT



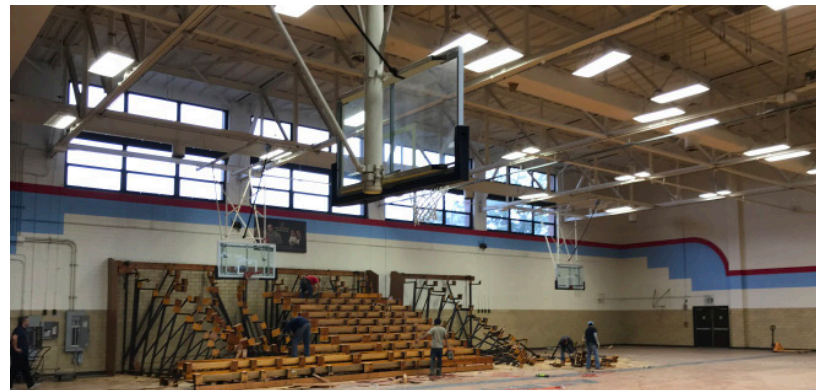
RESIDENTIAL



RETAIL

TRANSFORM

CONSTRUCTION & COMPLETION HIGHLIGHTS



FORT ATHLETIC CLUB

FITNESS CENTER, HEALTH CAFE, SPORTS REHAB

50



JOB CREATION

\$7
MILLION



INVESTMENT



HEALTH CLUB



RETAIL



MEDICAL

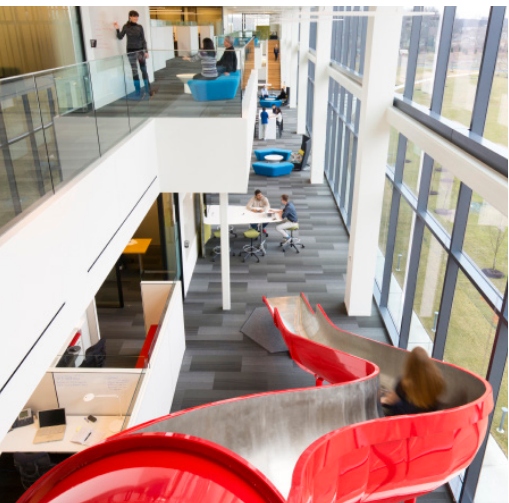
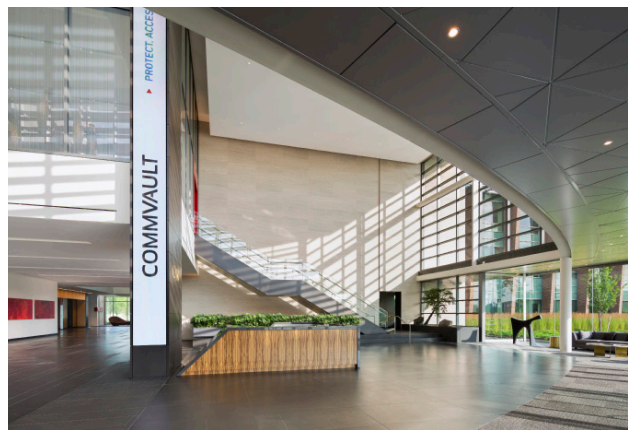
TRANSFORM

CONSTRUCTION & COMPLETION HIGHLIGHTS



TRANSFORM

CONSTRUCTION & COMPLETION HIGHLIGHTS



JOB CREATION



INVESTMENT



TECHNOLOGY

COMMVAULT

DATA PROTECTION
& MANAGEMENT / TECH CO.

TRANSFORM

CONSTRUCTION & COMPLETION HIGHLIGHTS



TRANSFORM

CONSTRUCTION & COMPLETION HIGHLIGHTS



EAST GATE & LIBERTY WALK

HISTORIC HOMES BY RPM DEVELOPMENT

50



JOB CREATION

\$25
MILLION



INVESTMENT



RESIDENTIAL

TRANSFORM

CONSTRUCTION & COMPLETION HIGHLIGHTS



TRANSFORM

CONSTRUCTION & COMPLETION HIGHLIGHTS



JOB CREATION



INVESTMENT



EDUCATION

TRINITY HALL

STEM-FOCUSED ALL GIRLS
PRIVATE HIGH SCHOOL

TRANSFORM

CONSTRUCTION & COMPLETION HIGHLIGHTS



GOVERNMENT



\$10
MILLION

INVESTMENT



CIVIC

OCEANPORT MUNICIPAL COMPLEX
POLICE STATION, TOWN HALL, ADMINISTRATIVE

TRANSFORM

CONSTRUCTION & COMPLETION HIGHLIGHTS



BEACON OF LIFE

ACUTECARE MEDICAL & SENIOR LIVING



JOB CREATION



INVESTMENT



RESIDENTIAL



MEDICAL

TRANSFORM

CONSTRUCTION & COMPLETION HIGHLIGHTS



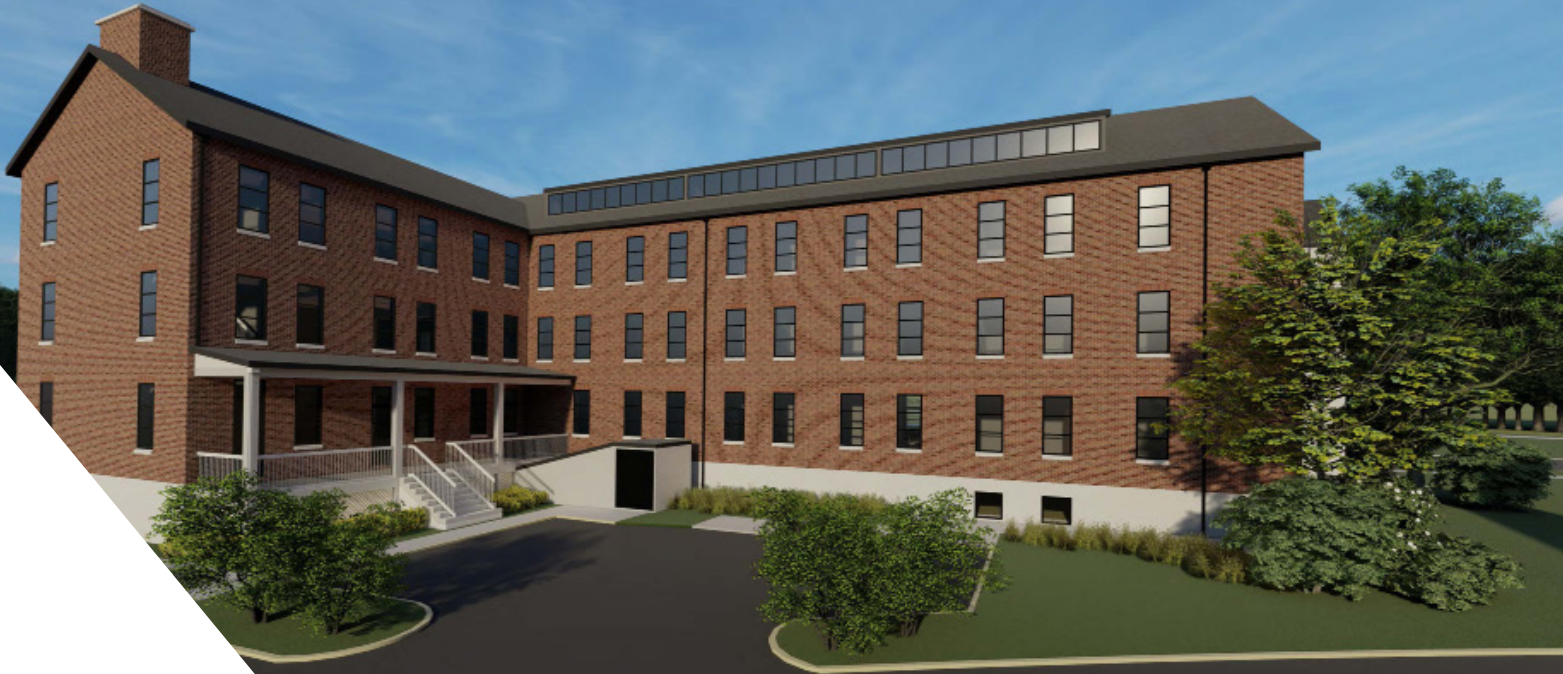
PARKERS CREEK

WATERFRONT LUXURY TOWNHOMES
BY PULTE HOMES & SOMERSET DEVELOPMENT



TRANSFORM

CONSTRUCTION & COMPLETION HIGHLIGHTS



OFFICE



ARTS



RESIDENTIAL



RESTAURANT



\$22
MILLION

INVESTMENT



120

JOB CREATION

BARKER CIRCLE

BARRACKS, FIRE STATION, & KAPLAN HALL MUSEUM

TRANSFORM

CONSTRUCTION & COMPLETION HIGHLIGHTS



THE MARINA

WATERFRONT RESTAURANT,
BAR, & BOAT SLIPS



RESTAURANT



MARINA



JOB CREATION



INVESTMENT

IN THE PIPELINE

PROJECTS IN DEVELOPMENT OR NEGOTIATIONS



HOWARD COMMONS

HOWARD COMMONS ► EATONTOWN

On December 29, 2014, FMERA publicly advertised an RFOTF for approximately 63.67 acres of land and improvements located in the Charles Wood Area of Fort Monmouth known as the Howard Commons Parcel. The property is slated for redevelopment as a residential community with a limited commercial component. Facing environmental challenges, this property has taken several years to come to contract and is now under contract with the only remaining bidder on the property, [Lennar](#). The selected potential purchaser is a well-known home builder, with a track record of nationwide and Fort-wide success in the residential and commercial markets. The site will boast 275 brand new residential units and will remove all existing blight. The planned capital investment is approximately \$66 million.

EATONTOWN DPW (BUILDING 1123) ► EATONTOWN

Through its Local Benefit Use process, FMERA approved the sale of a 7.5-acre parcel in the [Borough of Eatontown](#) for use as the municipality's new Department of Public Works site. The Borough will renovate Building 1123 and plan for supportive administrative uses on-site.

FABRICATION SHOPS ► TINTON FALLS

[Pinebrook Road Commerce Center, LLC \(PCC\)](#) agreed to purchase the Fabrication Shops parcel – a five-acre parcel containing eight buildings and an adjoining 1.5-acre lot for use as parking and storage space.

PCC plans to convert the Fabrication Shops into a multi-tenant business park, one of the many sites on the Fort that will encourage businesses to open and grow in Monmouth County.

NURSES QUARTERS ► OCEANPORT

Formerly used to house the Patterson Army Hospital staff, the Nurses Quarters are slated to find new life. The property consists of an approximately 3.8-acre parcel of land containing Buildings 1077 and

1078 located on Main Street and Stephenson Avenue in the Main Post Area of Fort Monmouth. The Nurses Quarters were built in 1962 and include 24 residential units.

Under the terms of the January 2020 PSARA, developer RPM plans to revitalize and reuse 24 units within the existing buildings and construct 10 additional single-family townhomes along Main Street. RPM expects to invest approximately \$6.7 million in the project.



NURSES QUARTERS

TINTON FALLS COMMERCIAL PARCEL ► TINTON FALLS

In support of its healthcare campus project at the former Myer Center site, RWJBarnabas Health proposed invest approximately \$100 million to construct a three-story medical office building; active recreational facilities, including two multi-purpose grass or turf athletic fields, one baseball / softball field, up to five tennis courts, and a field house (which may be expanded in the future to include bathrooms, locker rooms or other similar amenities); a community walking / nature trail that enhances walkability and interconnectedness of the Tinton Falls section of Fort Monmouth and; open space to benefit the surrounding area.



TINTON FALLS COMMERCIAL PARCEL

IN THE PIPELINE

PROJECTS IN DEVELOPMENT OR NEGOTIATIONS

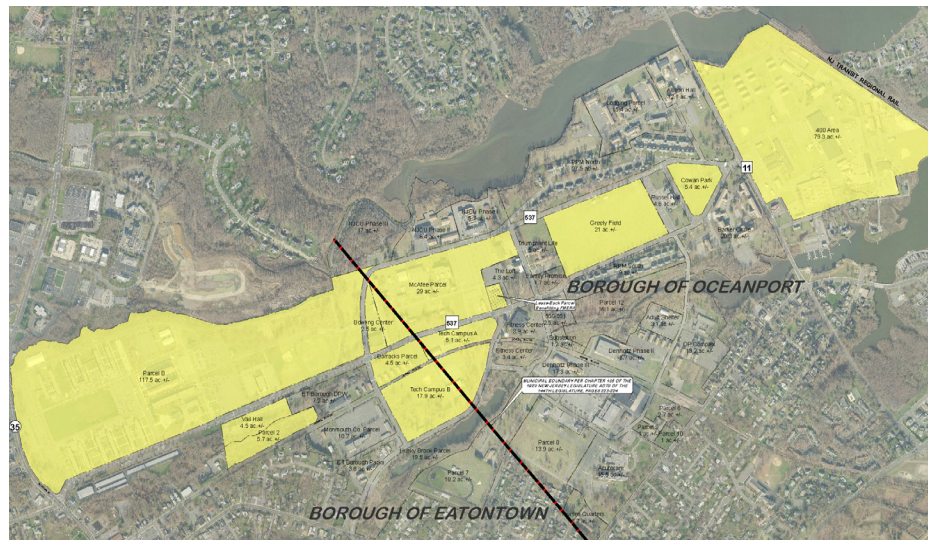


MEGA PARCEL ► EATONTOWN & OCEANPORT

In addition to the goals outlined in FMERA's Reuse & Redevelopment Plan, the Mega Parcel Request for Offers to Purchase (RFOTP), issued March 8, 2022, aligned with the Governor's strategic priorities to overcome the State's largest economic challenges, as described in the Governor's Economic Plan. The RFOTP sought to attract 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, maximizing FMERA's opportunity to revitalize the local economy and develop a regional hub for one of these dynamic industries.

Netflix received the top evaluation score.

Netflix's plans for a sustainable, integrated film studio campus will bring nearly \$850 million in capital investment and will be completed in two phases over the course of several years. The first phase of the project will include the construction of 12 soundstages that will range in size from 15,000 square-feet to 40,000 square-feet each with a minimum buildout of 180,000 square-feet and a maximum buildout of 480,000 square-feet. Additional and ancillary improvements may include, office space, production services buildings, mill space, and studio backlots, among other uses customary to the film industry, with the potential for several consumer-facing components, such as retail and consumer experiences. Phase 2 of the redevelopment



project will consist of the development of additional production support space for the film studio campus, such as basecamps and backlots, and may include additional soundstages, reuse of additional existing improvements, and other customary film uses. Any buildings that have not been targeted for reuse must be demolished within two years of closing on the property, regardless of the phased redevelopment plan.

The redevelopment of the property will also include the historic preservation of Greely Field as open space and the WWII Monument located within, as well as Cowan Park and its flagpole. **Netflix** will also construct and improve a portion of Fort Monmouth's walking trail system, for public use and enjoyment.

RECOGNITION & LEADERSHIP

FMERA has worked closely with the boroughs of Tinton Falls, Eatontown, and Oceanport to meet the needs of each community — introducing new amenities, retaining highly-skilled jobs, and working toward a vibrant, pedestrian-friendly environment. With the support of local leadership, FMERA is advancing its goal of revitalizing and reactivating nearly 1,200 acres. To date, over 86 percent of the Fort is sold, under contract, or in negotiations. The success of the Fort's redevelopment would not be possible without great working relationships with FMERA's partners in each of the boroughs and Monmouth County, the support of the NJEDA and other state agencies, the leadership of our Board and Board Committees, and valuable feedback from our community stakeholders.



2023 BOARD MEMBERS

Anthony Talerico, Jr.
Mayor, Eatontown
Vice Chairman, Interim Chairman

Stephen Gallo
Public Member

Terence O'Toole
Chairman
New Jersey Economic Development Authority

Noreen Giblin
Deputy Chief Counsel
Governor's Authorities Unit

Lillian Burry
Commissioner, County of Monmouth

Jay Coffey
Mayor, Oceanport

Vito Perillo
Mayor, Tinton Falls

Shawn LaTourette
Commissioner
New Jersey Department of Environmental Protection

Diane Gutierrez-Scaccetti
Commissioner
New Jersey Department of Transportation

Lieutenant Governor Sheila Y. Oliver
Commissioner
New Jersey Department of Community Affairs

Robert Asaro-Angelo
Commissioner
New Jersey Department of Labor & Workforce Development

BOARD COMMITTEES

Audit Committee
Mayor Anthony Talerico, Jr.
Tracy Buckley (*designee for Mayor Perillo*)
Steve Gallo

Real Estate Committee
Mayor Anthony Talerico, Jr.
Commissioner Lillian Burry
Mayor Jay Coffey

LEADERSHIP & STAFF

Kara Kopach
Executive Director

Regina McGrade
Administrative Manager

REAL ESTATE

Laura Drahushak
Director of Legal Affairs

Sarah Giberson
Senior Marketing & Real Estate Development Officer

Upendra Sapkota
Senior Planning Officer

FACILITIES & INFRASTRUCTURE

Kristy Dantes
Director of Facilities & Infrastructure

Joe Fallon
Senior Environmental Officer

FINANCE

Jennifer Lepore
Accounting Manager

Certifications Pursuant to Executive Order 37

April 19, 2023

In accordance with Executive Order No. 37, the Fort Monmouth Economic Revitalization Authority's 2022 Annual Report also serves as the comprehensive report of the Authority's operations. This report highlights the significant actions of the Authority for the year.

The report of independent auditors, CliftonLarsonAllen, LLP, dated April 19, 2023, is attached and completes FMERA's requirements concerning the preparation of a comprehensive report required by Executive Order No. 37.

I, Kara Kopach, certify that the financial information provided to the Independent Auditor in connection with the audit is, to the best of my knowledge, accurate and that such information, to the best of my knowledge, fairly represents the financial condition and operational results of the Fort Monmouth Economic Revitalization Authority for the year ended December 31, 2022.



Kara Kopach
Executive Director

I, Jennifer Lepore, certify that the financial information provided to the Independent Auditor in connection with the audit is, to the best of my knowledge, accurate and that such information, to the best of my knowledge, fairly represents the financial condition and operational results of the Fort Monmouth Economic Revitalization Authority for the year ended December 31, 2022.



Jennifer Lepore
Accounting Manager

**FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)
OCEANPORT, NEW JERSEY**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEARS ENDED DECEMBER 31, 2022 AND 2021



CPAs | CONSULTANTS | WEALTH ADVISORS

CLAAconnect.com

**FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY
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INDEPENDENT AUDITORS' REPORT

Audit Committee and Management
Fort Monmouth Economic Revitalization Authority
Oceanport, New Jersey

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the business-type activities of the Fort Monmouth Economic Revitalization Authority (the Authority), a component unit of the state of New Jersey, as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Authority as of December 31, 2022 and 2021, and the respective changes in its financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the Authority implemented the provisions of Governmental Accounting Standards Board (GASB) Statements No. 87 for the year ended December 31, 2022, which represent changes in accounting principle. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The combining schedule of net position, combining schedule of revenues, expenses, and changes in net position, the schedule of general and administrative expenses by fund, and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining schedule of net position, combining schedule of revenues, expenses, and changes in net position, and the schedule of general and administrative expenses by fund, and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and about sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 19, 2023, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

King of Prussia, Pennsylvania
April 19, 2023

**FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED DECEMBER 31, 2022**

This section of the Fort Monmouth Economic Revitalization Authority's (the Authority or FMERA) annual financial report presents management's discussion and analysis of the Authority's financial performance for the years ended on December 31, 2022 and 2021. Please read it in conjunction with the Authority's financial statements and accompanying notes.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual financial report consists of three parts: Management's Discussion and Analysis (this section), the basic financial statements, and required supplementary information. The purpose of the Authority is to implement the comprehensive Fort Monmouth Reuse and Redevelopment Plan (Reuse Plan) for redevelopment and revitalization of the 1,126 acres comprising Fort Monmouth. The financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. The financial statements report information about the Authority using full accrual accounting method as utilized by private businesses engaged in comparable business activities, such as real estate development.

2022 FINANCIAL HIGHLIGHTS

- The Authority's net position increased \$7,441,976
- Total assets increased \$11,286,313
- Total liabilities increased \$3,844,337
- Capital assets — net decreased \$88,655
- Earned \$57,636 in other revenue from Mandatory Conceptual Review application income, the contribution from the New Jersey Economic Development Authority (NJEDA) for the use and occupancy of a portion of the FMERA office building, and other miscellaneous income.

FINANCIAL ANALYSIS OF THE AUTHORITY

Net Position: The following table summarizes the changes in net position for the years ended December 31, 2022, 2021, and 2020:

	2022	2021	Dollar Change	Percentage Change	2020	Dollar Change	Percentage Change
Current Assets	\$ 66,332,279	\$ 54,957,311	\$ 11,374,968	21 %	\$ 54,621,980	\$ 335,331	1 %
Noncurrent Assets	1,251,840	1,340,495	(88,655)	(7)	1,446,646	(106,151)	(7)
Total Assets	67,584,119	56,297,806	11,286,313	20	56,068,626	229,180	0
Current Liabilities	21,508,431	13,795,810	7,712,621	56	37,551,894	(23,756,084)	(63)
Noncurrent Liabilities	19,444,968	23,313,252	(3,868,284)	(17)	7,959,871	15,353,381	193
Total Liabilities	40,953,399	37,109,062	3,844,337	10	45,511,765	(8,402,703)	(18)
Net Position	\$ 26,630,720	\$ 19,188,744	\$ 7,441,976	39	\$ 10,556,861	\$ 8,631,883	82

**FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED DECEMBER 31, 2022**

During 2022, the Authority's combined net position increased \$7.442 million (or 39%) due to:

\$(1.700) million	Economic Development Conveyance (EDC) (operating costs exceeded revenue)
\$(38) thousand	Office of Economic Adjustment (OEA) grant (negative amount is due to depreciation of Building Improvements on the former Post Library used as the Authority's offices)
\$3 thousand	Interest on Federal Grant Funds
\$8.580 million	State Appropriation for infrastructure revenue and disbursements
\$29 thousand	Decrease in direct office support expenses
\$568 thousand	Homeless Fund revenue, disbursements, and interest income

During 2021, the Authority's combined net position increased \$8.632 million (or 82%) due to:

\$8.330 million	Economic Development Conveyance (EDC) (revenue exceeded operating costs)
\$(38) thousand	Office of Economic Adjustment (OEA) grant (negative amount is due to depreciation of Building Improvements on the former Post Library used as the Authority's offices)
\$4 thousand	Decrease in direct office support expenses
\$336 thousand	Homeless Fund revenue, disbursements, and interest income

Operating Activities

The Authority was created to help provide investment, continuity, and economic growth to the communities impacted by the federal government's 2005 decision to close the Army Garrison at Fort Monmouth (the Fort). FMERA has been designated by the state of New Jersey to lead the economic redevelopment of the Fort, with a focus on technology-based industries. The former Fort consists of 1,126 acres located within the jurisdictions of Eatontown, Oceanport, and Tinton Falls, all within Monmouth County, New Jersey. The Army ceased operations and formally closed Fort Monmouth on September 15, 2011.

The Reuse Plan is a highly collaborative blueprint for action to:

- Promote, develop, encourage and maintain employment, commerce, economic development, and the public welfare;
- Conserve natural resources; and
- Advance the general prosperity and economic welfare of the people in the affected communities and throughout the state.

FMERA continues its commitment to the implementation process and its mission to: create an atmosphere in which employers will employ and investors will invest, to maximize the jobs created and the value of the property. The Authority has been granted many tools through its forming legislation, in order to revitalize and redevelop the former Fort Monmouth property, and implement the Reuse Plan. Among these is the ability to undertake redevelopment projects, adopt development and design guidelines and land use regulations, and maintain or upgrade utilities, streets, roads or other infrastructure required by the Reuse Plan. The Reuse Plan and the "Homeless Assistance Submission" (HAS) were submitted to the United States Departments of Defense (DOD) and Housing and Urban Development (HUD) on September 4, 2008 for their review. HUD issued its favorable determination

**FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED DECEMBER 31, 2022**

letter on June 16, 2011 enabling the Authority to move forward with implementing the Reuse Plan. Upon the execution of the Phase 1 EDC Agreement on June 25, 2012, FMERA commenced the redevelopment of the former Fort Monmouth and obtained title for 500 acres of former Army property.

The Phase 1 EDC is comprised of 563 acres, including the Charles Wood Area (in Tinton Falls and Eatontown), Parcel B (in Eatontown), and the Clinic and Marina parcels (in Oceanport). FMERA received the Phase 1 deed on May 29, 2014, except for Parcels E and the Clinic parcel, the titles for which were transferred to FMERA in 2012 and 2013, respectively and the Marina Parcel which was transferred in 2019.

The Phase 2 EDC is comprised of the remaining 563 acres of the former Fort, split between Eatontown and Oceanport. The transfer of the balance of the Main Post was accomplished under a Phase 2 Memorandum of Agreement. The Phase 2 Parcels were purchased by FMERA from the Army on November 17, 2016. The purchase was financed by a loan from the MCIA as discussed in Note 10 to the financial statements.

As a recognized implementation Local Redevelopment Authority (LRA), under the Base Realignment and Closure (BRAC) law, the Authority was eligible for financial assistance through the Defense Economic Adjustment Program and administered by the OEA. The OEA is the Department of Defense's primary source for assisting communities that are adversely impacted by Defense program changes such as base closures. Grant assistance is available for organizing and planning economic recovery, and the implementation of Reuse Plans in response to the closure of military installations. This program has no statutory formula. Generally, not less than 10% of the project's total proposed funding is to be comprised of nonfederal sources. Grant revenue is earned when the Authority has complied with the terms and conditions of the grant agreements. The Authority's final grant and assistance from OEA ended on June 30, 2017. The Authority earned income from conveyance revenue on the transfer of the Phase 1 and 2 EDC parcels to third-party buyers according to the terms of the Phase 1 and 2 EDC Agreements.

The following table summarizes changes in operating and nonoperating activities between fiscal year 2022, 2021, and 2020:

	2022	2021	Dollar Change	Percentage Change	2020	Dollar Change	Percentage Change
Operating Revenue	\$ 8,082,673	\$ 19,197,176	\$ (11,114,503)	(58)%	\$ 1,669,922	\$ 17,527,254	1050 %
Operating Expenses	13,193,824	10,608,505	2,585,319	24	8,327,665	2,280,840	27
Operating Income (Loss)	(5,111,151)	8,588,671	(13,699,822)	(160)	(6,657,743)	15,246,414	(229)
Nonoperating Revenue	12,553,127	43,212	12,509,915	28950	524,468	(481,256)	(92)
Change in Net Position	7,441,976	8,631,883	(1,189,907)	(14)	(6,133,275)	14,765,158	(241)
Net Position -							
Beginning of Year	19,188,744	10,556,861	8,631,883	82	16,690,136	(6,133,275)	(37)
Net Position -							
End of Year	\$ 26,630,720	\$ 19,188,744	\$ 7,441,976	39	\$ 10,556,861	\$ 8,631,883	82

**FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED DECEMBER 31, 2022**

Operating Revenue and Expenses

During 2022, the Authority's operating revenues were impacted by the following:

- Gain on Sale of Land decreased by \$11,593,269 — Due to an decrease in land sales from 2021 to 2022.
- Federal Grant Revenue decreased by \$11,684 — Due to the receipt of less State Coronavirus Fiscal Recovery Funds (CSFRF) for Fort Monmouth Water and Sewer projects compared to 2021.
- Other income increased by \$43,223 — Due to the contribution from the New Jersey Economic Development Authority (NJEDA) for the use and occupancy of a portion FMERA's office building, and other miscellaneous income from 2021 to 2022.

During 2021, the Authority's operating revenues were impacted by the following:

- Gain on Sale of Land increased by \$12,389,056 — Due to an increase in land sales from 2020 to 2021.
- Federal Grant Revenue increased by \$5,200,000 — Due to the receipt of State Coronavirus Fiscal Recovery Funds (CSFRF) for Fort Monmouth Water and Sewer projects.
- Other income decreased by \$30,627 — Due to a decrease in Mandatory Conceptual Review income and a decrease in other Miscellaneous income from 2020 to 2021.

The 2022 Operating Revenue decreased by \$11,114,503 primarily as a result of an decrease in sales from 2021 to 2022 and the receipt of the CSFRF Funds.

The 2022 Operating Expenses increased by \$2,585,319 compared to 2021. The 2022 Program Costs were \$3,210,672 more than 2021 due primarily to an increase in infrastructure projects. The 2022 Homeless Fund expenses decreased by \$140,767 due to the Authority making less payments than 2021 toward the Homeless Fund obligation per the Legally Binding Agreements for Homeless Provider Services. Loan Costs decreased \$383,122 due to the Authority not receiving any additional loans in 2022. Interest Expense on Loan Payable decreased by \$218,304 primarily from the Authority paying off the 1st Working Capital Loan received from NJEDA. Direct Office Support increased by \$97,875 due to an increase in staff for a portion of the year compared to 2021.

Nonoperating Revenue

In 2022, nonoperating revenues increased by \$12,509,915 compared to 2021 when the Authority received an appropriation from the Fiscal Year 2021-2022 New Jersey State Budget for Infrastructure – Electric and Transportation.

Impact of Future Economic Events

In 2023, the Authority is anticipating the sale of approximately two parcels. After payments to the Homeless Fund, the Authority estimates net sales revenue to be approximately \$2.496 million. A portion of the net proceeds from the sales of these parcels will be used to pay down the Direct Loan from NJEDA.

Contacting the Authority's Management

This financial report is designed to provide a general overview of the Authority's finances. If there are questions about the Authority's report or if additional information is needed, please contact the Executive Director of the Fort Monmouth Economic Revitalization Authority, by mail at P.O. Box 267, Oceanport, New Jersey 07757.

FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY
(A COMPONENT OF THE STATE OF NEW JERSEY)
STATEMENTS OF NET POSITION
DECEMBER 31, 2022 AND 2021

ASSETS	<u>2022</u>	<u>2021</u>
CURRENT ASSETS		
Unrestricted Assets:		
Cash and Cash Equivalents	\$ 329,888	\$ 329,888
Other Receivables	262,548	217,352
Land - Held for Resale	38,159,231	38,516,537
Prepaid Assets - Future Land Conveyance	108,896	108,896
Prepaid Expenses	169,829	188,607
Total Unrestricted Assets	<u>39,030,392</u>	<u>39,361,280</u>
Restricted Assets:		
Cash - Economic Development Conveyance	7,126,337	12,351,320
Cash - Property Sales Deposits	7,578,238	151,436
Cash - Homeless Fund	2,381,909	1,457,892
Cash - Federal Funds	114,924	50,000
Cash - State Funds	8,627,149	-
Escrow Deposits - Property Sales	1,473,330	1,585,383
Total Restricted Assets	<u>27,301,887</u>	<u>15,596,031</u>
NONCURRENT ASSETS		
Other Receivables	1,176,140	1,176,140
Capital Assets, Net	75,700	164,355
Total Noncurrent Assets	<u>1,251,840</u>	<u>1,340,495</u>
 Total Assets	 <u><u>\$ 67,584,119</u></u>	 <u><u>\$ 56,297,806</u></u>

See accompanying Notes to Financial Statements.

**FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY
(A COMPONENT OF THE STATE OF NEW JERSEY)
STATEMENTS OF NET POSITION (CONTINUED)
DECEMBER 31, 2022 AND 2021**

LIABILITIES AND NET POSITION	<u>2022</u>	<u>2021</u>
CURRENT LIABILITIES		
Accounts Payable and Accrued Liabilities	\$ 700,970	\$ 456,986
Deposits - Property Sales	9,051,568	1,736,819
Land Conveyance Liabilities	10,255,741	10,255,741
Interest Payable	52,696	83,056
Unearned Revenue	111,684	50,000
Due to NJ Economic Development Authority	1,335,772	1,213,208
Total Current Liabilities	<u>21,508,431</u>	<u>13,795,810</u>
NONCURRENT LIABILITIES		
Direct Loan Payable	15,231,579	15,970,843
Working Capital Loan Payable	4,213,389	7,342,409
Total Noncurrent Liabilities	<u>19,444,968</u>	<u>23,313,252</u>
 Total Liabilities	 40,953,399	 37,109,062
NET POSITION		
Investment in Capital Assets	75,700	164,355
Restricted	21,315,229	17,266,576
Unrestricted	5,239,791	1,757,813
Total Net Position	<u>26,630,720</u>	<u>19,188,744</u>
 Total Liabilities and Net Position	 <u>\$ 67,584,119</u>	 <u>\$ 56,297,806</u>

See accompanying Notes to Financial Statements.

FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY
(A COMPONENT OF THE STATE OF NEW JERSEY)
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
OPERATING REVENUES		
Federal Grants	\$ 5,188,316	\$ 5,200,000
Gain on Sale of Land	2,389,594	13,982,863
Homeless Fund Restricted	447,227	-
Other	57,536	14,313
Total Operating Revenues	<u>8,082,673</u>	<u>19,197,176</u>
OPERATING EXPENSES		
Direct Office Support	1,306,726	1,208,851
General and Administrative	179,274	167,379
Homeless Fund	207,725	348,492
Program Costs	11,004,641	7,793,969
Interest Expense on Loan Payable	406,803	625,107
Loan Issuance Costs	-	(7,070)
Loan Costs	-	383,122
Depreciation	88,655	88,655
Total Operating Expenses	<u>13,193,824</u>	<u>10,608,505</u>
OPERATING GAIN (LOSS)	(5,111,151)	8,588,671
NONOPERATING REVENUE		
State Appropriation	12,500,000	-
Interest Income	53,027	519
Other	100	42,693
Total Nonoperating Revenue	<u>12,553,127</u>	<u>43,212</u>
CHANGE IN NET POSITION	7,441,976	8,631,883
Net Position - Beginning of Year	<u>19,188,744</u>	<u>10,556,861</u>
NET POSITION - END OF YEAR	<u><u>\$ 26,630,720</u></u>	<u><u>\$ 19,188,744</u></u>

See accompanying Notes to Financial Statements.

FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY
(A COMPONENT OF THE STATE OF NEW JERSEY)
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Federal Grants	\$ 5,250,000	\$ 5,250,000
Receipts from Customers and Users (Miscellaneous)	36,857	269,066
Payments for Personnel Services	(1,213,209)	(1,187,007)
Payments to Suppliers	(11,306,699)	(8,477,619)
Deposits Received	7,314,749	(907,334)
Deposits Returned	112,053	318,500
Proceeds from Property Sale	3,160,135	22,480,220
Payments to U.S. Army	-	(769,725)
Payments Related to Homeless Fund	(207,725)	(348,492)
Net Cash Provided by Operating Activities	<u>3,146,161</u>	<u>16,627,609</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Appropriation	12,500,000	-
Gross Payments of Loan Payable	-	(22,185,000)
Loan Payments of Working Capital Loan Payable	(3,129,020)	(617,462)
Loan Issuance Costs	-	7,070
Loan Costs	-	(383,122)
Proceeds of Direct Loan Payable	(739,264)	15,970,843
Miscellaneous Nonoperating Income	100	42,693
Net Cash Provided (Used) by Noncapital Financing Activities	<u>8,631,816</u>	<u>(7,164,978)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Cash Payments for Costs Capitalized for Future Conveyance	-	17,496
Net Cash Provided by Capital and Related Financing Activities	-	17,496
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Income	39,932	(139)
Net Cash Provided (Used) by Investing Activities	<u>39,932</u>	<u>(139)</u>
NET INCREASE IN CASH	11,817,909	9,479,988
Cash - Beginning of Year	<u>14,340,536</u>	<u>4,860,548</u>
CASH - END OF YEAR	<u><u>\$ 26,158,445</u></u>	<u><u>\$ 14,340,536</u></u>

See accompanying Notes to Financial Statements.

**FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY
(A COMPONENT OF THE STATE OF NEW JERSEY)
STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED DECEMBER 31, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
RECONCILIATION OF OPERATING GAIN (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating Gain (Loss)	\$ (5,111,151)	\$ 8,588,671
Adjustments to Reconcile Operating Gain (Loss) to Net Cash		
Provided by Operating Activities:		
Depreciation Expense	88,655	88,655
Loan Issuance Costs	-	(7,070)
Loan Costs	-	383,122
Change in Assets and Liabilities:		
Other Receivables	(32,100)	284,840
Prepaid Expenses	18,778	44,619
Prepaid Asset - Future Land Conveyance	-	(1)
Land - Held for Resale	357,306	8,497,357
Accounts Payable and Accrued Liabilities	243,983	67,201
Deposits - Property Sales	7,426,802	(588,834)
Land Conveyance Liabilities	-	(769,725)
Interest Payable	(30,360)	(37,426)
Unearned Revenue	61,684	50,000
Due to NJ Economic Development Authority	122,564	26,200
Net Cash Provided by Operating Activities	<u>\$ 3,146,161</u>	<u>\$ 16,627,609</u>

See accompanying Notes to Financial Statements.

**FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY
(A COMPONENT OF THE STATE OF NEW JERSEY)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of the Authority

The Fort Monmouth Economic Revitalization Authority (FMERA or the Authority), a body corporate and politic and an instrumentality and component unit of the state of New Jersey (the State), was created by the enactment and approval of P.L.2010, c.51 (Act) on August 17, 2010, by the State Legislature and the Governor, respectively. The purpose of the Authority is to implement the comprehensive Fort Monmouth Reuse and Redevelopment Plan (the Plan) for redevelopment and revitalization of the 1,126 acres comprising Fort Monmouth. The Plan and the "Homeless Assistance Submission" were submitted to the United States Department of Defense and Housing and Urban Development on September 4, 2008 for their review and approval. The United States Department of Housing and Urban Development issued their favorable determination letter on June 16, 2011, enabling the Authority to move forward with implementing the Plan.

The Authority does not have component units that should be included within its financial statements.

Fort Monmouth Homeless Fund

The Authority administers the funds of the Fort Monmouth Homeless Fund, as established by four (4) Legally Binding Agreements (LBAs) approved by the department of Housing and Urban Development (HUD). The New Jersey Housing Mortgage Finance Agency (HMFA) was the agency designated for coordinating the homeless services in New Jersey at the time the LBAs were executed. They were officially relieved of their responsibilities in this regard for such services at Fort Monmouth in March 2014 and the Authority was designated as the agency responsible for coordinating such homeless services and implementing the Homeless Assistance Submission. At December 31, 2022 and 2021, the cash held in the segregated accounts have been included in the Authority's statements of net position as an asset. The cash balances total \$2,381,909 and \$1,457,892 at December 31, 2022 and 2021, respectively.

Basis of Accounting and Presentation

The financial statement presentation has been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). GASB is the standard-setting body for governmental accounting and financial reporting.

The Authority follows proprietary fund type accounting; accordingly, the accompanying financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Separate accounts are maintained for each fund to ensure observance of limitations and restrictions on the use of financial resources. Financial resources are classified for accounting and reporting purposes in funds established according to their nature and purpose.

**FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY
(A COMPONENT OF THE STATE OF NEW JERSEY)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

Economic Development Conveyance

The Authority recognizes revenue to the extent the fair market value of property transferred to FMERA by the United States Department of the Army (Army) without cash consideration exceeds the aggregate of the Economic Development Conveyance contracted liabilities to the Army and the FMERA Homeless Fund for such parcel in accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Non-Exchange Transactions*.

In a nonexchange transaction, a government gives value without directly receiving equal value in return. Voluntary nonexchange transactions include entitlements, which included the Authority's receipt of both cash and property from the federal government and the United States Department of the Army.

Gain or Loss on Property Sales

Property transferred to FMERA by the Army for cash consideration, such as the Phase 2 purchase, is an exchange transaction as the contracted liabilities to the Army are satisfied at the time of conveyance.

The Authority recognizes a gain or loss on property sales at the time of settlement to the extent that the purchase price exceeds or is less than the carrying value of the parcel.

Lease and Operating Fee Revenue

The Authority recognizes lease and operating fee revenue when earned in accordance with the provisions of the underlying lease and operating agreements.

Nonoperating Revenue

Nonoperating revenues include income earned on the investment of funds and other income from a refund from a utility company resulting from the installation of water mains on the Main Post and from contributions from developers for the installation of additional water mains, sewer mains, and electrical upgrades on the Main Post.

**FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY
(A COMPONENT OF THE STATE OF NEW JERSEY)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

The Authority considers all highly liquid debt instruments purchased with an initial maturity of three months or less, and units of participation in the State of New Jersey Cash Management Fund (NJCMF) to be cash equivalents. The NJCMF is managed by the State's Division of Investment under the Department of the Treasury. All investments must fall within the guidelines set forth by the Regulations of the State Investment Council. The Division of Investment is permitted to invest in a variety of securities to include obligations of the U.S. Government and certain of its agencies, certificates of deposit, commercial paper, repurchase agreements, bankers' acceptances, and loan participation notes. Investment guidelines provide that all investments in the NJCMF should mature or are to be redeemed within one year, except that up to 25% of the NJCMF may be invested in eligible securities which mature with 25 months; provided, however, that the average maturity of all investments in the NJCMF shall not exceed one year.

The State of New Jersey, Department of the Treasury, Division of Investment, issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290.

Income Taxes

The Authority is exempt from both federal and state income taxes.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Land Held for Resale

Economic Development Conveyance (EDC) assets conveyed by the Army without cash consideration (Phase 1) are stated at their estimated fair market value at the date of transfer. EDC assets purchased from the Army for cash consideration (Phase 2) are recorded at cost.

Capitalization Policy

Unless material, it is the Authority's policy to expense all costs of an administrative nature. Administrative expenditures typically include expenses directly incurred to support staff operations. Capital assets are stated at cost and the capitalization threshold is \$35,000.

**FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY
(A COMPONENT OF THE STATE OF NEW JERSEY)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Depreciation Policy

Depreciation is computed when the asset is placed in service using the straight-line method over the following estimated economic life of the assets:

Building and Leasehold Improvements	10 Years, Lease Term
Vehicles	5 Years
Furniture and Equipment	5 to 7 Years

Leases

The Authority's lease contracts generally relate to land, buildings, and various equipment. For short-term leases with a maximum possible term of 12 months or less at commencement, the Authority recognizes periodic revenue or expense based on the provision of the lease contract. For all other contracts where the Authority is the lessee, that meet the requirements of GASB 87 and were in excess of the minimum dollar threshold, the Authority will recognize a lease liability and an intangible right to use asset based on the present value of the future lease payments over the contracted term of the lease. The Authority uses its estimated incremental borrowing rate as the discount rate for leases unless the rate the lessor charges is known. This rate is based on the working capital loan's weighted average interest rate for a given year.

If amendments or other certain circumstances occur that are expected to significantly affect the amount of the lease, the present value is remeasured, and corresponding adjustments made. Payment based on future performance are not included in the measurement of the lease liability or leases receivable but recognized as expense or revenue in the period performed. Residual value guarantees and exercise options will be included in the measurement if they are reasonably certain to be paid or exercised.

A minimum dollar threshold was established for lease reporting purposes of \$35,000.

NOTE 2 CASH BALANCES

At December 31, 2022 and 2021, the Authority maintained Government Advantage Interest Checking Accounts with a financial institution. Cash deposits in the checking accounts totaled \$23,692,240 and \$12,838,036, respectively. Of this amount, \$7,578,239 and \$151,436, respectively, represents the funds received by the Authority from the responders to the Authority's Requests for Offers to Purchase land (RFOTP).

Petty cash as of December 31, 2022 and 2021 totaled \$1 and \$25, respectively.

**FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY
(A COMPONENT OF THE STATE OF NEW JERSEY)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 2 CASH BALANCES (CONTINUED)

Additionally, the Authority has an account with the State of New Jersey Cash Management Fund (NJCMF). Cash deposits in this account totaled \$121,540 at December 31, 2022 and \$119,737 at December 31, 2021. In accordance with State Investment Council Regulations, units of ownership in the NJCMF may be purchased or redeemed on any business day (excluding state holidays) at the unit cost or value of \$1.00. Investment income and net realized gains and losses on investments are distributed daily in the form of additional whole units at the current day's net asset value. Fractional units are included in the succeeding day's distribution.

The NJCMF values participants' shares on a fair value basis. Specifically, the NJCMF distributes income to participants on a daily basis based on (1) realized investment gains and losses calculated at market (and added to the Reserve Fund for the prorata portion of such gains attributable to "Other-than-State" participants), (2) interest income based on stated rates, (3) amortization of discounts and premiums on a straight-line basis, and (4) administrative and reserve fund fees charged only to "Other-than-State" participants.

Fort Monmouth Homeless Funds were on deposit with a financial institution in a Government Advantage Interest Checking Account. At December 31, 2022 and 2021, the cash deposits totaled \$1,811,447 and \$895,895, respectively. In addition, the amount invested with the New Jersey Cash Management Fund totaled \$570,462 and \$561,996, respectively.

The Authority's deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are: uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the depositor-government's name. At December 31, 2022 and 2021, the Authority's uncollateralized amounts in excess of federal depository insurance limits was \$25,695,689 and \$13,665,670, respectively.

NOTE 3 ESCROW DEPOSIT — PROPERTY SALE

At December 31, 2022, the Authority had escrow deposits of \$1,473,330 from third-party purchasers per the contracts to sell the Fabrication Shops, the Tinton Falls Commercial Parcel, Howard Commons, and the Nurses Quarters. Escrow funds were on deposit with the attorney trust accounts.

At December 31, 2021, the Authority had escrow deposits of \$1,585,383 from third-party purchasers per the contracts to sell the Fabrication Shops, Allison Hall, the Tinton Falls Commercial Parcel, Howards Commons, and the Nurses Quarters. Escrow funds were on deposit with the attorney trust accounts.

**FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY
(A COMPONENT OF THE STATE OF NEW JERSEY)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 4 OTHER RECEIVABLES

At December 31, 2022 and 2021, included in other receivables are receivables of \$115,028 and \$122,885, respectively, for the value of in-kind services due from Monmouth County in connection with the purchase agreements for the Motor Pool Parcel and the Teen Center Parcel and receivables of \$19,276 and \$-0-, respectively for the value of in-kind services due from the Borough of Eatontown in connection with the purchase agreement for the Eatontown Parks Parcel. At December 31, 2022, and 2021, also included in other receivables is a receivable of \$108,334 and \$93,784 for utility payments due to the Authority. At December 31, 2022 and 2021, also included in other receivables is an interest receivable of \$13,779 and \$658 due to the Authority. At December 31, 2022, and 2021, also included in other receivables is prepaid insurance receivable of \$6,130 and \$-0- due to the Authority.

At December 31, 2022 and 2021, the amount in other receivables – noncurrent is a receivable of \$1,176,140 which represents the amount due from the sale of the Squier Hall parcel.

NOTE 5 CAPITAL ASSETS, NET

The following schedule detail changes in capital assets by major class that occurred during the year ended December 31, 2022:

	Balance December 31, 2021	Additions	Deletions	Transfers	Balance December 31, 2022
Capital Assets, Being Depreciated:					
Building Improvements	\$ 883,812	\$ -	\$ -	\$ -	\$ 883,812
Total Being Depreciated	883,812	-	-	-	883,812
Accumulated Depreciation:					
Building Improvements	719,457	88,655	-	-	808,112
Total Accumulated Depreciation	719,457	88,655	-	-	808,112
Total Capital Assets, Being Depreciated, Net	<u>\$ 164,355</u>	<u>\$ (88,655)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 75,700</u>

**FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY
(A COMPONENT OF THE STATE OF NEW JERSEY)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 5 CAPITAL ASSETS, NET (CONTINUED)

The following schedule detail changes in capital assets by major class that occurred during the year ended December 31, 2021:

	Balance December 31, 2020	Additions	Deletions	Transfers	Balance December 31, 2021
Capital Assets, Being Depreciated:					
Building Improvements	\$ 883,812	\$ -	\$ -	\$ -	\$ 883,812
Total Being Depreciated	883,812	-	-	-	883,812
Accumulated Depreciation:					
Building Improvements	630,802	88,655	-	-	719,457
Total Accumulated Depreciation	630,802	88,655	-	-	719,457
Total Capital Assets, Being Depreciated, Net	<u>\$ 253,010</u>	<u>\$ (88,655)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 164,355</u>

Total depreciation expense for fiscal years 2022 and 2021 was \$88,655.

NOTE 6 LAND — HELD FOR RESALE

At December 31, 2022 the Authority held title to all of the Phase 1 property with the exception of the following: Parcel E which sold in January 2013, the Clinic Parcel which sold in March 2014, Building 2525 which sold in February 2016, the Child Development Center which sold in March 2016, Parcel F-3 which sold in February 2017, the Teen Center Parcel which sold in February 2018, the Charles Wood Firehouse which sold in May 2018, Parcel C-1 which a portion was sold in September 2018, Parcel C which sold in March 2019, the remaining portion of Parcel C-1 which sold in December 2019, the Golf Course which sold in December 2020, the Marina which sold in March 2021, the New Jersey American Water Tank Parcel which sold in April 2021 and Parcel F-1 which sold in December 2022. The remaining Phase 1 properties were recorded at an estimated fair market value of \$20,030,772 and \$20,311,542 as of December 31, 2022 and 2021, respectively, based on: independent real estate appraisals, where available; purchase offers submitted in response to the Authority's Request for Offers to Purchase; and market value estimates prepared by the Authority's staff.

**FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY
(A COMPONENT OF THE STATE OF NEW JERSEY)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 6 LAND — HELD FOR RESALE (CONTINUED)

At December 31, 2022 the Authority also held title to all of the Phase 2 property with the exception of the Motor Pool which was sold to Monmouth County in November 2016, the County Homeless Shelter which was conveyed to Monmouth County in November 2016 at no cost, the Officers Housing which sold in January 2017, the Main Post Chapel which sold in February 2017, Russel Hall which sold in June 2017, the Oceanport Municipal Complex which sold in August 2017, the Fitness Center which sold in September 2017, the Dance Hall which sold in April 2018, the Cell Tower Parcel which sold in October 2019, Squier Hall which was sold in December 2019, the Commissary & P/X, Warehouse District and Post Office which sold in October 2020, Barker Circle which sold in November 2021, the Lodging Area which sold in November 2021, the Eatontown Parks Parcel which sold in March 2022, Allison Hall which sold in May 2022 and the Phase 2 carve-outs discussed in Note 8. The remaining Phase 2 property was valued at cost which was \$18,128,459 and \$18,204,995 as of December 31, 2022 and 2021, respectively.

NOTE 7 PREPAID ASSETS — FUTURE LAND CONVEYANCE

The Commissary and Squier Hall Parcels were Phase 2 carve-outs that were not transferred with the other Phase 2 property in November 2016; however, the purchase price ascribed to these parcels was part of the \$33,000,000 paid to the Army for the purchase of the Phase 2 property. As a result, the costs of these parcels were recorded as prepaid assets. The Army will not convey title to these parcels until all environmental remediation has occurred. A portion of the Squier Hall property was conveyed to the Authority in December 2017 and another portion in January 2019. The Commissary was conveyed to the Authority in October 2020. The costs of these parcels recorded as prepaid assets was \$108,896 as of December 31, 2022 and 2021.

NOTE 8 DEPOSITS — PROPERTY SALES

At December 31, 2022, the Authority held deposits aggregating \$9,051,568 for the initial payments under purchase and sale agreements for the Fabrication Shops, the Eatontown DPW, Howard Commons, the Tinton Falls Commercial Parcel, the Nurses Quarters, and the Mega Parcel.

At December 31, 2021, the Authority held deposits aggregating \$1,736,819 for the initial payments under purchase and sale agreements for the Fabrication Shops, Allison Hall, the Eatontown DPW, the Eatontown Parks Parcel, Howard Commons, the Tinton Falls Commercial Parcel, and the Nurses Quarters.

**FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY
(A COMPONENT OF THE STATE OF NEW JERSEY)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 9 LAND CONVEYANCE LIABILITIES

In accordance with the Economic Development Conveyance Agreement, at December 31, 2022 the Authority had the following obligations from the acquisition of the Phase 1 property which are payable at the time of a third-party settlement:

- a. Due to the United States Army Ranging from 60% to 63% of Gross Sales Revenues (as defined by the Agreement)
- b. Due to Fort Monmouth Homeless Fund \$20,055 per developable acre

Based on the above obligations, the Authority has recorded an aggregate of \$10,255,741 of land conveyance liabilities due to the United States Army at December 31, 2022 and 2021, respectively. The Authority has also recorded an aggregate of \$2,972,033 and \$3,252,803 of land conveyance assets due to the Homeless Fund at December 31, 2022 and 2021, respectively. The land conveyance assets and liabilities recorded are estimates and are subject to change based on economic factors that were unknown at the time of conveyance. At the time of settlement on the sale of the Phase 1 parcels any changes to the estimated assets and liabilities are included in the Authority's gain or loss from property sales.

NOTE 10 DIRECT LOAN PAYABLE

The Authority obtained a direct loan in the amount of \$21,774,796 from the NJ Economic Development Authority to pay the principal on the notes due at the November 9, 2021 maturity date. The loan has an interest rate of 2% with a 60-month term. Monthly payments of interest will be due on the loan with all outstanding principal and interest due on October 1, 2026. The loan is secured by a second mortgage on Phase 2 parcels that were not subject to sale agreements at the time of the loan closing plus an assignment of net proceeds on Phase 2 parcels that were under contract subject to the first mortgage held by the NJ Economic Development Authority on the first working capital loan.

Direct Loan payable activity for the year ended December 31, 2022 was as follows:

December 31, 2021	Additions	Reductions	December 31, 2022	Amounts Due Within One Year
<u>\$ 15,970,843</u>	<u>\$ -</u>	<u>\$ (739,264)</u>	<u>\$ 15,231,579</u>	<u>\$ -</u>

Direct Loan payable activity for the year ended December 31, 2021 was as follows:

December 31, 2020	Additions	Reductions	December 31, 2021	Amounts Due Within One Year
<u>\$ -</u>	<u>\$ 21,774,796</u>	<u>\$ (5,803,953)</u>	<u>\$ 15,970,843</u>	<u>\$ -</u>

Interest payable on the loan at December 31, 2022 and 2021 was \$26,232 and \$27,505, respectively.

**FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY
(A COMPONENT OF THE STATE OF NEW JERSEY)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 11 WORKING CAPITAL LOAN PAYABLE

The Authority obtained a working capital loan for up to \$5 million from the NJ Economic Development Authority for working capital purposes. The loan has an interest rate of 2.23% with a 60-month term and a 12-month draw period. Monthly payments of interest will be due on the loan with all outstanding principal and interest due on January 1, 2023. The loan is secured by a mortgage on the Authority's interest on the Phase 1 parcels that were not subject to sale agreements at the time of the loan closing plus an assignment of net proceeds on Phase 1 parcels that were under contract and a second mortgage on Phase 2 parcels subject to the first mortgage held by the Monmouth County Improvement Authority.

At December 31, 2021, the amount payable on the working capital loan was \$3,129,020 and the interest payable was \$29,088. The loan was fully paid down with cash on hand in February 2022.

The Authority obtained a second working capital loan for up to \$5 million from the NJ Economic Development Authority for working capital purposes. The loan has an interest rate of 2.00% with a 60-month term and a 12-month draw period. Monthly payments of interest will be due on the loan with all outstanding principal and interest due on October 1, 2024. The loan is secured by a mortgage on the Authority's interest on the Phase 1 parcels that were not subject to sale agreements at the time of the loan closing plus an assignment of net proceeds on Phase 1 parcels that were under contract.

At December 31, 2022 and 2021, the amount payable on the second working capital loan was \$4,213,389 and the interest payable was \$26,463.

NOTE 12 DUE TO NJ ECONOMIC DEVELOPMENT AUTHORITY

The balances due to the NJ Economic Development Authority at December 31, 2022 and 2021 for direct office support were \$1,335,772 and \$1,213,208, respectively.

NOTE 13 ECONOMIC DEVELOPMENT CONVEYANCE (EDC) REVENUE AND EXPENDITURES

For the years ended December 31, 2022 and 2021, the Authority's EDC revenue was \$2,168,594 and \$13,356,443, respectively, and consisted of the following:

	2022	2021
Gain on Sale of Land	\$ 2,069,637	\$ 13,299,148
Interest	41,321	289
Other	57,636	57,006
Total	<u>\$ 2,168,594</u>	<u>\$ 13,356,443</u>

**FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY
(A COMPONENT OF THE STATE OF NEW JERSEY)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

**NOTE 13 ECONOMIC DEVELOPMENT CONVEYANCE (EDC) REVENUE AND EXPENDITURES
(CONTINUED)**

For the years ended December 31, 2022 and 2021, the Authority's EDC expenditures were \$3,868,588 and \$5,026,238, respectively, and consisted of the following:

	2022	2021
Utility Construction	\$ -	\$ 45,726
Historic Property Preservation	-	14,400
Landscaping	11,098	20,942
Transportation Management Facilities	-	9,144
Planning for/or the Marketing of the Property	3,806,965	4,885,501
Total	<u>\$ 3,818,063</u>	<u>\$ 4,975,713</u>

NOTE 14 OPERATING LEASES AND AGREEMENTS

Marina

The Authority had an agreement with a marina operator for the use of the Marina, boat slips and Building 450 for professional management and maintenance of such marina and facilities. The consideration for the agreement was the Authority's obligation to assume the operation and maintenance costs of the premises. Therefore, the Authority has recorded no rental expense for the premises for the year ended December 2020. The agreement was terminated when the property was sold in March 2021.

Building 282 – Main Post Fire Station

The Authority had an agreement with the Borough of Oceanport for the use of Building 282 and its associated parking area for the professional management and maintenance of such facilities. The consideration for the agreement was the Borough's obligation to assume the operation and maintenance costs of the premises. Therefore, the Authority has recorded no rental revenue for the premises for the year ended December 2020. With the completion of the new Police Department on the Oceanport Municipal Complex parcel, the agreement for the use of Building 282 was terminated and the Oceanport Police Department vacated the building in January 2021.

Russel Hall – Office Lease

The Authority had a lease with TetherView Property Management, LLC for office space in Russel Hall, Building 286, and a Use & Occupancy Agreement with the U.S. Army BRAC Organization and the Authority's Property Management Contractor for joint use as short-term office space. The term of the lease was 24 months which commenced on March 1, 2019 and terminated on February 28, 2021 at a rental rate of \$4,100 per month for the first 14 months and \$4,141 per month for the last 10 months. Rental expense under this agreement was \$-0- and \$8,282 for the years ended December 31, 2022 and 2021.

**FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY
(A COMPONENT OF THE STATE OF NEW JERSEY)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 15 RISKS AND UNCERTAINTIES

Concentration of Revenue

Principally all of the Authority's operating revenues are from the conveyance and subsequent sale of property in conjunction with the Economic Development Conveyance Agreement (Phase 1 and Phase 2) dated June 25, 2012 and October 25, 2016, respectively, with the United States Army. The Authority's revenues are subject to the continued contract compliance and funding from these sources.

Economic Dependence

The Authority is economically dependent on the United States Army's compliance with the Economic Development Agreements and the continuing direct and indirect support by the state of New Jersey and Monmouth County through loans and loan guarantees.

NOTE 16 CONTINGENCIES AND COMMITMENTS

Obligations from Phase 1 Economic Development Conveyance Agreement

In conjunction with the Phase 1 EDC Agreement dated June 25, 2012, the Authority is obligated to:

1. Accept the conveyance of certain Phase 1 parcels totaling approximately 563 acres including buildings, improvements, and personal property.
2. Sell or lease such parcels to third parties under competitive sales and leasing covenants or no cost covenants as agreed upon per particular parcel.
3. At the time of third-party settlement, pay the United States Army 20% to 80% of Gross Sales Revenue, as defined, as agreed upon per particular Phase 1 parcel.
4. At the time of third-party settlement, contribute \$20,055 for each developable acre sold to the Fort Monmouth Homeless Fund.
5. In the case of pre-conveyance leasing and post conveyance leasing, as allowed, pay the United States Army 20% of the Gross Lease revenues, as defined, for the first three years of the lease and 63% of Gross Lease Revenues thereafter until such properties are sold to third-party buyers.
6. Reinvest the third-party sale and lease proceeds net of the immediate obligations to the United States Army and the Fort Monmouth Homeless Fund to support the economic redevelopment of the former Fort Monmouth in 12 allowable expense categories as mandated in the Base Realignment and Closure Act (BRAC) within a seven-year reinvestment period beginning on the date of the last United States Army conveyance or remit proceeds not used for these purposes to the United States Army within 60 days after the seven-year reinvestment period.

**FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY
(A COMPONENT OF THE STATE OF NEW JERSEY)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 16 CONTINGENCIES AND COMMITMENTS (CONTINUED)

Obligations from First Amendment to Phase 1 Economic Development Conveyance Agreement

Pursuant to the First Amendment to the Phase 1 EDC Agreement dated October 25, 2016:

1. The Authority is obligated to provide the Army all net sales proceeds (\$527,825) from the sale of the Fabrication Shops parcel.
2. The Authority may convey the 38-acre Myer Center parcel, also known as Parcel F-1, to the NJ Economic Development Authority at no cost, and if so conveyed, no consideration will be due the Army.
3. The Authority is authorized to use proceeds from the sale, lease or use of the Phase 1 property to service bonds related to the Phase 2 parcels, as set forth in the October 25, 2016 Phase 2 EDC Agreement.

Obligations from Second Amendment to Phase 1 Economic Development Conveyance Agreement

Pursuant to the Second Amendment to the Phase 1 EDC Agreement dated March 10, 2021:

1. The Authority may transfer title for 60 acres of the Howard Commons Parcel for a final purchase price of \$1.5 million, which shall be allocated at Third Party Settlement as follows: a contribution shall be made to the Authority's Homeless Trust, the Army shall receive 63% of the Gross Sales Revenues and the Authority shall receive 37% of the Gross Sales Revenues.
2. The Authority may convey an approximately 3.945 acre parcel, known as the New Jersey American Water Parcel (formerly part of the Howard Commons Parcel) at no cost, other than a contribution to the Authority's Homeless Trust, for the construction of a water tank and water main extension to service the surrounding area.

Obligations from Phase 2 Economic Development Conveyance Agreement

In conjunction with the Phase 2 EDC Agreement dated October 25, 2016, the Authority is obligated to:

1. Accept conveyance of certain Phase 2 parcels totaling approximately 563 acres including buildings, improvements, and personal property.
2. At settlement of the Phase 2 property, pay the Army \$33,000,000 (The Authority subsequently purchased the Phase 2 property on November 17, 2016.).
3. At the time of third-party settlement, contribute \$20,055 for each developable acre sold to the Fort Monmouth Homeless Fund.

**FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY
(A COMPONENT OF THE STATE OF NEW JERSEY)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 16 CONTINGENCIES AND COMMITMENTS (CONTINUED)

**Obligations from Phase 2 Economic Development Conveyance Agreement
(Continued)**

4. Reinvest the third-party sale and lease proceeds net of the immediate obligations to the United States Army and the Fort Monmouth Homeless Fund to support the economic redevelopment of the former Fort Monmouth in 12 allowable expense categories as mandated in the Base Realignment and Closure Act (BRAC) within a seven-year reinvestment period beginning on the date of the last United States Army conveyance or remit proceeds not used for these purposes to the United States Army within 60 days after the seven-year reinvestment period.

NOTE 17 NET POSITION

The Authority's net position is characterized as follows:

- Investment in Capital Assets
- Restricted
- Unrestricted

Investment in Capital Assets includes capital assets net of accumulated depreciation used in the Authority's operations. Restricted net position includes net assets that are restricted subject to existence of Economic Development Conveyance reinvestment restrictions, this includes cash and the Homeless Fund share of land conveyance. Unrestricted net position includes all net assets not included above.

FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY
(A COMPONENT OF THE STATE OF NEW JERSEY)
COMBINING SCHEDULE OF NET POSITION
DECEMBER 31, 2022
(SEE INDEPENDENT AUDITORS' REPORT)

	OEA Grant and Matching	Economic Development Conveyance	Federal Grant	State Appropriation	Other	Homeless Fund	Eliminations	Total
ASSETS								
CURRENT ASSETS								
Unrestricted Assets:								
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ 329,888	\$ -	\$ -	\$ 329,888
Other Receivables	-	262,548	-	-	-	-	-	262,548
Interfund Receivable	-	-	-	-	57,609	-	(57,609)	-
Land - Held for Resale	-	35,187,198	-	-	-	2,972,033	-	38,159,231
Prepaid Assets - Future Land Conveyance	-	108,896	-	-	-	-	-	108,896
Prepaid Expenses	-	169,829	-	-	-	-	-	169,829
Total Unrestricted Current Assets	-	35,728,471	-	-	387,497	2,972,033	(57,609)	39,030,392
Restricted Assets:								
Cash - Economic Development Conveyance	-	7,126,337	-	-	-	-	-	7,126,337
Cash - Property Sales Deposit	-	7,578,238	-	-	-	-	-	7,578,238
Cash - Homeless Fund	-	-	-	-	-	2,381,909	-	2,381,909
Cash - Federal Funds	-	-	114,924	-	-	-	-	114,924
Cash - State Funds	-	-	-	8,627,149	-	-	-	8,627,149
Escrow Deposit - Property Sales	-	1,473,330	-	-	-	-	-	1,473,330
Total Restricted Assets	-	16,177,905	114,924	8,627,149	-	2,381,909	-	27,301,887
NONCURRENT ASSETS								
Other Receivables	-	971,579	-	-	-	204,561	-	1,176,140
Capital Assets, Net	22,065	53,635	-	-	-	-	-	75,700
Total Noncurrent Assets	22,065	1,025,214	-	-	-	204,561	-	1,251,840
Total Assets	\$ 22,065	\$ 52,931,590	\$ 114,924	\$ 8,627,149	\$ 387,497	\$ 5,558,503	\$ (57,609)	\$ 67,584,119

FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY
(A COMPONENT OF THE STATE OF NEW JERSEY)
COMBINING SCHEDULE OF NET POSITION (CONTINUED)
DECEMBER 31, 2022
(SEE INDEPENDENT AUDITORS' REPORT)

	OEA Grant and Matching	Economic Development Conveyance	Federal Grant	State Appropriation	Other	Homeless Fund	Eliminations	Total
LIABILITIES AND NET POSITION								
CURRENT LIABILITIES								
Accounts Payable and Accrued Liabilities	\$ -	\$ 530,055	\$ -	\$ 47,260	\$ 48,333	\$ 75,322	\$ -	\$ 700,970
Interfund Payable	-	57,609	-	-	-	-	(57,609)	-
Deposits - Property Sales	-	9,051,568	-	-	-	-	-	9,051,568
Land Conveyance Liabilities	-	10,255,741	-	-	-	-	-	10,255,741
Interest Payable	-	52,696	-	-	-	-	-	52,696
Unearned Revenue	-	-	111,684	-	-	-	-	111,684
Due to NJ Economic Development Authority	-	1,335,772	-	-	-	-	-	1,335,772
Total Current Liabilities	-	21,283,441	111,684	47,260	48,333	75,322	(57,609)	21,508,431
NONCURRENT LIABILITIES								
Direct Loan Payable	-	15,231,579	-	-	-	-	-	15,231,579
Working Capital Loan Payable	-	4,213,389	-	-	-	-	-	4,213,389
Total Noncurrent Liabilities	-	19,444,968	-	-	-	-	-	19,444,968
Total Liabilities	-	40,728,409	111,684	47,260	48,333	75,322	(57,609)	40,953,399
NET POSITION								
Investment in Capital Assets	22,065	53,635	-	-	-	-	-	75,700
Restricted	-	7,126,337	3,240	8,627,149	-	5,558,503	-	21,315,229
Unrestricted	-	5,023,209	-	(47,260)	339,164	(75,322)	-	5,239,791
Total Net Position	22,065	12,203,181	3,240	8,579,889	339,164	5,483,181	-	26,630,720
Total Liabilities and Net Position	\$ 22,065	\$ 52,931,590	\$ 114,924	\$ 8,627,149	\$ 387,497	\$ 5,558,503	\$ (57,609)	\$ 67,584,119

FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY
(A COMPONENT OF THE STATE OF NEW JERSEY)
COMBINING SCHEDULE OF NET POSITION
DECEMBER 31, 2021
(SEE INDEPENDENT AUDITORS' REPORT)

	OEA Grant and Matching	Economic Development Conveyance	Federal Grant	Other	Homeless Fund	Eliminations	Total
ASSETS							
CURRENT ASSETS							
Unrestricted Assets:							
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ 329,888	\$ -	\$ -	\$ 329,888
Other Receivables	-	217,352	-	-	-	-	217,352
Interfund Receivable	-	-	-	57,609	-	(57,609)	-
Land - Held for Resale	-	35,263,735	-	-	3,252,802	-	38,516,537
Prepaid Assets - Future Land							
Conveyance	-	108,896	-	-	-	-	108,896
Prepaid Expenses	-	188,607	-	-	-	-	188,607
Total Unrestricted Current Assets	-	35,778,590	-	387,497	3,252,802	(57,609)	39,361,280
Restricted Assets:							
Cash - Economic Development							
Conveyance	-	12,351,320	-	-	-	-	12,351,320
Cash - Property Sales Deposit	-	151,436	-	-	-	-	151,436
Cash - Homeless Fund	-	-	-	-	1,457,892	-	1,457,892
Cash - Federal Funds	-	-	50,000	-	-	-	50,000
Escrow Deposit - Property Sales	-	1,585,383	-	-	-	-	1,585,383
Total Restricted Assets	-	14,088,139	50,000	-	1,457,892	-	15,596,031
NONCURRENT ASSETS							
Other Receivables	-	971,578	-	-	204,562	-	1,176,140
Capital Assets, Net	60,195	104,160	-	-	-	-	164,355
Total Noncurrent Assets	60,195	1,075,738	-	-	204,562	-	1,340,495
Total Assets	<u>\$ 60,195</u>	<u>\$ 50,942,467</u>	<u>\$ 50,000</u>	<u>\$ 387,497</u>	<u>\$ 4,915,256</u>	<u>\$ (57,609)</u>	<u>\$ 56,297,806</u>

FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY
(A COMPONENT OF THE STATE OF NEW JERSEY)
COMBINING SCHEDULE OF NET POSITION (CONTINUED)
DECEMBER 31, 2021
(SEE INDEPENDENT AUDITORS' REPORT)

	OEA Grant and Matching	Economic Development Conveyance	Federal Grant	Other	Homeless Fund	Eliminations	Total
LIABILITIES AND NET POSITION							
CURRENT LIABILITIES							
Accounts Payable and Accrued Liabilities	\$ -	\$ 379,607	\$ -	\$ 77,379	\$ -	\$ -	\$ 456,986
Interfund Payable	-	57,609	-	-	-	(57,609)	-
Deposits - Property Sales	-	1,736,819	-	-	-	-	1,736,819
Land Conveyance Liabilities	-	10,255,741	-	-	-	-	10,255,741
Interest Payable	-	83,056	-	-	-	-	83,056
Unearned Revenue	-	-	50,000	-	-	-	50,000
Due to NJ Economic Development Authority	-	1,213,208	-	-	-	-	1,213,208
Total Current Liabilities	-	13,726,040	50,000	77,379	-	(57,609)	13,795,810
NONCURRENT LIABILITIES							
Direct Loan Payable	-	15,970,843	-	-	-	-	15,970,843
Working Capital Loan Payable	-	7,342,409	-	-	-	-	7,342,409
Total Noncurrent Liabilities	-	23,313,252	-	-	-	-	23,313,252
Total Liabilities	-	37,039,292	50,000	77,379	-	(57,609)	37,109,062
NET POSITION							
Investment in Capital Assets	60,195	104,160	-	-	-	-	164,355
Restricted	-	12,351,320	-	-	4,915,256	-	17,266,576
Unrestricted	-	1,447,695	-	310,118	-	-	1,757,813
Total Net Position	60,195	13,903,175	-	310,118	4,915,256	-	19,188,744
Total Liabilities and Net Position	\$ 60,195	\$ 50,942,467	\$ 50,000	\$ 387,497	\$ 4,915,256	\$ (57,609)	\$ 56,297,806

FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY
(A COMPONENT OF THE STATE OF NEW JERSEY)
COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2022
(SEE INDEPENDENT AUDITORS' REPORT)

	OEA Grant and Matching	Economic Development Conveyance	Federal Grant	State Appropriation	Other	Homeless Fund	Total
OPERATING REVENUES							
Federal Grants	\$ -	\$ -	\$ 5,188,316	\$ -	\$ -	\$ -	\$ 5,188,316
Gain on Sale of Land	-	2,069,637	-	-	-	319,957	2,389,594
Homeless Fund - Restricted	-	-	-	-	-	447,227	447,227
Other	-	57,536	-	-	-	-	57,536
Total Operating Revenues	-	2,127,173	5,188,316	-	-	767,184	8,082,673
OPERATING EXPENSES							
Direct Office Support	-	1,335,772	-	-	(29,046)	-	1,306,726
General and Administrative	-	179,274	-	-	-	-	179,274
Homeless Fund	-	-	-	-	-	207,725	207,725
Program Costs	-	1,896,214	5,188,316	3,920,111	-	-	11,004,641
Interest Expense on Loan Payable	-	406,803	-	-	-	-	406,803
Depreciation	38,130	50,525	-	-	-	-	88,655
Total Operating Expenses	38,130	3,868,588	5,188,316	3,920,111	(29,046)	207,725	13,193,824
OPERATING GAIN (LOSS)	(38,130)	(1,741,415)	-	(3,920,111)	29,046	559,459	(5,111,151)
NONOPERATING REVENUE							
State Appropriation	-	-	-	12,500,000	-	-	12,500,000
Interest Income	-	41,321	3,241	-	-	8,465	53,027
Other	-	100	(1)	-	-	1	100
Total Nonoperating Revenue	-	41,421	3,240	12,500,000	-	8,466	12,553,127
CHANGE IN NET POSITION	(38,130)	(1,699,994)	3,240	8,579,889	29,046	567,925	7,441,976
Net Position - Beginning of Year	60,195	13,903,175	-	-	310,118	4,915,256	19,188,744
NET POSITION - END OF YEAR	<u>\$ 22,065</u>	<u>\$ 12,203,181</u>	<u>\$ 3,240</u>	<u>\$ 8,579,889</u>	<u>\$ 339,164</u>	<u>\$ 5,483,181</u>	<u>\$ 26,630,720</u>

FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY
(A COMPONENT OF THE STATE OF NEW JERSEY)
COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2021
(SEE INDEPENDENT AUDITORS' REPORT)

	OEA Grant and Matching	Economic Development Conveyance	Federal Grant	Other	Homeless Fund	Total
OPERATING REVENUES						
Federal Grants	\$ -	\$ -	\$ 5,200,000	\$ -	\$ -	\$ 5,200,000
Gain on Sale of Land	-	13,299,148	-	-	683,715	13,982,863
Other	-	14,313	-	-	-	14,313
Total Operating Revenues	-	13,313,461	5,200,000	-	683,715	19,197,176
OPERATING EXPENSES						
Direct Office Support	-	1,213,206	-	(4,355)	-	1,208,851
General and Administrative	-	167,379	-	-	-	167,379
Homeless Fund	-	-	-	-	348,492	348,492
Program Costs	-	2,593,969	5,200,000	-	-	7,793,969
Interest Expense on Loan Payable	-	625,107	-	-	-	625,107
Loan Issuance Costs	-	(7,070)	-	-	-	(7,070)
Loan Costs	-	383,122	-	-	-	383,122
Depreciation	38,130	50,525	-	-	-	88,655
Total Operating Expenses	38,130	5,026,238	5,200,000	(4,355)	348,492	10,608,505
OPERATING GAIN (LOSS)	(38,130)	8,287,223	-	4,355	335,223	8,588,671
NONOPERATING REVENUE						
Interest Income	-	289	-	-	230	519
Other	-	42,693	-	-	-	42,693
Total Nonoperating Revenue	-	42,982	-	-	230	43,212
CHANGE IN NET POSITION	(38,130)	8,330,205	-	4,355	335,453	8,631,883
Net Position - Beginning of Year	98,325	5,572,970	-	305,763	4,579,803	10,556,861
NET POSITION - END OF YEAR	<u>\$ 60,195</u>	<u>\$ 13,903,175</u>	<u>\$ -</u>	<u>\$ 310,118</u>	<u>\$ 4,915,256</u>	<u>\$ 19,188,744</u>

FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY
(A COMPONENT OF THE STATE OF NEW JERSEY)
SCHEDULE OF GENERAL AND ADMINISTRATIVE EXPENSES BY FUND
YEAR ENDED DECEMBER 31, 2022
(SEE INDEPENDENT AUDITORS' REPORT)

	<u>Economic Development Conveyance</u>
Equipment	\$ 17,495
Insurance	53,987
Office Maintenance and Utilities	72,613
Legal Notices	1,097
Office Supplies and Postage	14,780
Communication	8,981
Travel	1,534
Meetings and Seminars	6,010
Marketing	<u>2,777</u>
Total	<u>\$ 179,274</u>

**FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY
(A COMPONENT OF THE STATE OF NEW JERSEY)
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2022**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
U.S. Department of Treasury:				
Passed-through The New Jersey Department of Community Affairs:				
COVID-19 - American Rescue Plan Act - Coronavirus State and Local Fiscal Recovery Fund	21.027	N/A	\$ 5,188,316	\$ 5,188,316
Total U.S. Department of Treasury			5,188,316	5,188,316
Total Expenditures of Federal Awards			\$ 5,188,316	\$ 5,188,316

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY
(A COMPONENT OF THE STATE OF NEW JERSEY)
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2022**

NOTE 1 BASIS OF PRESENTATION

The information in these schedules is presented in accordance with the requirements of 2 CFR 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements. For the purposes of these schedules, federal awards include any assistance provided by a federal agency directly or indirectly in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property, interest subsidies, insurance, direct appropriations, and other noncash assistance. Because these schedules present only a selected portion of the activities of the Authority, it is not intended to, and does not, present the financial position, changes in net position, and other changes of the Authority in conformity with accounting principles generally accepted in the United States of America. The accounting practices followed by the Authority in preparing the accompanying schedules are as follows:

Expenditures for direct costs are recognized as incurred using the accrual method of accounting contained in the U.S. Office of Management and Budget (OMB) *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance for Federal Awards). Under the Uniform Guidance for Federal Awards, certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 2 INDIRECT COST RATE

The Authority has elected not to use the 10 percent *de minimis* indirect cost rate allowed under the Uniform Guidance.



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Audit Committee and Management
Fort Monmouth Economic Revitalization Authority
Oceanport, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of Fort Monmouth Economic Revitalization Authority, a component unit of the state of New Jersey, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise Fort Monmouth Economic Revitalization Authority's basic financial statements, and have issued our report thereon dated April 19, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Fort Monmouth Economic Revitalization Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Fort Monmouth Economic Revitalization Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of Fort Monmouth Economic Revitalization Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Fort Monmouth Economic Revitalization Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

King of Prussia, Pennsylvania
April 19, 2023



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR THE
MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Audit Committee and Management
Fort Monmouth Economic Revitalization Authority
Oceanport, New Jersey

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Fort Monmouth Economic Revitalization Authority's (the Authority), a component unit of the state of New Jersey, compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the Authority's major federal program for the year ended December 31, 2022. The Authority's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2022.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Authority's federal program.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Audit Committee and Management
Fort Monmouth Economic Revitalization Authority

Our consideration of internal control over compliance was for the limited purpose described in the *Auditors' Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

King of Prussia, Pennsylvania
April 19, 2023

**FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY
(A COMPONENT OF THE STATE OF NEW JERSEY)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2022**

Section I – Summary of Auditors’ Results

Financial Statements

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
 - Material weakness(es) identified? _____ yes _____ x _____ no
 - Significant deficiency(ies) identified? _____ yes _____ x _____ none reported
3. Noncompliance material to financial statements noted? _____ yes _____ x _____ no

Federal Awards

1. Internal control over major federal programs:
 - Material weakness(es) identified? _____ yes _____ x _____ no
 - Significant deficiency(ies) identified? _____ yes _____ x _____ none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ yes _____ x _____ no

Identification of Major Federal Programs

Assistance Listing Number

21.027

Name of Federal Program or Cluster

COVID-19, Coronavirus State and Local Fiscal Recovery Fund Program

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,0000

Auditee qualified as low-risk auditee?

_____ x _____ yes _____ no

**FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY
(A COMPONENT OF THE STATE OF NEW JERSEY)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022**

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

Section III – Findings and Questioned Costs – Major Federal Programs

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

Resolution Regarding
Approval of a Memorandum of Understanding between FMERA and the County of Monmouth
regarding property maintenance and landscaping services

WHEREAS, in November 2016, FMERA and the County entered into a Purchase and Sale Agreement and Redevelopment Agreement (“PSARA”) for the purchase of land and buildings to utilize the property as Monmouth County’s District 6 Public Works and Motor Pool complex and to provide in-kind services, including landscaping and snow plowing and removal, as requested by FMERA and for the benefit of FMERA’s efforts of the redevelopment at Fort Monmouth; and

WHEREAS, as the development on Fort Monmouth has continued to grow, the County’s assistance has extended to third party developers. On January 13, 2023, FMERA entered into a Purchase and Sale and Redevelopment Agreement with Netflix, Inc. (the “Purchaser”) conveying in part, the approximately 292-acre parcel known as the Mega Parcel (“NF PSARA”); and

WHEREAS, the Purchaser has agreed to reimburse FMERA for costs related to the utilities and property maintenance of the property identified in Exhibit A pursuant to Section 47(h)(i) of the NF PSARA beginning on April 13, 2023 and continuing until such time Purchaser terminates the NF PSARA or closes on the Property. FMERA seeks to continue to utilize the County’s services and wishes to enter into an MOU to pay the County directly for the Project which will allow for the property maintenance and landscaping of the Mega Parcel during the pre-closing time period; and

WHEREAS, the Project Sites are located within the boundaries of the Boroughs of Eatontown and Oceanport of the Main Post Area of Fort Monmouth; and

WHEREAS, FMERA will enter into this MOU with the County for the sole purpose of Monmouth County District 6 Public Works performing property maintenance and landscaping services and other associated work on the Mega Parcel at a not-to-exceed cost of One Hundred Thousand (\$100,000.00) Dollars (the “Project Funds”) per year. The Project consists of the property maintenance and landscaping tasks as detailed in County’s proposal attached as Exhibit B; and

WHEREAS, FMERA hereby confirms to the County that FMERA is holding One Hundred Thousand (\$100,000.00) Dollars from the Purchaser in escrow for the payment for the 2023 Project costs and expenses based on the proposal to perform the work by Monmouth County. Beginning January 1, 2024, Purchaser shall remit to FMERA the reasonable estimate of the annual property maintenance costs by the first of the month. Upon receipt of the County’s monthly invoice on the last day of each month, FMERA will remit payment to the County within seven days. Upon notification from Purchaser that other services as defined in Exhibit B are requested, FMERA will notify the County within twenty-four hours during the week or on the next business day if the request is received on the weekend; and

WHEREAS, the County shall use Project Funds disbursed by FMERA to the County to pay the property maintenance and landscaping (i.e., mowing, weedwacking, etc.) costs to complete the Project. The County shall not be required to utilize any of its own funds to pay for the costs or expenses of the Project but shall notify FMERA if they incur costs or expenses beyond the maximum not to exceed contract value of One Hundred Thousand (\$100,000) Dollars per year. FMERA will have no obligation to reimburse or otherwise pay the County should the County incur costs beyond the \$100,000 per year without FMERA’s written consent; and

WHEREAS, the County shall perform the tasks as outlined in Exhibit B during the thirty-one week property maintenance and landscaping season and will perform other services (i.e., snow plowing and removal) on a per request basis. The County shall provide FMERA with monthly invoices on the last day of each month the services are performed. FMERA shall notify the County at least five days before the next billing cycle if any/all

of the work is to be completed outside of this MOU. Upon notification of FMERA utilizing an alternate means to complete the work, the County shall return any unused monies under this agreement; and

WHEREAS, it is agreed that nothing in this Memorandum of Understanding shall obligate or require the County to enter into or continue any agreement or contract for the Project or to expend the County personnel time or other administrative costs for the Project unless sufficient funds are readily available to the County for expenses that would be incurred in connection with the Project. The County shall at all times have the right to terminate or discontinue any agreement, contract or work for the Project if the County determines that sufficient funds are not readily available to the County for the expenses that would be incurred in connection with the Project; and

WHEREAS, this Memorandum of Understanding will commence immediately upon execution by the Parties for a period of twelve months. The Parties agree that there shall be three one-year renewal options available to the Parties and these extensions may be exercised based on the mutual agreement of the parties. Any Party shall have the right to terminate this MOU upon written notice to the other party. Upon termination, the County shall make reasonable efforts not to incur any additional expenses or administrative costs; provided, however, the County shall be permitted to continue to use the Project Funds to pay for any expenses or fees actually incurred in connection with the Project; and

WHEREAS, the attached MOU is in substantially final form. The final terms of the MOU will be subject to the approval of the Executive Director, the County of Monmouth and a review 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.

THEREFORE, BE IT RESOLVED THAT:

1. The Authority approves a Memorandum of Understanding between the Fort Monmouth Economic Revitalization Authority and the County of Monmouth, regarding property maintenance and landscaping services to be performed by the Monmouth County District 6 Department of Public Works for the Mega Parcel property located in the Boroughs of Eatontown and Oceanport of Fort Monmouth 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: April 19, 2023

EXHIBIT 2

MEMORANDUM

TO: Members of the Board

FROM: Kara Kopach
Executive Director

RE: Approval of a Memorandum of Understanding between FMERA and the County of Monmouth regarding property maintenance and landscaping services.

DATE: April 19, 2023

Request

I am requesting that the Board approve a Memorandum of Understanding (“MOU”) between the Fort Monmouth Economic Revitalization Authority (“FMERA”) and the County of Monmouth (“County”), a public body corporate and politic as an instrumentality of the State of New Jersey regarding property maintenance and landscaping services (the “Project”) to be performed by the Monmouth County District 6 Department of Public Works for the property located in the Boroughs of Eatontown and Oceanport of Fort Monmouth. FMERA and the County are collectively referred to herein as the “Parties”.

Background

In November 2016, FMERA and the County entered into a Purchase and Sale Agreement and Redevelopment Agreement (“PSARA”) for the purchase of land and buildings to utilize the property as Monmouth County’s District 6 Public Works and Motor Pool complex and to provide in-kind services, including landscaping and snow plowing and removal, as requested by FMERA and for the benefit of FMERA’s efforts of the redevelopment at Fort Monmouth.

Memorandum of Understanding

As the development on Fort Monmouth has continued to grow, the County’s assistance has extended to third party developers. On January 13, 2023, FMERA entered into a Purchase and Sale and Redevelopment Agreement with Netflix, Inc. (the “Purchaser”) conveying in part, the approximately 292-acre parcel known as the Mega Parcel and as shown in **Exhibit A** (“NF PSARA”). The Purchaser has agreed to reimburse FMERA for costs related to the utilities and property maintenance of the property identified in **Exhibit A** pursuant to Section 47(h)(i) of the NF PSARA beginning on April 13, 2023 and continuing until such time Purchaser terminates the NF PSARA or closes on the Property. FMERA seeks to continue to utilize the County’s services and wishes to enter into an MOU to pay the County directly for the Project which will allow for the property maintenance and landscaping of the Mega Parcel during the pre-closing time period.

The Project Sites are located within the boundaries of the Boroughs of Eatontown and Oceanport (the “Boroughs”) of the Main Post Area of Fort Monmouth as shown on the map as **Exhibit A**.

FMERA will enter into this MOU with the County for the sole purpose of Monmouth County District 6 Public Works performing property maintenance and landscaping services and other associated work on the Mega Parcel at a not-to-exceed cost of One Hundred Thousand (\$100,000.00) Dollars (the “Project Funds”) per year. The Project consists of the property maintenance and landscaping tasks as detailed in County’s proposal attached as **Exhibit B**.

FMERA hereby confirms to the County that FMERA is holding One Hundred Thousand (\$100,000.00) Dollars from the Purchaser in escrow for the payment for the 2023 Project costs and expenses based on the proposal to perform the work by Monmouth County. Beginning January 1, 2024, Purchaser shall remit to FMERA the reasonable estimate of the annual property maintenance costs by the first of the month. Upon receipt of the County’s monthly invoice on the



last day of each month, FMERA will remit payment to the County within seven (7) days. Upon notification from Purchaser that other services as defined in **Exhibit B** are requested, FMERA will notify the County within twenty-four hours during the week or on the next business day if the request is received on the weekend.

The County shall use Project Funds disbursed by FMERA to the County to pay the property maintenance and landscaping (i.e., mowing, weedwacking, etc.) costs to complete the Project. The County shall not be required to utilize any of its own funds to pay for the costs or expenses of the Project but shall notify FMERA if they incur costs or expenses beyond the maximum not to exceed contract value of One Hundred Thousand (\$100,000) Dollars per year. FMERA will have no obligation to reimburse or otherwise pay the County should the County incur costs beyond the \$100,000 per year without FMERA's written consent.

The County shall perform the tasks as outlined in **Exhibit B** during the thirty-one (31) week property maintenance and landscaping season and will perform other services (i.e., snow plowing and removal) on a per request basis. The County shall provide FMERA with monthly invoices on the last day of each month the services are performed. FMERA shall notify the County at least five (5) days before the next billing cycle if any/all of the work is to be completed outside of this MOU. Upon notification of FMERA utilizing an alternate means to complete the work, the County shall return any unused monies under this agreement.

It is agreed that nothing in this Memorandum of Understanding shall obligate or require the County to enter into or continue any agreement or contract for the Project or to expend the County personnel time or other administrative costs for the Project unless sufficient funds are readily available to the County for expenses that would be incurred in connection with the Project. The County shall at all times have the right to terminate or discontinue any agreement, contract or work for the Project if the County determines that sufficient funds are not readily available to the County for the expenses that would be incurred in connection with the Project.

This Memorandum of Understanding will commence immediately upon execution by the Parties for a period of twelve (12) months. The Parties agree that there shall be three (3) one (1) year renewal options available to the Parties and these extensions may be exercised based on the mutual agreement of the parties. Any Party shall have the right to terminate this MOU upon written notice to the other party. Upon termination, the County shall make reasonable efforts not to incur any additional expenses or administrative costs; provided, however, the County shall be permitted to continue to use the Project Funds to pay for any expenses or fees actually incurred in connection with the Project.

Staff requests the Real Estate Committee's approval to enter into the attached MOU between FMERA and the County of Monmouth for property maintenance and landscaping services to be performed by the Monmouth County District 6 Department of Public Works for the Mega Parcel located in the Boroughs of Eatontown and Oceanport of Fort Monmouth.

The attached MOU is in substantially final form. The final terms of the MOU will be subject to the approval of the Executive Director, the County of Monmouth and a review 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 a Memorandum of Understanding between the Fort Monmouth Economic Revitalization Authority and the County of Monmouth, regarding property maintenance and landscaping services to be performed by the Monmouth County District 6 Department of Public Works for the Mega Parcel property located in the Boroughs of Eatontown and Oceanport of Fort Monmouth.


Kara Kopach

Attachment: Memorandum of Understanding
Exhibit A (Parcel Map)
Exhibit B (Cost Proposal)
Prepared by: Regina McGrade

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (“MOU”) dated the ____ day of _____, 2023 will confirm the mutual understanding and intention between the Fort Monmouth Economic Revitalization Authority (“FMERA”) and the County of Monmouth, (“County”) a public body corporate and politic as an instrumentality of the State of New Jersey regarding property maintenance and landscaping services to be performed by the Monmouth County District 6 Department of Public Works for the property located in the Boroughs of Eatontown and Oceanport of Fort Monmouth more specifically detailed in **Exhibit A**. FMERA and the County are collectively referred to herein as the “Parties.”

WHEREAS, in November 2016, FMERA and the County entered into a Purchase and Sale Agreement and Redevelopment Agreement (“PSARA”) for the purchase of land and buildings to utilize the property as Monmouth County’s District 6 Public Works and Motor Pool complex and to provide in-kind services, including landscaping and snow plowing and removal, as requested by FMERA and for the benefit of FMERA’s efforts of the redevelopment at Fort Monmouth; and

WHEREAS, as the development on Fort Monmouth has continued to grow, the County’s assistance has extended to third party developers; and

WHEREAS, on January 13, 2023, FMERA entered into a Purchase and Sale Agreement and Redevelopment Agreement with Netflix Inc. (“Purchaser”) conveying, in part, the approximately 292-acre parcel known as the Mega Parcel and as shown in **Exhibit A** (“NF PSARA”); and

WHEREAS, Purchaser has agreed to reimburse FMERA for costs related to the utilities and property maintenance of the property identified in **Exhibit A** pursuant to Section 47(h)(i) of the NF PSARA beginning on April 13, 2023 and continuing until such time Purchaser terminates the NF PSARA or closes on the Property; and

WHEREAS, FMERA seeks to continue to utilize the County’s services and wishes to enter into an MOU to pay the County directly for the Project (defined below) which will allow for the property maintenance and landscaping of the Mega Parcel during the pre-closing time period.

NOW, THEREFORE, FMERA and the County agree as follows:

1. **Project Site(s):** Project Sites are located within the boundaries of the Main Post Area of Fort Monmouth. Referenced parcel maps can be found under **Exhibit A**.
2. **The Project:** The Project shall be Monmouth County District 6 Public Works performing property maintenance and landscaping and other associated work on the Mega Parcel at a not-to-exceed cost of \$100,000.00 per year.
 - a. The “Project” will be located in the areas generally shown on the sketch attached to this MOU as **Exhibit A**.
 - b. The “Project” consists of the property maintenance and landscaping tasks as detailed in **Exhibit B**.
3. **FMERA's Role and Responsibilities:** FMERA will be responsible for performing the following tasks under this MOU:
 - a. Review and approve the Project's budget.
 - b. Grant to the County and its employees, officers, agents, consultants and contractors a license to enter the Eatontown and Oceanport sections of Fort Monmouth as needed to perform the Project.
 - i. The MOU for this Project shall include provisions that will: (i) indemnify and hold FMERA, harmless against any and all claims related to or arising out of said consultant or contractor entering upon Fort Monmouth related to the services herein; and (ii) require the consultant/contractor to maintain adequate insurance coverage as follows:

- Worker's Compensation and Occupational Disease Insurance in accordance with the applicable law or laws; Employer's Liability Insurance with limit of at least One Million (\$1,000,000) dollars. This includes sole proprietorships and officers of corporations who will be performing work on the job.
 - Commercial General Liability with a combined Bodily Injury and Property Damage limit of not less than ONE Million (\$1,000,000.00) dollars per occurrence and TWO Million (\$2,000,000) Dollars in the aggregate. Coverage is to be endorsed naming FMERA as an additional insured and to reflect that insurance is to be primary and non-contributory with respect to any other collectable insurance, for FMERA.
 - Commercial Automobile Liability Insurance covering the use of all Owned, Non-Owned, and Hired Vehicles with combined Bodily Injury and Property Damage Limit of at least One Million (\$1,000,000.00) Dollars. Coverage is to be endorsed naming FMERA as an additional insured and to reflect that insurance is to be primary and non-contributory with respect to any other collectable insurance, for FMERA.
 - Umbrella / Excess Liability Insurance with a limit of no less than One Million (\$1,000,000) minimum per occurrence. Coverage shall follow form of the Commercial General Liability, Commercial Automobile Liability and Employers Liability, including additional insured and primary, non-contributory as described above.
 - Any policies effected by the County shall contain a provision requiring the insurance carriers to waive their rights of subrogation against FMERA, where allowable by law.
- c. Provide the County with a Notice to Proceed with the property maintenance and landscape work.
- d. FMERA hereby confirms to the County that FMERA is holding One Hundred Thousand (\$100,000.00) Dollars (the "Project Funds") from Purchaser in escrow for the payment for the 2023 Project costs and expenses based on the proposal to perform the work by Monmouth County, a copy of which is attached as part of **Exhibit B**. Beginning January 1, 2024, Purchaser shall remit to FMERA the reasonable estimate of the annual property maintenance costs by the first of the month.
- e. Upon receipt of the County's monthly invoice on the last day of each month, FMERA will remit payment to the County within seven (7) days.
- f. Upon notification from Purchaser that other services as defined in **Exhibit B** are requested, FMERA will notify the County within twenty-four hours during the work week or on the next business day if the request is received on the weekend.
4. **The County's Role and Responsibilities:** The County will be responsible for the following tasks under this MOU:
- a. **Project Funds:** The County shall use Project Funds disbursed by FMERA to the County to pay the property maintenance and landscaping (i.e., mowing, weedwacking, etc.) costs to complete the Project. The County shall not be required to utilize any of its own funds to pay for the costs or expenses of the Project but shall notify FMERA if they will incur costs or expenses beyond the maximum not to exceed contract value of \$100,000 per year. FMERA will have no obligation to reimburse or otherwise pay the County should the County incur costs beyond the \$100,000 per year without FMERA's written consent.
- b. **Project Schedule:** The County shall perform the tasks as outlined in **Exhibit B** during the thirty-one (31) week property maintenance and landscaping season and will perform other services on a per request basis.
- c. **Project Deliverables:** The County shall provide FMERA with monthly invoices on the last day of each month the services are performed.
- d. **Project exceptions:** FMERA shall notify the County at least five (5) days before the next billing cycle if any/all of the work is to be completed outside of this MOU. Upon notification of FMERA utilizing an alternate means to complete the work, the County shall return any unused monies under this agreement.

- e. **Approvals:** The County will obtain any and all permits and approvals needed to complete the Project and the services associated with the Project.
 - f. **Compliance with Law:** The County will oversee that the work is performed in a safe and professional manner and in accordance with any and all applicable rules, regulations, ordinances, statutes, laws and requirements of any governmental office having jurisdiction over the Project.
 - g. **Prevailing Wage Requirement:** The County will enter into a contract that provides that each worker employed on the Project shall be paid not less than the prevailing wage rate for worker's craft or trade, as determined by the Commissioner of Labor and Workforce Development pursuant to N.J.S.A. 34:11-56.25.
5. **Compensation and Payment:** FMERA shall provide payments to the County within seven (7) days of receipt of the County's invoices.
6. **Additional Provisions:**
- a. **Environmental Liability:** It is expressly understood that this Memorandum of Understanding and all subsequent, associated agreements will not obligate the County to incur any liability for any known or unknown environmental conditions that existed at or on Fort Monmouth.
 - b. **Sufficient Funds:** It is agreed that nothing in this Memorandum of Understanding shall obligate or require the County to enter into or continue any agreement or contract for the Project or to expend the County personnel time or other administrative costs for the Project unless sufficient funds are readily available to the County for expenses that would be incurred in connection with the Project. The County shall at all times have the right to terminate or discontinue any agreement, contract or work for the Project if the County determines that sufficient funds are not readily available to the County for the expenses that would be incurred in connection with the Project.
 - c. **Right of Entry and License:** Subject to the terms and conditions set forth in sub-paragraph 3(b) above, this MOU constitutes a license from FMERA to the County, its employees, officers, agents, consultants and contractors for access to the Project Site and abutting areas of Fort Monmouth in order to carry out the Project. Any and all consultants and contractors hired by the County who enters upon the Project Site shall: (i) indemnify and hold FMERA harmless from any and all claims related to or arising from said consultant or contractor entering Fort Monmouth.
 - d. **Other Approvals:** Each Party will obtain all applicable governmental approvals, permits, and authorizations necessary to effectuate their respective responsibilities under this Memorandum of Understanding.
 - e. **Commencement and Duration:** This Memorandum of Understanding will commence immediately upon execution by the Parties for a period of 12 months. The Parties agree that there shall be three (3), one (1) year renewal options available to the Parties and these extensions may be exercised based on the mutual agreement of the parties.
 - f. **Amendments:** This Memorandum of Understanding may be amended in a writing executed by the Parties.
 - g. **Termination:** Any Party shall have the right to terminate this Memorandum of Understanding upon written notice to the other party. Upon termination, the County shall make reasonable efforts not to incur any additional expenses or administrative costs; provided, however, the County shall be permitted to continue to use the Project Funds to pay for any expenses or fees actually incurred in connection with the Project.

- h. **Notices:** All notices required to be served or given hereunder shall be in writing and will be deemed given when received by personal delivery, by an overnight delivery service which issues a receipt from delivery, or three business days after having been mailed by certified mail, return receipt requested, and addressed as follows:

If to the County of Monmouth:

1 East Main Street

Freehold, New Jersey 07757

Attention: Terri O'Connor, County Administrator

If to FMERA:

Fort Monmouth Economic Revitalization Authority

P.O. Box 267

Oceanport, New Jersey 07757

Attention: Kara Kopach, Executive Director

- i. **Reasonable Diligence:** Each of the Parties will act with reasonable diligence for the purpose of satisfying the conditions set forth herein. However, this MOU is not intended to create a binding agreement to begin or complete the Project unless and until: Project approvals are obtained, sufficient funding is secured, and the Parties agree to proceed with the Project as provided for in this MOU.
- j. **Titles and Headings:** Titles and headings are included for convenience only and shall not be used to interpret the MOU.

The foregoing correctly reflects the Parties' understanding and intent.

IN WITNESS WHEREOF, the Parties have caused this Memorandum of Understanding to be duly executed and delivered as of the date and year first above written and by so executing, represent and warrant they have the authority to do so.

ATTEST

FORT MONMOUTH ECONOMIC
REVITALIZATION AUTHORITY

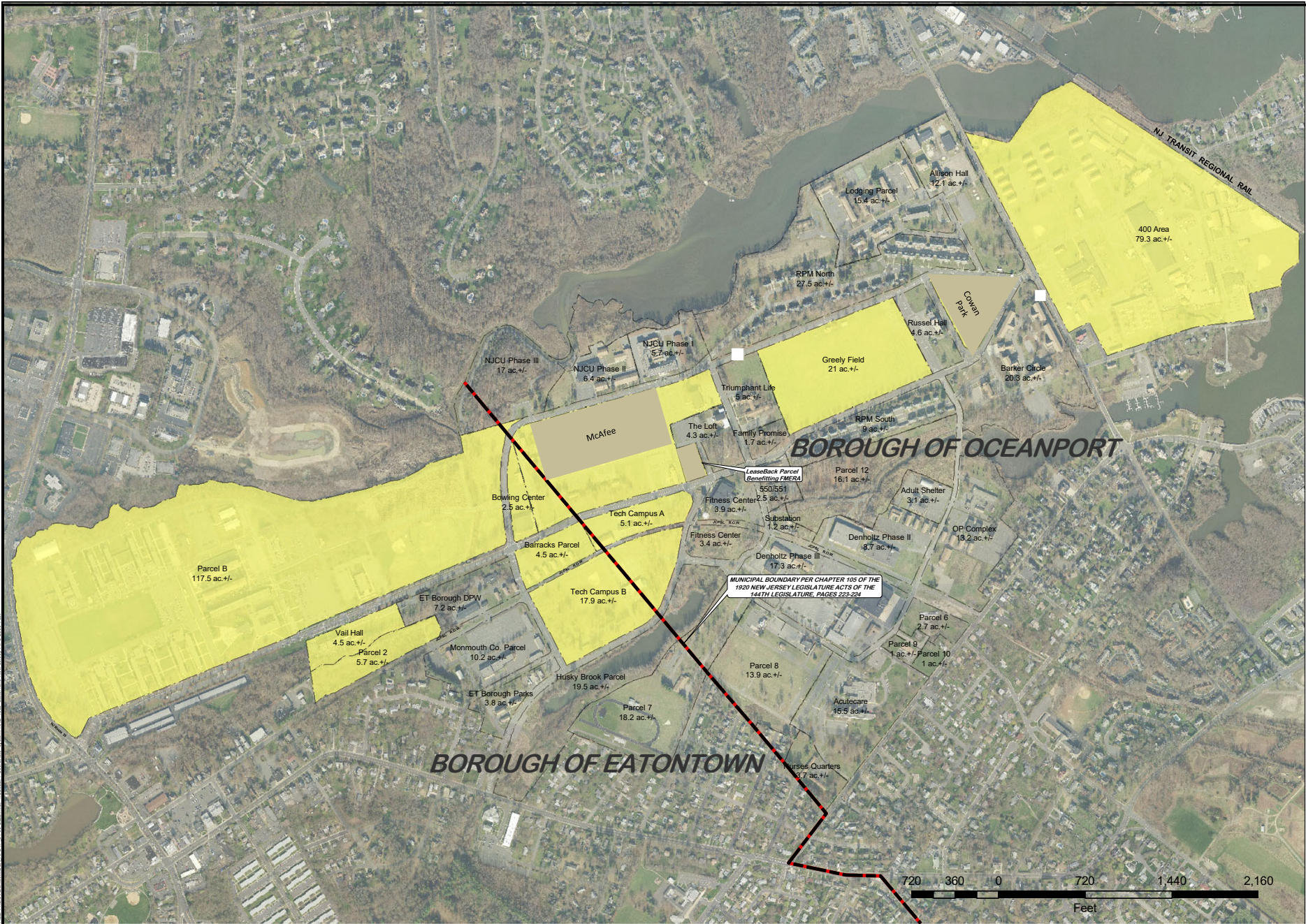
Kara Kopach
Executive Director

ATTEST


COUNTY OF MONMOUTH

Teri O'Connor
County Administrator

Exhibit A



**MEGA PARCEL
FMERA-County Map
Fort Monmouth Monmouth
County, NJ**

 County Property
Landscaping Areas

For reference purposes only.
Subject to formal survey.
May not account for all existing or
future rights-of-way, easements or
potential environmental issues.
Prepared By: KED/aries
Date: 1/5/2022
1" = 720 feet

Exhibit B



Monmouth County

DEPARTMENT OF PUBLIC WORKS & ENGINEERING

FMERA / NETFLIX PROPERTY
MAINTENANCE

SCOPE OF WORK

EXPLANATION OF ESTIMATES

***All Estimates were calculated
using a date range of April 1, 2023
to November 1, 2023***

WEEKLY: (Approximately 31 Weeks)

(Or Per Service)

Greely Field (Parade Grounds):

Currently, Highway District #6 maintains these grounds during the season with routine mowing and weed whacking. The estimate for this work was calculated utilizing one employee with the Toro Mower (Bat Mower) and a weed whacker. Historically, this assignment has a duration of four hours for cutting and approximately one-half hour for weed whacking.

Total Per Service: \$ 826.43
\$25,619.33

Rt 35:

Outside of the fence line of Fort Monmouth is currently maintained by the State DOT, this would be a new assignment for Hwy District #6

Total Per Service: \$ 513.56
\$15,920.36

BI-MONTHLY: (Approximately 16 Weeks / 2x Per Month)

(Or Per Service)

EXPO THEATER:

This area would be a new assignment and is currently being maintained by FMERA personnel. The assignment would include mowing and weed whacking the front & sides of the theater. We calculated this estimate to include one employee using a JD Mower for one - half hour and two additional employees using weed whackers for one - half hour.

Total Per Service: \$ **205.44**
\$3,287.04

BOWLING CENTER:

This area would be a new assignment and is currently being maintained by FMERA personnel. The assignment would include mowing and weed whacking the front, sides and rear of the Bowling Center. We calculated this estimate to include one employee using a JD Mower for one hour and two additional employees using weed whackers for one hour.

Total Per Service: \$ **379.74**
\$6,075.84

VAIL HALL:

This area would be a new assignment and is currently being maintained by FMERA personnel. The assignment would include mowing and weed whacking the front of Vail Hall. We calculated this estimate to include one employee using a JD Mower for one - half hour and an additional employee using a weed whacker for one - half hour.

Total Per Service: \$ **160.68**
\$2,570.88

ARTISTS BARRACKS:

This area would be a new assignment and is currently being maintained by FMERA personnel. The assignment would include mowing and weed whacking the front, sides, and rear of the Artists Barracks. We calculated this estimate to include one employee using a JD Mower for one hour and an additional two employees using weed whackers for one hour.

Total Per Service: \$ **379.74**
\$6,075.84

SEASONAL CLEAN UP: (1X PER YEAR; SPRING OR FALL)

PARCEL "B":

This area would be a new assignment and is currently being maintained by FMERA personnel. The assignment would include mowing and weed whacking the front, sides and rear of the existing buildings inside the fenced area to Nealis Avenue. We calculated this estimate to include two employees using JD Mowers for three hours and an additional three employees using weed whackers for three hours. We have also included a single axle truck and our JD Backhoe (B-6) for one- and one-half hours for the initial clean-up to remove any debris/brush we encounter.

Once Per Season (SPRING or FALL)

Total Per Service: \$ **2,624.56**

SEASONAL CLEAN UP: (1X PER YEAR; SPRING)

(Or Per Service)

400 AREA: This area is located off the main Fort Monmouth Base and sits directly across from the main base & Oceanport Ave and contains older barracks buildings in a fenced in area. Currently, it does not appear to be maintained although FMERA Personnel are responsible for this area. At this time, we cannot provide an accurate estimate due to remaining questions of the scope of work being requested. Each building has a set of outside emergency exit stairways leading to the second floor. Every stairway has been overtaken by a considerable amount of brush and debris. It could not be determined at the time of inspection if these stairways would be included in the scope of work. The other work being requested would include mowing, weed whacking and clearing of debris/brush. We await further clarification before providing an estimate.

(Cost estimate shall be prepared at actual time and consist of labor/fringe, equipment and material)

DCA CLEANUP:

We could not provide an accurate estimate at the time of inspection due to outstanding questions remaining between FMERA and their Environmental Specialist. We await further information from FMERA and will provide an estimate at that time. Estimate TBD

(Cost estimate shall be prepared at actual time and consist of labor/fringe, equipment and material)

Other Services Available

- Snow and Ice Control
- Storm Damage Clean-up
- Tree Trimming and Removal
- Landscaping
- Pesticide and Herbicide Spraying
- Catch Basing Cleaning and Pipe Jetting
- Storm Pipe Repair / Install
- Storm Inlet Repair / Rebuild
- Pipe Camera
- Milling and Paving
- Pothole and Asphalt Repairs

Cost Estimates Shall Be Prepared For Each Service As Requested

Resolution Regarding
Approval of an Interagency Agreement between FMERA and the Borough of Oceanport to contract for civil and environmental engineering services

WHEREAS, the identified buildings on the Main Post of Fort Monmouth are outdated and not suitable for future use. All four buildings are in locations targeted for utility and infrastructure improvements and/or blight removal. This interagency agreement will enable FMERA to move forward with the blight removal and improvements to the Main Post infrastructure, which will serve both sold properties and future redevelopment projects on the Main Post; and

WHEREAS, in particular, FMERA is obligated to demolish Building 886 under its current agreement with Jersey Center Power & Light for buildout of a new substation, while Buildings 550 and 551, and 555 are located near current development and the Project Site containing Buildings 550 and 551 may be used for future public parking. Therefore, demolition will support redevelopment at the Fort including current and future property owners; and

WHEREAS, at its June 2022 meeting, the Board approved a Memorandum of Understanding (“MOU”) with the Borough of Oceanport (“Borough”) to contract for civil and environmental engineering services for demolition plans and specification including abatement, demolition and site improvements. The Borough selected Colliers as its engineering firm via a formal RFQ process for the calendar year. Accordingly, the Borough retained Colliers to prepare plans and a scope of work (the “Plans”) for the Project; and

WHEREAS, the Project scope included one set of demolition plans for the three Project Sites and three additional demolition plans and specification for each of the three Project Sites. The Plans also included surveying services and field/building reconnaissance. Under the terms of MOU, the Plans were to be used by FMERA to bid out environmental abatement and demolition contracts for portions of the Main Post, and FMERA may choose to bid out each of the three identified Project Site either together or separately; and

WHEREAS, draft plans were to be provided within sixty days of receiving notice from FMERA to proceed with the Project with 14 days for FMERA to review and comment, and then 14 days for the Borough’s engineer to finalize and deliver the four sets of Plans. Costs for the work were estimated to be \$19,000, with the Board approving a delegation to FMERA’s Executive Director to increase the cost by an amount not to exceed 10% for unforeseen design costs for demolition or environmental abatement. In the event the amount due to the Borough’s contractor for the work described within the MOU was expected to be greater than \$19,000, the Borough was required to notify FMERA that additional Project Funds are required. Any increase in costs is subject to FMERA’s Board approval. The MOU with the Borough was executed on July 6, 2022; and

WHEREAS, upon initiating work under the original MOU, Colliers concluded that the amount allocated to the Project did not capture the full cost to complete the work under the MOU. In particular, Colliers found that the asbestos and environmental testing performed by the Army that was relied on to form the basis of the initial Project funding costs was insufficient to meet demolition standards and additional testing was required far beyond what was originally anticipated; and

WHEREAS, additionally, FMERA’s original civil engineering cost estimate did not include the necessary manhours to identify each type of construction material (concrete, steel, wood, sheetrock, fiberglass, etc.) found in the four referenced buildings. The scope of work has been amended to indicate the construction material needs to be quantified in terms of the amount of material (linear feet or square feet) and then converted into pounds for each material present and incorporated into the demolition specifications for each building; and

WHEREAS, upon the Borough’s notification to FMERA that the funds under the original MOU would not be sufficient to complete the scope of work, FMERA requested an updated estimate for the scope of the work to include the additional asbestos and environmental testing and surveying work. Under the expanded estimate, the

Project funding costs were estimated to be One Hundred and Ninety-Five Thousand Three Hundred and Sixty-Five (\$195,365.00) Dollars. This increase reflects the inclusion of additional hours for identification of material quantities and required asbestos and environmental testing; and

WHEREAS, at its January meeting, the FMERA Board approved the amendment to the MOU for increased funding, as well as the Executive Director's delegated authority to increase the Project Funding by an amount not to exceed 10% for unforeseen design costs for demolition or environmental abatement. All other terms of the MOU remained the same. The Amended MOU was executed on February 23, 2023; and

WHEREAS, on March 11, 2023, FMERA received the demolition plans for Project Site, as defined in the attached MOU, containing Building 886 from Colliers and wishes to enter into a separate MOU with Oceanport for the Borough's engineer to oversee the public bidding for the demolition and remediation of Building 886, one of three identified Project Sites. It is FMERA's intention to enter into a separate MOU for abatement and demolition work for Buildings 550/551 and Building 555 upon receipt of the two additional scopes of work; and

WHEREAS, the purpose of the "Project" consists of the retention of the Borough's engineer, Colliers, for the abatement and demolition of Building 886 located on the Project Site. Colliers services shall include: bidding services for abatement and demolition contracts and the oversight of those tasks as detailed in the attached memorandum; and

WHEREAS, the cost for the Project is estimated to be One Hundred and Sixty-Five Thousand Nine Hundred and Fifty (\$165,950.00) Dollars with the Board approving a delegation to FMERA's Executive Director to increase the cost by an amount not to exceed 10% for unforeseen costs for abatement or demolition. In the event the amount due to the Borough's contractor for the work described within the MOU is expected to be greater than \$165,950.00, the Borough is required to notify FMERA that additional Project Funds are required. Any increase in costs beyond this amount is subject to FMERA's Board approval; and

WHEREAS, the attached amended MOU is in substantially final form. The final terms of the MOU will be subject to the approval of the Executive Director, the Borough of Oceanport 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.

THEREFORE, BE IT RESOLVED THAT:

1. The Authority approves the interagency agreement between FMERA and the Borough of Oceanport for funding, asbestos abatement (including removal, monitoring, and associated reporting), demolition, and site restoration activities (including preparation of all applications and associated, prerequisite environmental, engineering services and demolition permits) for Building 886 and grant of delegated authority to the Executive Director to increase Project Funding by an amount not to exceed 10% for unforeseen costs associated with the Project 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: April 19, 2023

EXHIBIT 3

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding ("MOU") dated the 12th day of May 2023, will confirm the mutual understanding and intention between the Fort Monmouth Economic Revitalization Authority ("FMERA") and the Borough of Oceanport (the "Borough") regarding the interagency agreement to fund the following items: the asbestos abatement (including removal, monitoring, and associated reporting), demolition, and site restoration activities (including preparation of all applications and associated, prerequisite environmental, engineering services and demolition permits) for Building 886 located in the Oceanport section of Fort Monmouth. FMERA and the Borough are collectively referred to herein as the "Parties."

WHEREAS, on July 6, 2022, FMERA and the Borough entered into a Memorandum of Understanding to contract for the civil and environmental engineering services to survey asbestos containing materials, by type, quantity, and location, survey universal wastes and other hazardous materials by type, quantity and location, and to prepare demolition specifications and bidding documents (including preparation of certain applications and associated prerequisite surveying, environmental and engineering services) for Buildings 550, 551, 555 & 886 located in the Oceanport section of Fort Monmouth (Civil and Environmental Engineering Services MOU) in three Project Sites as identified therein; and

WHEREAS, on February 23, 2023, FMERA and the Borough amended the Civil and Environmental Engineering Services MOU to increase the Project Funding (collectively the "Amended MOU"); and

WHEREAS, on March 11, 2023, FMERA received estimated costs, specifications for Asbestos Abatement and Demolition for the Project site containing Building 886 and a proposal for professional engineering, surveying and construction observation services associated with the Asbestos Abatement and Demolition of Building 886 from the Borough's Engineer Colliers Engineering and Design ("Colliers"); and

WHEREAS, on March 15, 2023, FMERA received a proposal for the Management of Universal and Other Wastes from Colliers; and

WHEREAS, under the Amended MOU, FMERA was permitted to either bid out each of the three identified Project sites or enter into a separate MOU with Oceanport for the Borough's engineer to oversee the public bidding for the demolition and remediation of the three identified Project Sites either together or separately; and

WHEREAS, it is FMERA's intention to enter into a separate MOU for abatement and demolition work upon receipt of the two additional Project Sites as defined by the Amended MOU; and

NOW THEREFORE, the Parties enter into this MOU to reflect the mutual understanding of the Parties relative to Project (defined below) for the abatement and demolition of Building 886 and the associated site restoration activities.

1. **Incorporation of Recitals.** The Parties hereto agree that the statements contained in the foregoing recital be and are hereby incorporated into this MOU as if more fully set forth herein at length.
2. **Incorporation of Plans.** The Parties hereto agree that the statements contained in the Colliers specifications for Asbestos Abatement and Demolition of Building 886 for the "Project" entitled Specification for Asbestos Abatement and Demolition of FMERA Building 886 dated March 2023 and the Section 028210 – Management of Universal and Other Wastes (Section 028120) and any amendments thereafter be and are hereby incorporated into this MOU as if more fully set forth herein at length. The aforesaid, Specification for Asbestos Abatement and Demolition of FMERA Building 886 including Section 28210 for the Project (hereinafter "the Plans"), are attached to this MOU as **Exhibit A**. Any future amendment to the Plans shall be effective upon mutual agreement by the Parties expressed in writing.

3. **The Project:** The purpose of the "Project" consists of the retention of the Borough's engineer, Colliers, for the abatement and demolition of Building 886 located on the Project Site (as defined below). Colliers' services shall include: bidding services for abatement and demolition contracts and the oversight of the following tasks: removal of all asbestos containing materials (both friable and non-friable materials), from the interior and exterior sections of Building 886, asbestos abatement monitoring and reporting, post asbestos abatement review and the issuance of a final report, the collection, packaging, labeling, and relocation of universal wastes and other hazardous materials found at Building 886 to identified waste management facilities, proper termination/abandonment (cut and capping)/deenergizing of existing utilities prior to commencement of demolition activities, all demolition work and the final restoration (i.e. grading, top soiling, and seeding) of the Project site. Colliers shall conduct a public bidding process for abatement and demolition services. All bids shall be consistent with the Plans prepared by Colliers, attached hereto as **Exhibit A**. Starting a month after selection of the bidder, Colliers shall prepare and submit weekly summary reporting the status of the Project. The goal of this Project is to facilitate a competitive bidding process for the selection a qualified subcontractor to commence and successfully complete the Project in the most cost-effective manner possible, with oversight from Colliers.
4. **Project Site(s):** Project Site is located within the boundaries of the Main Post Area of Fort Monmouth. The "Project Site" includes Building 886 (portion of Block 110, Lot 4) (Parcel Map), attached hereto as **Exhibit B**.
5. **FMERA's Role and Responsibilities:** FMERA will be responsible for performing the following tasks under this MOU:
- a. Pay the costs of the Project, not to exceed One Hundred and Sixty-Five Thousand Nine Hundred and Fifty (\$165,950) Dollars "Project Funds," which is inclusive of costs for professional engineering, surveys, and construction observation services attached hereto as **Exhibit C** and the estimate for demolition attached as **Exhibit D**.
 - b. In consultation with Colliers, FMERA will review and approve the Plans as prepared by Colliers under the Amended MOU and as attached hereto, and any modification thereof, for public bidding in accordance with Local Public Contracts Law.
 - c. Grant to the Borough and its consultants and contractors a license to enter the Oceanport section of Fort Monmouth as needed to perform the Project, and as set forth below in section 8(c).
 - i. Each contract that the Borough enters into for the Project shall include provisions that the consultant or contractor will: (i) indemnify and hold FMERA and the Borough harmless against any and all claims related to or arising out of said consultant or contractor entering upon Fort Monmouth; and (ii) require the consultant/contractor to maintain adequate insurance coverage.
 - d. Provide the Borough with copies of plans, drawings, reports and any other available information related to the Project Site, infrastructure and buildings to the extent such plans, drawings, reports and information are available to FMERA.
 - e. Provide the Borough with a Notice to Proceed.
 - f. FMERA hereby confirms to the Borough that FMERA is holding One Hundred and Sixty-Five Thousand Nine Hundred and Fifty (\$165,950) Dollars (the "Project Funds") for the payment of Project costs and expenses.
 - i. In the event the amount due to the Borough's contractor for the work described in Paragraph 2 is expected to be greater than One Hundred and Sixty-Five Thousand Nine Hundred and Fifty (\$165,950) Dollars, the Borough will notify FMERA that additional Project Funds are required. Any increase in the cost is subject to FMERA's Board approval.

6. **The Borough's Role and Responsibilities:** The Borough will be responsible for the following tasks under this MOU:
- a. **Project Funds:** The Borough shall use Project Funds disbursed by FMERA to the Borough to pay the costs of contractors and consultants hired to complete the Project. The Borough shall not be required to utilize any of its own funds to pay costs or expenses of the Project.
 - b. **Contractors and Consultants:** The Parties acknowledge that the Borough has retained and entered into agreements and contracts with Colliers to assist in connection with the Project. In the event it becomes necessary or appropriate to replace Colliers, and to the extent allowable and consistent with applicable selection procedures, the Parties will jointly approve the selection of any replacement consultant or contractor prior to contract execution; including, but not limited to, having a FMERA representative as a member of the consultant/contractor selection committees. Any and all contracts with consultants or contractors entered into by the Borough in connection with the Project shall be advertised, solicited and selected by the Borough in accordance with applicable procurement requirements. FMERA authorizes the Borough to direct Colliers to begin and complete Project work under the terms set forth herein.
 - c. **Project Schedule:** The proposed Project Schedule provided by selected bidder shall be consistent with Colliers project timeline, as further described within the attached Scope of Work.
 - d. **Project Deliverables:** Before awarding the Abatement and Demolition Contract, Colliers, on behalf of the Borough of Oceanport, will, in consultation with FMERA, review the public bids for compliance with the Local Public Contracts Law and award the contract in accordance with the same. The Borough in consultation with Colliers shall provide FMERA with electronic copies of all documents provided by each of the bidders prior to the selection of a subcontractor, both in original software formats and PDF versions all of documents.
 - i. Abatement and Demolition Contract. The Parties acknowledge that Colliers, on behalf of the Borough of Oceanport, will enter into a contract(s) with the lowest responsible bidder for the Project as required by the Local Public Contracts Law. Any and all contracts with consultants or contractors entered into by Colliers in connection with the Project shall be publicly advertised, solicited and selected by Colliers in accordance with the Local Public Contracts Law.
 - ii. All requests for bids will state that any award of the contract shall be subject to the availability of FMERA funds. No contract will be awarded unless and until FMERA has deposited all the Project Funds required to complete work at each Project Site(s) pursuant to Section 7 below.
 - iii. In the event the contract price for the Project should exceed the Project Cost, the Parties reserve the right to reject all bids as exceeding the estimate in accordance with the Local Public Contracts Law.
 - e. **Project exceptions:** FMERA shall notify the Borough if any/all of the work is to be completed outside of this MOU. Upon notification of FMERA utilizing an alternate means to complete the work, the Borough shall incur no additional costs and return any unused monies under this agreement to FMERA.
 - f. **Approvals:** The Borough, through its consultants and contractors, will obtain any and all permits and approvals needed to complete the Project and the services associated with the Project.
 - g. **Prevailing Wage Requirement:** The Borough shall enter into, or direct Colliers to enter into, contracts that provide that each worker employed on the Project shall be paid not less than the prevailing wage rate for worker's craft or trade, as determined by the Commissioner of Labor and Workforce Development pursuant to N.J.S.A. 34:11- 56.25.

- h. **Compliance with Law:** The Borough will oversee the work of its consultants and contractors to have work performed in a safe and professional manner and in accordance with any and all applicable rules, regulations, ordinances, statutes, laws and requirements of any governmental office having jurisdiction over the Project.
7. **Compensation and Payment:** FMERA shall provide payments to the Borough within seven (7) days of receipt of Colliers' invoices, as approved by the Borough. The Borough will then remit payment to Colliers.
8. **Additional Provisions:**
- a. **Environmental Liability:** It is expressly understood that this MOU and all subsequent, associated agreements will not obligate the Borough to incur any liability for any known or unknown environmental conditions that existed at or on Fort Monmouth.
 - b. **Sufficient Funds:** It is agreed that nothing in this Memorandum of Understanding shall obligate or require the Borough to enter into or continue any agreement or contract for the Project or to expend the Borough personnel time or other administrative costs for the Project unless sufficient funds are readily available to the Borough for expenses that would be incurred in connection with the Project. The Borough shall at all times have the right to terminate or discontinue any agreement, contract or work for the Project if the Borough determines that sufficient funds are not readily available to the Borough for the expenses that would be incurred in connection with the Project.
 - c. **Right of Entry and License:** Subject to the terms and conditions set forth in sub-paragraph 5(c) above, this MOU constitutes a license from FMERA to the Borough, its employees, officers, agents, consultants, contractors and subcontractors for access to the Project Site and abutting areas of Fort Monmouth in order to carry out the Project. Any and all consultants, contractors, and subcontractors hired by the Borough who enters upon the Project Site shall: (i) indemnify and hold FMERA and the Borough harmless from any and all claims related to or arising from said sub/consultant or sub/contractor entering Fort Monmouth; and (ii) maintain adequate insurance coverage.
 - d. **Other Approvals:** Each Party will obtain all applicable governmental approvals, permits, and authorizations necessary to effectuate their respective responsibilities under this MOU.
 - e. **Commencement and Duration:** This MOU will commence immediately upon execution by the Parties. Unless terminated earlier, this MOU shall remain in effect for three (3) years from the date and year first written above and may be amended by a writing executed by the Parties.
 - f. **Amendments:** This MOU may be amended in a writing executed by the Parties.
 - g. **Termination:** Any Party shall have the right to terminate this Memorandum of Understanding upon written notice to the other party. Upon termination, the Borough shall make reasonable efforts not to incur any additional expenses or administrative costs; provided, however, the Borough shall be permitted to continue to use the Project Funds to pay for any expenses or fees actually incurred in connection with the Project.
 - h. **Notices:** All notices required to be served or given hereunder shall be in writing and will be deemed given when received by personal delivery, by an overnight delivery service which issues a receipt from delivery, or three business days after having been mailed by certified mail, return receipt requested, and addressed as follows:

If to the Borough of Oceanport:
Borough of Oceanport
910 Murphy Drive
Oceanport, New Jersey 07757
Attention: Donna Phelps, Borough Administrator

If to FMERA:
Fort Monmouth Economic Revitalization Authority
P.O. Box 267
Oceanport, New Jersey 07757
Attention: Kara Kopach, Executive Director

- i. **Titles and Headings:** Titles and headings are included for convenience only and shall not be used to interpret the MOU.

Exhibits: <https://njfmera.sharefile.com/d-67ffee7cd52d4ed5>

The foregoing correctly reflects the Parties' understanding and intent.

IN WITNESS WHEREOF, the Parties have caused this Memorandum of Understanding to be duly executed and delivered as of the date and year first above written and by so executing, represent and warrant they have the authority to do so.

ATTEST

FORT MONMOUTH ECONOMIC
REVITALIZATION AUTHORITY

Kara Kopach
Executive Director

ATTEST

BOROUGH OF OCEANPORT

John F. ("Jay") Coffey II
Mayor