

**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 – May 21, 2025**

1. **Call to Order**
2. **Notice of Public Meeting**
3. **Pledge of Allegiance**
4. **Roll Call**
5. **Welcome**
6. **Approval of Previous Month's Board Meeting Minutes**
7. **Executive Director/Secretary Report & Update**
8. **Public Comment Regarding Board Action Items**
9. **Committee Reports**
 - 1) Audit Committee – Anthony Talerico, Jr., Chairman
 - 2) Real Estate Committee – McKenzie Wilson, Chairwoman
 - 3) Environmental Staff Advisory Committee – Elizabeth Dragon, Chairwoman
 - 4) Historical Preservation Staff Advisory Committee – Tom Tvrdik, Chairman
 - 5) Housing Staff Advisory Committee – Keith Henderson, Chairperson
 - 6) Veterans Staff Advisory Committee – Tom Arnone, Chairman
10. **Board Actions**
 - 1) Consideration of Approval of the 2024 Annual Report with Audited Financial Statements.
 - 2) Consideration of Approval of the First Amendment to the Interagency Agreement between FMERA and the Borough of Eatontown to contract for the construction, funding and oversight of the bid process to complete the Nicodemus Avenue and Wilson (South) Avenues Roadway Reconstruction Project.
 - 3) Consideration of Approval of a Purchase and Sale Agreement & Redevelopment Agreement with HABcore, Inc. and the Third Administrative Letter with HABcore for a 1+/- Acre Parcel in Oceanport.
 - 4) Consideration of Approval of the Fifth Amendment to the Purchase and Sale Agreement & Redevelopment Agreement with Netflix, Inc. for the Mega Parcel in Eatontown and Oceanport.
11. **Other Items**
12. **Public Comment Regarding any FMERA Business**
13. **Adjournment**



**Fort Monmouth Economic Revitalization Authority
Board Meeting
April 16, 2025
Public Meeting and Teleconference**

MINUTES OF THE MEETING

Members of the Authority and/or Designees present:

- Anthony Talerico, Jr. – Mayor of Eatontown – FMERA Vice-Chairman – V
- Tom Tvrdik – Mayor of Oceanport – V
- Tom Arnone – Monmouth County Commissioner Director – V – joined via phone at 5:03p.m.
- Tom Neff – Tinton Falls Engineer – V – Designee
- Jamera Sirmans – Senior Counsel, Governor’s Authorities Unit – V – Designee
- Juan Burgos – NJEDA – Vice President Real Estate Development/Construction/Infrastructure - Designee
- Elizabeth Dragon – NJDEP Assistant Commissioner, Comm. Investment & Economic Revitalization – Designee
- Keith Henderson – NJDCA Acting Director, Division of Local Planning Services – Designee
- William Riviere – NJDOT Principal Planner – Designee

V – Denotes Voting Member

Members of the Authority and/or Designees not present:

- McKenzie Wilson – FMERA Chairperson – V
- Stephen Gallo – Public Member – V
- Yolanda Prieto – NJDOL Program Coordinator – Designee

Also present:

- Kara Kopach – Executive Director
- Regina McGrade – Administrative Manager
- Sarah Giberson – Director of Real Estate Development & Marketing
- Kristy Dantes – Senior Advisor, Facilities & Infrastructure
- Joe Fallon – Senior Environmental Officer
- Laura Drahushak – Managing Director
- Elizabeth Marshall – Deputy Attorney General (DAG)

The meeting was called to order by Vice-Chairman Anthony Talerico at 5:00p.m.

Kara Kopach announced that in accordance with the Open Public Meetings Act, notice of the meeting was sent to the Asbury Park Press, the Trentonian 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.

Vice-Chairman Talerico led the Pledge of Allegiance.

WELCOME

Vice-Chairman Anthony Talerico 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 a 3-minute public comment period regarding any of the Board actions and the second being a 5-minute public comment period on any FMERA business.

The first item of business was the approval of the March 19th regular meeting minutes. A motion was made to approve the minutes by Tom Neff and seconded by Tom Tvrdik.

Kara Kopach conducted a roll call vote.

NAME	YES	NO	ABSTAIN
Anthony Talerico	X		
Tom Arnone	X		
Tom Tvrdik	X		
Tom Neff	X		
Jamera Sirmans	X		
Juan Burgos	X		

Motion to Approve: TOM NEFF Second: TOM TVRDIK
Ayes: 6

EXECUTIVE DIRECTOR/SECRETARY'S REPORT & UPDATE

There was no Executive Director's Report & Update.

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

There was no public comment.

COMMITTEE REPORTS

1. AUDIT COMMITTEE

The Committee did not meet this month.

2. REAL ESTATE COMMITTEE

Kara Kopach on behalf of McKenzie Wilson stated that the Committee met on April 8th and discussed the following

- Discussion regarding an Assignment and Assumption to the Redevelopment Agreement between FMERA, the Borough of Tinton Falls, Commvault Systems, Inc. and Commvault Tinton Falls Urban Renewal and Bell Works Tinton Falls Urban Renewal, LLC. The Parties and Bell Works enter into the Assignment in order to effectuate the transfer to, and the assumption by, Bell Works of the Commvault property located in Tinton Falls. The Committee reviewed the request and recommended it to the Board for approval.

Other Items

- Netflix update

3. ENVIRONMENTAL STAFF ADVISORY COMMITTEE (ELIZABETH DRAGON, CHAIRWOMAN)

The Committee did not meet this month.

4. HISTORICAL PRESERVATION STAFF ADVISORY COMMITTEE (TOM TVRDIK, CHAIRMAN)

The Committee did not meet this month.

5. HOUSING STAFF ADVISORY COMMITTEE (VACANT, CHAIR)

The Committee did not meet this month.

6. VETERANS STAFF ADVISORY COMMITTEE (TOM ARNONE, CHAIRMAN)

The Committee did not meet this month.

BOARD ACTIONS

1. Consideration of Approval of an Assumption of the Redevelopment Agreement with Commvault Systems, Inc. and Commvault Tinton Falls Urban Renewal, LLC to Bell Works Tinton Falls, LLC to be known as Bell Works Tinton Falls Urban Renewal, LLC.

Sarah Giberson read a summary of the Board memo.

The resolution is attached hereto and marked Exhibit 1.

A motion was made by Tom Neff and was seconded by Tom Arnone.

Kara Kopach conducted a roll call vote.

NAME	YES	NO	ABSTAIN
Anthony Talerico	X		
Tom Tvrdik	X		
Tom Arnone	X		
Tom Neff	X		
Jamera Sirmans	X		
Juan Burgos	X		

Motion to Approve: TOM NEFF

Second: TOM ARNONE

Ayes: 6

OTHER ITEMS

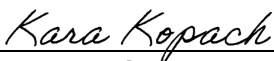
There were no other items before the Board.

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

There was no public comment.

There being no further business, on a motion by Tom Tvrdik and seconded by Juan Burgos and unanimously approved by all voting members present, the meeting was adjourned at 5:08p.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 – Secretary

**Resolution Regarding the
Assignment and Assumption of the Redevelopment Agreement with Commvault Systems, Inc. and
Commvault Tinton Falls Urban Renewal, LLC to Bell Works Tinton Falls Urban Renewal, LLC**

WHEREAS, at the April 24, 2012 FMERA Board meeting, the Board authorized the execution of a Purchase and Sale Agreement (“PSA”) with Commvault Systems, Inc. for Parcel E, an approximately 55-acre parcel in the Tinton Falls section of Fort Monmouth. FMERA and Commvault executed the PSA on July 18, 2012. The PSA included redevelopment obligations whereby Commvault agreed to develop the first phase of its project, consisting of a Class A office/research facility of approximately 250,000 square-feet. Commvault closed on the property on January 13, 2013; and

WHEREAS, under the PSA, a condition precedent to FMERA’s sale of Parcel E to Commvault was the execution of a Redevelopment Agreement that implemented the objectives of the Borough of Tinton Falls redevelopment plan for Parcel E and further detailed the Redevelopment Project and the associated phases. The Borough adopted the redevelopment plan by ordinance on May 15, 2012, and the FMERA Board consented to the Borough’s adoption of the redevelopment plan at its June 20, 2012 meeting. The Redevelopment Agreement between Commvault Systems, Inc. and Commvault Tinton Falls Urban Renewal, LLC (“Redeveloper Parties”), the Borough, and FMERA was executed on January 29, 2013; and

WHEREAS, the Redevelopment Agreement designated the Redeveloper Parties as redeveloper with respect to the property known as Parcel E, consisting of approximately 55 acres and commonly known as One Commvault Way and designated as Block 101.02, Lot 1 and 1X (the “Property”), to carry out the project as contemplated by the Redevelopment Agreement. The Redevelopment Agreement authorized the Redeveloper Parties to develop the Property as its World Headquarters consisting of up to 650,000 square feet of new high-tech office/research technology space in one or more buildings and in up to three (3) phases over twenty (20) years, as authorized by the Redevelopment Plan and the Redevelopment Agreement (the “Project”); and

WHEREAS, Phase I of the Project consisted of approximately 250,000 square feet of new high-tech office/research technology space and associated improvements (“Phase I”). FMERA issued a Certificate of Completion on June 27, 2023, evidencing that all of the Redeveloper Parties’ obligations under the Redevelopment Agreement for Phase I of the Project have been fully satisfied. The Certificate of Completion was recorded with the County Clerk on August 11, 2023. On October 2, 2024, the Redeveloper Parties and Bell Works Tinton Falls Urban Renewal, LLC (“Bell Works”) entered into an Agreement for the sale and conveyance of the Property; and

WHEREAS, the Redeveloper Parties and Bell Works enter into this Assignment in order to effectuate the transfer to, and the assumption by, Bell Works of all of the Redeveloper Parties’ respective rights, obligations, covenants, duties and liabilities corresponding to the Property under the Redevelopment Agreement; and

WHEREAS, the Redeveloper Parties shall remain subject to and bound by of all their obligations, covenants, duties and liabilities under the Redevelopment Agreement during the term thereof. In the event of a failure by Bell Works to perform any or all of the obligations, covenants, duties and liabilities under the Redevelopment Agreement, Bell Works and the Redeveloper Parties shall be jointly and severally liable for any or all of such obligations, covenants, duties and liabilities until the issuance of a final Certificate of Completion terminating the Redevelopment Agreement in its entirety or the expiration thereof on January 29, 2033. Pursuant to Article 11 of the Redevelopment Agreement, the Borough and FMERA join in this Assignment for the purpose of consenting to the assignment and assumption of the Redevelopment Agreement; and

WHEREAS, the Redevelopment Agreement expressly limits any future development or redevelopment of the Property to the construction of approximately 400,000 square feet of new high-tech office/research technology space in one or more buildings. Any proposed future development or redevelopment or land use changes not expressly permitted under the Redevelopment Agreement shall be governed by the terms of a new redevelopment agreement to be negotiated by the Parties at such time as a specific development or redevelopment proposal is defined and proposed, and shall be subject to all necessary local, county and State approvals, including FMERA’s Mandatory Concept Review process and approval; and

WHEREAS, in the event that Bell Works and FMERA enter into a new redevelopment agreement in connection with a proposed future development or redevelopment or land use changes not expressly permitted under the Redevelopment Agreement, the Redevelopment Agreement shall be deemed superseded and terminated, and the Redeveloper Parties shall be deemed discharged of any liability for any obligations, covenants, duties and liabilities for Phase(s) beyond Phase I, if any, on the Property. Moreover, the Redeveloper Parties shall have no obligations or liabilities whatsoever under the new redevelopment agreement under such circumstances.

WHEREAS, the attached Assignment and Assumption of Redevelopment Agreement is in substantially final form. The final terms of Assignment and Assumption of Redevelopment Agreement are subject to the approval of the Executive Director and a review as to form by the Attorney General's Office. The Real Estate Committee reviewed the request and recommended it to the Board for approval.

THEREFORE, BE IT RESOLVED THAT:

1. The Board approves the Assignment and Assumption to the Redevelopment Agreement between the Fort Monmouth Economic Revitalization Authority the Borough of Tinton Falls, Commvault Systems, Inc. and Commvault Tinton Falls Urban Renewal, LLC, and Bell Works Tinton Falls Urban Renewal, LLC.

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 16, 2025

EXHIBIT 1

MEMORANDUM

To: Members of the Board

From: Kara Kopach
Executive Director

Date: May 21, 2025

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 2024 audit and reported their findings to the Audit Committee at the May 19th 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 their review, the Audit Committee recommended the 2024 Comprehensive Annual Report be brought to the Board for approval at tonight's Board meeting.

Executive Director's Report

• Update on Utilities and Infrastructure

- FMERA continues to work with Jersey Central, Power & Light staff toward the construction of a new 22-megawatt electrical substation and 15KVA distribution system on the main post. JCP&L started site work and expects to complete the substation by Fall 2025. This new infrastructure will systematically replace the existing 4160V electrical grid and make JCP&L the primary power provider, eventually taking FMERA out of the power supply business. FMERA continues to repair, replace, and maintain aged electrical infrastructure on the Fort pending the commissioning of the new substation and distribution system.
- The installation of a new sanitary line tying the McAfee Center to the Two Rivers Water Reclamation Authority main along Sherrill Avenue is complete. This project further paved the way to completely closing out and abandoning the former Army sanitary system. Work will begin in the coming weeks to fill certain abandoned sanitary lines with void filling grout. The process will begin in and around the McAfee and Tech B parcels. The project will be overseen by the Two Rivers Water Reclamation Authority.
- FMERA is working with Colliers Engineering and Design, field inspection of the stormwater infrastructure on the Main Post is complete, and the evaluation phase, which will provide an estimate of project cost, is on-going. The project involves identifying necessary repairs to pipes, manholes, catch basins and outfall structures. The goal is to convey ownership of stormwater infrastructure to the Boroughs of Eatontown and Oceanport once the stormwater infrastructure study is completed and all necessary repairs/replacements are made.
- FMERA is working with Two Rivers Water Reclamation Authority, the installation of the 7/8 Sanitary Main Extension commenced within the last two weeks. The main connects to the upstream end of the South Interceptor and continues westerly along Oceanport Way to the western end of the Eatontown Housing parcel. The installation is expected to continue for the next 4-6 weeks.
- FMERA is working with New Jersey American Water, the Phase 4 Water Main Extension Project will extend water service easterly along Todd Avenue and Oceanport Way supplying water to the Eatontown Housing Parcel. This project is to commence as the installation of the 7/8 Sanitary Main Extension wraps up.
- FMERA is working with Colliers Engineering and Design to explore possible remedies to drainage issues along Todd Avenue.



- The abatement and demolition of former army buildings on the proposed Eatontown Housing Parcel, including the former playing field, grandstands, and press box, is set to begin in the coming weeks. Work is expected to last 120 days.
- FMERA is working toward dedicating Wilson Avenue, Nicodemus Avenue (South), and Academy Avenue, to the Borough of Eatontown.
- The On-site Maintenance Team continues to maintain fire suppressions systems of buildings to be reused by the Mega Parcel purchaser.
- Review of Mandatory Conceptual Reviews for the Netflix development plans for Phase 1B is on-going in support of the Real Estate Development Team.
- Netflix has commenced demolition of the Mega Parcel buildings this month.

2. Update on the Fort's Redevelopment

The following is a town-by-town summary of the status of our redevelopment projects.

In **Oceanport**, FMERA has closed on the following eighteen properties:

- Former Patterson Army Hospital on December 13, 2013, with AcuteCare Systems.
- Monmouth County Adult Shelter on November 17, 2016, with Monmouth County.
- Officer Housing Parcels on January 13, 2017, with RPM Development, LLC. RPM Development renovated the 116 historic housing units, creating 68 market-rate for sale units, and 48 rental units; twenty percent of the total units are available to low- and moderate-income households.
- Main Post Chapel on February 27, 2017, with Triumphant Life Assembly of God Church who purchased the approximately 16,372 sq. ft. building for use as a house of worship.
- Russel Hall on June 23, 2017, with TetherView Property Management, LLC, a private cloud computing services company who occupies the 40,000 sq. ft. building. Russel Hall currently houses a variety of businesses including tech companies and medical offices.
- Oceanport Municipal Complex on August 16, 2017, where the Borough of Oceanport purchased the property for their new Oceanport Borough Hall, Police Department, Department of Public Works and Office of Emergency Management.
- Fitness Center on September 26, 2017, enabling Fort Partners Group, LLC, to renovate and expand the facility to emphasize basketball and medically based fitness and wellness programs, and individualized group training and classes.
- Dance Hall Parcel on April 4, 2018, to The Loft Partnership, LLC. The developer renovated the Dance Hall as a banquet facility. They have booked over 200 weddings and events since opening.
- Building 501, on April 24, 2019, with Family Promise of Monmouth County, an approximately 1.7-acre site, via a Legally Binding Agreement (LBA). Lunch Break has now merged with Family Promise and will expand the services offered on the site.
- Telecommunications Tower and Land on October 25, 2019, with Global Signal Acquisitions, LLC for an approximately 0.58 parcel of land containing the Telecommunications Tower and adjacent land.
- Squier Hall Complex, on December 19, 2019, with KKF University Enterprises, LLC, an approximately 31-acre site. The developer has secured a commitment from New Jersey City University for use of the site as a satellite campus. NJCU is currently partnering with RWJ to utilize the university's state-of-the art training facilities.
- Commissary, Post Exchange (PX) complex, Warehouse District and a 1000 Area Parking parcel, on October 16, 2020, with OPort Partners, LLC. The Commissary/PX parcel shall permit, Food Service, Flex space, Office, R&D and Instructional Schools and Studios. The Warehouse District will permit Flex Space, Medical Office, Office, and Research & Development. Birdsmouth, a brewery opened in 2022, Baseline Social, a full-service state of the art bar and restaurant opened last summer and Mr. Green Tea, the specialty mochi and ice cream distributor is also open.
- Marina, on March 25, 2021, with AP Development Partners, LLC, which will continue to operate as a marina/public boat ramp and restaurant.
- Barker Circle, with Barker Circle Partnership, LLC, an approximately 19.5-acre parcel in the historic district which includes the repurposing of Buildings 205-208, and 287, as well as the Main Post Firehouse and Kaplan Hall, for residential, office and other commercial uses.
- Lodging Area, on November 24, 2021, with Somerset Development, LLC, a 15-acre site located on Parkers Creek, being developed with up to 185 new and renovated historic housing units. Townhouses are for sale, many of which have already been sold and are occupied. The riverwalk for this site is also fully constructed and connects to the walking trail on the RPM property.
- Allison Hall, on May 20, 2022, with Fort Monmouth Business Center, LLC, a 13-acre parcel which includes the reuse of the historic building, as well as retail, office, business lofts, and open space/recreation uses. Construction is underway on this site as both the business lofts and retail are being built while other site prep like the retention basins are ongoing.
- Nurses Quarters, on June 25, 2024, with RPM Development, LLC for the renovation of the 24-unit residential complex along with 10 new townhomes on Main Street adjacent to the former Patterson Army Hospital.

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

- Motor Pool, on November 17, 2016, with Monmouth County for a public works facility.
- Suneagles Golf Course, on December 18, 2020, with Martelli Development, LLC, who has upgraded the existing Golf Course and renovated the historic Gibbs Hall. Martelli Signature Homes has constructed and sold numerous townhouses in the middle of the course and continues to construct housing units.
- New Jersey American Water Tank Parcel, on April 23, 2021, a parcel located on a 3.945-acre tract on the Howard Commons parcel to install a water tank to serve NJAW's needs by providing approximately four acres of land surrounded on two sides by undeveloped preserved forest, a municipal road on another and a fourth side that encompasses soon to be built residential units which will be buffered by trees. NJAW has demolished the existing structures on the site.
- Eatontown Parks Parcel, on March 7, 2022, with the Borough of Eatontown, a 3.82-acre tract known as the Nicodemus Avenue Park Parcel located on Nicodemus Avenue for active recreation uses. The Borough has demolished all of the existing structures and is designing the park for a splash pad, additional recreational amenities, and accompanying bathrooms.

Also in **Eatontown**, FMERA has executed and approved contract on the following property:

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

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

- Parcel E, on January 13, 2013, with Commvault for the headquarters. Commvault announced in March 2023 that they will be selling this building, with the intention of retaining some space for its operations via lease.
- Building 2525, on February 5, 2016, with Aaski Technologies for technology and office uses. Aaski sold a portion of the property to the Kiely Company following project completion.
- Child Development Center, on March 18, 2016, with Trinity Hall, for the all-girls high school. Trinity Hall completed their second-generation project on the site and is currently pursuing its third-generation expansion.
- Fort Monmouth Recreation Center and Swimming Pool, on January 6, 2017, with the Monmouth County Park System and being used for programs which include arts & crafts, sports, exercise classes and a variety of amenities including classrooms, gymnasium and a game room.
- Parcel F-3 on February 23, 2017, with the Monmouth County Park System in conjunction with the adjacent Recreation Center and Swimming Pool. Located along Hope Road, the County has expanded its services and public open space amenities currently offered at the Recreation Center.
- Charles Wood Fire Station, on May 22, 2018, was originally transferred to Commvault Systems, Inc. for use as corporate office and training space. The Charles Wood Fire Station is now targeted for use as a regional emergency services center.
- Parcel C with Lennar Corporation, on August 2, 2018, approved for 243 residential units and up to 58,000 sq. ft. of retail development. Lennar has completed the residential portion of this site but the commercial deliverables remain and have been adversely impacted due to the changing market conditions for retail.
- Parcel C1 with Lennar Corporation, on August 2, 2018. Lennar has constructed and sold all 45 single family homes.
- Parcel F-1 – Myer Center and Building 2705, on December 16, 2022, an approximately 36-acre parcel in Tinton Falls where RWJ Barnabas Health (RWJBH) plans to create a health campus to include a cancer center, medical offices, and a future hospital. RWJBH has broken ground and is constructing its cancer center.
- Fabrications Shops (Pinebrook Road Commerce Center), on September 23, 2024, consisting of 45,000 sq. ft. of light industrial and flex office space buildings along Pinebrook Road for sale to Pinebrook Commerce Center, LLC.
- County Woodlands Parcel, on December 11, 2024 and February 12, 2025 with Monmouth County for a 23.78-acre property for county open space preservation.

Also in **Tinton Falls**, FMERA has an executed contract on one property:

- 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 37 parcels, and another 4 parcels are under contract or have Board-approved contracts for a first-generation project. FMERA anticipates a closing on Howard Commons in few weeks.

FMERA's redevelopment continues to move forward, with new homes, business, and amenities coming online on a rolling basis. In the Oceanport section of the Fort, Allison Hall has made significant progress on the construction and rehabilitation of buildings slated for reuse. Now known as Riverwalk Center, this property will welcome a wide array of tenants including restaurants, recreation, fitness, a brewery, a boutique hotel and more. Some businesses are now open. New homes continue to populate the Parkers Creek development by Pulte, with waterfront models nearing completion. Many new residents are already living on-site. In Eatontown, Mulligan Golf LLC has completed the first Phase of its project, including the rehabilitation of Historic Gibbs Hall and the Suneagles Golf Course. The developer continues to make excellent progress on the residential component of Suneagles Golf Course, The Ridge, and is also nearing completion on its affordable housing units. Lennar's professionals have started work on-site at the Howard Commons property and we anticipate a closing in the coming weeks. In Tinton Falls, most of the Charles Wood area is already developed. However, construction of RWJBarnabas Health's medical campus is on-going with the 100,000 sf Cancer Center making incredible progress. Trinity Hall is under construction on its third expansion. Plans for the former Charleswood Firehouse, slated as the future home of a regional EMS facility, have been approved by FMERA and Tinton Falls.

The remainder of FMERA's projects are in various stages of development, many of which are still in the due diligence, design, and approvals phases. Continuous demolition and construction can otherwise be seen Fort-wide. As for the Mega Parcel, Netflix's plans for Phase 1a have been reviewed and approved by both FMERA and the Borough of Oceanport and the Borough of Eatontown. The plans have been reviewed by the County for Planning Board for approvals, as well. FMERA has started preliminary reviews for Netflix's next phase of redevelopment, to be approved under a second MCR once a final submission is made. Significant administrative work remains. Netflix has begun pre-closing abatement and demolition work, which begins the process of removing over a million square feet of blight, in the coming months.

Last week, Netflix held a large groundbreaking ceremony next to the Expo Theater, signifying its commitment to its east coast studio campus and production hub. Special guests included Netflix co-CEO Ted Sarandos, Governor Murphy, and numerous other elected officials and stakeholders. The FMERA team appreciates all of its Board members, the municipal, county, and state teams for helping to support the newly expedited timeline for both demolition and construction.

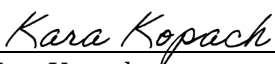
FMERA staff is proud to present its Annual Report, slated for Board approval at tonight's meeting. Following the 10-day Governor veto period, the report will be made available on FMERA's website. Please review our incredible project progress over the last year.

FMERA continues to actively promote the services and opportunities now available at the Fort through media, meetings, and additional speaking engagements. Executive Director Kara Kopach recently had the privilege of presenting at the Eatontown Mayor's Annual Eatontown Meeting hosted by the Eatontown Industrial Park Association. FMERA would also like to thank the Eastern Monmouth Area Chamber of Commerce for awarding FMERA with the Spinnaker Award at its May celebration. Further, FMERA would like to thank NJBIZ for honoring FMERA's work in its 2025 Leaders in Real Estate, Construction and Design. FMERA looks forward to attending the upcoming award ceremony in June.

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

Lastly, FMERA is currently collecting items for the Monmouth County SPCA. Donation boxes are placed in the vestibule of the FMERA offices.

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 2024 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, 2024 to December 31, 2024 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 May 19, 2025, per its Charter as well as section 9 of Executive Order 122 (2004), the Audit Committee reviewed the draft comprehensive annual report, including the 2023 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 the Authority; and

WHEREAS, the Audit Committee has reviewed the 2024 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 2024 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.

Attachment

Dated: May 21, 2025

EXHIBIT 1

MEMORANDUM

TO: Members of the Board

FROM: Kara Kopach
Executive Director

RE: 2024 Comprehensive Annual Report

DATE: May 21, 2025

Request

I am requesting that the Board approve the Authority's 2024 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 2024.

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, 2024 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 2024 financial statements which is its highest opinion.

On May 19, 2025, per its Charter, as well as section 9 of Executive Order 122 (2004), the Audit Committee reviewed the draft comprehensive annual report, including the 2024 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.

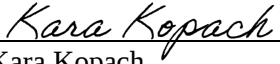
Under Executive Order No. 37 (2006), the Authority is required to obtain approval of a comprehensive annual report from its Board. Upon approval, the report will be posted on the Authority's website and submitted to the Governor's Authorities Unit and the United States Department of the Army.

The Audit Committee has reviewed the 2024 Comprehensive Annual Report and recommends it to the Board for approval.



Recommendation

In summary, I am requesting that the Board approve the 2024 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: 2024 Comprehensive Annual Report
Prepared by: Jennifer Lepore

2024 ANNUAL REPORT

FORT MONMOUTH
ECONOMIC REVITALIZATION AUTHORITY



CHAIRWOMAN'S MESSAGE

A message from FMERA Chairwoman McKenzie Wilson:

2024 has been a year of rapid development, removal of blight and replacement of utility infrastructure on Fort Monmouth. FMERA's small team of seven has continued to exceed expectations, with nearly 40 projects complete or in-progress. Construction commenced on RWJBH's new cancer center and Netflix received approvals for their first phase of redevelopment for four sound stages. FMERA closed with Monmouth County on approximately 27 acres of a woodlands preservation area, a set of fabrication shops, and a 34-unit residential property in Oceanport slated for adaptive reuse and new construction. In tandem with FMERA's property redevelopment efforts, critical infrastructure projects to improve the utility and road network are also underway. Specifically, FMERA has completed one new sanitary main installation, demolished the seven remaining abandoned pump stations, removed additional antiquated electrical equipment, demolished vacant buildings, designed new water, electric and sewer services and completed a stormwater study. These efforts have positioned FMERA for a dynamic and successful year in 2025.

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, the New Jersey departments of Environmental Protection, Community Affairs, Transportation, and Labor & Workforce Development, as well as the Governor's Authorities Unit, and the New Jersey 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 2025, we will continue our mission of helping to create good jobs and produce tax revenue in our host municipalities which will yield benefits to each resident of this 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.

McKenzie Wilson

McKenzie Wilson, Esq. | Chairwoman
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.



Randy G. Habischer
PHOTOGRAPHY



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.





PROJECTS

COMPLETED & UNDER CONSTRUCTION

AMENITIES

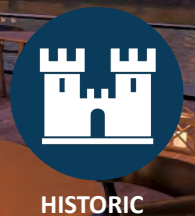


under construction

RIVERWALK CENTER

RETAIL | RESTAURANT | BUSINESS LOFTS | HOTEL

\$14M CAPITAL INVESTMENT • 150 JOBS



A scenic view of a marina with several boats docked at wooden slips. In the background, there are buildings and trees under a clear blue sky. The water is calm, reflecting the sky and the surrounding landscape.

THE MARINA AT OCEANPORT

BAR RESTAURANT | OUTDOOR DINING | MARINA WITH BOAT SLIPS

\$1.2M CAPITAL INVESTMENT • 100 JOBS

A collage of images for the Fort Athletic Club. The top part shows a person lifting a dumbbell in front of a large black wall with white text. The bottom part shows a group of people in a gym setting, some on stationary bikes and others in a group exercise class.

THERE IS A
SOLDIER IN
EVERYONE AND
WE ARE HERE
TO SET IT FREE.

FORT ATHLETIC CLUB

HEALTH CLUB | BOUTIQUE STUDIOS

\$7M CAPITAL INVESTMENT • 50 JOBS



SUNEAGLES GOLF COURSE

RESIDENTIAL | RESTAURANT | BANQUET HALL | GOLF

\$31.5M CAPITAL INVESTMENT • 73 JOBS



HISTORIC

SEEKING MOMENTS



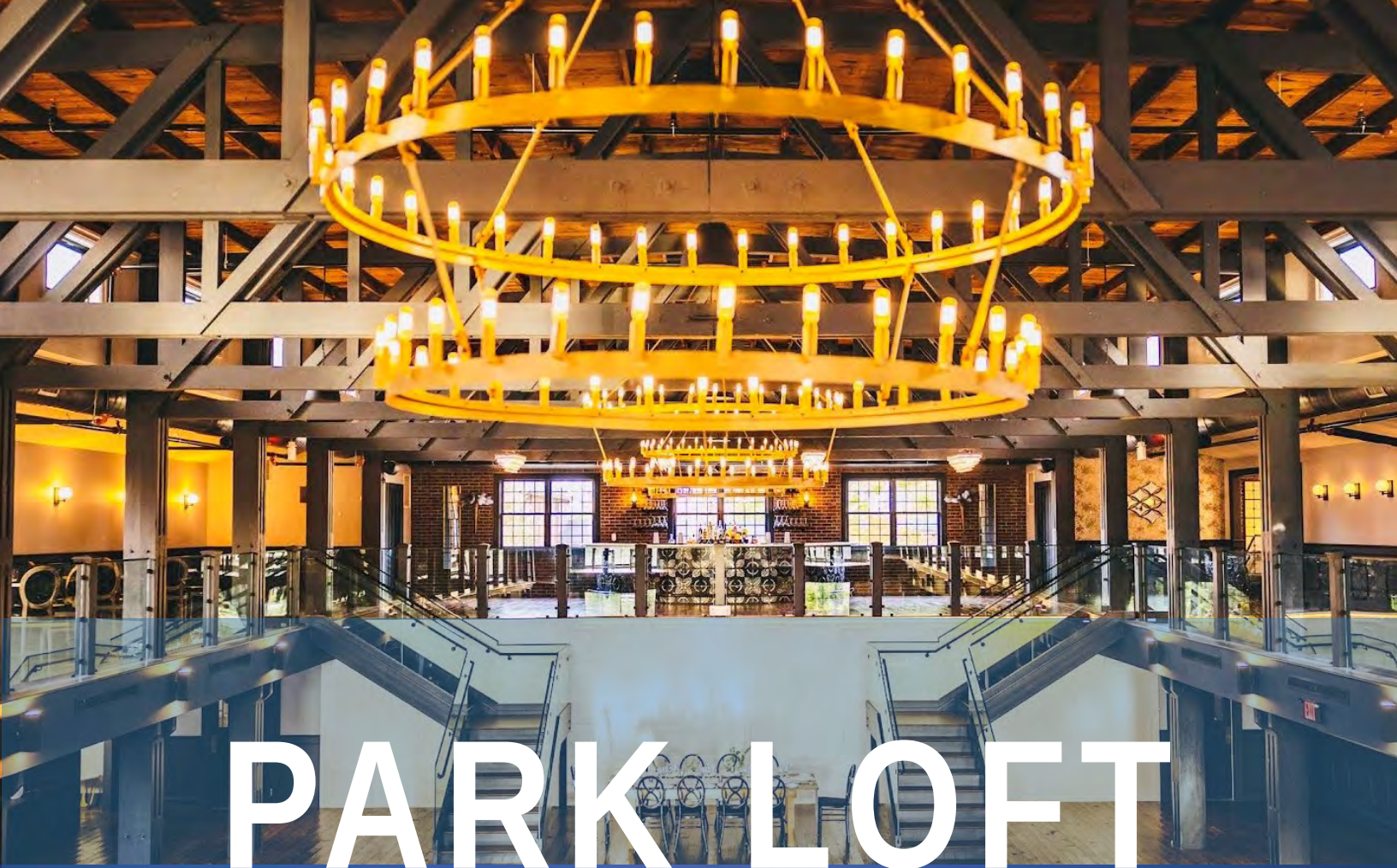
FOOD SERVICES | BREWERY | FLEX / OFFICE

\$54.4M CAPITAL INVESTMENT • 750 JOBS



COMMISSARY	
STORE HOURS	
BIRDSMOUTH BEER	
ORIGINAL LAGER	
HOPPY PILSNER	
OKTOBERFEST	
DARK LAGER	
CANS TO GO	
EVERYDAY LAGERS	
ABV	.3L .5L
4.5	\$4.50 \$7
5.0	\$4.50 \$7
5.5	\$4.50 \$7
5.2	\$4.50 \$7
6 PK	\$11.99
12 PK	\$21.99





PARK LOFT

EVENT VENUE | PARK

\$3.1M CAPITAL INVESTMENT • 48 JOBS





TRIUMPHANTLIFE

TRIUMPHANT LIFE CHURCH

HOUSE OF WORSHIP

\$500K CAPITAL INVESTMENT • 10 JOBS

HEALTHCARE



BEACON OF LIFE

ACUTECARE MEDICAL | SENIOR LIVING

\$5M CAPITAL INVESTMENT • 50 JOBS





under construction

RWJ BARNABAS HEALTH

CANCER CENTER | HOSPITAL | HEALTHCARE SUPPORT

\$153.5-\$640M CAPITAL INVESTMENT • 300-1000 JOBS





under construction

EMS FACILITY

REGIONAL EMS FACILITY FOR MONMOUTH COUNTY

\$1M CAPITAL INVESTMENT • 40 JOBS



FABRICATION SHOPS

FLEX SPACE

\$2.25M CAPITAL INVESTMENT • 96 JOBS

I N N O V A T O R S

COMMVAULT

DATA PROTECTION & MANAGEMENT
\$70M CAPITAL INVESTMENT • 900 JOBS



TETHERVIEW

IT INFRASTRUCTURE
\$500K CAPITAL INVESTMENT • 25 JOBS

AASKI

DEFENSE CONTRACTOR
\$500K CAPITAL INVESTMENT • 25 JOBS



EDUCATION

TRINITY HALL

STEM-FOCUSED ALL GIRLS PRIVATE HIGH SCHOOL

\$1M CAPITAL INVESTMENT • 122 JOBS

THIRD EXPANSION UNDERWAY

New Jersey City University
SQUIER HALL

NJCU

HIGHER EDUCATION | HEALTHCARE TRAINING

\$10.4M CAPITAL INVESTMENT • 70 JOBS



HISTORIC

ANTHEM PLACE & PATRIOTS SQUARE

LENNAR

SINGLE FAMILY HOMES | TOWNHOMES, STACKED FLATS

\$11.7M CAPITAL INVESTMENT • 43 CONSTRUCTION JOBS

\$53M CAPITAL INVESTMENT • 203 CONSTRUCTION JOBS





under construction

PARKERS CREEK

PULTE HOMES

LUXURY TOWNHOMES

\$30M CAPITAL INVESTMENT • 231 CONSTRUCTION JOBS



under construction

FORMER NURSES QUARTERS

RPM

REHABILITATED APARTMENTS & NEW TOWNHOMES

\$6.7M CAPITAL INVESTMENT • 38 CONSTRUCTION JOBS



EAST GATE & LIBERTY WALK

RPM

HISTORIC OFFICER HOUSING

\$25M CAPITAL INVESTMENT • 50 CONSTRUCTION JOBS



under construction

BARKER CIRCLE PARTNERSHIP

RESIDENTIAL | OFFICE | RESTAURANT/EVENTS

\$22M CAPITAL INVESTMENT • 120 JOBS



COMMUNITY BENEFITS



LUNCH BREAK

SERVICES FOR THE
COMMUNITY IN NEED



ADULT SHELTER

MONMOUTH COUNTY EMERGENCY
HOMELESS SHELTER



MUNICIPAL COMPLEX

BOROUGH OF OCEANPORT

**FORT MONMOUTH
RECREATION CENTER
AND
WOODLANDS PARCEL**
MONMOUTH COUNTY

WATER TANK
NEW JERSEY AMERICAN WATER
STORAGE TANK

**CAPTAIN JAMES M. GURBISZ
MEMORIAL PARK**
BOROUGH OF EATONTOWN

COMMUNITY BENEFITS





PROJECTS

UNDER CONTRACT



HOWARD COMMONS

HOWARD COMMONS ► EATONTOWN

On December 29, 2014, FMERA publicly advertised a Request for Offers to Purchase (RFOTP) 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.

TINTON FALLS COMMERCIAL PARCEL ► TINTON FALLS

In support of its healthcare campus project at the former Myer Center site, [RWJBarnabas Health](#) proposed to 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





MEGA PARCEL ► EATONTOWN & OCEANPORT

In addition to the goals outlined in FMERA's Reuse & Redevelopment Plan, the Mega Parcel 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.

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 multiple phases over the course of several years. 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. 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.

Throughout the year, **Netflix** has made significant progress on its approvals, set plans in motion for pre-closing abatement and demolition work, and indicated its interest in closing early on the property.



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.



2025 BOARD MEMBERS

McKenzie Wilson
Public Member
Chairwoman

Anthony Talerico, Jr.
Mayor, Eatontown
Vice Chairman

Stephen Gallo
Public Member

Terence O'Toole
Chairman

New Jersey Economic Development Authority

Aaron Creuz
Deputy Chief Counsel
Governor's Authorities Unit

Thomas Arnone
Commissioner Director, County of Monmouth

Thomas Tvrdik
Mayor, Oceanport

Risa Clay
Mayor, Tinton Falls

Shawn LaTourette
Commissioner
New Jersey Department of Environmental Protection

Francis K. O'Connor
Acting Commissioner
New Jersey Department of Transportation

Jacquelyn A. Suárez
Acting 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.
Thomas Neff (*designee for Mayor Clay*)
Stephen Gallo

Real Estate Committee
McKenzie Wilson
Mayor Anthony Talerico, Jr.
Commissioner Director Thomas Arnone
Mayor Thomas Tvrdik

LEADERSHIP & STAFF

Kara Kopach
Executive Director

Laura Drahushak
Managing Director

Regina McGrade
Administrative Manager

REAL ESTATE

Sarah Giberson
Director of Real Estate Development & Marketing

FACILITIES & INFRASTRUCTURE

Kristy Dantes
Senior Advisor - Facilities & Infrastructure

Joe Fallon
Senior Environmental Officer

FINANCE

Jennifer Lepore
Accounting Manager

FINAL DRAFT

**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, 2024 AND 2023

FINAL DRAFT

FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY TABLE OF CONTENTS YEARS ENDED DECEMBER 31, 2024 AND 2023

INDEPENDENT AUDITORS' REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)	5
FINANCIAL STATEMENTS	
STATEMENTS OF NET POSITION	10
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION	12
STATEMENTS OF CASH FLOWS	13
NOTES TO FINANCIAL STATEMENTS	15
SUPPLEMENTARY INFORMATION	
COMBINING SCHEDULES OF NET POSITION	28
COMBINING SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION	30
SCHEDULE OF GENERAL AND ADMINISTRATIVE EXPENSES BY FUND	32
SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS	33
NOTES TO SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS	34
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 <i>GOVERNMENT AUDITING STANDARDS</i>	35
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE	37
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	40

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, 2024 and 2023, 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, 2024 and 2023, 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.

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.

FINAL DRAFT

Audit Committee and Management
Fort Monmouth Economic Revitalization Authority

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.

FINAL DRAFT

Audit Committee and Management
Fort Monmouth Economic Revitalization Authority

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, 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.

FINAL DRAFT

Audit Committee and Management
Fort Monmouth Economic Revitalization Authority

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated REPORT DATE, 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

King of Prussia, Pennsylvania
REPORT DATE

FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) YEAR ENDED DECEMBER 31, 2024

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, 2024 and 2023. 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.

2024 FINANCIAL HIGHLIGHTS

- The Authority's net position increased \$12,648,302
- Total assets increased \$12,298,867
- Total liabilities decreased \$349,435
- Capital assets – net decreased \$8,400
- Earned \$2,114,901 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, reimbursements from developers for infrastructure projects 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, 2024, 2023, and 2022:

	2024	2023	Dollar Change	Percentage Change	2022	Dollar Change	Percentage Change
Current Assets	\$ 77,762,556	\$ 64,279,149	\$ 13,483,407	21 %	\$ 66,332,279	\$ (2,053,130)	(3)%
Noncurrent Assets	14,622	1,199,162	(1,184,540)	(99)	1,251,840	(52,678)	(4)
Total Assets	77,777,178	65,478,311	12,298,867	19	67,584,119	(2,105,808)	(3)
Current Liabilities	25,864,878	25,487,700	377,178	1	21,508,431	3,979,269	19
Noncurrent Liabilities	14,504,966	15,231,579	(726,613)	(5)	19,444,968	(4,213,389)	(22)
Total Liabilities	40,369,844	40,719,279	(349,435)	(1)	40,953,399	(234,120)	(1)
Net Position	\$ 37,407,334	\$ 24,759,032	\$ 12,648,302	51	\$ 26,630,720	\$ (1,871,688)	(7)

FINAL DRAFT

FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) YEAR ENDED DECEMBER 31, 2024

During 2024, the Authority's combined net position increased \$12.648 million (or 51%) due to:

\$(773) thousand	Economic Development Conveyance (EDC) (operating costs exceeded revenue)
\$(4) thousand	Federal Grant Funds (operating costs exceeded revenue)
\$13.397 million	State Appropriation for infrastructure revenue and disbursements
\$7 thousand	Decrease in direct office support expenses
\$21 thousand	Homeless Fund revenue, disbursements, and interest income

During 2023, the Authority's combined net position decreased \$1.872 million (or 7%) due to:

\$(2.661) million	Economic Development Conveyance (EDC) (operating costs exceeded revenue)
\$(22) 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)
\$1 thousand	Interest on Federal Grant Funds
\$1.019 million	State Appropriation for infrastructure revenue and disbursements
\$(12) thousand	Increase in direct office support expenses
\$(197) 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.

FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) YEAR ENDED DECEMBER 31, 2024

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 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 MICA.

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 2024, 2023, and 2022:

	2024	2023	Dollar Change	Percentage Change	2022	Dollar Change	Percentage Change
Operating Revenue	\$ 4,335,813	\$ 1,302,927	\$ 3,032,886	233 %	\$ 8,889,527	\$ (7,586,600)	(85)%
Operating Expenses	11,951,547	13,404,705	(1,453,158)	(11)	14,000,678	(595,973)	(4)
Operating Income (Loss)	(7,615,734)	(12,101,778)	4,486,044	(37)	(5,111,151)	(6,990,627)	137
Nonoperating Revenue	20,264,036	10,230,090	10,033,946	98	12,553,127	(2,323,037)	(19)
Change in Net Position	12,648,302	(1,871,688)	14,519,990	(776)	7,441,976	(9,313,664)	(125)
Net Position -							
Beginning of Year	24,759,032	26,630,720	(1,871,688)	(7)	19,188,744	7,441,976	39
Net Position -							
End of Year	\$ 37,407,334	\$ 24,759,032	\$ 12,648,302	51	\$ 26,630,720	\$ (1,871,688)	(7)

**FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED DECEMBER 31, 2024**

Operating Revenue and Expenses

During 2024, the Authority's operating revenues were impacted by the following:

- Gain on Sale of Land increased by \$1,350,230 – Due to an increase in land sales from 2023 to 2024.
- Federal Grant Revenue increased by \$775,182 – Due to the recognition of more State Coronavirus Fiscal Recovery Funds (CSFRF) for Fort Monmouth Water and Sewer projects compared to 2023.
- Other income increased by \$907,474 – 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 2023 to 2024.

During 2023, the Authority's operating revenues were impacted by the following:

- Gain on Sale of Land decreased by \$2,389,594 – Due to a decrease in land sales from 2022 to 2023.
- Federal Grant Revenue decreased by \$5,092,816 – Due to the receipt of less State Coronavirus Fiscal Recovery Funds (CSFRF) for Fort Monmouth Water and Sewer projects.
- Other income increased by \$343,037 – Due to the contribution from the NJEDA for the use and occupancy of a portion of FMERA's office building and other Miscellaneous income from 2022 to 2023.

The 2024 Operating Revenue increased by \$3,032,886 primarily as a result of an increase in land sales and other revenue in 2024 compared to 2023.

The 2024 Operating Expenses decreased by \$1,453,158 compared to 2023. The 2024 Program Costs were \$1,308,844 less than 2023 due primarily to a decrease in legal fees, property maintenance costs, and infrastructure project costs. The 2024 Homeless Fund expenses decreased by \$141,381 due to the Authority making less payments than 2023 toward the Homeless Fund obligation per the Legally Binding Agreements for Homeless Provider Services. Interest Expense on Loan Payable decreased by \$13,604 from the Authority having a lower principal balance on the loans received from NJEDA in 2024 compared to 2023. Direct Office Support increased by \$67,925 due to an increase in staff salary and fringe compared to 2023.

Nonoperating Revenue

In 2024, nonoperating revenues increased by \$10,033,946 due the Authority receiving a higher appropriation from the Fiscal Year 2023-2024 New Jersey State Budget compared to 2022-2023 New Jersey State Budget.

Impact of Future Economic Events

In 2025, the Authority is anticipating the sale of approximately two parcels. After payments to the Army and Homeless Fund, the Authority estimates net sales revenue to be approximately \$110 thousand. A portion of the net proceeds from the sales of these parcels will be used to pay down the Working Capital Loan from NJEDA.

FINAL DRAFT

FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) YEAR ENDED DECEMBER 31, 2024

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.

FINAL DRAFT

FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY
(A COMPONENT OF THE STATE OF NEW JERSEY)
STATEMENTS OF NET POSITION
DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
CURRENT ASSETS		
Unrestricted Assets:		
Cash and Cash Equivalents	\$ 329,888	\$ 329,888
Other Receivables	1,490,035	472,581
Land - Held for Resale	36,678,810	38,159,231
Prepaid Assets - Future Land Conveyance	108,896	108,896
Prepaid Expenses	<u>175,929</u>	<u>181,561</u>
Total Unrestricted Assets	38,783,558	39,252,157
Restricted Assets:		
Cash - Economic Development Conveyance	4,982,586	4,274,767
Cash - Homeless Fund	2,260,825	2,109,485
Cash - Federal Funds	-	207,242
Cash - State Funds	23,077,087	9,669,229
Escrow Deposits - Property Sales	<u>8,658,500</u>	<u>8,766,269</u>
Total Restricted Assets	38,978,998	25,026,992
NONCURRENT ASSETS		
Other Receivables	-	1,176,140
Capital Assets, Net	<u>14,622</u>	<u>23,022</u>
Total Noncurrent Assets	<u>14,622</u>	<u>1,199,162</u>
 Total Assets	 <u><u>\$ 77,777,178</u></u>	 <u><u>\$ 65,478,311</u></u>

See accompanying Notes to Financial Statements.

FINAL DRAFT

FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY
(A COMPONENT OF THE STATE OF NEW JERSEY)
STATEMENTS OF NET POSITION (CONTINUED)
DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES		
Accounts Payable and Accrued Liabilities	\$ 532,039	\$ 522,311
Deposits - Property Sales	8,658,500	8,766,269
Land Conveyance Liabilities	9,728,099	10,255,741
Interest Payable	44,188	52,696
Working Capital Loan Payable	4,192,064	4,213,389
Unearned Revenue	-	365,684
Due to NJ Economic Development Authority	2,709,988	1,311,610
Total Current Liabilities	<u>25,864,878</u>	<u>25,487,700</u>
NONCURRENT LIABILITIES		
Direct Loan Payable	<u>14,504,966</u>	<u>15,231,579</u>
Total Noncurrent Liabilities	<u>14,504,966</u>	<u>15,231,579</u>
Total Liabilities	40,369,844	40,719,279
NET POSITION		
Investment in Capital Assets	14,622	23,022
Restricted	33,366,734	19,071,634
Unrestricted	<u>4,025,978</u>	<u>5,664,376</u>
Total Net Position	<u>37,407,334</u>	<u>24,759,032</u>
Total Liabilities and Net Position	<u><u>\$ 77,777,178</u></u>	<u><u>\$ 65,478,311</u></u>

See accompanying Notes to Financial Statements.

FINAL DRAFT

**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, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
OPERATING REVENUES		
Federal Grants	\$ 870,682	\$ 95,500
Gain on Sale of Land	1,350,230	-
Other	<u>2,114,901</u>	<u>1,207,427</u>
Total Operating Revenues	4,335,813	1,302,927
OPERATING EXPENSES		
Direct Office Support	1,390,919	1,322,994
General and Administrative	177,230	191,206
Homeless Fund	84,550	225,931
Program Costs	9,908,751	11,217,595
Interest Expense on Loan Payable	380,697	394,301
Working Capital Loan Fees	1,000	-
Depreciation	<u>8,400</u>	<u>52,678</u>
Total Operating Expenses	<u>11,951,547</u>	<u>13,404,705</u>
OPERATING LOSS	(7,615,734)	(12,101,778)
NONOPERATING REVENUE		
State Appropriation	20,000,000	10,000,000
Interest Income	264,036	228,968
Other	<u>-</u>	<u>1,122</u>
Total Nonoperating Revenue	<u>20,264,036</u>	<u>10,230,090</u>
CHANGE IN NET POSITION	12,648,302	(1,871,688)
Net Position - Beginning of Year	<u>24,759,032</u>	<u>26,630,720</u>
NET POSITION - END OF YEAR	<u><u>\$ 37,407,334</u></u>	<u><u>\$ 24,759,032</u></u>

See accompanying Notes to Financial Statements.

FINAL DRAFT

**FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY
(A COMPONENT OF THE STATE OF NEW JERSEY)
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Federal Grants	\$ 667,498	\$ (163,000)
Receipts from Customers and Users (Miscellaneous)	2,115,468	1,486,541
Payments for Personnel Services	-	(1,335,772)
Payments to Suppliers	(10,450,534)	(11,982,010)
Deposits Received	(107,769)	(285,299)
Deposits Returned	107,769	(7,292,939)
Proceeds from Property Sale	2,869,400	-
Payments to U.S. Army	(566,392)	-
Payments Related to Homeless Fund	(84,550)	(225,931)
Net Cash Used by Operating Activities	<u>(5,449,110)</u>	<u>(19,798,410)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Appropriation	20,000,000	10,000,000
Loan Payments of Working Capital Loan Payable	(21,325)	-
Working Capital Loan Fees	(1,000)	-
Loan Payments of Direct Loan Payable	(726,613)	-
Miscellaneous Nonoperating Income	-	1,122
Net Cash Provided by Noncapital Financing Activities	<u>19,251,062</u>	<u>10,001,122</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Income	<u>257,823</u>	<u>229,454</u>
Net Cash Provided by Investing Activities	<u>257,823</u>	<u>229,454</u>
NET INCREASE (DECREASE) IN CASH	14,059,775	(9,567,834)
Cash - Beginning of Year	<u>16,590,611</u>	<u>26,158,445</u>
CASH - END OF YEAR	<u><u>\$ 30,650,386</u></u>	<u><u>\$ 16,590,611</u></u>

See accompanying Notes to Financial Statements.

FINAL DRAFT

**FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY
(A COMPONENT OF THE STATE OF NEW JERSEY)
STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED DECEMBER 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
RECONCILIATION OF OPERATING GAIN (LOSS) TO NET CASH USED BY OPERATING ACTIVITIES:		
Operating Loss	\$ (7,615,734)	\$ (12,101,778)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:		
Depreciation Expense	8,400	52,678
Working Capital Loan Fees	1,000	-
Change in Assets and Liabilities:		
Other Receivables	164,899	(210,519)
Prepaid Expenses	5,632	(11,732)
Land - Held for Resale	1,480,421	-
Accounts Payable and Accrued Liabilities	9,728	(178,659)
Deposits - Property Sales	-	(7,578,238)
Land Conveyance Liabilities	(527,642)	-
Interest Payable	(8,508)	-
Unearned Revenue	(365,684)	254,000
Due to NJ Economic Development Authority	1,398,378	(24,162)
Net Cash Used by Operating Activities	<u><u>\$ (5,449,110)</u></u>	<u><u>\$ (19,798,410)</u></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, 2024 AND 2023**

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, 2024 and 2023, 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 \$2,260,825 and \$2,109,485 at December 31, 2024 and 2023, 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, 2024 AND 2023**

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, State Appropriations, and other miscellaneous income.

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.

**FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY
(A COMPONENT OF THE STATE OF NEW JERSEY)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents (Continued)

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.

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

**FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY
(A COMPONENT OF THE STATE OF NEW JERSEY)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases and Subscription-Based Information Technology Arrangements (SBITA)

The Authority's lease and SBITA contracts generally relate to land, buildings, various equipment, and information technology. 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 and SBITA contracts. For all other contracts where the Authority is the lessee, that meet the requirements of GASB 87 or 96 and were in excess of the minimum dollar threshold, the Authority will recognize a lease/contract liability and an intangible right to use asset based on the present value of the future lease/SBITA payments over the contracted term of the contract. The Authority uses its estimated incremental borrowing rate as the discount rate for leases and SBITA 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/SBITA, the present value is remeasured, and corresponding adjustments made. Payment based on future performance are not included in the measurement of the lease/SBITA 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, 2024 and 2023, the Authority maintained Government Advantage Interest Checking Accounts with a financial institution. Cash deposits in the checking accounts totaled \$31,531,904 and \$14,390,864, respectively.

Petty cash totaled \$1 as of December 31, 2024 and 2023, respectively.

Additionally, the Authority has an account with the State of New Jersey Cash Management Fund (NJCMF). Cash deposits in this account totaled \$134,409 at December 31, 2024 and \$127,683 at December 31, 2023. 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.

**FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY
(A COMPONENT OF THE STATE OF NEW JERSEY)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 2 CASH BALANCES (CONTINUED)

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 prorate 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, 2024 and 2023, the cash deposits totaled \$1,629,963 and \$1,510,193, respectively. In addition, the amount invested with the New Jersey Cash Management Fund totaled \$630,862 and \$599,292, 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, 2024 and 2023, the Authority's uncollateralized amounts in excess of federal depository insurance limits was \$33,427,138 and \$16,128,032, respectively.

NOTE 3 ESCROW DEPOSIT – PROPERTY SALE

At December 31, 2024, the Authority had escrow deposits of \$8,658,500 from third-party purchasers per the contracts to sell the Tinton Falls Commercial Parcel, Howard Commons, and the Mega Parcel. Escrow funds were on deposit with the attorney trust accounts.

At December 31, 2023, the Authority had escrow deposits of \$8,766,269 from third-party purchasers per the contracts to sell the Fabrication Shops, the Tinton Falls Commercial Parcel, Howards Commons, the Nurses Quarters, and the Mega Parcel. 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, 2024 AND 2023

NOTE 4 OTHER RECEIVABLES

At December 31, 2024 and 2023, included in other receivables – current was as follows:

	2024	2023
In-Kind Services	\$ 109,604	\$ 111,438
Utility and Property Maintenance	184,785	185,350
Interest Receivable	19,506	13,293
Squier Hall Parcel Sale	1,176,140	-
	-	162,500
	<u>\$ 1,490,035</u>	<u>\$ 472,581</u>

At December 31, 2024 and 2023, included in other receivables – noncurrent was as follows:

	2024	2023
Squier Hall Parcel Sale	<u>\$ -</u>	<u>\$ 1,176,140</u>

NOTE 5 CAPITAL ASSETS, NET

The following schedule detail changes in capital assets by major class that occurred during the year ended December 31, 2024:

	Balance December 31, 2023	Additions	Deletions	Transfers	Balance December 31, 2024
Capital Assets, Being Depreciated:					
Building Improvements	\$ 883,812	\$ -	\$ -	\$ -	\$ 883,812
Total Being Depreciated	883,812	-	-	-	883,812
Accumulated Depreciation:					
Building Improvements	860,790	8,400	-	-	869,190
Total Accumulated Depreciation	860,790	8,400	-	-	869,190
Total Capital Assets, Being Depreciated, Net	<u>\$ 23,022</u>	<u>\$ (8,400)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,622</u>

**FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY
(A COMPONENT OF THE STATE OF NEW JERSEY)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

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, 2023:

	Balance December 31, 2022	Additions	Deletions	Transfers	Balance December 31, 2023
Capital Assets, Being Depreciated:					
Building Improvements	\$ 883,812	\$ -	\$ -	\$ -	\$ 883,812
Total Being Depreciated	883,812	-	-	-	883,812
Accumulated Depreciation:					
Building Improvements	808,112	52,678	-	-	860,790
Total Accumulated Depreciation	808,112	52,678	-	-	860,790
Total Capital Assets, Being Depreciated, Net	<u>\$ 75,700</u>	<u>\$ (52,678)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,022</u>

Total depreciation expense for fiscal years 2024 and 2023 was \$8,400 and \$52,678, respectively.

NOTE 6 LAND – HELD FOR RESALE

At December 31, 2024 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, Parcel F-1 which sold in December 2022, the Fab Shop Parcel which sold in September 2024 and the County Woodlands Green Acre Parcel which sold in December 2024. The remaining Phase 1 properties were recorded at an estimated fair market value of \$19,330,772 and \$20,030,772 as of December 31, 2024 and 2023, 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, 2024 AND 2023**

NOTE 6 LAND – HELD FOR RESALE (CONTINUED)

At December 31, 2024 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, the Nurses Quarters Parcel which sold in June 2024 and the Phase 2 carve-outs discussed in Note 7. The remaining Phase 2 property was valued at cost which was \$17,348,038 and 18,128,459 as of December 31, 2024 and 2023, 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, 2024 and 2023.

NOTE 8 DEPOSITS – PROPERTY SALES

At December 31, 2024, the Authority held deposits aggregating \$8,658,500 for the initial payments under purchase and sale agreements for Howard Commons, the Tinton Falls Commercial Parcel and the Mega Parcel.

At December 31, 2023, the Authority held deposits aggregating \$8,766,269 for the initial payments under purchase and sale agreements for the Fabrication Shops, Howard Commons, the Tinton Falls Commercial Parcel, the Nurses Quarters, and the Mega Parcel.

**FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY
(A COMPONENT OF THE STATE OF NEW JERSEY)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 9 LAND CONVEYANCE LIABILITIES

In accordance with the Economic Development Conveyance Agreement, at December 31, 2024 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 \$9,728,099 and \$10,255,741 of land conveyance liabilities due to the United States Army at December 31, 2024 and 2023, respectively. The Authority has also recorded an aggregate of \$2,841,675 and \$2,972,033 of land conveyance assets due to the Homeless Fund at December 31, 2024 and 2023, 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 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.

Direct Loan payable activity for the year ended December 31, 2024 was as follows:

December 31, 2023	Additions	Reductions	December 31, 2024	Amounts Due Within One Year
<u>\$ 15,231,579</u>	<u>\$ -</u>	<u>\$ (726,613)</u>	<u>\$ 14,504,966</u>	<u>\$ -</u>

Direct Loan payable activity for the year ended December 31, 2023 was as follows:

December 31, 2022	Additions	Reductions	December 31, 2023	Amounts Due Within One Year
<u>\$ 15,231,579</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,231,579</u>	<u>\$ -</u>

Interest payable on the loan at December 31, 2024 and 2023 was \$24,981 and 26,232, respectively.

**FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY
(A COMPONENT OF THE STATE OF NEW JERSEY)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

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 2.00% 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. At their September 2024 Board meetings, the FMERA and NJEDA Boards authorized a six-month extension until April 1, 2025. 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, 2024 and 2023, the amount payable on the working capital loan was \$4,192,064 and \$4,213,389, respectively, and the interest payable was \$19,207 and \$26,464, respectively.

NOTE 12 DUE TO NJ ECONOMIC DEVELOPMENT AUTHORITY

The balances due to the NJ Economic Development Authority at December 31, 2024 and 2023 for direct office support were \$2,709,988 and \$1,311,610, respectively.

NOTE 13 ECONOMIC DEVELOPMENT CONVEYANCE (EDC) REVENUE AND EXPENDITURES

For the years ended December 31, 2024 and 2023, the Authority's EDC revenue was \$3,621,591 and \$1,407,869, respectively, and consisted of the following:

	2024	2023
Gain on Sale of Land	\$ 1,276,269	\$ -
Interest	230,421	199,320
Other	2,114,901	1,208,549
Total	<u>\$ 3,621,591</u>	<u>\$ 1,407,869</u>

For the years ended December 31, 2024 and 2023, the Authority's EDC expenditures were \$4,386,344 and \$4,038,322, respectively, and consisted of the following:

	2024	2023
Utility Construction	\$ 6,565	\$ -
Landscaping	78,614	43,840
Planning for/or the Marketing of the Property	4,301,165	3,994,482
Total	<u>\$ 4,386,344</u>	<u>\$ 4,038,322</u>

**FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY
(A COMPONENT OF THE STATE OF NEW JERSEY)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 14 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 15 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, 2024 AND 2023**

NOTE 15 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, 2024 AND 2023**

NOTE 15 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 16 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.

NOTE 17 SUBSEQUENT EVENTS

Sale of the County Woodlands Right of Way Parcel

In February 2025, the Authority closed on Phase 1 – the County Woodlands Right of Way Parcel per the terms of the purchase and sale and redevelopment agreement for \$1,783. Proceeds were distributed as follows: (1) \$1,123 to the Department of the Army, (2) NJEDA Working Capital Loan payment of \$330 and (3) \$330 to the Authority.

Working Capital Loan Maturity Date Extension

The Working Capital Loan from the NJEDA was to expire on April 1, 2025. Subsequently, FMERA and the NJEDA, under delegated authority, executed and an additional six-month extension to October 1, 2025.

FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY
(A COMPONENT OF THE STATE OF NEW JERSEY)
COMBINING SCHEDULE OF NET POSITION
DECEMBER 31, 2024
(SEE INDEPENDENT AUDITORS' REPORT)

	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	1,285,474	-	-	-	204,561	-	1,490,035
Interfund Receivable	-	-	-	57,609	-	(57,609)	-
Land - Held for Resale	33,837,135	-	-	-	2,841,675	-	36,678,810
Prepaid Assets - Future Land Conveyance	108,896	-	-	-	-	-	108,896
Prepaid Expenses	175,929	-	-	-	-	-	175,929
Total Unrestricted Current Assets	35,407,434	-	-	387,497	3,046,236	(57,609)	38,783,558
Restricted Assets:							
Cash - Economic Development Conveyance	4,982,586	-	-	-	-	-	4,982,586
Cash - Homeless Fund	-	-	-	-	2,260,825	-	2,260,825
Cash - State Funds	-	-	23,077,087	-	-	-	23,077,087
Sales	8,658,500	-	-	-	-	-	8,658,500
Total Restricted Assets	13,641,086	-	23,077,087	-	2,260,825	-	38,978,998
NONCURRENT ASSETS							
Capital Assets, Net	14,622	-	-	-	-	-	14,622
Total Noncurrent Assets	14,622	-	-	-	-	-	14,622
Total Assets	<u>\$ 49,063,142</u>	<u>\$ -</u>	<u>\$ 23,077,087</u>	<u>\$ 387,497</u>	<u>\$ 5,307,061</u>	<u>\$ (57,609)</u>	<u>\$ 77,777,178</u>
LIABILITIES AND NET POSITION							
CURRENT LIABILITIES							
Accounts Payable and Accrued Liabilities	\$ 398,766	\$ -	\$ 81,015	\$ 52,258	\$ -	\$ -	\$ 532,039
Interfund Payable	57,609	-	-	-	-	(57,609)	-
Deposits - Property Sales	8,658,500	-	-	-	-	-	8,658,500
Land Conveyance Liabilities	9,728,099	-	-	-	-	-	9,728,099
Interest Payable	44,188	-	-	-	-	-	44,188
Working Capital Loan Payable	4,192,064	-	-	-	-	-	4,192,064
Due to NJ Economic Development Authority	2,709,988	-	-	-	-	-	2,709,988
Total Current Liabilities	25,789,214	-	81,015	52,258	-	(57,609)	25,864,878
NONCURRENT LIABILITIES							
Direct Loan Payable	14,504,966	-	-	-	-	-	14,504,966
Total Noncurrent Liabilities	14,504,966	-	-	-	-	-	14,504,966
Total Liabilities	40,294,180	-	81,015	52,258	-	(57,609)	40,369,844
NET POSITION							
Investment in Capital Assets	14,622	-	-	-	-	-	14,622
Restricted	4,982,586	-	23,077,087	-	5,307,061	-	33,366,734
Unrestricted	3,771,754	-	(81,015)	335,239	-	-	4,025,978
Total Net Position	8,768,962	-	22,996,072	335,239	5,307,061	-	37,407,334
Total Liabilities and Net Position	<u>\$ 49,063,142</u>	<u>\$ -</u>	<u>\$ 23,077,087</u>	<u>\$ 387,497</u>	<u>\$ 5,307,061</u>	<u>\$ (57,609)</u>	<u>\$ 77,777,178</u>

FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY
(A COMPONENT OF THE STATE OF NEW JERSEY)
COMBINING SCHEDULE OF NET POSITION
DECEMBER 31, 2023
(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	-	310,081	162,500	-	-	-	-	472,581
Interfund Receivable	-	-	-	-	57,609	-	(57,609)	-
Land - Held for Resale	-	35,187,197	-	-	-	2,972,034	-	38,159,231
Prepaid Assets - Future Land Conveyance	-	108,896	-	-	-	-	-	108,896
Prepaid Expenses	-	181,561	-	-	-	-	-	181,561
Total Unrestricted								
Current Assets	-	35,787,735	162,500	-	387,497	2,972,034	(57,609)	39,252,157
Restricted Assets:								
Cash - Economic Development Conveyance	-	4,274,767	-	-	-	-	-	4,274,767
Cash - Homeless Fund	-	-	-	-	-	2,109,485	-	2,109,485
Cash - Federal Funds	-	-	207,242	-	-	-	-	207,242
Cash - State Funds	-	-	-	9,669,229	-	-	-	9,669,229
Escrow Deposit - Property Sales	-	8,766,269	-	-	-	-	-	8,766,269
Total Restricted Assets	-	13,041,036	207,242	9,669,229	-	2,109,485	-	25,026,992
NONCURRENT ASSETS								
Other Receivables	-	971,579	-	-	-	204,561	-	1,176,140
Capital Assets, Net	-	23,022	-	-	-	-	-	23,022
Total Noncurrent Assets	-	994,601	-	-	-	204,561	-	1,199,162
Total Assets	\$ -	\$ 49,823,372	\$ 369,742	\$ 9,669,229	\$ 387,497	\$ 5,286,080	\$ (57,609)	\$ 65,478,311
LIABILITIES AND NET POSITION								
CURRENT LIABILITIES								
Accounts Payable and Accrued Liabilities	\$ -	\$ 392,364	\$ -	\$ 70,231	\$ 59,716	\$ -	\$ -	\$ 522,311
Interfund Payable	-	57,609	-	-	-	-	(57,609)	-
Deposits - Property Sales	-	8,766,269	-	-	-	-	-	8,766,269
Land Conveyance Liabilities	-	10,255,741	-	-	-	-	-	10,255,741
Interest Payable	-	52,696	-	-	-	-	-	52,696
Working Capital Loan Payable	-	4,213,389	-	-	-	-	-	4,213,389
Unearned Revenue	-	-	365,684	-	-	-	-	365,684
Due to NJ Economic Development Authority	-	1,311,610	-	-	-	-	-	1,311,610
Total Current Liabilities	-	25,049,678	365,684	70,231	59,716	-	(57,609)	25,487,700
NONCURRENT LIABILITIES								
Direct Loan Payable	-	15,231,579	-	-	-	-	-	15,231,579
Total Noncurrent Liabilities	-	15,231,579	-	-	-	-	-	15,231,579
Total Liabilities	-	40,281,257	365,684	70,231	59,716	-	(57,609)	40,719,279
NET POSITION								
Investment in Capital Assets	-	23,022	-	-	-	-	-	23,022
Restricted	-	4,274,767	(158,442)	9,669,229	-	5,286,080	-	19,071,634
Unrestricted	-	5,244,326	162,500	(70,231)	327,781	-	-	5,664,376
Total Net Position	-	9,542,115	4,058	9,598,998	327,781	5,286,080	-	24,759,032
Total Liabilities and Net Position	\$ -	\$ 49,823,372	\$ 369,742	\$ 9,669,229	\$ 387,497	\$ 5,286,080	\$ (57,609)	\$ 65,478,311

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, 2024
(SEE INDEPENDENT AUDITORS' REPORT)

	Economic Development Conveyance	Federal Grant	State Appropriation	Other	Homeless Fund	Total
OPERATING REVENUES						
Federal Grants	\$ -	\$ 870,682	\$ -	\$ -	\$ -	\$ 870,682
Gain on Sale of Land	1,276,269	-	-	-	73,961	1,350,230
Other	2,114,901	-	-	-	-	2,114,901
Total Operating Revenues	3,391,170	870,682	-	-	73,961	4,335,813
OPERATING EXPENSES						
Direct Office Support	1,398,377	-	-	(7,458)	-	1,390,919
General and Administrative	177,230	-	-	-	-	177,230
Homeless Fund	-	-	-	-	84,550	84,550
Program Costs	2,429,040	876,785	6,602,926	-	-	9,908,751
Interest Expense on Loan Payable	380,697	-	-	-	-	380,697
Working Capital Loan Fees	1,000	-	-	-	-	1,000
Depreciation	8,400	-	-	-	-	8,400
Total Operating Expenses	4,394,744	876,785	6,602,926	(7,458)	84,550	11,951,547
OPERATING GAIN (LOSS)	(1,003,574)	(6,103)	(6,602,926)	7,458	(10,589)	(7,615,734)
NONOPERATING REVENUE						
State Appropriation	-	-	20,000,000	-	-	20,000,000
Interest Income	230,421	2,045	-	-	31,570	264,036
Other	-	-	-	-	-	-
Total Nonoperating Revenue	230,421	2,045	20,000,000	-	31,570	20,264,036
CHANGE IN NET POSITION	(773,153)	(4,058)	13,397,074	7,458	20,981	12,648,302
Net Position - Beginning of Year	9,542,115	4,058	9,598,998	327,781	5,286,080	24,759,032
NET POSITION - END OF YEAR	<u>\$ 8,768,962</u>	<u>\$ -</u>	<u>\$ 22,996,072</u>	<u>\$ 335,239</u>	<u>\$ 5,307,061</u>	<u>\$ 37,407,334</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, 2023
(SEE INDEPENDENT AUDITORS' REPORT)

	OEA Grant and Matching	Economic Development Conveyance	Federal Grant	State Appropriation	Other	Homeless Fund	Total
OPERATING REVENUES							
Federal Grants	\$ -	\$ -	\$ 95,500	\$ -	\$ -	\$ -	\$ 95,500
Other	-	1,207,427	-	-	-	-	1,207,427
Total Operating Revenues	-	1,207,427	95,500	-	-	-	1,302,927
OPERATING EXPENSES							
Direct Office Support	-	1,311,611	-	-	11,383	-	1,322,994
General and Administrative	-	191,206	-	-	-	-	191,206
Homeless Fund	-	-	-	-	-	225,931	225,931
Program Costs	-	2,141,204	95,500	8,980,891	-	-	11,217,595
Interest Expense on Loan Payable	-	394,301	-	-	-	-	394,301
Depreciation	22,065	30,613	-	-	-	-	52,678
Total Operating Expenses	22,065	4,068,935	95,500	8,980,891	11,383	225,931	13,404,705
OPERATING LOSS	(22,065)	(2,861,508)	-	(8,980,891)	(11,383)	(225,931)	(12,101,778)
NONOPERATING REVENUE							
State Appropriation	-	-	-	10,000,000	-	-	10,000,000
Interest Income	-	199,320	818	-	-	28,830	228,968
Other	-	1,122	-	-	-	-	1,122
Total Nonoperating Revenue	-	200,442	818	10,000,000	-	28,830	10,230,090
CHANGE IN NET POSITION	(22,065)	(2,661,066)	818	1,019,109	(11,383)	(197,101)	(1,871,688)
Net Position - Beginning of Year	22,065	12,203,181	3,240	8,579,889	339,164	5,483,181	26,630,720
NET POSITION - END OF YEAR	\$ -	\$ 9,542,115	\$ 4,058	\$ 9,598,998	\$ 327,781	\$ 5,286,080	\$ 24,759,032

FINAL DRAFT

**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, 2024
(SEE INDEPENDENT AUDITORS' REPORT)**

	<u>Economic Development Conveyance</u>
Equipment	\$ 10,392
Insurance	61,298
Office Maintenance and Utilities	70,683
Legal Notices	598
Office Supplies and Postage	17,438
Communication	8,456
Travel	6,065
Marketing	<u>2,300</u>
Total	<u><u>\$ 177,230</u></u>

**FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY
(A COMPONENT OF THE STATE OF NEW JERSEY)
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2024**

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	\$ 876,786	\$ 876,786
Total U.S. Department of Treasury			876,786	876,786
Total Expenditures of Federal Awards			\$ 876,786	\$ 876,786

**FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY
(A COMPONENT OF THE STATE OF NEW JERSEY)
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2024**

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 (GAAP) 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, 2024, 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 REPORT DATE.

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.

FINAL DRAFT

Audit Committee and Management
Fort Monmouth Economic Revitalization Authority

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
REPORT DATE

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, 2024. 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, 2024.

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.

FINAL DRAFT

Audit Committee and Management
Fort Monmouth Economic Revitalization Authority

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.

FINAL DRAFT

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

King of Prussia, Pennsylvania
REPORT DATE

**FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY
(A COMPONENT OF THE STATE OF NEW JERSEY)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2024**

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 | _____ <u>x</u> no |
| • Significant deficiency(ies) identified? | _____ yes | _____ <u>x</u> none reported |
| 3. Noncompliance material to financial statements noted? | _____ yes | _____ <u>x</u> no |

Federal Awards

- | | | |
|---|------------|------------------------------|
| 1. Internal control over major federal programs: | | |
| • Material weakness(es) identified? | _____ yes | _____ <u>x</u> no |
| • Significant deficiency(ies) identified? | _____ yes | _____ <u>x</u> 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 | _____ <u>x</u> 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?

_____ yes _____ x 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, 2024

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).

Certifications Pursuant to Executive Order 37

May 21, 2025

In accordance with Executive Order No. 37, the Fort Monmouth Economic Revitalization Authority's 2023 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 May 21, 2025, 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, 2024.

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, 2024.

Jennifer Lepore
Accounting Manager

Resolution Regarding
First Amendment to the Interagency Agreement between FMERA and the Borough of Eatontown
to contract for the construction funding and oversight of the bid process to complete the
Nicodemus Avenue and Wilson (South) Avenue Roadway Reconstruction Project.

WHEREAS, the Fort Monmouth Economic Revitalization Authority (FMERA) is working with the Borough of Eatontown to improve access to properties in the Main Post area.

WHEREAS, Nicodemus and Wilson (South) Avenues are located on the Main Post of Fort Monmouth within Eatontown. Wilson (South) and the majority of Nicodemus Avenues are owned by FMERA. However, a portion of Nicodemus Avenue extending from the existing Nicodemus gate to Broad Street is owned by the Borough of Eatontown; and

WHEREAS, on May 7, 2024, FMERA and the Borough of Eatontown entered into a Memorandum of Understanding ("MOU") to contract to study, map and recommend repair and/or replacement of portions of Nicodemus and Wilson (South) Avenues and associated improvements including roadways, sidewalks, curbing, street lighting, and stormwater infrastructure, including pipes, manholes, catch basins, and outfall structures to support FMERA's redevelopment of the Main Post Property and to transfer portions of Nicodemus and Wilson (South) Avenues to the Borough, as well as prepare bidding documents to make all necessary repairs and replacements. The Borough secured the Borough's Special Projects Engineer ARH Associates ("ARH") to provide oversight and to bid services to complete the Project; and

WHEREAS, in November 2024, ARH provided FMERA with the final design and bid specifications for the Project; and

WHEREAS, on January 22, 2025, FMERA and the Borough of Eatontown entered into a MOU for ARH to provide oversight and to bid services to complete the Nicodemus Avenue and Wilson (South) Avenue Roadway Reconstruction Project located in the Eatontown section of Fort Monmouth; and

WHEREAS, the Project will include the improvement and restoration of the roadways to municipal standards and incorporate milling/paving on portions of Nicodemus and Wilson (South) Avenues, installation of sidewalk and curb ramps, installation of streetlights (as required), relocation of utility poles (as required), replacement of stormwater infrastructure, installation of traffic signage and striping (as required) and narrowing of portions of Nicodemus and Wilson (South) Avenues; and

WHEREAS, a portion of Nicodemus Avenue is owned by the Borough of Eatontown and will also be improved as a part of the Project. The Borough will reimburse FMERA for all costs associated with the improvements on the Borough-owned portion of the Project Site. The Project shall be completed no later than one (1) year from execution of the January 22, 2025 MOU; and

WHEREAS, the cost for the Project was estimated to be Eight Hundred Seventy Thousand Nine Hundred Forty (\$870,488.30) Dollars ("Project Funds") 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. In the event the amount due to the Borough's special project engineer for the work described within the MOU was expected to be greater than \$870,488.30, the Borough was required to notify FMERA that additional Project Funds are required. Any increase in costs beyond this amount plus the 10% delegated authority to the Executive Director for unforeseen costs is subject to FMERA's Board approval; and

WHEREAS, on May 14, 2025, ARH received nine (9) bids for construction and improvement of related roadways, sidewalks, curbing, and stormwater infrastructure pipes, manholes, catch basins, and outfall structures to support FMERA's redevelopment of the Main Post Property and to transfer portions of Nicodemus and Wilson (South) Avenues to the Borough. The lowest compliant bidder, L&L Paving bid \$1,291,000.00 for the combined base bid and the alternate bid for the project; and

WHEREAS, the total costs of the bid along with ARH's oversight fees exceed the Project Funds of Eight Hundred Seventy Thousand Four Hundred Eighty-Eight Dollars and Thirty-Three Cents (\$870,488.33) as well as the Executive Director's delegated authority to increase the costs by 10 percent for unforeseen costs. The additional costs were attributed to supply chain issues due to recent tariff increases, the inclusion of additional necessary Borough improvements and stormwater infrastructure replacement; and

WHEREAS, the Parties now wish to enter into this amendment to increase the Project Funds to allow the acceptance of the lowest compliant bid to complete the Nicodemus and Wilson (South) Avenues Roadway Reconstruction Project. FMERA shall pay the costs of the Project, not to exceed One Million Three Hundred Forty-One Thousand (\$1,341,000.00) Dollars, which includes the overall bid cost, plus ARH's construction oversight and inspection costs. In addition, staff requests delegated authority to FMERA's Executive Director to increase the cost by an amount not to exceed 10% for unforeseen costs associated with the Project. The cost breakdown for FMERA and Eatontown's respective revised financial responsibilities is attached as an exhibit to the First Amendment; and

WHEREAS, the attached amended MOU is in substantially final form. The final terms of the amended MOU will be subject to the approval of the Executive Director, the Borough of Eatontown and a review as to form by the Attorney General's Office. On May 16, 2025, the Real Estate Committee reviewed the request and recommends it to the Board for approval.

THEREFORE, BE IT RESOLVED THAT:

1. The Authority approves 1) the First Amendment to the Interagency Agreement between FMERA and the Borough of Eatontown for the construction funding, oversight of the bid process to complete the Nicodemus Avenue and Wilson Avenue Roadway Reconstruction Project for the transfer of portions of Nicodemus and Wilson (South) Avenues to Eatontown located within the Borough of Eatontown and (2) the 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.

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: May 21, 2025

EXHIBIT 2

MEMORANDUM

TO: Members of the Board

FROM: Kara Kopach
Executive Director

RE: Approval of the First Amendment to the Interagency Agreement between FMERA and the Borough of Eatontown to contract for the construction funding and oversight of the bid process to complete the Nicodemus Avenue and Wilson (South) Avenue Roadway Reconstruction Project.

DATE: May 21, 2025

Request

I am requesting that the Board approve (1) the First Amendment to the interagency agreement between FMERA and the Borough of Eatontown (“Borough”) for the construction funding, oversight of the bid process to complete the Nicodemus Avenue and Wilson (South) Avenue Roadway Reconstruction Project for the transfer of portions of Nicodemus and Wilson (South) Avenues to Eatontown (the “Project”) located within the Borough of Eatontown and (2) the 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.

Background

On May 7, 2024, FMERA and the Borough of Eatontown entered into a Memorandum of Understanding (the “MOU”) to contract to study, map and recommend repair and/or replacement of portions of Nicodemus and Wilson (South) Avenues and associated improvements including roadways, sidewalks, curbing, street lighting, and stormwater infrastructure, including pipes, manholes, catch basins, and outfall structures to support FMERA’s redevelopment of the Main Post Property and to transfer portions of Nicodemus and Wilson (South) Avenues to the Borough, as well as prepare bidding documents to make all necessary repairs and replacements. The Borough secured the Borough’s Special Projects Engineer, ARH Associates (“ARH”), to provide oversight and to bid services to complete the Project.

In November 2024, ARH provided FMERA with the final design and bid specifications for the Project.

On January 22, 2025, FMERA and the Borough of Eatontown entered into a MOU for ARH to provide oversight and to bid services to complete the Nicodemus Avenue and Wilson (South) Avenue Roadway Reconstruction Project located in the Eatontown section of Fort Monmouth.

Construction Services MOU

The Project will include the improvement and restoration of the roadways to municipal standards and incorporate milling/paving on portions of Nicodemus and Wilson (South) Avenues, installation of sidewalk and curb ramps, installation of streetlights (as required), relocation of utility poles (as required), replacement of stormwater infrastructure, installation of traffic signage and striping (as required) and narrowing of portions of Nicodemus and Wilson (South) Avenues. A portion of Nicodemus Avenue is owned by the Borough of Eatontown and will also be improved as a part of the Project. The Borough will reimburse FMERA for all costs associated with the improvements on the Borough-owned portion of the Project Site. The Project shall be completed no later than one (1) year from execution of the January 22, 2025 MOU.



The cost for the Project was estimated to be Eight Hundred Seventy Thousand Nine Hundred Forty (\$870,488.30) Dollars ("Project Funds") 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. In the event the amount due to the Borough's special project engineer for the work described within the MOU was expected to be greater than \$870,488.30, the Borough was required to notify FMERA that additional Project Funds are required. Any increase in costs beyond this amount plus the 10% delegated authority to the Executive Director for unforeseen costs is subject to FMERA's Board approval.

On May 14, 2025, ARH received nine (9) bids for construction and improvement of related roadways, sidewalks, curbing, and stormwater infrastructure pipes, manholes, catch basins, and outfall structures to support FMERA's redevelopment of the Main Post Property and to transfer portions of Nicodemus and Wilson (South) Avenues to the Borough. The lowest compliant bidder, L&L Paving, bid \$1,291,000.00 for the Project. That Project bid includes a base bid as well as an alternate bid.

The total costs of the bid along with ARH's oversight fees exceed the Project Funds of Eight Hundred Seventy Thousand Four Hundred Eighty-Eight Dollars and Thirty-Three Cents (\$870,488.33) as well as the Executive Director's delegated authority to increase the costs by 10 percent for unforeseen costs. The additional costs were attributed to supply chain issues due to recent tariff increases, the inclusion of additional necessary Borough improvements and stormwater infrastructure replacement.

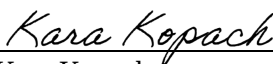
First Amendment to Construction Services MOU

The Parties now wish to enter into this amendment to increase the Project Funds to allow the acceptance of the lowest compliant bid to complete the Nicodemus and Wilson (South) Avenues Roadway Reconstruction Project. FMERA shall pay the costs of the Project, not to exceed One Million Three Hundred Forty-One Thousand (\$1,341,000.00) Dollars, which includes the overall bid cost (\$1,291,000), plus ARH's construction oversight and inspection costs (\$50,000). In addition, staff requests delegated authority to FMERA's Executive Director to increase the cost by an amount not to exceed 10% for unforeseen costs associated with the Project. The cost breakdown for FMERA and Eatontown's respective revised financial responsibilities is attached as Exhibit G to the First Amendment.

The attached amendment to the MOU is in substantially final form. The final terms of the amended MOU will be subject to the approval of the Executive Director, approval by the Borough of Eatontown, and a review as to form by the Attorney General's Office. On May 16, 2025, the Real Estate Committee reviewed the request and recommends it to the Board for approval.

Recommendation

In summary, I am requesting that the Board approve (1) the First Amendment to the Interagency Agreement between FMERA and the Borough of Eatontown for the construction funding, oversight of the bid process to complete the Nicodemus Avenue and Wilson Avenue Roadway Reconstruction Project for the transfer of portions of Nicodemus and Wilson (South) Avenues to Eatontown located within the Borough of Eatontown and (2) the 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.


Kara Kopach

Attachment: First Amendment to the Memorandum of Understanding
Prepared by: Regina McGrade

**Resolution Regarding
Purchase and Sale Agreement and Redevelopment Agreement with HABcore, Inc. and Third Administrative
Letter with HABcore for a 1+/-Acre Parcel in Oceanport**

WHEREAS, in September 2008, the Fort Monmouth Economic Revitalization Planning Authority (“FMERPA”) submitted a Homeless Assistance Submission (“HAS”), along with the Fort Monmouth Reuse and Redevelopment Plan (the “Reuse Plan”), to the U.S. Department of Housing and Urban Development (“HUD”) which included a Legally Binding Agreement (“LBA”) (Exhibit b15) providing for Designated Homeless Service Facilities, located in the Oceanport section of the Fort. The HAS was subsequently approved by HUD in 2010; and

WHEREAS, the LBA was entered into between FMERPA and the Affordable Housing Alliance (“AHA”) in September 2010 and executed on June 19, 2020. Under Section Two (c) of the LBA, HABcore was to operate Building 270 as a sixteen (16) unit Single Room Occupancy (“SRO”) facility serving Homeless Persons and fulfill its obligation to provide support services to their clients. Additional details can be found within the LBA and the supplemental Administrative Letters; and

WHEREAS, under the First Administrative Letter dated May 2020, FMERPA and AHA mutually agreed to amend the LBA as a result of changes to HUD’s regulations. In furtherance of ensuring the operation of the Designated Homeless Service Facilities were in conformance with HUD’s existing regulations, FMERPA and AHA agreed to remove all references to and obligations imposed upon the Cooperating Providers identified in the LBA as well as limiting AHA’s coordination to those connected to HABcore and with the expectation that any obligations would be addressed in a later Administrative Letter. More specifically, Building 270, which was targeted for HABcore’s adaptive reuse for sixteen (16) SRO units, was identified as no longer available and a new location would need to be identified for the SRO Facility. The remainder of the First Administrative Letter addressed New Units at Parcel C; and

WHEREAS; the Second Administrative Letter is unrelated to HABcore and addresses New Units at the Howard Commons property; and

WHEREAS, FMERPA, HABcore, and AHA (the “Parties”) have negotiated final terms of a Third Administrative Letter. The terms of these documents are intended to satisfy FMERPA’s obligations under the HAS and the LBA; and

WHEREAS, the Third Administrative Letter is to supplement certain general provisions in the LBA in order to assist all Parties in the implementation thereof. The terms of the LBA are incorporated into the Third Administrative Letter by reference; and

WHEREAS, the Parties have agreed on an alternative location for the SRO Facility outside of Building 270. The identified alternative property is an approximately 1.0-acre parcel fronting on Oceanport Way (the substitute parcel or “Property”) in the Oceanport section of the former Fort, as further described in the attached PSARA; and

WHEREAS, FMERPA arranged for appraisals of Building 270 by two (2) real estate appraisal firms. The average of the two appraisals was \$282,500. A third appraisal valued the net value of the substitute parcel at \$48,000. Subtracting the value of the substitute parcel (\$48,000) from the average of the Building 270 appraisals (\$282,500) equals \$234,500. Therefore, FMERPA shall provide an approximate 1 acre of property plus contribute Reimbursement Payments to HABcore from FMERPA’s Homeless Fund for a maximum of \$234,500 to equal the value of the originally identified SRO location. The repayment terms are further described in the Third Administrative Letter and the PSARA; and

WHEREAS, the PSARA calls for FMERPA to convey an approximately 1+/- acre parcel to HABcore in exchange for \$1.00 plus the satisfaction of the covenants and obligations set forth in the LBA, as supplemented by the Administrative Letters. HABcore will construct the Project, which consists of demolishing the existing improvements and then constructing twenty-five (25) permanent, SRO affordable housing units, consisting of sixteen (16) SRO units servicing homeless persons who meet the definition of “Homeless Persons” as set forth in the McKinney-Vento Act (42 U.S.C. Sec 11301 et seq. (“Homeless Persons”) and nine (9) SRO units targeting veterans. Each unit is to include a private bathroom and kitchenette; and

WHEREAS, the Project may also include additional community space as well as administrative office space. HABcore will have a six (6) month Due Diligence Period and an eighteen (18) month Approval Period to complete investigations of the Property and secure all approvals or may choose to waive these approvals in order to close on the Property. HABcore will commence construction within sixty (60) days after Closing and complete construction of the Project no later than twenty-four (24) months from commencement. HABcore will invest approximately Five Million (\$5,000,000) Dollars in the Project and create two (2) part-time and two (2) full-time equivalent jobs at the Property within twelve (12) months of Completion of the Project; and

WHEREAS, the attached PSARA and Third Administrative Letter are in substantially final form. The final terms of the documents will be subject to the approval of FMERA's Executive Director and as to form by the Attorney General's Office. The Real Estate Committee has reviewed the request and recommends it to the Board for approval.

THEREFORE, BE IT RESOLVED THAT:

1. The Authority approves a Purchase and Sale Agreement and Redevelopment Agreement with HABcore, Inc. for a 1-acre parcel in the Oceanport section of Fort Monmouth in support of the organization's efforts to provide Homeless Support Services on Fort Monmouth on the terms substantially consistent to those set forth in the attached memorandum 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: May 21, 2025

EXHIBIT 3

MEMORANDUM

TO: Members of the Board

FROM: Kara Kopach
Executive Director

DATE: May 21, 2025

RE: Purchase and Sale Agreement and Redevelopment Agreement with HABcore, Inc. and Third Administrative Letter with HABcore for a 1+/-Acre Parcel in Oceanport

Summary

I am requesting that the Board approve a Purchase and Sale Agreement and Redevelopment Agreement (“PSARA”) with HABcore, Inc. (“HABcore”) for an approximately 1-acre parcel in the Oceanport section of Fort Monmouth in support of the provision of homeless support services at the former Fort Monmouth.

Background

In September 2008, the Fort Monmouth Economic Revitalization Planning Authority (“FMERPA”) submitted a Homeless Assistance Submission (“HAS”), along with the Fort Monmouth Reuse and Redevelopment Plan (the “Reuse Plan”), to the U.S. Department of Housing and Urban Development (“HUD”) which included a Legally Binding Agreement (“LBA”) (Exhibit b15) providing for Designated Homeless Service Facilities, located in the Oceanport section of the Fort. The HAS was subsequently approved by HUD in 2010.

Legally Binding Agreement for Homeless Provider Services

The LBA was entered into between FMERPA and the Affordable Housing Alliance (“AHA”) in September 2010 and executed on June 19, 2020. Under Section Two (c) of the LBA, HABcore was to operate Building 270 as a sixteen (16) unit Single Room Occupancy (“SRO”) facility serving Homeless Persons and fulfill its obligation to provide support services to their clients. Additional details can be found within the LBA and the supplemental Administrative Letters.

First & Second Administrative Letters

Under the First Administrative Letter dated May 2020, FMERPA and AHA mutually agreed to amend the LBA as a result of changes to HUD’s regulations. In furtherance of ensuring the operation of the Designated Homeless Service Facilities were in conformance with HUD’s existing regulations, FMERPA and AHA agreed to remove all references to and obligations imposed upon the Cooperating Providers identified in the LBA as well as limiting AHA’s coordination to those connected to HABcore and with the expectation that any obligations would be addressed in a later Administrative Letter. More specifically, Building 270, which was targeted for HABcore’s adaptive reuse for sixteen (16) SRO units, was identified as no longer available and a new location would need to be identified for the SRO Facility. The remainder of the First Administrative Letter addressed New Units at Parcel C.

The Second Administrative Letter is unrelated to HABcore and addresses New Units at the Howard Commons property.



Third Administrative Letter

FMERA, HABcore, and AHA (the “Parties”) have negotiated final terms of a Third Administrative Letter. The terms of these documents are intended to satisfy FMERA’s obligations under the HAS and the LBA.

The Third Administrative Letter is to supplement certain general provisions in the LBA in order to assist all Parties in the implementation thereof. The terms of the LBA are incorporated into the Third Administrative Letter by reference.

The Parties have agreed on an alternative location for the SRO Facility outside of Building 270. The identified alternative property is an approximately 1.0-acre parcel fronting on Oceanport Way (the substitute parcel or “Property”) in the Oceanport section of the former Fort, as further described in the attached PSARA.

FMERA arranged for appraisals of Building 270 by two (2) real estate appraisal firms. The average of the two appraisals was \$282,500. A third appraisal valued the net value of the substitute parcel at \$48,000. Subtracting the value of the substitute parcel (\$48,000) from the average of the Building 270 appraisals (\$282,500) equals \$234,500. Therefore, FMERA shall provide an approximate 1 acre of property plus contribute Reimbursement Payments to HABcore from FMERA’s Homeless Fund for a maximum of \$234,500 to equal the value of the originally identified SRO location. The repayment terms are further described in the Third Administrative Letter and the PSARA.

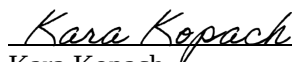
Purchase and Sale Agreement and Redevelopment Agreement

The PSARA calls for FMERA to convey an approximately 1+/- acre parcel to HABcore in exchange for \$1.00 plus the satisfaction of the covenants and obligations set forth in the LBA, as supplemented by the Administrative Letters. HABcore will construct the Project, which consists of demolishing the existing improvements and then constructing twenty-five (25) permanent, SRO affordable housing units, consisting of sixteen (16) SRO units servicing homeless persons who meet the definition of “Homeless Persons” as set forth in the McKinney-Vento Act (42 U.S.C. Sec 11301 et seq. (“Homeless Persons”) and nine (9) SRO units targeting veterans. Each unit is to include a private bathroom and kitchenette. The Project may also include additional community space as well as administrative office space. HABcore will have a six (6) month Due Diligence Period and an eighteen (18) month Approval Period to complete investigations of the Property and secure all approvals or may choose to waive these approvals in order to close on the Property. HABcore will commence construction within sixty (60) days after Closing and complete construction of the Project no later than twenty-four (24) months from commencement. HABcore will invest approximately Five Million (\$5,000,000) Dollars in the Project and create two (2) part-time and two (2) full-time equivalent jobs at the Property within twelve (12) months of Completion of the Project.

The attached PSARA and Third Administrative Letter are in substantially final form. The final terms of the documents are subject to the approval of FMERA’s Executive Director and as to form by the Attorney General’s Office. The Real Estate Committee has reviewed the request and recommends it to the Board for approval.

Recommendation

In summary, I am requesting that the Board approve a Purchase and Sale Agreement and Redevelopment Agreement with HABcore, Inc. for a 1-acre parcel in the Oceanport section of Fort Monmouth in support of the organization’s efforts to provide Homeless Support Services on Fort Monmouth.


Kara Kopach

Attachments: PSARA
Third Administrative Letter
Prepared by: Sarah Giberson

**Resolution Regarding
Fifth Amendment to the Purchase and Sale Agreement & Redevelopment Agreement with Netflix, Inc. for the
Mega Parcel in Eatontown and Oceanport**

WHEREAS, on January 13, 2023, FMERA and Netflix executed a PSARA for the Mega Parcel (the “Property”) an approximately 292± acre parcel) of land containing former residential, administrative and R&D buildings, warehouses, workshops and additional general-purpose facilities in the Boroughs of Eatontown and Oceanport, within the Main Post section of Fort Monmouth. The Mega Parcel is conveniently located adjacent to State Route 35, providing easy access to the Garden State Parkway, Route 18, NJ Transit Bus Lines & adjacent to County Route 11 (Oceanport Avenue), which provides direct access to the Little Silver NJ Transit Train Station. The westernmost 51.1 acres of the Mega Parcel lie within the Phase 1 area of Fort Monmouth, which requires profit sharing with the U.S. Department of the Army. The remaining Mega Parcel acreage lies within the Phase 2 area of Fort Monmouth; and

WHEREAS, pursuant to the terms of the PSARA, Netflix will pay Forty-Seven Million Dollars for the Mega Parcel. Additionally, Netflix has agreed to pay a utility contribution of Five Million Dollars, and the FMERA office relocation fee of Three Million Dollars. The Total Amount due at Closing shall be Fifty-Five Million Dollars, subject to any adjustment relative to the Environmental Carve-Out Holdback. Netflix’s total Capital Investment is estimated at Eight Hundred and Forty-Eight Million Dollars which shall be allocated between Phase 1 representing Eight Hundred Six Million Dollars of investment and Phase 2 representing Forty-Two Million Dollars of investment in furtherance of the Redevelopment Project; and

WHEREAS, the Due Diligence Period will run for ninety days from the PSARA execution date and may be extended under the Executive Director’s delegated authority for two additional thirty-day periods to complete the due diligence tests, inspections, and reviews; and

WHEREAS; FMERA granted Purchaser’s request for the Second Due Diligence Period Extension on April 28, 2023, as permitted under the terms of the PSARA, and the FMERA Board approved the request for a Third and Fourth Due Diligence Extension Period in the First Amendment to the PSARA on May 17, 2023. The First Amendment was executed on June 6, 2023; and

WHEREAS, Purchaser requested and the FMERA Board approved the Second Amendment to the PSARA, executed on October 11, 2023, extending Purchaser’s right to terminate the Agreement and receive a refund of the Second Deposit should the Parties be unable to mutually agree upon the terms of the Wilson Avenue Agreement prior to the first day of the Approval Period subject to those terms expressly set forth therein; and

WHEREAS, on February 21, 2024, the FMERA Board approved Netflix’s request to a) amend the Project Phases to reflect Phase 1(a), Phase 1(b) and Phase 2, b) provide a definition of a “Twin Soundstage” and c) make the Second Deposit refundable should Purchaser not have executed the Wilson Avenue Agreement, in a form and substance reasonably acceptable to Purchaser, by May 31, 2024. The Third Amendment was executed on March 19, 2024; and

WHEREAS, on September 18, 2024, the FMERA Board approved Netflix’s request to a) commence limited renovation work within Vail Hall, b) add Section 7(g) to the PSARA to permit abatement and demolition work pre-closing and c) remove Sections 47(h)(ii) and 47(h)(v) and replace Section 47(h)(iv) Property Maintenance Costs, as further described in the Amendment. The Fourth Amendment was executed on October 10, 2024; and

WHEREAS, on March 5, 2025, Purchaser requested to amend the description of Phase 1(b), as described under the Third Amendment, and further requested that Phase 2 be bifurcated into two (2) subphases, to be referred to as Phase 2(a) and Phase 2(b). As reflected in the exhibits to the attached Fifth Amendment, Phase 1(b) is to include the Whale Parcel, Vail Hall, Tech A Parcel, and Tech B Parcel. Phase 2(a) is to include the 400 Area and Phase 2(b) is to include Greely Field and Cowan Park; and

WHEREAS, additionally, Purchaser indicated that as a part of site plan review, the County of Monmouth has required the realignment of the intersection between Nicodemus Avenue in the Borough of Oceanport and County Route 537, aka Avenue of Memories, to address public safety concerns. As Nicodemus Avenue is currently owned by FMERA, Purchaser requested that FMERA facilitate the roadway improvements and adjacent sidewalk installation in collaboration with the Borough of Oceanport and the County of Monmouth. Subject to FMERA Board approval, FMERA will undertake this intersection improvement, provided that Purchaser shall agree to reimburse FMERA for all costs incurred to design and construct the related sidewalk improvements; and

WHEREAS, additional provisions have been added a) with respect to cooperation with the Department of Community Affairs (“DCA”) regarding DCA Cited Buildings and b) the number of Environmental Carve-outs on the Property; and

WHEREAS, the attached Fifth Amendment to the PSARA between FMERA and Netflix is in substantially final form. The final terms of the Fifth Amendment to the PSARA are subject to the approval of FMERA’s Executive Director 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 the execution of the Fifth Amendment to the Purchase and Sale Agreement & Redevelopment Agreement with Netflix, Inc. for the Mega Parcel Property in Eatontown and Oceanport on the terms substantially consistent to those set forth in the attached memorandum and authorizes the Executive Director to execute the Amendment.

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: May 21, 2025

EXHIBIT 4

MEMORANDUM

TO: Members of the Board

FROM: Kara Kopach
Executive Director

RE: Fifth Amendment to the Purchase and Sale Agreement & Redevelopment Agreement with Netflix, Inc. for the Mega Parcel in Eatontown and Oceanport.

DATE: May 21, 2025

Request

I am requesting that the Board approve the execution of the Fifth Amendment to the Purchase and Sale Agreement & Redevelopment Agreement (“PSARA”) with Netflix, Inc. (“Netflix” or “Purchaser”) for the Mega Parcel Property in Eatontown and Oceanport.

Background

On January 13, 2023 FMERA and Netflix executed a PSARA for the Mega Parcel (“the Property”), an approximately 292± acre parcel of land containing former residential, administrative and R&D buildings, warehouses, workshops and additional general-purpose facilities in the Boroughs of Eatontown and Oceanport, within the Main Post section of Fort Monmouth. The Mega Parcel is conveniently located adjacent to State Route 35, providing easy access to the Garden State Parkway, Route 18, NJ Transit Bus Lines & adjacent to County Route 11 (Oceanport Avenue), which provides direct access to the Little Silver NJ Transit Train Station. The westernmost 51.1 acres of the Property lie within the Phase 1 area of Fort Monmouth, which requires profit sharing with the U.S. Department of the Army. The remaining Mega Parcel acreage lies within the Phase 2 area of Fort Monmouth.

Purchase and Sale & Redevelopment Agreement

Pursuant to the terms of the PSARA, Netflix will pay Forty-Seven Million (\$47,000,000) Dollars for the Mega Parcel. Additionally, Purchaser has agreed to pay a utility contribution of Five Million (\$5,000,000.00) Dollars, and the FMERA office relocation fee of Three Million (\$3,000,000.00) Dollars. The Total Amount due at Closing shall be Fifty-Five Million (\$55,000,000.00) Dollars, subject to any adjustment relative to the Environmental Carve-Out Holdback, as further described below. The Purchaser’s total Capital Investment is estimated at Eight Hundred and Forty-Eight Million (\$848,000,000) Dollars which shall be allocated between Phase 1 representing Eight Hundred Six Million (\$806,000,000) Dollars of investment and Phase 2 representing Forty-Two Million (\$42,000,000) Dollars of investment in furtherance of the Redevelopment Project.

The original terms provide that the Due Diligence Period will run for ninety (90) days from the PSARA execution date and may be extended under the Executive Director’s delegated authority for two (2) additional thirty (30) day periods to complete the due diligence tests, inspections, and reviews.

With respect to the Environmental Carve-Out Parcels, Purchaser and Seller agreed to deposit Two Million Four Hundred Thirty Three Thousand Seven Hundred One Dollars and Ninety-Nine Cents (\$2,433,701.99) of the Purchase Price (“Environmental Carve-Out Holdback”) in escrow at Closing, to be held and disbursed in accordance with the terms of an Environmental Carve-Out Escrow Agreement (provided that if and to the extent one or more Environmental Carve-Out Parcels are included in the Property conveyed by Seller to Purchaser at the Initial Closing, this amount shall be reduced by the amount(s) allocated to such Environmental Carve-Out Parcels and such amount(s) shall be added to the balance of the Purchase Price to be paid by Purchaser at the Initial Closing). Purchaser shall have a separate period of thirty (30) days (“ECP Confirmation Period”) following the date that FMERA receives title to each Environmental Carve-Out Parcel from



the Army. This ECP Confirmation Period shall be for the sole and express purpose of confirming any FOST or Final Remediation Document issued with respect to each such Environmental Carve-Out Parcel and shall commence the Subsequent Closing(s) within forty-five (45) days of FMERA's receipt of title. Purchaser shall have the option, subject to Army and FMERA approval, to close title to one or more of the Environmental Carve-Out Parcels at any time earlier than the Subsequent Closing date, provided that (1) Purchaser waives the requirement of a FOST issuance by the Army prior to such accelerated Subsequent Closing, (2) Purchaser shall be deemed to have waived its ECP Confirmation Period with respect to the Environmental Carve-Out Parcel which is the subject of such accelerated Subsequent Closing, (3) FMERA shall not be obligated to assume any environmental liability in connection with any such accelerated Subsequent Closing, (4) the conveyance of title to such Environmental Carve-Out Parcel from FMERA to Purchaser shall occur on the same date, and immediately after, FMERA acquires title to such Environmental Carve-Out Parcel from the Army, and (5) the Parties execute a mutually acceptable agreement or other documentation setting forth the Parties' conditions and obligations with respect to the accelerated Subsequent Closing and the applicable Environmental Carve-Out Parcel(s) following the date of such accelerated Subsequent Closing. Purchaser acknowledges that the Subsequent Closings are not options, but that Purchaser is obligated to consummate each and every one of the Subsequent Closings thereby taking title to each Environmental Carve-Out Parcel.

Purchaser will apply for and diligently pursue the required approvals for the Project. The Approval Period shall be thirty-six (36) months and shall commence upon the later of i) the expiration of the Due Diligence Periods, or ii) the date that the Seller delivers to Purchaser a final non-appealable Reuse Plan Amendment, provided that if the Purchaser fails to deliver a final Conceptual Site Plan within forty-five (45) days of the expiration of the Due Diligence Period, then the commencement of the Approval Period shall be the date the Reuse Plan Amendment would have been delivered had the Purchaser timely delivered the Final Conceptual Site Plan. The Purchaser may request extension(s) of the original Approval Period, under the Executive Director's delegated authority, for two (2) additional three (3) month period(s) which shall be granted if the Seller determines that the Purchaser is diligently and in good faith pursuing all Approvals. Reuse Plan Amendment #20 was adopted in February 2024.

Closing shall occur no later than ninety (90) days after satisfaction of all conditions precedent to closing, including but not limited to: i) confirmation by both Parties that all conditions precedent to closing have been satisfied; ii) approval of the Purchaser as redeveloper of the property by the NJEDA Board; iii) Purchaser's completion of Due Diligence (except with respect to the Environmental Carve-Out Parcels); iv) the receipt of all Approvals within the timeframes set forth in the PSARA; v) JCP&L shall have fulfilled its obligations under its agreement with FMERA with respect to the delivery of the substation and distribution lines to the Property intended to service the Project with a minimum of 10MV of power; vi) a written agreement with JCP&L, acceptable to JCP&L and the Purchaser, for up to an additional 33 MV of power; vii) Seller having performed all covenants, agreements and conditions required by the Agreement; viii) Seller shall have satisfied all conditions relating to the conveyance of fee simple marketable title insurable at regular rates (except with respect to the Environmental Carve-Out Parcels); and ix) Seller shall have approved and delivered a Reuse Plan Amendment for the Property. In the event that JCP&L cannot accommodate the required electric loads for the Project and/or fails to consummate an agreement with Purchaser to provide the required power despite diligent, good faith efforts by the Purchaser in accordance with the timelines set forth in Section 47(q) of the PSARA, Purchaser shall have the right to terminate this agreement and receive a refund of its full Deposit regardless of whether or not the Due Diligence and Approval Period(s) have expired.

The Project shall consist of a sustainable and integrated film studio campus which shall be completed in Phases. Phase 1 shall include the construction of twelve (12) soundstages that will range in size from 15,000 square feet to 40,000 square feet each with a maximum interior clear height of 50 feet and a maximum exterior height of 70 feet (the soundstages shall have, in the aggregate, a minimum buildout of 180,000 square feet and a maximum buildout of 480,000 square feet), including associated improvements and uses customary and incidental to the principal film use. The Phase 1 improvements may additionally include, but are not limited to, mill space, production support buildings, office buildings, production services buildings, commissary/cafeteria, basecamp with trailer parking, a helipad, designated space for large temporary or permanent exterior sets (i.e. backlots), swim tank(s) for film production, ancillary surface and/or structured parking, consumer experience centers and/or attractions, retail components (including food and beverage facilities), a theater, a visitor center and/or a hotel, wind or small solar systems, and rooftop solar. As part of Phase 1, Purchaser may renovate and/or reuse one or more existing buildings located on the Property for its proposed use, which may include the FMERA offices (Building 502), Mallette Hall (Buildings 1206-1207), McAfee Building (Building 600) and Expo Theater (Building 1215).

Phase 2 of the Project shall consist of the development of additional production support space for the film studio campus, such as basecamps and backlots. The Phase 2 improvements may additionally include, but are not limited to, sound stages, mill space, production support buildings, office buildings, production services buildings, commissary/cafeteria, swim tank(s) for film production, ancillary surface and/or structured parking, consumer experience centers and/or attractions, retail components (including food and beverage facilities), a theater, a visitor center and/or a hotel, wind or small solar systems, and rooftop solar. Purchaser may renovate and/or reuse one or more existing buildings located on the Property for its proposed use, which may include Vail Hall Buildings (Buildings 1150-1152), Artist Barracks (Buildings 1102-1107), as well as Buildings 276, 277, 279, 280, 281 and 482 in the 400 Area, which shall at minimum cover at least fifty-one (51%) percent of the Developable Acreage within the Phase 2 area of the Project.

Additionally, within two (2) years of Closing and as part of the Project, the Purchaser shall be obligated to: (a) as part of both Phase 1 and Phase 2, demolish all existing buildings on the Property it has not identified for reuse, provided that for buildings located on Environmental Carve-Out Parcels, the date shall be two (2) years from the subsequent closing for the relevant Environmental Carve-Out Parcel; (b) as part of Phase 1, preserve Greely Field and Cowan Park as deed-restricted publicly accessible open space at the Initial Closing, preserve, repair, and maintain the World War II memorial located in Greely Field and the flagpole & plaque located in Cowan Park, which shall not be disturbed, (c) as part of Phase 1 and Phase 2, construct/improve the trail system applicable to each such Phase, and (d) as part of Phase 1 and Phase 2, construct/improve the sidewalk applicable to each such Phase.

Purchaser shall Complete Construction of Phase 1 of the Project no later than forty-eight (48) months from the date of the Initial Closing. Seller may extend the date for Completion of Construction of Phase 1 for two (2) additional periods of six (6) months each, under the Executive Director's delegated authority, provided Purchaser is diligently and in good faith pursuing the Completion of Construction of Phase 1. Purchaser shall Complete Construction of Phase 2 of the Project no later than eighty-four (84) months from date of the Initial Closing. Seller may extend the date for Completion of Construction of Phase 2 for two (2) additional periods of six (6) months each under the Executive Director's delegated authority, provided Purchaser is diligently and in good faith pursuing the Completion of Construction of Phase 2.

As described in the PSARA, the total New Jersey employment attributable to Purchaser's construction investment at the Project will reach a maximum of Three Thousand Five Hundred and Twenty-Eight (3,528) full-time equivalent jobs. Purchaser represents that thereafter, the total New Jersey employment attributable to Purchaser's production investment at the Property will be a total of One Thousand Four Hundred and Seven (1,407) jobs within twenty-four (24) months of the issuance of the Certificate of Completion of Phase 1 of the Project and an additional total of One Hundred and Twenty-Eight (128) jobs within twelve (12) months of the issuance of the Certificate of Completion of Phase 2 of the Project. Purchaser shall pay a penalty of \$1,500 for each job not created within the timelines set forth in the PSARA.

First Amendment to the PSARA

FMERA granted Purchaser's request for the Second Due Diligence Period Extension on April 28, 2023, as permitted under the terms of the PSARA, and the FMERA Board approved the request for a Third and Fourth Due Diligence Extension Period in the First Amendment to the PSARA on May 17, 2023. The First Amendment was executed on June 6, 2023.

Second Amendment to the PSARA

Purchaser requested and the FMERA Board approved the Second Amendment to the PSARA, executed on October 11, 2023, extending Purchaser's right to terminate the Agreement and receive a refund of the Second Deposit should the Parties be unable to mutually agree upon the terms of the Wilson Avenue Agreement prior to the first day of the Approval Period subject to those terms expressly set forth therein.

Third Amendment to the PSARA

On February 21, 2024, the FMERA Board approved Netflix's request to a) amend the Project Phases to reflect Phase 1(a), Phase 1(b) and Phase 2, b) provide a definition of a "Twin Soundstage" and c) make the Second Deposit refundable should Purchaser not have executed the Wilson Avenue Agreement, in a form and substance reasonably acceptable to Purchaser, by May 31, 2024. The Third Amendment was executed on March 19, 2024.

Fourth Amendment to the PSARA & Delegated Authority

On September 18, 2024, the FMERA Board approved Netflix's request to a) commence limited renovation work within Vail Hall (Building 1150), b) add Section 7(g) to the PSARA to permit abatement and demolition work pre-closing and c)

remove Sections 47(h)(ii) and 47(h)(v) and replace Section 47(h)(iv) Property Maintenance Costs, as further described in the Amendment. The Fourth Amendment was executed on October 10, 2024.

Fifth Amendment to the PSARA

On March 5, 2025, Purchaser requested to amend the description of Phase 1(b), as described under the Third Amendment, and further requested that Phase 2 be bifurcated into two (2) subphases, to be referred to as Phase 2(a) and Phase 2(b). As reflected in the exhibits to the attached Fifth Amendment, Phase 1(b) is to include the Whale Parcel, Vail Hall, Tech A Parcel, and Tech B Parcel. Phase 2(a) is to include the 400 Area and Phase 2(b) is to include Greely Field and Cowan Park.

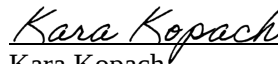
Additionally, Purchaser indicated that as a part of site plan review, the County of Monmouth has required the realignment of the intersection between Nicodemus Avenue in the Borough of Oceanport and County Route 537, aka Avenue of Memories, to address public safety concerns. As Nicodemus Avenue is currently owned by FMERA, Purchaser requested that FMERA facilitate the roadway improvements and adjacent sidewalk installation in collaboration with the Borough of Oceanport and the County of Monmouth. Subject to FMERA Board approval, FMERA will undertake this intersection improvement, provided that Purchaser shall agree to reimburse FMERA for all costs incurred to design and construct the related sidewalk improvements.

Additional provisions have been added a) with respect to cooperation with the Department of Community Affairs (“DCA”) regarding DCA Cited Buildings and b) the number of Environmental Carve-outs on the Property.

The attached Fifth Amendment to the PSARA between FMERA and Netflix is in substantially final form. The final terms of the Fifth Amendment to the PSARA are subject to the approval of FMERA’s Executive Director 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 the execution of the Fifth Amendment to the Purchase and Sale Agreement & Redevelopment Agreement with Netflix, Inc. for the Mega Parcel Property in Eatontown and Oceanport.


Kara Kopach

Attachments: Fifth Amendment to the PSARA
Prepared by: Sarah Giberson