



August 25, 2014

Mr. Paul Cramer
Deputy Assistant Secretary of the Army (Installations, Housing and Partnerships)
110 Army Pentagon, Room 3E475
Washington, DC 20310-0110

Re: Economic Development Conveyance (EDC) Application
Fort Monmouth Economic Revitalization Authority (FMERA)

Dear Mr. Cramer:

The FMERA Board of Directors and management team are pleased to submit this EDC application for the second phase of the transfer of lands and buildings of the former Fort Monmouth Army Post. We have worked diligently with representatives of the Army to develop this application, which supplements the EDC Application submitted by FMERA in April 2012, amends the Memorandum of Agreement (MOA) for the Phase 1 Parcels and proposes a one-time transfer for the remaining Fort property.

On June 25, 2012, the Army and FMERA executed the EDC Agreement for the Conveyance of the Phase 1 parcels at Fort Monmouth. The final deed for that transfer, subject to any remaining carve-outs for environmental purposes, was executed May 29, 2014. We appreciate the efforts of all Army representatives in getting through the transfer of the first phase, and we look forward to working with the Army to bring the EDC application and MOA for the second phase to closure.

We trust the EDC application meets the spirit and intent of the BRAC guidelines for such an application, and we look forward to a favorable response that the application has been approved. To date, there has been considerable interest in the property, which we believe will continue to translate into opportunities to sell and lease the Fort property, facilitating FMERA's ability to achieve its mission:

"Create an atmosphere in which employers will employ and investors will invest, to maximize the jobs created and the value of the property."

On behalf of the FMERA Board of Directors and management team, I thank you for your consideration of this EDC application, and for your ongoing support of the redevelopment of the former Fort Monmouth.

Sincerely,

R. Bruce Steadman
Executive Director



PHASE 2 ECONOMIC DEVELOPMENT CONVEYANCE APPLICATION



FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY

P.O. Box 267
Oceanport, NJ 07757

Bruce Steadman, Executive Director

August 25, 2014

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Note: This Phase 2 EDC Application augments the Phase 1 EDC Application submitted by FMERA in April 2012. As such, the narrative addresses the elements of and changes to the Phase 1 EDC Application as it pertains specifically to the Phase 2 Parcels.

SECTION 1: EXECUTIVE SUMMARY

The US Army's (Army) Fort Monmouth, in use since 1917, was designated for closure in the Base Realignment and Closure (BRAC) Commission report which was accepted by Congress in November 2005. Since that time there has been extensive work by the State of New Jersey, local communities within Monmouth County, representatives of the Army, and concerned stakeholders to prepare for the transfer of the former Army post from the federal government to a local redevelopment authority.

Accordingly, on June 25, 2012, Army and the Fort Monmouth Economic Revitalization Authority (FMERA) executed the EDC Agreement for the Economic Development Conveyance (EDC) of Phase 1 Parcels at Fort Monmouth, which included all of the Charles Wood Area, and three (3) parcels from the Main Post, a sum total of 563 acres, including all buildings and personal property therein. The final deed for that transfer, subject to any remaining carve-outs for environmental purposes, was executed May 29, 2014. Therefore, the current EDC Application, a/k/a the Phase 2 EDC for Fort Monmouth, consists of the balance of the Main Post, a sum total of approximately 563 acres, including all buildings and personal property therein, for a grand total of both EDCs (i.e., Phase 1 plus Phase 2) of 1,126 acres. It is expected that a closing on the transfer of the Phase 2 Parcels from Army to FMERA will occur no later than March 31, 2015.

FMERA as the recognized local redevelopment authority is in the best position to make long-term investments in infrastructure and economic development programs, and/or direct or facilitate others to do the same, as well as to establish land use mixes that balance highest and best use principles with overall community objectives. To that end, FMERA has implemented the Fort Monmouth Reuse and Redevelopment Plan (Reuse Plan) that was submitted to HUD in August of 2008, along with its Homeless Assistance Submission, and approved by HUD in October of 2010. Further, FMERA has drafted, codified, and implemented its Land Use Rules, NJAC 19:31C-3, its Real and Personal Property Leasing Rules, NJAC 19:31C-1, and its Sale of Real Personal Property Rules, NJAC 19:31C-2. These rules solidify a transparent, equitable, and methodical path forward for the lease, sale, and redevelopment of former Fort Monmouth property.

Since FMERA's inception in October of 2010 (after taking over from its predecessor authority, the Fort Monmouth Economic Revitalization Planning Authority), the local community and Department of Defense (DoD) have worked collaboratively to create consensus decisions, to the extent possible, to address the many issues commonly faced by complex redevelopment projects. This has been particularly challenging given Fort Monmouth's unique location, infrastructure deficiencies, high number of obsolete and unmarketable buildings, and the diverse needs of its three host communities (the Boroughs of Tinton Falls, Eatontown, and Oceanport) and Monmouth County. However, this Phase 2 Application has been formulated with input from the FMERA Board and staff, its many stakeholders including the host communities and County, and the Army, and we believe it provides a path forward that will allow all parties to benefit.

To that end, this EDC application for transferring the balance of the Main Post of Fort Monmouth from the Army to FMERA demonstrates the following:

- The implementing local redevelopment authority established as FMERA by New Jersey statute is legally authorized to receive the transferred Phase 2 property and to act with successors and assigns for the life span of the redevelopment effort;
- The structure of the financial plan for FMERA to acquire the Phase 2 Parcels from the Army, as negotiated by FMERA and the Army, for a lump sum buyout of the Army for \$33M at closing, will provide sufficient working capital and cash flow to sustain FMERA's solvency; and

- FMERA has the organizational structure and technical expertise to operate infrastructure systems, manage capital improvement programs, and market the property to achieve sales proceeds to provide the cash at closing obligated to the Army, and funds for reinvestment to achieve successful conversion of the former Fort to the private sector.

Successful Navigation of the Redevelopment Process

Initially, the local redevelopment authority, designated as the Fort Monmouth Economic Revitalization Planning Authority (FMERPA), was established on April 28, 2006 for the purposes of overseeing the creation of a redevelopment plan for Fort Monmouth. The first step in the process was the preparation in 2007 of an Existing Conditions Memorandum, followed by the Fort Monmouth Reuse & Redevelopment Plan (“Reuse Plan” or “Plan”), which was completed in August 2008 after a substantial public engagement process with the local communities and other stakeholders. The Reuse Plan provides for total redevelopment of the property with 1,585 residential dwelling units (DU), 2,100,000 square feet (sf) of commercial office and research & development space, 390,000 sf of retail, 325,000 sf of hotel/conference space, and 525,000 sf of community buildings.

Subsequently, FMERA was established in late 2010 to be the implementing local redevelopment authority to receive property from the Army and serve as steward in converting it to the mutual benefit of the community and Department of Defense. FMERA’s charter is intended to establish best practices for redevelopment of the property and maximize the potential for the financial and economic success. Accordingly, this Phase 2 Application is based on a business plan and a market analysis, incorporating FMERA’s experience with the Phase 1 EDC, input from its Master Broker, Cushman & Wakefield, data compiled for the preparation of the Phase 1 EDC application, including revenue forecasts, phasing strategies, and capital investment requirements for the Phase 1 and Phase 2 properties. It should be emphasized that the intent of FMERA is to implement the Reuse Plan to the extent practicable while responding to market opportunities, understanding that changes to the Reuse Plan may be necessary based on the realities of the current marketplace.

An EDC Approach to Achieve FMERA and Army Objectives

Phase 2 consists of approximately 563 acres of land, 164 in Eatontown, and 399 in Oceanport, all of which is within Monmouth County. FMERA and the Army have negotiated that FMERA will pay the Army \$33M for the Phase 2 Parcels at a closing anticipated to be held no later than March 31, 2015, subject to Army’s completion of a satisfactory Finding Of Suitability to Transfer (FOST), and FMERA’s completion of a satisfactory financing plan based on the future receipt of revenue from sales of the property. This satisfies the Army objective of obtaining value for the property early in the process, and FMERA’s objective of maximizing its flexibility for economic development and job creation.

The land in the Phase 2 EDC will be parcelized by FMERA and sold “as-is/where-is” to third party developers through a public sale process, using the Sales Rules mentioned above. In a pure as-is mode, the third-party buyers will be responsible for demolition (some 750,000 sf of obsolete buildings) and infrastructure improvements, if/as required. However, FMERA has estimated that up to \$32M may be needed to “seed” future redevelopment projects through FMERA’s investment in limited demolition, infrastructure, and other improvements. The financial plan that FMERA has developed provides sufficient cushion for this expense if it is needed.

The sale of the Phase 2 Parcels is forecasted to generate proceeds of about \$99M before commissions, sales expenses, and the Homeless Fund set-aside. Based on interest expressed to date by investors, developers, and entrepreneurs, the Main Post will be redeveloped from west to east, with the 400-area (80+ acres) on the east side of Oceanport Avenue being last. This will facilitate replacement and repair of trunk infrastructure in a linear

fashion along the main utility and street arteries. Exceptions to the west-to-east progression will be the identified “stand-alone” parcels that have existing buildings that may be reused in a similar manner to that used by the Army. These stand-alone parcels include: Russel Hall, Chapel, Fitness Center, Officer Housing, Bowling Center, Expo Theater, Lane Hall, Mallette Hall, and McAfee Center. We will pursue aggressively the parcelization, competitive bidding, and sale of the stand-alone parcels to generate cash flow, traffic, and interest, while at the same time managing the sale of the larger Main Post land areas.

Creating Economic Strategies to Off-set Job Losses and Improve the Property

When fully operational, Fort Monmouth had a total economic impact of \$2.5 billion, according to the 2008 *Rethinking Fort Monmouth* report by the New Jersey Department of Labor and Workforce Development. The closure of the base reportedly resulted in a reduction of almost 10,000 total jobs (5,300 direct and 4,500 indirect). Job losses were the greatest in the scientific research and development and the telecommunications industries. Overall, statewide total losses in earnings due to closing the Fort were estimated to be approximately \$900 million.

In addition to the job creation estimates noted in the Phase 1 EDC application, redevelopment of Phase 2 Parcels on the Main Post of Fort Monmouth has the potential to generate substantial new employment. The redevelopment of the Phase 2 Parcels at Fort Monmouth is likely to generate the following employment impacts:

- FMERA anticipates that approximately 3,700 new jobs will be created on the Phase 2 Parcels over the next ten years, including 2,500 office or research and development positions
- Average annual growth of 370 jobs on Phase 2 Parcels

The projections for annual job growth of 370 for the Phase 2 Parcels were developed using industry standards of 3.26 workers for every 1,000 sf of office space; 1.5 workers for every 1,000 sf of retail, 0.67 workers per key for hospitality, and 0.05 workers per unit for multi-family residential. In addition, approximately 300,000 sf of buildable community space is estimated to produce approximately 300 jobs. This includes civic space at Mallette Hall, the Library and the Museum, as well as the community center at Lane Hall. These estimates make no assumptions or projections for the numerous indirect employment gains expected to occur in the three host communities and the surrounding area.

More optimistic growth may occur at Fort Monmouth because of the synergies provided by a recovering national economy and a well-positioned, major asset development proximate to New York City and the Garden State Parkway. Additionally, FMERA anticipates focusing its business attraction efforts on tech and small businesses, prominent drivers of job creation. The Phase 1 EDC application projected approximately 2,000 new jobs; combined with the 3,700 new jobs estimated for Phase 2, at full build-out, the redevelopment program has the potential to replace a significant number of jobs lost by the base closure. The sale of property to Commvault, the first major development on the Fort, is expected to create 250 new jobs in the first three years, and up to 2,500 at full build-out within 10 years. This achievement demonstrates the significant economic impact the redevelopment of both Phase 1 and 2 will have on the local community.

Environmental Considerations

Environmental assessment, cleanup and closure is currently under Army control under the Installation Restoration Program (IRP) as required by the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) as amended, and Base Closure and Realignment (BRAC), and the Defense Authorization Act 1990 (the Act). The New Jersey Department of Environmental Protection (NJDEP) is actively engaged in reviewing and responding to Army-submitted plans for the investigation, analysis, and remediation of contaminated sites, and Army’s progress to date has been substantial.

Of the sixty-plus (60+) Areas of Concern (AOCs) identified within the Fort's boundaries, roughly fifteen (15) are active remediation sites and each site is in some stage of investigation or review. To date, there have been no sites that have required a deed covenant, and no environmental issues that have precluded or stymied redevelopment of a particular site. It is expected that the eleven (11) landfills will require deed covenants, but these areas are outside of the redevelopment districts. Only the "lime pit" associated with the Myer Center in the Charles Wood Area (Phase 1 EDC) is expected to require additional substantial investigation and remediation that possibly may impact redevelopment timing. FMERA anticipates there may be additional AOCs identified or deed covenants required as redevelopment progresses, but nothing that will impact the pace of redevelopment. Army's responsiveness and progress to date on all environmental issues have been very good.

SECTION 2: PROJECT NARRATIVE

2.1 Property to be Conveyed

The Fort Monmouth property (“the Fort” or “the Post”) includes 1,126 acres in Monmouth County, New Jersey. The property is split into two general areas (Main Post and Charles Wood) and is situated across three townships: Tinton Falls, Eatontown and Oceanport.

Within this EDC application, the property intended for transfer is referred to as the Phase 2 Parcels. As shown in the Phase 2 Parcelization Plan attached, Phase 2 consists of approximately 563 acres of land, all within the Main Post area of the Fort. This area is comprised of approximately 164 acres in Eatontown and 399 acres in Oceanport. Property within the Phase 2 area includes the Mallette Hall complex of buildings, the McAfee Center complex of buildings, the Oceanport historic district, and a number of other buildings ranging from low to moderate redevelopment potential. The Phase 2 Parcels will be parcelized and sold “as-is/where-is” to third party developers through an RFOTP/public sale process, using the adopted Sales Rules for Real and Personal Property. The third parties will be responsible for in-tract demolition and infrastructure improvements, if required.

2.2 Fort Monmouth Reuse & Redevelopment Plan

The Reuse Plan was completed in August 2008 after a substantial public engagement process with the local communities and other stakeholders. In addition, based on the guidelines and objectives included in the Reuse Plan, Land Use Rules for the redevelopment of the Fort were adopted in 2013.¹

A number of amendments to the Reuse Plan have been adopted in response to developments in the real estate market and local economy. These amendments maintain the land use concepts and plans articulated in the Reuse Plan, but allowed for alternative development scenarios receptive to market changes. The amendments were consistent with the planning objectives and principles included in the Reuse Plan, and were developed to fulfill FMERA’s main objectives of job creation, economic development and the provision of housing.

The two Reuse Plan amendments adopted to date are included as Appendices to this application. These two amendments are specific to two Phase 1 Parcels.

The plan amendment process will continue as an option for Phase 2 Parcel development. As before, there will be a 45 day review period allowing for comment and input from the local municipalities and their residents.

2.3 Consequences of Closure on the Local Community

The following sections describe the consequences of closure on the local community.

2.3.1 Adverse Economic Impact to the Region

As described in the Phase 1 EDC application, Fort Monmouth had a total annual economic impact of \$2.5 billion, according to the 2008 *Rethinking Fort Monmouth* report by the New Jersey Department of Labor and Workforce Development. The report suggests that the closure of the base resulted in approximately 5,300 direct job losses, primarily in the scientific research and development and the telecommunications industries.

¹ The Fort Monmouth Reuse and Redevelopment Plan and the Land Use Rules, N.J.A.C. 19:31C-3, can be found on the Fort Monmouth Economic Revitalization Authority website, at <http://www.fortmonmouthredevelopment.com/page.aspx?id=1837>.

This adverse economic impact includes the Phase 2 Parcels of the Fort. In 2013, Monmouth County received a Planning Grant Investment from the U.S. Economic Development Administration (EDA) to complete a comprehensive economic development strategy (CEDS). This CEDS report² confirms and supports the previous analysis of extensive direct job losses and significant indirect job losses as well.

2.4 EDC Justification

2.4.1 Job Creation

In addition to the job creation noted in the Phase 1 EDC application, redevelopment of the Phase 2 Parcels on the Main Post of Fort Monmouth has the potential to generate substantial new employment. The table below shows the estimated direct job generation that would occur, in both Eatontown and Oceanport, due to redevelopment over the next ten years. These figures do not include short-term construction labor. The redevelopment of Phase 2 is likely to generate the following employment impacts:

- Approximately 3,700 new direct on-site jobs over the next ten years, including 2,500 office or research & development positions
- Average annual growth of 370 jobs on Phase 2 parcels

In addition, indirect employment gains are also expected to escalate over the course of the 10-year development period as new development and adaptive reuse space is absorbed.

Total Direct Job Growth - Phase 2

	Jobs Estimate
Residential	37
Mixed/Multi Use	273
Office/ R&D	2,509
Retail	318
Special Use ¹	229
Community ²	300
	3,666

1- Includes Oceanport School and Chapel, which do not have multipliers

2- Includes Mallette Hall, Lane Hall, Library, and Museum

The above table represents projected job creation for the employment-generating uses included in EDC Phase 2. The projections were developed using industry standards consistent with assumptions included in the Phase 1 EDC application: 3.26 workers for every 1,000 square feet (sf) of office space, 1.5 workers for every 1,000 sf of retail, 0.67 workers per key for hospitality, and 0.05 workers per unit for multi-family residential. In addition, approximately 300,000 sf of buildable community space, including Mallette Hall, Lane Hall, the Library and Museum, is estimated to generate approximately 300 jobs (1 job per 1,000 sf).

2.5 Community Financial Conditions

Note: The extensive information included in the Phase 1 EDC application described the financial conditions affecting both Phase 1 and Phase 2 areas of the Fort. This analysis describes the conditions affecting

² The CEDS report can be found on the Monmouth County website, at http://co.monmouth.nj.us/documents/12%5CCEDS_Report_EDA_MCNJ.pdf

redevelopment of the Phase 2 Parcels as well. See Sections 2.9.1 and 3.4.1 below for a discussion of current economic and market conditions in Monmouth County.

2.6 Description and Justification of the EDC Footprint

The footprint established for this Phase 2 EDC includes all of Fort Monmouth formerly known as the Main Post, situated to the east of Route 35 in Eatontown, excluding Parcel B (54 acres), the Clinic Parcel (16 acres), and the Marina Parcel (4 acres), which parcels were included in the Phase 1 EDC. The Phase 2 portion of the Main Post is comprised of 164 acres in Eatontown and 399 acres in Oceanport. The acreage in the Phase 1 and Phase 2 land areas completes the entirety of the former Fort Monmouth property.

2.7 Justification for Conveyance of the Property to FMERA

Note: FMERA remains the Local Redevelopment Authority (LRA) enabled via state legislation to carry out the mission of redeveloping the Fort. Both the statute establishing FMERA and the Office of Economic Adjustment (OEA) letter recognizing FMERA as the LRA remain relevant for Phase 2.

As referenced above, the New Jersey Department of Labor and Workforce Development estimated that the closure of Fort Monmouth resulted in the loss of approximately 5,300 direct jobs, primarily in the scientific research & development and the telecommunications industries. Accordingly, FMERA is targeting its efforts toward the attraction of businesses that will create jobs in these sectors, as the local workforce possesses the education, training and skills necessary to support them. Because competition for tech companies is high, public sector engagement -- and incentives -- will be required for this effort to be successful. FMERA, as a state authority responsible for redeveloping the Phase 2 Parcels via an economic development conveyance, will be uniquely situated to attract businesses that can provide an appropriate mix of quality jobs that meet the employment needs of the local workforce. None of the other disposal mechanisms available to the Army afford a high likelihood for successful economic redevelopment of the Phase 2 Parcels.

We also note that upon the EDC conveyance of the Phase 2 Parcels to FMERA and payment of \$33M to the Army at closing, the Army's caretaker responsibilities for those portions of the Phase 2 Parcels actually conveyed will immediately cease. The closing, anticipated to occur in the 1st Quarter of 2015, will include the bulk of the 563 acres comprising the Phase 2 Parcels. By contrast, were the Army to pursue a public sale, it is unlikely that a single buyer would have interest in purchasing all of the Phase 2 Parcels. Rather, a public sale would likely entail many prospective buyers and individual sales drawn out over a longer period of time, resulting in extended caretaker costs for the Army.

Additionally, FMERA intends to formulate a coordinated plan to engineer, fund and manage trunk infrastructure upgrades to the Fort's Main Post. Approaching demolition, utility upgrades and road construction in a coordinated fashion will enhance redevelopment prospects. Alternatively, if the Phase 2 Parcels were publicly sold to multiple purchasers, redevelopment efforts would likely be fragmented and haphazard, slowing their progress and reducing their economic impact.

2.8 Financial Elements of the Reuse & Redevelopment Plan

The following sections describe the financial elements of the Reuse Plan as they relate to Phase 2 of the Fort's redevelopment.

2.8.1 Proof of Sufficient Financing

As reflected in the Phase 2 Deal Points, FMERA and the Army have agreed to a one-time buyout of the Army's interests in the Phase 2 Parcels located at Main Post. Due mainly to the revenue sharing approach utilized in Phase 1, FMERA will enter Phase 2 of the Fort's redevelopment effort debt-free. This will enable FMERA to borrow the necessary funds to complete the Phase 2 buyout. As a Local Redevelopment Authority and an agency of the State of New Jersey, FMERA has access to low-cost, long-term public credit facilities not generally available to the private and non-profit sectors. Accordingly, FMERA intends to borrow approximately \$23M of the \$33M purchase price for the Phase 2 Parcels, either through tax-exempt bonds issued through the New Jersey Economic Development Authority (NJEDA) or through Monmouth County Improvement Authority (MCIA) notes. The bonds or notes would be guaranteed by the issuing entity, resulting in below-market interest rates. Debt service on the bonds or notes will be structured to provide FMERA flexible repayment terms to accommodate any unanticipated deviations from the property disposition schedule. Based on the pro forma for Phase 2 shown in Section 3.3 and the forecasted sales for Phase 2 real estate, FMERA could generate up to \$17M in excess funds after paying for demolition, infrastructure, property management, marketing, consulting and operational costs. These funds will provide sufficient debt coverage for underwriting the bonds or notes.

2.9 Unique Political and/or Public Factors

FMERA staff reports on the Fort's redevelopment status routinely to members of the Governor's Office, the Lieutenant Governor's Office, the NJ Economic Development Authority, and the state entities. The close involvement of the state in the project is evidence of the importance that is placed on the Fort's redevelopment at the highest levels of state government.

2.9.1 Economic Conditions in Monmouth County

As described in the Phase 1 EDC application, the county has fared comparatively well in spite of the recent economic recession. In 2012, with a Planning Grant from the U.S. Economic Development Administration, Monmouth County completed a comprehensive economic development strategy (CEDS) for the county. This report, published in August 2013, provides updated information on the economic conditions in Monmouth County.

- The population in the county continues to grow. As reported in the Phase 1 EDC application, the total population in the county in 2010 was 630,400. By 2012, the population had grown to 633,600, an increase of 0.5%.
- The significant job losses in the construction, information, and government sectors in the county, which are all industries affected by the closure of Fort Monmouth, were not regained despite the improving economic conditions in the state and country.
- Jobs lost due to business closures from 2005 to 2009 substantially surpassed the number of jobs created from businesses opening in the county, with 89,400 jobs lost compared to 55,100 jobs gained.
- The average earnings of the labor force employed in Monmouth County is slightly less than the rest of the state and the Metropolitan Statistical Area (MSA) of New York, New Jersey and Pennsylvania. Local median income for residents, however, is greater than statewide median income. This suggests that the jobs available to the local community are lower paying than the jobs available in the larger metropolitan area.

- In April of 2012, the unemployment rate still stood dramatically high, at 8.5% in the county and 9.3% in the state. This was just a slight improvement from the 2010 rates reported in the Phase 1 EDC application, demonstrating an ongoing stagnant labor market.

The CEDS report used these demographic characteristics as well as an analysis of the industry changes in the county to make recommendations for an overall economic development strategy. More recent data from the Bureau of Labor Statistics suggest continuing improvements for the local labor force. In January of 2014, the state's unemployment rate had dropped to 7.7%, and the county's stood at 7.1%. Both of these levels are slightly higher than the national rate at that time, of 7.0%.³ Despite this indication of an improving employment market, the economic recovery remains tenuous. Per national economic reports, the first quarter of 2014 saw a contraction in the national gross domestic product (GDP) at an annual rate of 1%.⁴ As the nation continues to recover from the economic recession, New Jersey and the local communities remain vulnerable to a weak labor market.

2.9.2 Extent of State and Local Investment

No direct investment of state or local grants has been included in the business plan. The State of New Jersey has however, initiated improvements totaling \$40M to Exit 105 on the Garden State Parkway. These improvements will dramatically improve access to the Fort and directly benefit the redevelopment of the site.

Monmouth County has numerous infrastructure projects planned which will benefit the Fort's redevelopment. These include bridge reconstruction and roadway widening to improve access and traffic flow. The County has plans for widening of Tinton Avenue from the Garden State Parkway to State Route 35, Oceanport Avenue through the area adjacent to the Fort and Hope Road from Tinton Avenue to State Route 36. These widening projects alone total more than \$14M.

Through FMERA's enabling legislation, the New Jersey State Legislature has empowered FMERA to retain 50% of the sales taxes generated on the Fort to help fund required infrastructure upgrades. These revenues would otherwise go to New Jersey's treasury as general state revenue. Based on the projected buildout of up to 444,000 sf of new retail development, and the anticipated phase-in period for the retail space, this mechanism could generate in excess of \$10M for trunk infrastructure improvements over the 10 year Phase 2 development period. FMERA has included these funds in the pro forma and sources of funds statement.

³ New Jersey Department of Labor and Workforce Development, Data Tools – Labor force and Unemployment Rate as reported by the Bureau of Labor Statistics.

⁴ Cushman and Wakefield. "Research Report, Weekly Economic Update." June 2, 2014.

SECTION 3: BUSINESS PLAN FOR THE EDC APPLICATION

3.1 Introduction to the Business Plan

The business plan described in this section will enable FMERA to implement the Reuse Plan in a manner that maximizes opportunities for generating best value and job creation while minimizing risk. The redevelopment strategy will enable FMERA to dispose of the property and make necessary public improvements within ten years. The business plan and pro forma depict the anticipated inflow and outflow of funds associated with the planned redevelopment.

3.2 Parcelization Plan

This EDC application will provide an overarching approach to the transfer of property to FMERA under the concept of providing the Army with “best value” as opposed to “fair market value”. While not mutually exclusive, best value approaches balance the need to both provide a return on investment and produce job creation. Best value approaches inherently reflect the potential need to use discounted property values (and other economic incentives) to attract sustainable, long-term employment, especially given the extent of aged and poorly conditioned infrastructure and buildings that will be transferred to FMERA.

The footprint established for this Phase 2 EDC includes all of Fort Monmouth situated to the east of Route 35, formerly known as the Main Post, excluding Parcel B (54 acres), the Clinic Parcel (16 acres), and the Marina Parcel (4 acres), which parcels were included in the Phase 1 EDC. The Phase 2 portion of the Main Post is comprised of 164 acres in Eatontown and 399 acres in Oceanport. The acreage in the Phase 1 and Phase 2 land areas completes the entirety of the former Fort Monmouth property.

In Eatontown, Phase 2 includes the Mallette Hall complex of buildings (low redevelopment potential), the former power plant (no redevelopment potential), the former theater (high redevelopment potential), the former bowling alley (high redevelopment potential), the former motor pool (high redevelopment potential), and other land and buildings ranging from low to moderate redevelopment potential.

In Oceanport, Phase 2 includes the McAfee Center complex of buildings (high redevelopment potential), the former fitness center (high redevelopment potential), the Barker Circle buildings (low redevelopment potential), Russel Hall (high redevelopment potential), officer and non-com housing areas (high redevelopment potential), the 400-area complex of buildings (low redevelopment potential), the former chapel (moderate redevelopment potential), and several other land and building areas ranging from low to moderate redevelopment potential.

The land in the Phase 2 EDC will be parcelized by FMERA and sold “as-is/where-is” to third party developers through a public sale process, using the Sales Rules mentioned above. In a pure as-is/where-is transaction, the third-party buyers will be responsible for demolition (some 750,000 sf of obsolete buildings) and infrastructure improvements, if/as required. However, FMERA has estimated that up to \$32M may be needed to “seed” future redevelopment projects through FMERA’s investment in limited demolition, infrastructure, and other improvements. The financial plan that FMERA has developed provides sufficient cushion for this expense if it is needed.

As shown in the Job Creation Estimates table attached, the Phase 2 Parcels will have a development potential of about 1,153 residential DUs, and 1.2M sf of commercial office and retail floor space. It is anticipated that FMERA may require purchasers to participate in infrastructure improvement plans, make payment of impact fees or assessments, or otherwise contribute to mitigate anticipated impacts to Eatontown, Oceanport, and the County resulting from the purchaser’s redevelopment project. FMERA will work with the affected communities of

Eatontown and Oceanport to minimize direct costs related to services required to support the redevelopment of Fort parcels within each community, until such time as tax revenue from ratable parcels is being paid to the communities.

The Parcelization Plan for the Phase 2 EDC requested in this application consists of Parcels 1 through 7 on the Main Post, within the boroughs of Eatontown and Oceanport.

3.3 Development Timetable, Phasing Schedule, and Cash Flow Analysis

Redevelopment of the Fort will require a just-in-time delivery approach to match the availability of revenues with projected development absorption. The phasing of the project will be determined by the market demand as well as by the availability of funds.

EDC Phase 2 Sources of Funds

The business plan for Phase 2 has identified the following sources of funds totaling \$117.4M over the 10-year pro forma:

- Sale Proceeds: Proceeds from the sale of the Main Post properties are expected to generate the bulk of the program revenue. Based on the sales forecasts, the gross proceeds are expected to total \$98.9M.
- Phase 1 Excess Proceeds: FMERA anticipates that approximately \$2.7M in excess proceeds will remain upon completion of Phase 1. These funds will be applied toward FMERA's obligations on the Main Post.
- Infrastructure District Revenue: The FMERA Act allows the Authority to retain 50% of retail sales taxes generated on the Fort. FMERA conservatively estimates that this mechanism could generate \$10.9M over the next 10 years. These funds may only be expended against trunk infrastructure requirements. The balance of the \$26.3M in trunk infrastructure costs to be borne by FMERA will be funded from sales proceeds.
- OEA Grants: The development plan anticipates FMERA receiving a total of \$2.9M in OEA grants through 2017. This amount is net of the OEA grants shown in the Phase 1 application.
- Grant Matching Funds: FMERA will seek grants from the State of New Jersey to cover its grant matching requirements. The total grants received, net of those projected in FMERA's Phase 1 application, are projected to be about \$1.9M.

EDC Phase 2 Uses of Funds

Uses of funds for Phase 2 are estimated by FMERA to total \$99.8M over the 10-year program and consist of the following elements:

- Cumulative Debt Service Payments: FMERA anticipates making total debt service payments of \$25.5M on \$23.46M in bonds or notes. \$23M of this amount will fund a portion of FMERA's \$33M buyout of Army's interests in the Phase 2 Parcels, with the remaining \$460,000 reflecting costs of sale (e.g. bond counsel, underwriter, etc.). The payment amount assumes that financing is arranged through the Monmouth County Improvement Authority for a term of 7.25 years, with an initial interest rate of 0.5%, which is projected to escalate to 3.5% by Year 7. The modeled rate anticipates that the notes will be guaranteed by the County of Monmouth.

- Cash Payment to Army: FMERA will raise \$23M through the sale of bonds or notes described above and pay the balance of the Phase 2 purchase price, \$10M, from cash generated through the sale of the Officer Housing and Russel Hall parcels.
- Maintenance of Land and Unoccupied Buildings: FMERA has budgeted \$1M per year to carry out property management of the Main Post grounds and unoccupied buildings. These duties are anticipated to extend for six years, as the last parcel is projected to sell in 2020.
- LRA Administration and Operations: The budget for FMERA's operations and administration is estimated to be \$1.775M annually. The 10-year total, net of costs attributable to Phase 1 and shown in the Phase 1 EDC application, is forecasted to be \$6.6M. Thus, the \$6.6M cost shown for LRA Administration and Operations reflects FMERA's incremental added cost attributable to the Phase 2 Parcels.
- Professional Services: Professional services such as accounting, marketing, legal, appraisal, engineering, planning, surveying and title will be required by FMERA in administration of the Phase 2 EDC. The budget projects these expenses to total \$6.6M for the 10-year time period.
- Trunk Infrastructure Requirements: Public infrastructure will be constructed on a just-in-time basis as the project unfolds to meet the needs of the development. The total cost projected over the 10-year pro forma is \$26.3M.
- Demolition: FMERA has budgeted \$6M to fund demolition of 1 million square feet of buildings and other improvements lying within future trunk open space. Parcel purchasers will be responsible for the 750,000 sf of in-tract demolition required in the Phase 2 area.
- Homeless Trust Fund: Payments into the Homeless Trust Fund will total \$5.1M based on \$20,055 per developable acre sold. Combined with the \$6.3M generated through Phase 1, a total of \$11.4M will be available to meet FMERA's homeless obligations. FMERA will fund the balance of the \$14.5M trust fund target from the aggregate cash flow remaining at project completion.
- Real Estate Commissions: FMERA's contract with its master broker, Cushman & Wakefield, calls for a commission rate of 6%, which yields a total projected commission of \$5.9M.
- Grant Matching Funds: Matching funds will be required in order to obtain anticipated grants, including OEA assistance. The matching funds participation rate begins at 10 percent of the OEA grant amount and increases over time. The amount attributable to Phase 2 totals \$1.9M over the 10-year business plan.

EDC Phase 2 Pro-forma

The EDC Pro Forma represents the sources and uses of funds for a ten year build-out horizon of the property with all of its assets and liabilities intact. The specific methodologies for financing the development will be dependent on market interest and local and state entitlement requirements. It is FMERA's intent to use an "as-is/where-is" approach rather than a master developer approach to the greatest extent practicable, with FMERA primarily responsible for coordinating the installation of trunk infrastructure.

The land sales and development of the former Fort Monmouth will be accomplished using an "as-is/where-is" real estate market approach. This methodology allows for development of real estate to occur as the private sector investors and developers value the property at a higher sales price than its liabilities and entitlement costs. The EDC does not include the collection of any development impact fees nor any specific sinking fund that gets generated from land sales. The entire development is to pay its own way in a manner consistent with "as-is" and "where-is" real estate transactions in these towns outside the boundaries of the Fort.

The inherent liabilities caused by redevelopment may include the following:

- the cost of onsite utilities and roads
- the cost of utility connections and tap fees
- the cost of onsite demolition
- the cost associated with any unresolved environmental constraints
- the costs associated with entitling the property in the boroughs, county and state
- the costs for offsite infrastructure improvements required to serve only the parcel being developed
(consistent with existing jurisdictional codes and statutes)

In addition to funds budgeted by FMERA and shown in the EDC Financial Plan and pro forma, potential public sources of funds applied to the development may include:

- Ad Valorem Taxing Structures for offsite roadway improvements and maintenance
- Economic Redevelopment Grants (ERG) to offset public infrastructure improvements
- Application of utility development funds for offsite telecommunications, gas and power to the site
- Application of offsite water and sewer improvement funds from utility providers to the site
- Use of funds from the capital budgets of the County and the three Host Municipalities
- Use of Redevelopment Area Bonds and Revenue Bonds for public works projects to support the development

In essence, the revenue generated from public sources – including FMERA – will be augmented by developers of the as-is/where-is properties to provide trunk infrastructure, representing approximately \$26.3M of improvements over the 10-year period, as well as other public improvements. The expenditures will be managed to match the revenues collected and will not have an effect on the overall cash flow of the pro forma.

The pro-forma summary for Phase 2 is presented in the table below.

**Fort Monmouth EDC Phase 2 - Financial Plan
10 Year Financial Plan Summary**

Sources of Funds	Amount	Comments
Sales Proceeds	\$ 98,981,499	See Land Sale Proceeds Summary for details
Phase 1 Excess Proceeds	2,678,903	Anticipated funds remaining upon completion of Phase 1
Infrastructure District Revenue	10,978,000	Generated from FMERA's 50% share of retail sales taxes
OEA Grants	2,905,650	Amount is net of OEA grant funds projected in FMERA's Phase 1 EDC application
Grant Matching Funds	1,852,965	Net of state funding shown in Phase 1 EDC application
Total Revenue Sources	\$ 117,397,017	
Uses of Funds		
Cumulative Debt Service Payments	\$ 25,493,163	Sum of debt service payments on \$23.46M of bonding
Cash Payment to Army	10,000,000	Balance of \$33M purchase price; raised from sale of Russel Hall and Officer Housing
Maintenance of Land and Unoccupied Buildings	6,000,000	Estimate based on projected sale of last parcel in 2020
LRA Administration and Operations	6,556,738	Figure is net of costs projected in Phase 1 application
Professional Services	6,564,876	Include auditing, legal, marketing, appraisal, engineering, surveying, planning and title
Trunk Infrastructure Requirements	26,317,332	Just-in-time construction to match land and building sales; purchasers responsible for in-tract infrastructure
Demolition	6,000,000	Assumes 1 mm SF of trunk open space demolition; purchasers responsible for in-tract demolition
Homeless Trust Fund	5,064,691	Homeless trust payments based on \$20,055 per developable acre; total Phase 1 & 2 target is \$14.54M; FMERA to fund remaining obligation of \$3.2M at project completion from Aggregate Cash Flow
Real Estate Commissions	5,938,889	Real estate commissions @ 6% per master broker agreement with Cushman & Wakefield
Grant Matching Funds	1,852,965	Net of state funding shown in Phase 1 EDC application
Total Revenue Uses	\$ 99,788,654	
Aggregate Cash Flow	\$ 17,608,363	

3.4 Market and Financial Feasibility Analysis

The existing market conditions suggest a long development timeframe for the redevelopment of Phase 2 Parcels, consisting of an initial 10 year period for the sale of the property and the installation of trunk infrastructure, and an additional period for the completion of private redevelopment. Because the nation's economic recovery remains tenuous, FMERA will need to be very judicious in the implementation of its development plan and select qualified and well-capitalized development partners.

3.4.1 Local/Regional Competitive Development Sites

There are no development sites in the region of the scale of Fort Monmouth. Of note, the former Bell Labs site in Holmdel, located 10 miles from the Fort in northern Monmouth County, was purchased in 2013 for redevelopment. The 2M sf historic building on a 472 acre campus is proposed for a mix of age-restricted housing and health and wellness uses. These proposed uses are not among FMERA's primary targeted industries. The local office market is primarily smaller type footprints on relatively small sites. According to Cushman & Wakefield, as of the 4th Q 2014, the Monmouth County office vacancy rate stood at 13.4%. However, when the vacant Bell Labs building is added to the available space inventory, the figure doubles to 27%. Retail demand is stronger than that for office space, with a 4th Q 2014 retail vacancy rate of 6.3% for the

eastern Monmouth County submarket. The bulk of the retail space inventory consists of smaller shops, with larger centers (malls and power centers) making up only 17% of the space.

3.4.2 Land Use Absorption Projections

Superstorm Sandy created a shortage of housing, particularly rental housing, at the Jersey Shore. According to Cushman & Wakefield, Monmouth County's 2013 average rental housing vacancy rate stood 2.2%, and single family home sales picked up, with the average days on market dropping to 112. Consequently, FMERA has experienced a strong response to its housing RFOTPs in Phase 1, with two prominent homebuilders, Hovnanian and Lennar, poised to develop the first 563 homes at Howard Commons and Parcels C & C1. By reducing the total projected office space buildout and substituting more viable options, such as retail and technology uses, FMERA is confident that it can sell all of the land parcels and reuse buildings by 2020.

3.4.3 Estimate of Net Proceeds Over 10-Year Period

A comparative analysis of the annual and cumulative cash flow is presented in the accompanying appendices. A positive net cash flow over the forecast period is projected to be **\$17.6M**. The business plan and implementation model will provide flexibility in the timing of capital investments and anticipate the potential need to provide bond financing to fund and amortize long-term infrastructure costs within the program. The comparison of financial model results enables FMERA to perform sensitivity analyses and to better manage profitability of the program. FMERA will manage costs (and break-even) for the conservative model projection and investments as needed to keep pace with optimistic program velocity.

3.5 Cost Estimate/Justification for Infrastructure and Other Investments

A preliminary infrastructure plan and cost model has been prepared to meet both the baseline growth scenario for the Fort property. These plans identify and account for the provision of both in-tract and trunk improvement costs. The improvements proposed are provided "just-in-time" to accommodate development as it occurs.

3.6 Proposed Level of State and Local Government Investment

Redeveloping the base is a significant opportunity, but may also require a substantial government investment to replace aging infrastructure, address environmental issues, and reposition the Post for development as a modern, sustainable, mixed use community.

The State already has enacted or is in the process of implementing several site specific economic development policies in addition to its robust slate of statewide incentives. Site specific policies include improving the site's accessibility through the development of a direct ramp to the Garden State Parkway and the establishment of an infrastructure financing district through FMERA's enabling legislation. The sections below detail both the site-specific policies and the most relevant statewide incentives.

Garden State Parkway Exit 105A

One plan being pursued by the State that is critical to the success of the Fort Monmouth Redevelopment is the new Garden State Parkway Interchange:

- The plan will reconfigure a segment of the Parkway in Tinton Falls at Exit 105. A new ramp will be added from the southbound Parkway to Wayside Avenue and there will be new signage in both directions at the exit for visitors to the area. The project also includes funding for improvements at the intersection of Hope Road and Route 36. These improvements will improve traffic flow, wayfinding, and access to the Fort Monmouth grounds.
- Design work has been completed, and construction commenced in early 2014.

- The State is funding the \$40 million improvements from the New Jersey Turnpike Authority's 10-year, \$7 billion capital program.⁵

Infrastructure Financing District

The state authorization legislation for the Fort Monmouth Economic Revitalization Authority (FMERA) included several financing mechanisms to dedicate revenues to the property. FMERA has the power to establish any of the following types of special taxation districts in order to generate revenue to fund redevelopment:

- **Special Improvement District.** A Special Improvement District (SID) would allow FMERA to establish an area within the project area in which a special assessment on property can be imposed for the purposed of promoting economic development and general welfare in the area. Projects funded with revenue generated by the SID may include marketing, clean-up initiatives, beautification and streetscaping, and infrastructure improvements.
- **Transportation Planning District.** The Transportation Planning District is an area, for which the borders would match those of the project area, where state departments and agencies, local corporations, metropolitan planning organizations, and county and local government official collaborate to create a comprehensive transit plan. After the authority adopts the plan, it may assess fees on development to fund the implementation of the plan.
- **Infrastructure District.** The infrastructure district is an area where a "franchise fee" is imposed on businesses within the area, in order to fund future infrastructure improvements. This fee can equal up to 50% of the existing sales and use tax, or 3.5%, and it assessed at the point of sale. Vendors can apply to have the applicable state sales and use tax reduced from 7% to 3.5%. Certain products are excluded from the fee, including alcohol, cigarettes, motor vehicles, manufacturing equipment, and utilities. The Financial Plan anticipates that the infrastructure district will generate \$10.98M in fees.

Revenues generated via these mechanisms can only be spent on projects within the authority for the enhancement of the redevelopment. Currently FMERA anticipates only utilizing the Infrastructure District funding mechanism, as the fees associated with the other districts could serve as a disincentive to the sale and development of Phase 2 property.

Key Statewide Economic Development Incentives

The following statewide economic development programs will also be important in supporting the site's ability to attract purchasers and tenants. The purpose of this section is to provide an overview of programs that are most relevant for the site. Some programs may not work well in conjunction with each other or special incentives for the site. For example, as a portion of the sales tax revenues are dedicated to redevelopment through the infrastructure financing district, lower revenues are available for capture through a state ERG grant.

- **Economic Redevelopment and Growth (ERG) Program.** This program incentivizes redevelopment projects by committing future streams of state and/or local tax revenues (up to 20 years) to the developer through a reimbursement. Developers of redevelopment projects may apply for an incentive grant up to 20% of development project costs that is funded by up to 75% of the annual incremental State and/or local tax revenue. Developers must demonstrate that project financing gap exists to receive the grant, and the value of the grant may not exceed this gap. Any project that receives an ERG

⁵ Source: Lee, Evelyn, *State Pledges \$40M to Parkway interchange Near Fort Monmouth*. NJBIZ, April 29, 2011. <http://www.njbiz.com/article/20110429/NJBIZ01/110429919/>

grant must enter into a prevailing wage agreement, and residential projects must reserve at least 20% of units constructs for occupancy by low- or moderate-income households. Since the Brownfields and Contaminated Site Remediation Program & ERG use the same state tax revenue streams, developers or other applicants may not receive both. Applications must be filed by July 1, 2019.

- **Grow New Jersey Assistance Program (Grow NJ).** This program is the state's main job creation incentive. The New Jersey Economic Opportunity Act of 2013 designated Fort Monmouth as a priority area for grant eligibility. The program provides tax credits of \$3,000 per new or retained full-time job, per year, in priority areas. With potential scoring bonuses, the grant amount can reach \$10,500 per job in priority areas up to a maximum of \$4M annually, but not more than 90% of withholdings. Applications must be filed by July 1, 2019.
- **Bond Financing Program.** This program allows the New Jersey Economic Development Authority to issue tax-exempt bonds, the proceeds of which are used to provide low-interest loans to businesses for certain authorized uses. Credit worthy New Jersey companies, not-for-profit organizations, or exempt facilities may apply for long-term financing under the Bond Financing Program. Financing may amount to between \$500,000 and \$10M in tax-exempt bonds for for-profit companies and tax-exempt bonds with no upper limit for not-for-profit organizations.
- **Brownfields and Contaminated Site Remediation Program.** This program reimburses developers for remediation of brownfields sites by taking an assessment on the sales tax of new businesses that locate on the formerly-contaminated sites. Development in New Jersey in need of financial assistance to clean up and redevelopment polluted sites may enter into a redevelopment agreement with the New Jersey Economic Development Authority and be eligible to recover up to 75% of approved costs associated with remediation. Since the Brownfields and Contaminated Site Remediation Program & ERG use the same state tax revenue streams, developers or other applicants may not receive both.
- **Fund for Community Economic Development.** This program provides low-interest loans to developers to help close the financing gap on projects that, but for the loan, would not be financially feasible. These loans are made available at a base rate equal to the 5-year US treasury rate, plus 100 basis points for fixed-rate loans and minus 150 base points for variable rate loans. Developers of real estate in urban and Smart Growth locations can apply for up to \$1.25M in loans to fill financing gaps in the development of community facilities and other real estate-based economic development projects.

Institutional Partnerships

Finally, there may be an opportunity for FMERA to partner with local and regional institutions to advance development efforts. FMERA might partner with local academic institutions such as New Jersey's public research universities or Monmouth University. FMERA could provide land and financial incentives if these institutions agreed to locate either administrative or academic uses on the grounds of the Post. Additionally, there may be an opportunity to pursue a more aggressive model in which FMERA partners with an academic institution that establishes an academic research facility on the site. This facility would serve as a magnet for private-sector investment, attracting commercial research and development businesses to locate on or near the site. Further, the research facility could double as an incubator for new businesses in complementary industries. This model has been deployed in a number of competitor states and regions, where academic anchors have been leveraged to attract private-sector economic growth. Examples include Research Triangle in North Carolina, the Route 128 corridor in Massachusetts, or the pharmaceutical and biosciences hub that has emerged in San Diego. Recently, the New York City Economic Development Corporation (NYCEDC) selected Cornell

University and Teknion Institute to anchor a proposed applied science & technology campus that would serve as an incubator for and a driver of tech-led private-sector economic growth.

3.7 EDC Consistency with Overall Reuse & Redevelopment Plan

The EDC requested by FMERA is consistent with the findings of the Reuse Plan approved in October 2008. The total land area of this Phase 2 EDC Application is approximately 563 acres or 50 percent of the total Fort property. Overall the land uses have remained consistent with the Reuse Plan and building space and residential units do not exceed the Reuse Plan.

3.8 Requirements for Personal Property and Equipment

In addition to land, items of personal property are being requested as part of this EDC application. FMERA requests the transfer of all non-accountable personal property and accountable personal property on a parcel, no longer needed by the Army, as part of each closing and execution of a Deed. (This includes the building and facility drawings, maintenance records and Maximo Server.)

3.9 Reuse & Redevelopment Plan Implementation Options

Note: The analysis of the various conveyance mechanisms included in the Phase 1 application applies for the Phase 2 conveyance as well. There are no public benefit conveyance or no-cost parcels to be considered in Phase 2.

SECTION 4: FINANCIAL CONSIDERATION AND TERMS

4.1 Financial Considerations and Terms

In accordance with the BRAC Statute and 32 C.F.R. 174.9, the principal terms and conditions of the Phase 2 Deal Points will be integrated into an amended EDC Agreement.

FMERA agrees to a single payment of \$33M with no deductions, as consideration for the conveyance of all Phase 2 parcels, including the environmental sites, on the date of closing and execution of a Deed for the majority of the Phase 2 parcels, less the environmental sites to be conveyed at a later date. Approximately \$10M of the payment will come from the sale of the Russel Hall and Officers' Housing parcels. The Army's target closing date and payment of consideration is January 2015, but no later than March 15, 2015.

In the meantime, the Army will maintain the Phase 2 parcels in accordance with the provisions of 32 C.F.R. 174.14, subject to the availability of funds, until such time as the Phase 2 parcels are conveyed to FMERA. Conveyance of the environmental sites will occur following the completion of a Finding of Suitability to Transfer (FOST) and within 75 days of Army's delivery and FMERA's acceptance of a signature-ready Deed and a New Jersey Deed Notice, if required.

FMERA will comply with the provisions of 32 CFR 174.9 section (d) (8) regarding the re-investment of sale or lease proceeds in the Phase 1 and Phase 2 EDC Parcels.

4.2 Memorandum of Agreement

An amended Memorandum of Agreement embodying the negotiated terms and conditions of the Economic Development Conveyance of the Phase 1 and 2 Parcels will be attached.

Fort Monmouth EDC Phase 2 - Financial Plan

Financial Plan Summary

6/13/2014

Sources of Funds	Amount	Comments
Sales Proceeds	\$ 98,981,499	See Land Sale Proceeds Summary for details
Phase 1 Excess Proceeds	2,678,903	Anticipated funds remaining upon completion of Phase 1
Infrastructure District Revenue	10,978,000	Generated from FMERA's 50% share of retail sales taxes
OEA Grants	2,905,650	Amount is net of OEA grant funds projected in FMERA's Phase 1 EDC application
Grant Matching Funds	1,852,965	Net of state funding shown in Phase 1 EDC application
Total Revenue Sources	\$ 117,397,017	
Uses of Funds		
Cumulative Debt Service Payments	\$ 25,493,163	Sum of debt service payments on \$23.46M of bonding
Cash Payment to Army	10,000,000	Balance of \$33M purchase price; raised from sale of Russel Hall and Officer Housing
Maintenance of Land and Unoccupied Buildings	6,000,000	Estimate based on projected sale of last parcel in 2020
LRA Administration and Operations	6,556,738	Figure is net of costs projected in Phase 1 application
Professional Services	6,564,876	Include auditing, legal, marketing, appraisal, engineering, surveying, planning and title
Trunk Infrastructure Requirements	26,317,332	Just-in-time construction to match land and building sales; purchasers responsible for in-tract infrastructure
Demolition	6,000,000	Assumes 1 mm SF of trunk open space demolition; purchasers responsible for in-tract demolition
Homeless Trust Fund	5,064,691	Homeless trust payments based on \$20,055 per developable acre; total Phase 1 & 2 target is \$14.54M; FMERA to fund remaining obligation of \$3.2M at project completion from Aggregate Cash Flow
Real Estate Commissions	5,938,889	Real estate commissions @ 6% per master broker agreement with Cushman & Wakefield
Grant Matching Funds	1,852,965	Net of state funding shown in Phase 1 EDC application
Total Revenue Uses	\$ 99,788,654	
Aggregate Cash Flow	\$ 17,608,363	

Fort Monmouth EDC Phase 2 - Financial Plan													
Aggregate Business Plan Model													6/13/2014
Sources of Funds	2014		2015		2016		2017		2018		2019		Totals
Sales Proceeds	\$	11,906,751	\$	12,685,800	\$	3,201,493	\$	18,341,118	\$	32,529,587	\$	20,316,750	\$ 98,981,499
Phase 1 Excess Proceeds		-		-		2,678,903		-		-		-	2,678,903
Infrastructure District Revenue		-		-		-		998,000		998,000		1,497,000	10,978,000
OEA Grants		145,650		960,000		1,000,000		800,000		-		-	2,905,650
Grant Matching Funds		132,965		320,000		600,000		800,000		-		-	1,852,965
Total Revenue Sources	\$	12,185,366	\$	13,965,800	\$	7,480,396	\$	20,939,118	\$	33,527,587	\$	21,813,750	\$ 117,397,017
Uses of Funds													
Cumulative Debt Service Payments	\$	29,325	\$	117,300	\$	4,047,985	\$	4,117,822	\$	4,188,216	\$	4,259,162	\$ 25,493,163
Cash Payment to Army		10,000,000		-		-		-		-		-	10,000,000
Maintenance of Land and Unoccupied Buildings		-		1,000,000		1,000,000		1,000,000		1,000,000		1,000,000	6,000,000
LRA Administration and Operations		30,894		63,024		112,502		245,896		334,420		1,331,250	6,556,738
Professional Services		148,212		1,185,688		1,185,688		1,185,688		476,600		476,600	6,564,876
Trunk Infrastructure Requirements		-		-		-		5,491,616		3,639,079		8,202,070	26,317,332
Demolition		-		-		1,200,000		1,200,000		1,200,000		1,200,000	6,000,000
Homeless Trust Fund		942,586		693,703		731,807		959,230		925,940		811,425	5,064,691
Real Estate Commissions		714,405		761,148		192,089		1,100,467		1,951,775		1,219,005	5,938,889
Grant Matching Funds		132,965		320,000		600,000		800,000		-		-	1,852,965
Total Revenue Uses	\$	11,998,387	\$	4,140,863	\$	9,070,071	\$	16,100,719	\$	13,716,030	\$	18,499,512	\$ 99,788,654
Annual Cash Flow	\$	186,979	\$	9,824,937	\$	(1,589,675)	\$	4,838,399	\$	19,811,557	\$	3,314,238	\$ (12,102,795)
Aggregate Cash Flow	\$	186,979	\$	10,011,916	\$	8,422,241	\$	13,260,640	\$	33,072,197	\$	36,386,435	\$ 24,283,640

Fort Monmouth EDC Phase 2 Financial Plan
Land Sale Proceeds Summary

6/13/2014

Stand-Alone Properties

Parcel	Anticipated Sale Date	FMERA Appraisal	Estimated Value	Final Proposal Amount	Gross Proceeds	RE Commissions	Homeless Fund	Net Proceeds
Russel Hall	12/15/2014	\$ -	\$ -	\$ 1,650,000	\$ 1,650,000	\$ 99,000	\$ 130,358	\$ 1,420,642
Chapel	12/15/2014	1,530,000	-	-	1,530,000	91,800	100,275	1,337,925
Fitness Center	6/15/2015	1,950,000	-	-	1,950,000	117,000	155,426	1,677,574
Officer Housing	12/15/2014	-	-	8,726,751	8,726,751	523,605	711,953	7,491,193
Bowling Center	6/15/2015	-	879,950	-	879,950	52,797	24,267	802,886
V-1	9/15/2015	-	500,000	-	500,000	30,000	200,550	269,450
Expo Theater	6/15/2015	-	944,150	-	944,150	56,649	80,220	807,281
Lane Hall	9/15/2015	-	605,000	-	605,000	36,300	16,646	552,054
Mallette Hall	9/15/2015	-	3,332,100	-	3,332,100	199,926	92,253	3,039,921
McAfee Center	12/15/2015	-	4,474,600	-	4,474,600	268,476	124,341	4,081,783
Subtotals					\$ 24,592,551	\$ 1,475,553	\$ 1,636,289	\$ 21,480,709

Balance Parcels

Parcel	Anticipated Sale Date	Estimated Value	Gross Proceeds	RE Commissions	Homeless Fund	Net Proceeds
Parcel 1	Q4 2016	\$ 2,847,790	\$ 2,847,790	\$ 170,867	\$ 497,966	\$ 2,178,957
Parcel 2	Q1 2017	9,631,970	9,631,970	577,918	701,724	8,352,328
Parcel 3	Q1 2017	8,709,148	8,709,148	522,549	257,506	7,929,093
Parcel 4	Q1 2018	8,777,430	8,777,430	526,646	274,754	7,976,030
Parcel 5	Q1 2018	23,752,157	23,752,157	1,425,129	651,186	21,675,842
Parcel 6	Q4 2016	353,703	353,703	21,222	233,841	98,640
Parcel 7	Q1 2019	20,316,750	20,316,750	1,219,005	811,425	18,286,320
Subtotals			\$ 74,388,948	\$ 4,463,336	\$ 3,428,402	\$ 66,497,210

Phase 2 Totals
\$ 98,981,499 \$ 5,938,889 \$ 5,064,691 \$ 87,977,919

Fort Monmouth EDC Phase 2 - Financial Plan

General Land & Building Pricing and Valuation Assumptions

6/13/2014

Development Land

Residential:

Low Density:	\$72,500	per dwelling unit
Medium Density:	\$55,000	per dwelling unit
Average Price/DU:	\$63,750	
Phase 2 DU:	740	
Residential Value:	\$47,175,000	

Retail:

Price/sf/FAR:	\$61	
Phase 2 Retail Buildout:	322,000	sf
Retail Value:	\$19,642,000	

Office/R&D:

Price/sf/FAR:	\$10.27	
Phase 2 Office/R&D Buildout:	737,288	sf
Office/R&D Value:	\$7,571,948	

Development Land Total:

\$74,388,948

Stand-alone Land Parcels & Reuse Buildings

Homeless Veterans Housing Parcel:	\$500,000
Historic Housing:	8,726,751
Russel Hall:	1,650,000
Main Post Chapel:	1,530,000
Fitness Center:	1,950,000
Remaining Reuse Buildings (204,716 sf @ \$50/sf):	10,235,800

Stand-alone Total Value:

\$24,592,551

Total Phase 2 Property Value

\$98,981,499

Data Sources: FMERA appraisals; closed sales; purchase offers; Cushman & Wakefield

Fort Monmouth EDC Phase 2 - Financial Plan

Bond Financing Summary

6/13/2014

Amount Financed **\$23,460,000**

Rate **0.5% escalating to 3.5%**

Term **7.25 years (5 Qs interest only)**

Annual Payments	\$	(29,325)	4th Q 2014	0.5%
		(117,300)	2015	0.5%
		(4,047,985)	2016	1.0%
		(4,117,822)	2017	1.5%
		(4,188,216)	2018	2.0%
		(4,259,162)	2019	2.5%
		(4,330,657)	2020	3.0%
		<u>(4,402,696)</u>	2021	3.5%

Sum of Payments **\$ (25,493,163)**

Fort Monmouth EDC Phase 2 - EDC Justification

Job Creation Estimates

6/13/2014

EDC Application	Phase 2 Less			Square Footage	DU/Acre	FAR ⁽³⁾	Buildable Sq Footage	DUs ⁽³⁾	Hotel Keys	Multiplier ⁽⁴⁾	Jobs Estimate
	Phase 1 Acreage (Exhibit 2.1-A)	Phase 2 Acreage	20% ROW Acreage Assumption								
Low Density Residential	34.79	57.31	45.848	1,997,139	6			275.088		0	0
Medium Density Residential	77.11	77.88	62.304	2,713,962	12			747.648		0.05	37
Mixed/Multi Use	47.34	20.39	16.312	710,551							
Retail						0.25	177,638			1.5	266
Residential					8			130.496		0.05	7
Office/ R&D	97.04	73.62	58.896	2,565,510		0.3	769,653			3.26	2,509
Retail	3.82	24.32	19.456	847,503		0.25	211,876			1.5	318
Special Use ¹	5.2	46.34	37.072	1,614,856							
Russel Hall						0.25	42,300			3.26	138
Fitness Center						0.3	81,189			0.5	41
Hospitality (Hotel)									75	0.67	50
Community ²	19.71	28.68	22.944	999,441		0.3	299,832			1	300
Passive Open Space	94.59	4	3.2	139,392							
	379.6	332.54	266.032	11,588,354							3,666
20% Right of Way Estimate	75.92	66.508									
Net Developable	303.68	266.032									

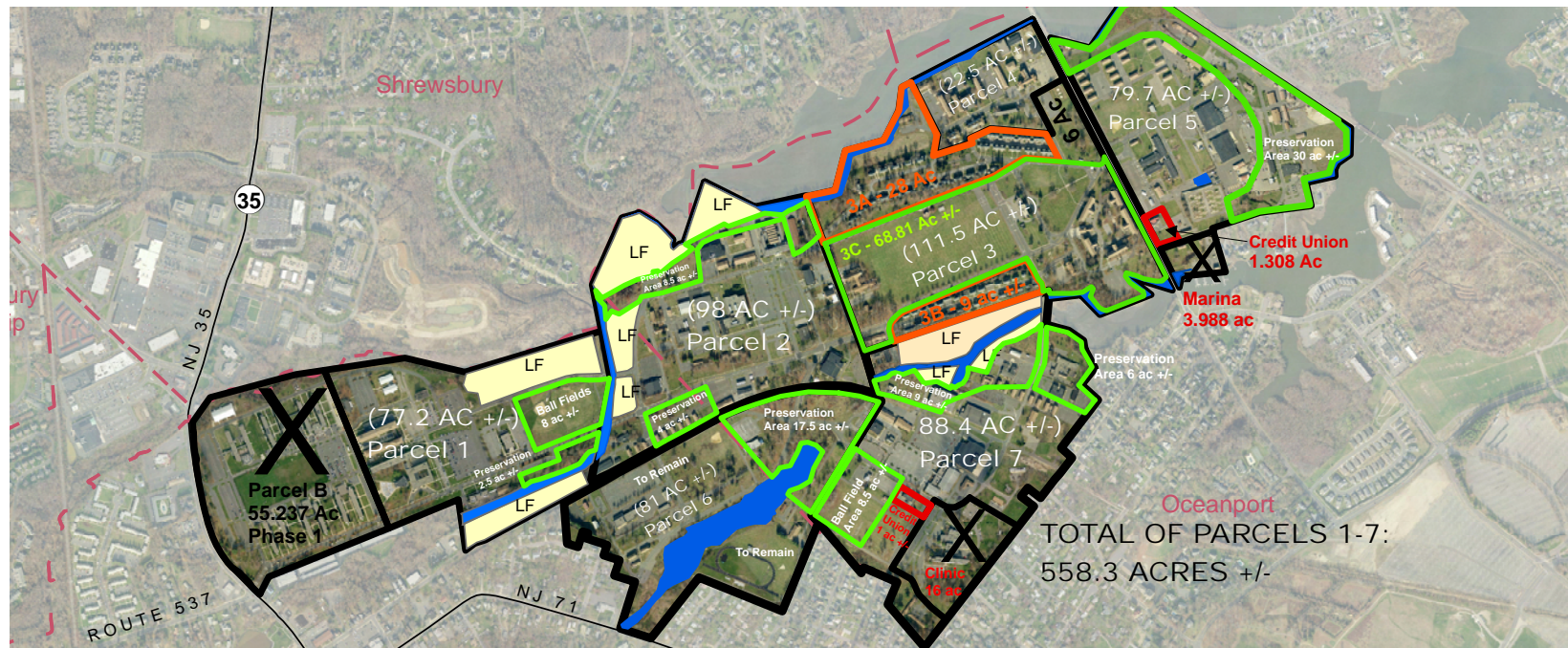
1- Includes Oceanport School and Chapel, which do not have multipliers

2- Includes Malette Hall, Lane Hall, Library, and Museum

3- FAR and DU assumptions per FMERA Reuse and Redevelopment Plan

4- Employment multipliers per Phase 1 EDC Application

Appendix B: Parcelization Plan - Fort Monmouth EDC Phase 2



**Proposed Amendment #1 to the
*Fort Monmouth Reuse and Redevelopment Plan***

Prepared for:
The Fort Monmouth Economic Revitalization Authority

By:
Phillips Preiss Grygiel LLC
Planning and Real Estate Consultants
33-41 Newark Street
Hoboken, NJ 07030

February 2012

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I. Introduction and Planning Rationale

Pursuant to P.L.2010, c. 10 (N.J.S.A. 52:27I-18 et. seq.), the Fort Monmouth Economic Revitalization Authority (“FMERA”) is considering amending the *Fort Monmouth Reuse and Redevelopment Plan* (the “*Reuse Plan*” and “Plan”) to provide the option for development of professional office and/or research and development (R&D) space on a 55-acre parcel (“Parcel E”) located in the northeast section of the former Fort Monmouth property in the Borough of Tinton Falls, New Jersey. FMERA must determine whether the alternative development scenario is generally consistent with the overall planning principles and objectives of the *Reuse Plan*.

The proposed amendment does not purport to delete any provisions of the *Reuse Plan* but rather would supplement the Plan by proposing an alternative development scenario for the 55-acre parcel cited above. The amendment would ultimately be incorporated into the Land Use Regulations for the Reuse Area in a manner similar to an “overlay zone,” whereby an additional set of requirements are superimposed on the area allowing for such alternative development scenario to be realized. Overlay zoning would provide additional opportunities for development which would not apply unless the land is developed in accordance with the purposes for which the overlay zoning was adopted.

The Fort Monmouth properties in Tinton Falls (“the Reuse Area”) total approximately 254 acres and are bounded generally by Pearl Harbor Avenue to the west, Tinton Avenue to the north, Hope Road to the east and Pinebrook Road and the Conrail railroad tracks to the south. The *Reuse Plan* envisions redevelopment of this area for approximately one million square feet of non-residential space and 288 residential units. Such development would include a high-tech business campus with a multi-use town center containing ground-floor retail space with mixed-income housing or professional offices above, and standalone residential, institutional and civic uses. Specifically, Parcel E is planned for low- and medium-density housing totaling 126 units, together with ball fields and a field house, and three neighborhood pocket parks.

This amendment, referred to as Amendment #1, maintains the land use concepts and plans articulated in the *Reuse Plan* but also permits an alternative development scenario that, if pursued, would result in the development of 650,000 square feet of professional office/R&D space on Parcel E. Under this alternative, the total number of residential units would remain at 288, however the 126 residential units envisioned for Parcel E would be redistributed to other locations within the Tinton Falls Reuse Area.

This amendment is consistent with the planning objectives and principles articulated in the *Reuse Plan* and is necessary to fulfill the Authority’s main objectives—specifically job creation, economic development and the provision of housing. The real estate market has taken a turn for the worse since the *Reuse Plan* was prepared and this downturn

Appendix D: Amendments to 2008 Fort Monmouth Reuse & Redevelopment Plan

has been compounded by the actual closure of Fort Monmouth, which has resulted in the loss of 5,000 jobs on the base and 15,000 supporting jobs in the region. The impacts associated with the base closure relative to the local property tax base and local and regional employment will continue to be felt so long as the former Fort properties remain fallow and unproductive.

A significant change has occurred since the preparation of the *Reuse Plan* that directly affects the Tinton Falls Reuse Area: plans by the New Jersey Turnpike Authority to re-configure Exit 105 of the Garden State Parkway. These improvements will remove traffic from the Hope Road/Route 36 intersection and provide additional access to Pearl Harbor Avenue, Tinton Avenue and Route 18. The *Reuse Plan* placed limitations on density and types of land uses in those areas of the Tinton Falls Reuse Area that would be served by the local roadway system. As a result of the Exit 105 improvements, the Tinton Falls Reuse Area will be positioned to accommodate higher-traffic generating uses, i.e., of-office/research uses (and at higher development intensities) than originally envisioned. Furthermore, this new access will, in all likelihood, render certain land parcels more desirable for office/R&D use than was contemplated during the Plan preparation stage.

The *Fort Monmouth Reuse and Redevelopment Plan* involved years of careful consideration and study as well as an extensive effort to draw input from local residents, the three host municipalities and the County, State and Federal government. As such, this amendment does not change the underlying Plan vision for the Tinton Falls Reuse Area. Instead, it provides an alternative development scenario that affords FMERA with the necessary flexibility to respond to changed circumstances in a manner that does not compromise overall *Reuse Plan* goals and objectives.

The following chapter describes the nature and scope of the amendment, while succeeding chapters discuss its relationship to the elements, objectives and planning principals of the *Fort Monmouth Reuse and Redevelopment Plan*, as well as to FMERA's own directive, and to relevant State, County and municipal planning objectives.

II. Scope of *Reuse Plan* Amendment

This amendment to the *Reuse Plan* is intended to allow for an alternative development concept for approximately 55 acres, referred to as Parcel E, in the Tinton Falls Reuse Area. The Tinton Falls Reuse Area is bound generally by Pearl Harbor Avenue to the west, Tinton Avenue to the north, Hope Road to the east and Pinebrook Road and the Conrail railroad tracks to the south.

Parcel E is located in the northeast quadrant of the Reuse Area and is bounded on the north by Tinton Avenue; on the east by three single-family residential parcels and Hope Road; on the south by Corregidor Road and Building 2290 (formerly used as a Child Development Center); and on the west by Bataan Avenue. Parcel E is located adjacent to the intersection of Tinton Avenue and Hope Road. Convenient access to the parcel is currently provided via one of two gated entrances: on Bataan Avenue off of Tinton Avenue (the “Bataan Gate”) and on Corregidor Road off of Hope Road.

The *Reuse Plan* envisions redevelopment of the Tinton Falls Reuse Area for approximately one million square feet of non-residential space and 288 residential units. Such development would include a high-tech business campus, a multi-use town center containing ground-floor retail space with mixed-income housing or professional offices above, and standalone residential, institutional and civic uses. Under the *Reuse Plan* Parcel E would be developed for 126 mixed-income residential units distributed as follows: 7 large-lot detached homes fronting on Tinton Avenue; reuse of 22 units of the extant Hemphill housing; 39 small-lot detached homes and 58 townhouses. The *Reuse Plan* envisions Parcel E to also accommodate ball fields and a field house, and three neighborhood pocket parks.

This amendment maintains the development concepts and plans articulated in the *Reuse Plan*, but further permits an alternative development scenario that, if pursued, would result in the development of up to three buildings totaling 650,000 square feet of professional office/R&D space on Parcel E. Under this alternative development scenario, the total number of residential units within the Tinton Falls Reuse Area would remain at 288. However, the 126 residential envisioned for Parcel E would be redistributed to other locations within the Tinton Falls Reuse Area as follows: 82 apartment units above ground-floor retail space in the mixed-use town center; 90 mixed-income apartments to the east of the town center and 33 townhouse units directly to the north; 34 small-lot detached homes along Tinton Avenue between Parcel E and the town center; 36 townhouses to the west of the existing pool and teen center and south of Laboratory Road; 8 large-lot detached homes to the south of Laboratory Road and east of Park Road; and 5 small-lot detached homes to the north of Laboratory Road (see *Figure 1: Alternative Scenario for Parcel E in the Tinton Falls Reuse Area*).

Appendix D: Amendments to 2008 Fort Monmouth Reuse & Redevelopment Plan

The amendment would necessitate the removal of Buildings 2539 and 2540 south of Laboratory Road. These buildings, which total approximately 16,000 square feet, are shown in the “Building Reuse Plan” exhibit in the *Reuse Plan* as having potential (but not required) for reuse as office/R&D space. The amendment would also require the removal of 22 duplex units of the Hemphill Housing (Buildings 2231-2240, 2260) located along Hemphill Road on the western side of Hope Road, east of Guam Lane and north of Corregidor Road. These structures are not shown on the “Building Reuse Plan” exhibit nor are they listed as buildings required for preservation in the *Programmatic Agreement* between the New Jersey State Office of Historic Preservation (SHPO) and FMERA.



Figure 1:
Alternative Scenario for Parcel E in the
Tinton Falls Reuse Area

III. Relationship to Elements, Objectives and Principles of the *Reuse Plan* and FMERA Directives

Relationship to Reuse and Redevelopment Plan Elements

In considering the impacts of the *Reuse Plan* amendment (i.e., to permit office/R&D uses on Parcel E and redistribute 126 residential units to other locations in the Tinton Falls Reuse Area), the following *Reuse Plan* elements were evaluated: land use and circulation, infrastructure, environmental issues, historic preservation and community impacts. The relationship between the amendment and these Plan elements are described below.

Land Use and Circulation

Total Development Yield

If the alternative development scenario that is part and parcel of this amendment is pursued, it would result in the redevelopment of 650,000 square feet of new office/R&D space and a loss of ~16,000 square feet of existing office/R&D space in the Tinton Falls Reuse Area.¹ Thus, there would be a net increase of ~634,000 square feet of non-residential square footage. The number of residential units would remain at 288. The alternative development scenario, would result in revisions to the following tables in the *Reuse Plan*: “Reuse & Redevelopment Program,” “Non-Residential Building Reuse Index” and “Residential Building Reuse Index” as indicated in Tables 1 through 3 below.

Table 1: Reuse & Redevelopment Program

	Tinton Falls 10 Year Plan	Tinton Falls 20 Year Plan	Total Tinton Falls	Fort Total 10 Year Plan	Fort Total 20 Year Plan	Grand Fort Total
Existing <i>Reuse Plan</i>						
Total Residen- tial Units	288	--	288	885	720	1,605
Total Non- Residential Square Foot- age	802,568	207,000	1,009,568	2,523,407	858,072	3,381,479
If Amendment #1 is Pursued						
Total Residen- tial Units	288	--	288	885	720	1,605
Total Non- Residential Square Foot- age	1,436,812	207,000	1,643,812	3,157,651	858,072	4,015,723

¹ Removal of Buildings 2539 and 2540 included in the *Reuse Plan* as buildings for reuse totaling 15,756 square feet.

Table 2: Non-Residential Building Reuse Index if Amendment #1 Pursued

	Gross Square Feet to be Re-used	Office	Lab/Data	Homeless	Retail	Educ.	Other
Existing Reuse Plan							
Total Tinton Falls Excluding Residential	954,586	423,489	426,594	---	1,335	39,236	63,932
Fort Total Excluding Residential	2,079,061	816,168	635,637	31,322	108,089	73,460	237,509
If Amendment #1 is Pursued							
Total Tinton Falls Excluding Residential	938,830	423,489	410,838	---	1,335	39,236	64,932
Fort Total Excluding Residential	2,063,305	816,168	619,881	31,322	108,089	73,460	237,509

Table 3: Residential Building Reuse Index if Amendment #1 Pursued

Tinton Falls Residential Square Footage to be Reused	Total Fort Residential Square Footage to be Reused	Tinton Falls Total Residential Buildings to be Reused	Tinton Falls Total Residential Units to be Reused	Fort Total Residential Buildings to be Reused	Fort Total Residential Units to be Reused
Existing Reuse Plan					
40,700	790,000	11	22	83	267
If Amendment #1 is Pursued					
---	750,000	---	---	72	245

Compatibility with Surrounding Land Uses

The area surrounding Parcel E is developed for largely residential, educational and recreational purposes. Three single-family detached homes are located at the southwest corner of Hope Road and Tinton Avenue. To the north across Tinton Avenue are both single-family attached and single-family detached homes. The Sunaegles Golf Course lies directly to the east across Hope Road. To the south, within the former Fort boundaries is Building 2290 (the former Child Development Center), Building 2566 (which was used as the Youth and School Age Services Building), and Building 2569 (which was used as the Charles Wood Swimming Pool). The *Reuse Plan* envisions all three of these buildings being reused.

The *Reuse Plan* envisions a mixed-income residential development on Parcel E—in the form of garden apartments, townhouses, and detached residences—for the following reasons cited in Section 3.2: the area was historically a residential zone at Fort Monmouth (however, all of the units have already been removed with the exception of the Hemphill Housing along Hope Road); and it would include the reuse of the 22 unit Hemphill Housing, thereby taking advantage of existing housing. The Plan

places detached housing along Tinton Avenue and recommends a 30-foot landscape buffer between the roadway and proposed development. The Plan envisions higher-density residential dwellings for the remainder of Parcel E so as to allow for a more cost effective means of providing mixed-income housing.

As an alternative to residential use, office/R&D space would also be compatible with surrounding land uses on Parcel E. Access can be provided from both Tinton Avenue and Hope Road. In addition, the improvements to the Garden State Parkway will provide more direct access to Tinton Avenue from both the northbound and southbound lanes of the Garden State Parkway. Access to this location will also be enhanced by improvements to the Hope Road/Route 36 intersection. Furthermore, with the advantage of having convenient access to the regional highway network, the site should be well positioned in terms of attracting new corporate office/research users.

In addition, because a reconfigured Bataan Avenue² and Corregidor Road bound Parcel E within the former Fort's boundaries, this would serve to buffer the parcel from adjoining development. Moreover, in order to suitably accommodate office/research use at this location, imposition of appropriate regulatory controls, including large setbacks and generous landscaped buffers along Tinton Avenue, Hope Road, Bataan Avenue, and Corregidor Road should assure that both existing and future residences are protected from new development. Any office/R&D buildings constructed should remain in the central portion of the parcel, and building heights and development intensities should be sensitive to surrounding development patterns.

The redistribution of residential units to the locations shown in Figure 1 would be generally compatible with existing and future development envisioned in the *Reuse Plan*. Not only were apartments above ground-floor commercial space already contemplated in the *Reuse Plan* as part of the mixed-use town center, but the addition of an even larger number of such dwellings would enliven what is anticipated to be the focal point of the Tinton Falls Reuse Area. This area would be within close walking distance of the existing municipal complex, the retail establishments and office uses in the town center, and the civic green and library. The mixed-income apartments and the small-lot detached homes and townhouse units proposed to the east of the town center would also be in close proximity to all of the town center's amenities. Meanwhile, with appropriate regulatory safeguards in place, including adequate setbacks and buffering, additional low-density units fronting Tinton Avenue would be compatible with the established single-family properties neighboring the Reuse Area.

Finally, detached single-family homes and townhouses located along Laboratory Road would be compatible with largely undeveloped lands to the south (as depicted

² The *Reuse Plan* locates Bataan Avenue to the east of its current location so that it intersects Tinton Avenue to the east of Pond View Drive.

Appendix D: Amendments to 2008 Fort Monmouth Reuse & Redevelopment Plan

in the *Reuse Plan*) and would provide an appropriate transition to the more intensive office and commercial uses contemplated in the northern and western sections of the Reuse Area. Land use regulations for these residential units should insure that adequate setbacks and buffers be provided in locations where the units adjoin non-residential uses, specifically north of Laboratory Road.

Circulation

The amendment is consistent with and would not otherwise compromise any of the “Transportation Circulation Improvement Goals” established in the *Reuse Plan*. The proposed improvements to surrounding roadways, specifically Hope Road, Tinton Avenue and the intersection of Tinton Avenue and Route 36, would further support the alternative development scenario contemplated as part of this amendment.

The only difference is in relation to the Street Phasing Plans, as two proposed residential streets within Parcel E would not be built and two driveways would be added to the street phasing plan: one from Tinton Avenue and one from Hope Road (i.e., to provide access to Parcel E under the office/R&D use alternative). All other planned streets, pedestrian, and transit plans would remain unchanged.

Open Space

The amendment would involve the removal of one ball field and three pocket parks envisioned in the *Reuse Plan* for Parcel E. However, these parks could likely be accommodated elsewhere in the Tinton Falls Reuse Area, particularly as part of new (i.e., alternative) residential development.

Sustainability

The amendment would not preclude incorporation of any of the sustainability measures outlined in the *Reuse Plan*, consistent with all other development contemplated on the former Fort properties.

Infrastructure

As indicated in the *Reuse Plan*, impacts on the existing gas, electric, water, wastewater and telephone utilities servicing Fort Monmouth will have to be evaluated at site plan review for a specific project. This assessment is unaffected by the amendment.

Traffic

The *Reuse Plan* includes a *Technical Memorandum: Traffic and Transportation* (“the Technical Memorandum” and “the Study”) which was prepared by STV, Inc. and dated April 10, 2008, modified June 25, 2008. It should be noted that the Technical

Appendix D: Amendments to 2008 Fort Monmouth Reuse & Redevelopment Plan

Memorandum was completed before the New Jersey Turnpike Authority (NJTA) announced in 2011 its intention to make improvements to Interchange 105 of the Garden State Parkway in Tinton Falls and the intersection of Route 36 at Hope Road.

The Technical Memorandum concludes that the current configurations of the following intersections in the vicinity of Parcel E are expected to be inadequate to process the expected traffic overlays generated by the *Reuse Plan*: Route 36/Hope Road; Tinton Avenue/Route 35; and Hope Road/Tinton Avenue. These intersections are among those which the Study anticipated to become main traffic focal points at full build-out of the *Reuse Plan*.

The Garden State Parkway Southern Interchange Study: Interchange 105 (“the GSP Study”) dated January 2011 was prepared by Stantec for NJTA. The GSP Study notes that the *Reuse Plan* is expected at full build-out (i.e., 20 years out) to add up to 3,500 and 4,600 trips to the regional roadway network during the AM and PM peak hours over existing use which has capacity constraints under existing conditions. The GSP Study provides an analysis of potential roadway improvements to the intersection of Hope Road and Route 36 and Interchange 105, which is a full parkway interchange providing access to and from Route 36, Route 18 and Hope Road. The improvements are intended to provide congestion relief to vehicles utilizing the study area roadways and improve safety.

As a result of the analysis, the GSP Study concluded that the proposed improvements to Interchange 105 would not only address existing issues at the interchange and the Route 36 / Hope Road intersection, but also accommodate future traffic volumes generated by the *Reuse Plan*. In 2011, NJTA announced its plans to reconfigure the Parkway in Tinton Falls which will include improvements to the southbound Interchange 105, the northbound outer roadway, and the intersection of Hope Road and Route 36 as contemplated in the GSP Study. Construction could start in 2013.

Notwithstanding the above improvements to the adjacent roadway network, a detailed traffic analysis would be prepared as part of any site plan review related to development on Parcel E and any traffic mitigation necessary would be addressed at that time.

Environmental Issues

The land permitted to be developed by this amendment is not environmentally constrained per Geographic Information System (GIS) layers provided by the New Jersey Department of Environment Protection (NJDEP). Based on review of this data, it is evident that those portions of the Reuse Area where this amendment permits residential development are suitable for housing, provided the plans within such areas conform to the applicable requirements of NJDEP.

Appendix D: Amendments to 2008 Fort Monmouth Reuse & Redevelopment Plan

The Department of Defense (DoD) is working with the New Jersey Department of Environmental Protection (NJDEP) on the ongoing environmental investigation and remediation of the former fort properties. The DoD developed the Installation Restoration Program (IRP) to comply with federal guidelines for managing and controlling past hazardous waste disposal actions on Fort lands. Among the IRP sites identified is FTMM-26 (former pistol range), which is located on vacant land on the northern side of the intersection of Radiac Way and Laboratory Road. This amendment would permit the development of townhouses adjacent to this site, however the U.S. Army has indicated that it is considered a site of No Further Action (NFA) because investigation and/or response actions are complete.

Historic Preservation

The amendment would necessitate the removal of the remaining units of the Hemphill Housing. The Hemphill Housing area includes 22 duplex units (Buildings 2231 through 2240 and Building 2260) located along Hemphill Road on the western side of Hope Road, east of Guam Lane and north of Corregidor Road. The structures were built in 1955 and used as officer housing. The Hemphill Houses are in generally sound condition, but are in need of updating. The *Reuse Plan* refers to these structures as “historic” but does not list them among the historic resources listed in Chapter 7.0 Historic Preservation Guidelines of the *Plan*. In addition, they have not been identified by the State Historic Preservation Office (SHPO) as worthy of listing on the State or National Registers of Historic Places. Therefore, the amendment will not impact historic resources required for preservation according to the Programmatic Agreement between the SHPO and FMERA.³

Community Impacts and Affordable Housing

As noted in the *Reuse Plan*, the host communities, including Tinton Falls, rely on taxation for the largest portion of their municipal revenues. The Fort's closure, and the resulting loss of Defense contractor jobs is expected to result in a larger share of the tax burden falling to residential property owners. The potential offered by this amendment to increase non-residential tax ratables would therefore lessen the burden on local residents.

Corporate headquarters, offices, research facilities, retail and other commercial uses typically generate more positive fiscal impacts on a municipality, i.e., generate more tax revenues than incur municipal costs, than do other land uses, including residential development. Additional office/R&D use permitted by this amendment can be expected to have a positive fiscal impact on the tax base of Tinton Falls. The of-

³ If this alternative development scenario is pursued, Buildings 2539 and 2540 would also be removed. These buildings are not described as historic in the *Reuse Plan* and are not included in the Programmatic Agreement between SHPO and FMERA.

Appendix D: Amendments to 2008 Fort Monmouth Reuse & Redevelopment Plan

fice/R&D use would not generate any school children and the municipal costs associated per new employee, as indicated in the *Reuse Plan*, is about 20 percent less than municipal costs associated per new resident in Tinton Falls.

The number of residential units in the Tinton Falls Reuse Area would remain the same whether Parcel E is developed for residential or non-residential use. However, the redistributed residential units would be in a somewhat different form than anticipated in the *Reuse Plan* (see Table 4). The change in housing type has some implications in terms of the population and number of schoolchildren anticipated from development. The amendment contemplates 172 housing units in the form of apartments (i.e., either in apartment buildings or above ground-floor commercial uses) as opposed to 130 apartment units anticipated in the *Reuse Plan*—an increase of 42 units. These 42 units are drawn from the following housing units identified in the *Reuse Plan*: the 22-unit duplex Hemphill Housing, 14 units of townhouse/rowhouses, and six single-family large lot units. The New Jersey Demographic Multipliers prepared by the Center for Urban Policy Research at Rutgers University (November 2006), indicates that the projected household size and number of school children generated by single-family detached homes is only slightly higher than apartment units and both are only slightly higher than single-family attached homes. Furthermore, the number of small lot single-family, i.e., 39 units, remains constant whether the amendment is pursued or not, and the amendment still contemplates eight units of single-family large lot homes. Single-family detached homes typically have larger household sizes than either single-family attached homes (i.e., the Hemphill Houses and townhouses/rowhouses) or multi-family homes. Therefore, the amendment still affords opportunities for family housing in the Reuse Area. Finally, as the *Reuse Plan* also notes, higher-density residential dwellings allow for a more cost-effective means of providing mixed-income housing. Therefore, although the overall population may be reduced slightly if the amendment is pursued, it would still advance the *Reuse Plan* goal of providing a variety of housing types and creating mixed-income neighborhoods.

The amendment also anticipates fewer single-lot residential units and fewer townhouses/rowhouses. Therefore, despite the fact that there would be 288 residential units within the Tinton Falls Reuse Area regardless of how Parcel E is developed, the larger number of multi-family units to be built if the amendment is pursued would produce fewer schoolchildren and fewer residents, thereby reducing potential municipal costs as estimated in accordance with the *Reuse Plan*.

Table 4: Breakdown of Housing Types in Tinton Falls

Hemphill Hous- ing	1-Family Small Lot	1-Family Large Lot	Townhouse/ Rowhouse	Upper- Story Residential In Mixed- Use Build- ing	Apartments	Total
Existing Reuse Plan						
22	39	14	83	---	130	288
If Amendment #1 is Pursued						
---	39	8	69	82	90	288

Relationship to Objectives and Principles of the Reuse Plan

The amendment will fulfill the objectives and planning principles outlined in the *Reuse Plan*. Those planning objectives articulated in the Reuse Plan include the following:

- *Promote the Technology Corridor Initiative.* When the *Reuse Plan* was adopted, the governor touted the Fort's potential to become a "high-tech corridor." The amendment would allow for the development of additional office/R&D facilities within the Tinton Falls Reuse Area.
- *Be consistent with State, County, and Municipal planning policies.* The amendment is consistent with State, County, and Municipal planning policies, as set forth in the ensuing chapter.
- *Focus on business retention and attraction, job replacement, and employee training.* This amendment will provide for increased flexibility in relation to those locations where office/R&D use may be located within the Tinton Falls Reuse Area. This flexibility will aid FMERA in its efforts to attract suitable users who wish to develop new/expanded facilities, or who desire to relocate to Fort Monmouth from locations outside the region.
- *Be founded on market and economic analysis.* By permitting additional office/R&D space to be created within the Tinton Falls Reuse Area, the amendment responds to the current needs of the marketplace. In particular, the planned improvements to the Garden State Parkway are likely to render portions of the Reuse Area, including Parcel E, as more valuable for non-residential use, and, therefore, be more attractive to potential corporate office/research users.
- *Address homeless, COAH, and workforce housing needs.* The amendment does not change the total number of residential units planned for the Tinton Falls Reuse Area, however it does change the type of residential units. There will be fewer attached single-family homes and large-lot single family homes, which will most likely result in a slightly lower household size and school-age population.

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However, the amendment contemplates only six fewer single-family detached homes (where household sizes are highest) than the *Reuse Plan*. Furthermore the wide variety of housing types, including more apartments, will advance the principle of creating mixed-income neighborhoods.

- *Leverage Fort assets (people, infrastructure, location).* The amendment affords FMERA with an opportunity to leverage the locational assets of the Tinton Falls Reuse Use, i.e., proximity to the Garden State Parkway, together with improvements to the Parkway and ancillary roads servicing the area, to attract new office/R&D users that generate much-needed local employment and tax ratables.
- *Be a green community model.* This amendment does not in any way preclude the Tinton Falls Reuse Area from becoming a green community model.

The amendment further advances a number of key planning principles from which the overall concepts in the *Reuse Plan* were devised:

Principle #1: Decreasing Density West to East & Create Mixed-Use Live/Work/Leisure Centers. The *Reuse Plan* affirmatively states that the roadway capacity and infrastructure serving Fort Monmouth best supports higher density reuse and redevelopment in locations adjacent to the Garden State Parkway. Greater density in the Tinton Falls Reuse Area was also supported in the Plan because there were fewer environmentally constrained parcels in this area than elsewhere on the Fort.

Principle #2: Link centers & increase mobility with connected transit infrastructure serving the region and the Fort. The amendment would allow a redevelopment pattern that takes advantage of its close proximity to the Garden State Parkway. The amendment does not impact the *Reuse Plan*'s vision for an extensive system of bikeways, pedestrian trails and sidewalks.

Principle #3: Enhance auto mobility and redevelopment capacity with targeted roadway infrastructure improvements. The *Reuse Plan* acknowledges that redevelopment of the Fort will require improvements to the roadway system. Specifically, the *Plan* identifies the potential need to widen Tinton Avenue to provide added roadway capacity into the general area; and the potential need to widen Hope Road to provide added capacity between Route 36 and the Fort area.

Principle #4: Combine open space, habitat, and water resources to establish a continuous Blue – Green belt. The amendment, and specifically the potential redistribution of residential units within the Tinton Falls Reuse Area, does not preclude the creation of an open space network consisting of envi-

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ronmentally sensitive areas, including wetlands, watercourses, and habitats.

Principle #5: Utilize the Blue – Green belt as an armature for enhanced bicycle and pedestrian mobility throughout the Fort. The amendment would not impact the proposed bike path, or trails envisioned as part of the *Reuse Plan*.

Principle #6: Remove Fort boundaries & extend existing land uses to reconnect the Fort to the communities. The amendment would not prevent the opening of any gates into the Fort, nor inhibit public access to the Fort's amenities.

Principle #7: Leverage existing Fort Monmouth assets (People, Buildings, Technology, and Infrastructure). Although some existing Fort buildings would be demolished if the amendment were pursued, the alternative development scenario would not involve the removal of any buildings identified in the *Reuse Plan* as being required for preservation.

In summary, the amendment is consistent with the *Reuse Plan* elements, objectives and planning principles.

Relationship to FMERA Directive

To implement the *Fort Monmouth Reuse and Redevelopment Plan*, the New Jersey State legislature empowered the Fort Monmouth Economic Revitalization Authority (FMERA) to adopt any modifications or amendments to the *Reuse Plan* and adopt development and design guidelines and land use regulations to implement the plan.

Pursuant to P.L.2010, c. 10 (N.J.S.A. 52:27I-18 et. seq.), FMERA's purpose is the following:

to oversee, administer, and implement the [Reuse Plan] as provided in this act, in a manner that will promote, develop, encourage, and maintain employment, commerce, economic development, and the public welfare; to conserve the natural resources of the State; to provide housing, including housing to address identified needs related to homelessness; and to advance the general prosperity and economic welfare of the people in the host municipalities, the county, and the entire State by cooperating and acting in conjunction with other organizations, public and private, to promote and advance the economic use of the facilities located at Fort Monmouth.

The *Reuse Plan* amendment would advance both its stated purpose and the public welfare, by promoting, developing, encouraging and maintaining employment, commerce and economic development, as well as providing new housing.

IV. Relationship to State, County and Municipal Planning Objectives

State Development and Redevelopment Plan (SDRP)

On March 1, 2001, the State Planning Commission readopted the State Development and Redevelopment Plan (SDRP). In the SDRP, the Tinton Falls Reuse Area is classified as Planning Area 1, Metropolitan Planning Area (PA-1). The SDRP defines Metropolitan Planning Areas as areas which “provide for much of the state’s future redevelopment; revitalize cities and towns; promote growth in compact forms; stabilize older suburbs; redesign areas of sprawl; and protect the character of existing stable communities.” The amendment is well-reconciled with the guiding policies and policy objectives of the adopted SDRP for the Planning Area 1, Metropolitan Planning Area.

Consistent with the goals for the PA-1, the amendment promotes the type of redevelopment needed to transform the Tinton Falls Reuse Area, currently unused and unproductive, into a vibrant, mixed-use community with compact development that will ensure efficient utilization of scarce land resources while also carefully protecting the character of surrounding communities. The SDRP further advocates for the provision of a full range of housing choices in PA-1 through redevelopment, new construction and the introduction of new housing in appropriate nonresidential settings. The amendment is consistent with this policy objective as well. Also in accordance with the objectives for PA-1, the amendment allows for redevelopment in a location well served by existing transportation networks, including the Garden State Parkway.

Monmouth County Open Space Plan

The Monmouth County Open Space Plan, adopted by the Monmouth County Planning Board in August 2006 as an element of the Monmouth County Growth Management Guide, specifically advocates the acquisition of a portion of the Fort Monmouth property as a new County park site. To fulfill this acquisition, Monmouth County filed a Notice of Interest for park and recreation lands within Fort Monmouth. The County subsequently filed an application to the National Park Service’s Federal Lands to Park Program for a Public Benefit Conveyance, which was endorsed by the three host municipalities of Eatontown, Oceanport and Tinton Falls.

The amendment is not inconsistent with the County’s interests with regard to parks and recreation.

Tinton Falls Master Plan

The former fort properties in Tinton Falls are included within the “master plan” for Fort Monmouth, i.e., the *Reuse and Redevelopment Plan*. However, a vision for the redevelopment of the fort is provided in the most recent Master Plan for the Borough of Tinton Falls, adopted by the Borough Planning Board on April 25, 2007. The Borough Master Plan anticipates the imminent redevelopment of Fort Monmouth, stating among its goals to “ensure the most appropriate reuse of Fort Monmouth.” In addition, the Master Plan asserts that “given this piece of property represents the last best opportunity to do something special for the Borough, it is appropriate that Tinton Falls advance its vision for the ultimate development of the site.” To that end, the Plan articulates a vision for the fort’s future as “a vibrant mixed-use development with commercial, residential, entertainment and public uses in a traditional main street setting.”

The amendment is consistent with the vision articulated in the Borough Master Plan. Further, the Land Use Regulations that implement the amendment should adhere to the land use policies outlined in the Master Plan, including those relating to buffering of development along Tinton Avenue from adjacent residential neighborhoods.

Tinton Falls Zoning

Although the development of the former fort properties in Tinton Falls will be governed by the land use regulations and design guidelines adopted by FMERA, as a point of information, the study area lies within the Borough’s OS/GU: Open Space/ Governmental Use District under the municipality’s current zone plan. This designation represents a new land use category for Tinton Falls and includes the County Park south of Route 33 and the County-owned parcels on the east side of Wayside Road. This category also includes other large, publicly-held parcels, in addition to Fort Monmouth, including Naval Weapons Station Earle and the County Reclamation Center. The intent of this designation is to allow existing activities on the properties as a matter of right while not committing to a specific zone scheme until they become available for development. Permitted uses in the zone include open space and Borough and government uses. Permitted conditional uses include churches and places of religious worship, and schools. There are no bulk regulations for the OS/GU District.

The amendment is generally consistent with the Borough’s intent for the Tinton Falls Reuse Area.

V. Conclusion

The subject amendment, referred to as Amendment #1 to the *Fort Monmouth Reuse and Redevelopment Plan*, maintains the land use concepts and plans articulated in the *Reuse Plan* but also permits an alternative development scenario that, if pursued, would result in development of 650,000 square feet of office/research space within a section of the Tinton Falls Reuse Area designated as Parcel E. Under this alternative scenario, the total number of residential units would remain at 288, however the 126 residential units envisioned for Parcel E under the *Reuse Plan* would be redistributed to other locations within the Tinton Falls Reuse Area.

The amendment is consistent with the objectives and principles in the *Reuse Plan*, as well as State, County and Municipal planning objectives. Furthermore, the amendment advances the public welfare, particularly with regard to promoting, developing, encouraging and maintaining employment, commerce and economic development, as well as providing new housing opportunities. Lastly, the amendment provides flexibility for FMERA to more effectively attract potential corporate office/R&D users to the Tinton Falls Reuse Area, thereby enabling it to fulfill its statutory mandate to create new jobs, regenerate the local tax base and advance the general prosperity and economic welfare of the people most impacted by the Fort's closure.

**Proposed Amendment #2 to the
*Fort Monmouth Reuse and Redevelopment Plan***

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I. Introduction and Planning Rationale

Pursuant to P.L.2010, c. 10 (N.J.S.A. 52:27I-18 et. seq.), the Fort Monmouth Economic Revitalization Authority (“FMERA” and “the Authority”) is considering amending the *Fort Monmouth Reuse and Redevelopment Plan* (the “*Reuse Plan*” and “Plan”) to provide the option for the reuse of the Patterson Army Health Clinic (the “Patterson Clinic” and the “Clinic”) for use as a medical clinic. The existing Patterson Clinic is approximately 118,000 square feet and is located on a ±16-acre parcel located on Main Street in the Main Post Area of the former Fort Monmouth property in the Borough of Oceanport, New Jersey. The Patterson Clinic was constructed in 1961 and experienced several expansions in the ensuing decades. Prior to the Fort’s closure in September 2011, the Patterson Clinic included an outpatient hospital and dental clinic. The *Reuse Plan* envisioned that the clinic building would be demolished and redeveloped for a mix of residential uses.

The proposed amendment does not purport to delete any provisions of the *Reuse Plan* but rather would supplement the Plan by proposing an alternative development scenario for the 16-acre parcel cited above. The amendment would ultimately be incorporated into the Land Use Regulations for the Oceanport Reuse Area in a manner similar to an “overlay zone,” whereby an additional set of requirements are superimposed on the area allowing for such alternative development scenario to be realized. Overlay zoning would provide additional opportunities for development which would not apply unless the land is developed in accordance with the purposes for which the overlay zoning was adopted.

The Fort Monmouth properties in Oceanport (“the Reuse Area”) total approximately 419 acres and are bounded generally by New Jersey Transit’s North Jersey Coast Line, Main Street and Oceanport Creek to the south, Parkers Creek to the north, and the former Fort properties in Eatontown to the west. The *Reuse Plan* envisions redevelopment of this area for approximately 1.75 million square feet of non-residential space and 720 residential units. Such development would include: a high-tech/green industry cluster, education/medical campus, a neighborhood center, a boutique hotel and spa, and expansive green space including the historic Parade Ground.

Specifically, the Patterson Clinic parcel is planned for the demolition of the clinic building and the construction of mixed-income apartments, small lot detached housing, and townhouses totaling 85 units. Abutting the existing Patterson Clinic parcel to the north, the *Reuse Plan* envisions a medical center and medical offices that would provide services to area veterans and residents. This area would include construction of a new 60,000 square foot joint veterans and community health care clinic supported by a 20,000 square foot professional medical office building with the potential addition of professional medical offices to create a “wellness campus” totaling at least 80,000 square feet. Although the Patterson Clinic was planned for demolition, the *Reuse Plan* acknowl-

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edges that “additional analysis of the reuse feasibility of the clinic should be explored” (*Reuse Plan*, pg. 4-10)

This amendment, referred to as Amendment #2, maintains the land use concepts and plans articulated in the *Reuse Plan* but also permits an alternative development scenario that, if pursued, would result in the reuse of the Patterson Clinic for use as a medical clinic and offices. Under this alternative, the total number of residential units in the Oceanport Reuse Area would remain at 720, however the 85 residential units envisioned for the Patterson Clinic parcel would be redistributed to the wellness campus parcel and the townhouse neighborhood planned for an adjacent parcel north of Anson Avenue and south of Oceanport Creek. The 80,000 square foot wellness campus planned for in the *Reuse Plan* would be incorporated into the reused Patterson clinic.

This amendment is consistent with the planning objectives and principles articulated in the *Reuse Plan* and is necessary to fulfill the Authority’s main objectives—specifically job creation, economic development, the provision of housing and the advancement of the general prosperity, and economic welfare of the people in the host communities and larger region. The real estate market has taken a turn for the worse since the *Reuse Plan* was prepared and this downturn has been compounded by the actual closure of Fort Monmouth, which has resulted in the loss of 5,000 jobs on the base and 15,000 supporting jobs in the region. The impacts associated with the base closure relative to the local property tax base and local and regional employment will continue to be felt so long as the former Fort properties remain fallow and unproductive.

The *Fort Monmouth Reuse and Redevelopment Plan* involved years of careful consideration and study as well as an extensive effort to draw input from local residents, the three host municipalities and the County, State and Federal government. As such, this amendment does not change the underlying Plan vision for the Oceanport Reuse Area. Instead, it provides an alternative development scenario that affords FMERA with the necessary flexibility to respond to changed circumstances in a manner that does not compromise overall *Reuse Plan* goals and objectives.

The following chapter describes the nature and scope of the amendment, while succeeding chapters discuss its relationship to the elements, objectives and planning principals of the *Fort Monmouth Reuse and Redevelopment Plan*, as well as to FMERA’s own directive, and to relevant State, County and municipal planning objectives.

II. Scope of *Reuse Plan* Amendment

This amendment to the *Reuse Plan* is intended to allow for an alternative development concept for approximately 16 acres, referred to as the Patterson Clinic parcel, in the Oceanport Reuse Area. The Oceanport Reuse Area is bounded generally by New Jersey Transit's North Jersey Coast Line, Main Street and Oceanport Creek to the south, Parkers Creek to the north, and the former fort properties in Eatontown to the west.

The Patterson Clinic parcel is located on Main Street at the southern edge of the Main Post area in Oceanport. Stephenson Avenue travels in a roughly semi-circular manner around the property from its intersection with Main Street at the parcel's southern end to its connection with Anson Avenue at its northern end. The intersections of Main Street with Stephenson and Anson Avenues are currently gated. Access from within the Fort property to the parking areas of the former clinic is currently provided off of Stephenson Avenue.

The *Reuse Plan* envisions redevelopment of the Oceanport Reuse Area for approximately 1.75 million square feet of non-residential space and 720 residential units. Such development would include: a high-tech/green industry cluster, education/medical campus, a neighborhood center, a boutique hotel and spa, and expansive green space including the historic Parade Ground. Under the *Reuse Plan*, the Patterson Clinic parcel would be developed for mixed-income apartments, small lot detached housing, and townhouses totaling 85 units. Abutting the existing Patterson Clinic parcel to the north, the *Reuse Plan* envisions a medical center and medical offices that would provide services to area veterans and residents. This campus would include construction of a new 60,000 square foot joint veterans and community health care clinic supported by a 20,000 square foot professional medical office building with the potential addition of professional medical offices to create a "wellness campus" totaling 80,000 square feet or more.

This amendment maintains the development concepts and plans articulated in the *Reuse Plan*, but further permits an alternative development scenario that, if pursued would result in the reuse of the ±118,000 square foot Patterson Clinic as a medical clinic and offices. Under this alternative development scenario, the 80,000+ square foot wellness campus uses envisioned in the *Reuse Plan* would be incorporated into the reused Patterson clinic. The total number of residential units within the Oceanport Reuse Area would remain at 720. However, the 85 residential units the *Reuse Plan* planned for the Patterson clinic parcel would be redistributed to adjacent properties in the Oceanport Reuse Area. The housing types and density of the redistributed units would remain the same as indicated in the *Reuse Plan*, i.e., 48 mixed-income apartments and 22 townhouses would be redistributed to the wellness campus, and 15 small lot detached houses would be planned for the townhouse area north of Anson Avenue and south of

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Oceanport Creek (see *Figure 1: Alternative Scenario for Patterson Clinic Parcel in the Oceanport Reuse Area*).



Figure 1:

Alternative Scenario for the Patterson Clinic Parcel
Oceanport Reuse Area

III. Relationship to Elements, Objectives and Principles of the *Reuse Plan* and FMERA Directive

Relationship to Reuse and Redevelopment Plan Elements

In considering the impacts of the *Reuse Plan* amendment, the following *Reuse Plan* elements were considered: land use and circulation, infrastructure, environmental issues, historic preservation and community impacts. The relationship between the amendment and these Plan elements are described below.

Land Use and Circulation

Total Development Yield

If the alternative development scenario that is part and parcel of this amendment is pursued, it would result in the reuse of $\pm 118,000$ square feet of medical clinic and office uses. The 80,000+ square foot of medical clinic and office uses envisioned in the *Reuse Plan* for the wellness campus would be incorporated into this reused building. Thus, there would be a net increase of up to $\pm 38,000$ square feet of medical clinic and office uses if this amendment were pursued rather than the development scenario articulated in the *Reuse Plan*. However, it should be emphasized that this increase in square footage is a result of the reuse of an existing building constructed over 50 years ago, and not because of new construction. The number of residential units in the Oceanport Reuse Area would remain at 720. The amendment would be reflected in the following tables in the *Reuse Plan*: “Reuse & Redevelopment Program,” “Non-Residential Building Reuse Index” and “Residential Building Reuse Index” as indicated in Tables 1 through 3 below. In these tables is a comparison of the development scenario contemplated under the *Reuse Plan*, if Amendment #1¹ only is pursued, if Amendment #2 only is pursued, and if Amendments #1 and #2 are both pursued.

¹ Amendment #1 was adopted by FMERA on May 16, 2012. It is incorporated herein by reference.

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Table 1: Reuse & Redevelopment Program Under Different Development Scenarios

	Oceanport 10 Year Plan	Oceanport 20 Year Plan	Total Ocean- port	Tinton Falls 10 Year Plan	Tinton Falls 20 Year Plan	Total Tinton Falls	Fort To- tal 10 Year Plan	Fort Total 20 Year Plan	Grand Fort Total
Existing Reuse Plan									
Total Residen- tial Units	302	418	720	288	---	288	885	720	1,605
Total Non- Residential Square Foot- age	1,024,378	304,000	1,328,378	802,568	207,000	1,009,568	2,538,407	858,072	3,396,479
If Amendment #1 Only is Pursued									
Total Residen- tial Units	302	418	720	288	---	288	885	720	1,605
Total Non- Residential Square Foot- age	1,024,378	304,000	1,328,378	1,436,812	207,000	1,643,812	3,172,651	858,072	4,030,723
If Amendment #2 Only is Pursued									
Total Residen- tial Units	302	418	720	288	---	288	885	720	1,605
Total Non- Residential Square Foot- age	1,062,378	304,000	1,366,378	802,568	207,000	1,009,568	2,576,407	858,072	3,434,479
If Amendments #1 and #2 are Both Pursued									
Total Residen- tial Units	302	418	720	288	---	288	885	720	1,605
Total Non- Residential Square Foot- age	1,062,378	304,000	1,366,378	1,436,812	207,000	1,643,812	3,210,651	858,072	4,068,723

Table 2: Non-Residential Building Reuse Index Under Different Development Scenarios

	Gross Square Feet to be Reused	Office	Lab/Data	Homeless	Retail	Educ.	Other
Existing Reuse Plan							
Total Oceanport Ex- cluding Residential	579,182	317,119	---	31,322	85,950	13,595	131,196
Total Tinton Falls Ex- cluding Residential	954,586	423,489	426,594	---	1,335	39,236	63,932
Fort Total Excluding Residential	2,079,061	913,168	635,637	31,322	108,089	73,460	317,385
If Amendment #1 Only is Pursued							
Total Oceanport Ex- cluding Residential	579,182	317,119	---	31,322	85,950	13,595	131,196
Total Tinton Falls Ex- cluding Residential	938,830	423,489	410,838	---	1,335	39,236	63,932
Fort Total Excluding Residential	2,064,726	913,168	619,881	31,322	108,089	73,460	317,385
If Amendment #2 Only is Pursued							
Total Oceanport Ex- cluding Residential	697,182	317,119	---	31,322	85,950	13,595	249,196
Total Tinton Falls Ex- cluding Residential	956,251	423,489	426,594	---	1,335	39,236	63,932
Fort Total Excluding Residential	2,197,061	913,168	635,637	31,322	108,089	73,460	435,385
If Amendments #1 and #2 are Both Pursued							
Total Oceanport Ex- cluding Residential	697,182	317,119	---	31,322	85,950	13,595	249,196
Total Tinton Falls Ex- cluding Residential	938,830	423,489	410,838	---	1,335	39,236	63,932
Fort Total Excluding Residential	2,181,305	913,168	619,881	31,322	108,089	73,460	435,385

Table 3: Residential Building Reuse Index Under Different Development Scenarios

Oceanport Residential SF to be Reused	Tinton Falls Residential SF to be Reused	Total Fort Residential SF to be Reused	Oceanport Total Residential Buildings to be Reused	Oceanport Total Residential Units to be Reused	Tinton Falls Total Residential Buildings to be Reused	Tinton Falls Total Residential Units to be Reused	Fort Total Residential Buildings to be Reused	Fort Total Residential Units to be Reused
Existing Reuse Plan								
716,390	40,700	790,000	63	227	11	22	74	249
If Amendment #1 Only is Pursued								
716,390	---	750,000	63	227	---	---	63	227
If Amendment #2 Only is Pursued								
716,390	40,700	790,000	63	227	11	22	74	249
If Amendments #1 and #2 are Both Pursued								
716,390	---	750,000	63	227	---	---	63	227

Compatibility with Surrounding Land Uses

The properties fronting Main Street opposite the Patterson Clinic in Oceanport are developed mostly for single-family residential purposes. The areas to the south and west of clinic parcel within the Fort boundaries historically included dwelling units and retail services for military personnel and their families. To the south of the clinic are two extant buildings which were used as unaccompanied officers quarters (Buildings 01077 and 01078). The *Reuse Plan* envisions redeveloping these buildings for mixed-income apartments. To the west is vacant land where fort housing was once located and which the *Reuse Plan* designates for townhouse development. To the north of the clinic are the Fort's former bank (Building 01006), exchange main store (Building 01000) and Commissary (Building 01007). The *Reuse Plan* plans for the reuse of the commissary but not of the bank or exchange main store. The Commissary will be part of a planned retail center.

The *Reuse Plan* envisions a mixed-income residential development on the Patterson Clinic parcel—in the form of mixed-income apartments, townhouses, and small lot detached residences—and an 80,000 square foot medical campus abutting the clinic parcel to the north for the following reasons cited in Section 3.2:

A residential zone in this area provides an appropriate transition with the existing housing outside of the Fort's gates along Main Street. This residential area would benefit from the education and medical campus planned for the area. (Reuse Plan, page 3-4)

Reusing the Patterson Clinic building for medical clinic and office use and redistributing residential units to the wellness campus site, as well as an adjacent townhouse neighborhood, is compatible with surrounding land uses and the land use objectives for this area cited in the *Reuse Plan*. Similar to placing residential uses on the clinic parcel as is envisioned in the *Reuse Plan*, placing residential uses on the wellness campus site will fulfill a plan objective to provide an appropriate transition between the Reuse Area and the existing housing along Main Street. Furthermore, medical

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uses on the Patterson Clinic site are appropriately positioned to serve the nearby existing and future residential populations as the wellness campus site proposed in the *Reuse Plan*.

Access to the clinic site can be provided off of Main Street directly and/or via Anson and Stephenson Avenues once the gates blocking these entrances are removed. The existing building is setback from Main Street behind a landscaped buffer of mature trees and lawn. The campus like setting of the existing clinic building has co-existed with the residential uses on Main Street for over fifty years. The entrance driveways currently face west towards Stephenson Avenue and away from the residential uses on Main Street. Furthermore, Stephenson Avenue will provide a buffer between the clinic uses and future residential uses within the Reuse Area. The *Reuse Plan* proposes creating a large, landscaped park along Stephenson Avenue further buffering the clinic parcel from residential uses to the west.

The redistribution of residential units to the locations shown in Figure 1 is generally compatible with existing and future development envisioned in the *Reuse Plan*. The mixed-income apartments and the small-lot detached homes and townhouse units will be interspersed with other planned residential uses, as well as all of the amenities such as the Commissary and parks and open space.

Circulation

The amendment is consistent with and would not otherwise compromise any of the “Transportation Circulation Improvement Goals” established in the *Reuse Plan*. The proposed improvements to roadways cited in the plan, including opening closed gates on Main Street, aligning Stephenson Avenue with Whitehall Court, and realigning Anson Avenue with Wolf Hill Avenue would further support the alternative development scenario contemplated as part of this amendment as there would be improved access to this area from residential neighborhoods outside of the Fort’s boundaries. All other planned streets, pedestrian, and transit plans would remain unchanged.

Open Space

The amendment would involve the placement of fifteen small lot detached housing units on the north side of a street shown in the *Reuse Plan* with townhouses on its south side. This will encroach slightly into the Wetland Preservation Park south of Oceanport Creek as outlined in the *Reuse Plan*. However, there is still a substantial buffer between these planned homes and the creek. Furthermore, none of these homes would encroach upon mapped wetlands, floodplains or on otherwise environmentally constrained land.

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Sustainability

The amendment would not preclude incorporation of any of the sustainability measures outlined in the *Reuse Plan*, and is consistent with all other development contemplated on the former Fort properties. Specifically, preservation of the Clinic building which is currently served by Fort roadways furthers the plan's green building sustainability goal to "Maximize the adaptive reuse of existing buildings and infrastructure." (*Reuse Plan*, page 4-15)

Infrastructure

As indicated in the *Reuse Plan*, impacts on the existing gas, electric, water, wastewater and telephone utilities servicing Fort Monmouth will have to be evaluated at site plan review for a specific project. This assessment is unaffected by the amendment.

Traffic

This amendment, if pursued, would result in a maximum of $\pm 38,000$ more of medical clinic and office square footage than is contemplated in the *Reuse Plan*. However, as has been noted, the amendment contemplates the reuse of a building which has been located at this site and used for medical care and offices for over fifty years. Furthermore, a detailed traffic analysis would be prepared as part of any site plan review related to reuse of the Clinic building and any traffic mitigation necessary would be addressed at that time.

Environmental Issues

The land permitted to be developed by this amendment is not environmentally constrained per Geographic Information System (GIS) layers provided by the New Jersey Department of Environment Protection (NJDEP). Based on review of this data, it is evident that those portions of the Reuse Area where this amendment permits residential development are suitable for residential use, so long as developers of such areas conform to the applicable requirements of NJDEP.

The Department of Defense (DoD) is working with the New Jersey Department of Environmental Protection (NJDEP) on the ongoing environmental investigation and remediation of the former fort properties. The DoD developed the Installation Restoration Program (IRP) to comply with federal guidelines for managing and controlling past hazardous waste disposal actions on Fort lands. Among the IRP sites identified is FTMM-64 (former gasoline distribution area), which is located on a vacant area of land on the Patterson Clinic site and FTMM-13 (M-13 pathenogenic waste incinerator) which is located in the vicinity of a utility building (Building 01076) also on the

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clinic site. FTMM-64 is still an active site but FTMM-13 is considered a site of No Further Action (NFA) because investigation and/or response actions are complete.

Historic Preservation

None of the extant structures on the Patterson Clinic parcel or wellness campus parcel were identified by the State Historic Preservation Office (SHPO) as worthy of listing on the State or National Registers of Historic Places. Therefore, the amendment will not impact historic resources required for preservation according to the Programmatic Agreement between the SHPO and FMERA.

Community Impacts and Affordable Housing

As noted in the *Reuse Plan*, the host communities, including Oceanport, rely on taxation for the largest portion of their municipal revenues. The Fort's closure, and the resulting loss of Defense contractor jobs is expected to result in a larger share of the tax burden falling to residential property owners. The potential offered by this amendment to increase non-residential tax ratables would therefore lessen the burden on local residents.

Medical clinics and offices typically generate more positive fiscal impacts on a municipality, i.e., generate more tax revenues than incur municipal costs, than do other land uses, specifically residential development. Additional medical clinic and office uses can be expected to have a positive fiscal impact on the tax base of Oceanport. These uses would not generate any school children and the municipal costs associated per new employee, as indicated in the *Reuse Plan*, is almost 30 percent less than municipal costs associated per new resident in Oceanport.

The number of residential units in the Oceanport Reuse Area would remain the same whether the Patterson Clinic parcel is developed for residential or the existing clinic is retained. The redistributed residential units would be in the form as is anticipated in the *Reuse Plan*, i.e., small lot detached housing, mixed-income apartments and townhouses. Thus, the impacts on the municipality, local school system and county in terms of costs or tax revenues are the same as is anticipated in the *Reuse Plan* because the anticipated population and number of schoolchildren remain unchanged.

On a related note, since the housing type and total number of units is as anticipated in the *Reuse Plan*, this amendment, if pursued, does not affect the provision of affordable housing.

Relationship to Objectives and Principles of the Reuse Plan

The amendment will fulfill the objectives and planning principles outlined in the *Reuse Plan*. Those planning objectives articulated in the *Reuse Plan* include the following:

- *Promote the Technology Corridor Initiative.* When the *Reuse Plan* was adopted, the governor touted the Fort's potential to become a "high tech corridor." This amendment would allow for the creation of a medical and wellness campus in an extant Fort Monmouth medical building. The plan cites the potential for the wellness campus in Oceanport to "allow for medical research activities." (*Reuse Plan*, page 4-10). Thus, this amendment is consistent with the plan's objectives to attract high-technology uses (as potential tenants of the clinic could include medical research activities).
- *Be consistent with State, County, and Municipal planning policies.* The amendment is consistent with State, County, and Municipal planning policies, as set forth in the ensuing chapter.
- *Focus on business retention and attraction, job replacement, and employee training.* This amendment will provide for an existing medical clinic building to be re-used for a similar purpose which has the potential to replace jobs lost at the Patterson Clinic when the Fort closed. Further, this amendment will provide for increased flexibility in relation to those locations where medical clinic and office use may be located within the Oceanport Reuse Area. This flexibility will aid FMERA in its efforts to attract suitable users who wish to relocate to Fort Monmouth.
- *Be founded on market and economic analysis.* By permitting the planned medical clinic and office uses in an existing medical clinic building, the amendment responds to the marketplace of certain medical use tenants that may find it more cost effective to upgrade an existing medical building to modern standards than develop an entire new building or retrofit an existing building for medical uses.
- *Address homeless, COAH, and workforce housing needs.* The amendment does not change the total number of residential units planned for the Oceanport Reuse Area, nor does it change the *Reuse Plan's* ability to fulfill this objective.
- *Leverage Fort assets (people, infrastructure, location).* The amendment affords FMERA with an opportunity to leverage an existing asset within the Oceanport Reuse Area, i.e., the Patterson Clinic, to attract new medical clinic and office users that generate much-needed local employment and tax ratables.
- *Be a green community model.* Preservation of the Clinic building which is currently served by Fort roadways furthers the plan's green building sustainability goal

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to “Maximize the adaptive reuse of existing buildings and infrastructure.” (*Reuse Plan*, page 4-15)

The amendment further advances a number of key planning principles from which the overall concepts in the *Reuse Plan* were devised:

Principle #1: Decreasing Density West to East & Create Mixed-Use Live/Work/Leisure Centers. This amendment does not increase the residential density of the Oceanport Reuse Area outlined in the *Reuse Plan* nor does it involve the construction of new non-residential square footage. The amendment contemplates the reuse of a medical building which has been in existence at this location for over 50 years.

Principle #2: Link centers & increase mobility with connected transit infrastructure serving the region and the Fort. The amendment would allow a redevelopment pattern that takes advantage of its close proximity to existing residences in Oceanport and planned residential uses in the Reuse Area. The amendment does not impact the *Reuse Plan*'s vision for an extensive system of bikeways, pedestrian trails and sidewalks.

Principle #3: Enhance auto mobility and redevelopment capacity with targeted roadway infrastructure improvements. The *Reuse Plan* acknowledges that redevelopment of the Fort will require improvements to the roadway system and recommends a realignment of Stephenson Avenue with Whitehall court and Anson Avenue with Wolf Hill Avenue. This proposed roadway improvements would enhance the uses at the locations contemplated in this amendment.

Principle #4: Combine open space, habitat, and water resources to establish a continuous Blue – Green belt. The amendment, and specifically the potential redistribution of residential units within the Oceanport Reuse Area, does not preclude the creation of an open space network consisting of environmentally sensitive areas, including wetlands, watercourses, and habitats.

Principle #5: Utilize the Blue – Green belt as an armature for enhanced bicycle and pedestrian mobility throughout the Fort. The amendment would not impact the proposed bike path, or trails envisioned as part of the *Reuse Plan*.

Principle #6: Remove Fort boundaries & extend existing land uses to reconnect the Fort to the communities. The amendment would not prevent the opening of any gates into the Fort, nor inhibit public access to the Fort's amenities. In fact, this amendment would further expedite the gate opening process

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as any user of the reused Patterson Clinic site would involve opening two gates along Main Street: the Stephenson Avenue and Anson Avenue gates.

Principle #7: Leverage existing Fort Monmouth assets (People, Buildings, Technology, and Infrastructure). The amendment affords FMERA with an opportunity to leverage an existing asset of the Oceanport Reuse Area, i.e., the Patterson Clinic, to attract new medical clinic and office users that generate much-needed local employment and tax ratables. The amendment would not involve the removal of any buildings identified in the *Reuse Plan* as being required for preservation.

In summary, the amendment is consistent with the *Reuse Plan* elements, objectives and planning principles.

Relationship to FMERA Directive

To implement the *Fort Monmouth Reuse and Redevelopment Plan*, the New Jersey State legislature empowered the Fort Monmouth Economic Revitalization Authority (FMERA) to adopt any modifications or amendments to the *Reuse Plan* and adopt development and design guidelines and land use regulations to implement the plan.

Pursuant to P.L.2010, c. 10 (N.J.S.A. 52:27I-18 et. seq.), FMERA's purpose is the following:

to oversee, administer, and implement the [Reuse Plan] as provided in this act, in a manner that will promote, develop, encourage, and maintain employment, commerce, economic development, and the public welfare; to conserve the natural resources of the State; to provide housing, including housing to address identified needs related to homelessness; and to advance the general prosperity and economic welfare of the people in the host municipalities, the county, and the entire State by cooperating and acting in conjunction with other organizations, public and private, to promote and advance the economic use of the facilities located at Fort Monmouth.

The *Reuse Plan* amendment would advance both FMERA's stated purpose and the public welfare, by promoting, developing, encouraging and maintaining employment and economic development, enhancing the public welfare by providing for medical uses in close proximity to residential uses, as well as providing new housing.

IV. Relationship to State, County and Municipal Planning Objectives

State Development and Redevelopment Plan (SDRP)

On March 1, 2001, the State Planning Commission readopted the State Development and Redevelopment Plan (SDRP). In the SDRP, the Oceanport Reuse Area is classified as Planning Area 1, Metropolitan Planning Area (PA-1). The SDRP defines Metropolitan Planning Areas as areas which “provide for much of the state’s future redevelopment; revitalize cities and towns; promote growth in compact forms; stabilize older suburbs; redesign areas of sprawl; and protect the character of existing stable communities.” The amendment is well-reconciled with the guiding policies and policy objectives of the adopted SDRP for the Planning Area 1, Metropolitan Planning Area.

Consistent with the goals for the PA-1, the amendment promotes the type of redevelopment needed to transform the Oceanport Reuse Area, currently unused and unproductive, into a vibrant, mixed-use community with compact development that will ensure efficient utilization of scarce land resources while also carefully protecting the character of surrounding communities. The SDRP further advocates for the provision of a full range of housing choices in PA-1 through redevelopment, new construction and the introduction of new housing in appropriate nonresidential settings. The amendment is consistent with this policy objective as well. Also in accordance with the objectives for PA-1, the amendment allows for redevelopment in a location well served by existing transportation networks which is consistent with the plans for the Oceanport Reuse Area.

Monmouth County Open Space Plan

The Monmouth County Open Space Plan, adopted by the Monmouth County Planning Board in August 2006 as an element of the Monmouth County Growth Management Guide, specifically advocates the acquisition of a portion of the Fort Monmouth property as a new County park site. To fulfill this acquisition, Monmouth County filed a Notice of Interest for park and recreation lands within Fort Monmouth. The County subsequently filed an application to the National Park Service’s Federal Lands to Park Program for a Public Benefit Conveyance, which was endorsed by the three host municipalities of Eatontown, Oceanport and Tinton Falls.

The amendment is not inconsistent with the County’s interests with regard to parks and recreation.

Fort to Village Plan: A Vision for Oceanport's Fort Monmouth

The former fort properties in Oceanport are included within the “master plan” for Fort Monmouth, i.e., the *Reuse and Redevelopment Plan*. However, a vision for the redevelopment of the fort is provided in ***Fort to Village Plan: A Vision for Oceanport's Fort Monmouth***. This document was incorporated as an amendment to the Master Plan which was adopted by the Oceanport Planning Board on April 23, 2008. The plan advocates for the preservation of the Patterson Medical Center to be the anchor of a medical office park consisting of residential and medical uses. The plan maintains that “the wellness-oriented niche ties into the growth in the older population of Monmouth County and the increasing market for health care-related uses.” The plan further states that the existing character of Main Street would be maintained and that landscaped buffers would block the view of parking areas from Main Street.

The amendment is consistent with that vision articulated in the *Fort to Village Plan*.

Oceanport Zoning

Although the development of the former fort properties in Oceanport will be governed by the land use regulations and design guidelines adopted by FMERA, as a point of information, the study area lies within the Borough's R-1: Single-Family Residential District under the municipality's current zone plan. This designation represents permits single-family detached dwellings, parks and playgrounds, municipal buildings, libraries and public schools. The minimum lot size is 30,000 square feet, the maximum height is two stories or thirty-five feet and the maximum density is 1.5 dwelling units per acre.

The amendment is generally consistent with the Borough's intent for the Oceanport Re-use Area.

V. Conclusion

The subject amendment, referred to as Amendment #2 to the *Fort Monmouth Reuse and Redevelopment Plan*, maintains the land use concepts and plans articulated in the *Reuse Plan*. However, the amendment permits an alternative development scenario that, if pursued, would result in the reuse of the ±118,000 square foot Patterson Clinic building, as well as the redistribution of 85 residential units to an abutting parcel planned for a wellness campus and an adjacent area planned for townhouse uses. In addition, at least 80,000+ square feet of medical clinic and office uses contemplated for the wellness campus in the *Reuse Plan* would be incorporated in the reused clinic building resulting in an increase of up to ±38,000 square feet as compared to the *Reuse Plan*. However, the total number of residential units, would remain at 720 within the Oceanport Reuse Area, if this amendment were pursued, and the distribution of those units by housing type would be the same as envisioned in the *Reuse Plan*.

This amendment is consistent with the objectives and principles in the *Reuse Plan*, as well as State, County and Municipal planning objectives. Furthermore, the amendment advances the public welfare, particularly with regard to promoting, developing, encouraging and maintaining employment, enhancing the public welfare, and providing new housing opportunities. Lastly, the amendment provides flexibility for FMERA to more effectively attract potential medical clinic and office users to the Oceanport Reuse Area, thereby enabling it to fulfill its statutory mandate to create new jobs, regenerate the local tax base and advance the general prosperity and welfare of the people most impacted by the Fort's closure.