

Economic Diversification Plan

NAS JRB Willow Grove – Horsham Township, Pennsylvania



Community Meeting #2, Notices of Interest

Presented by



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November 9, 2009

Agenda

- Call to Order – Pledge of Allegiance
- Introduction of the Committee
- Site Context
- Presentation of the Notices of Interest (NOI)
- Eligibility of the NOIs
- Economic Viability of the NOIs
- Preliminary Market Support Findings
- Opportunity for Public Comment
- LRA Decision: Reuse Alternatives for Further Analysis

Introduction of the Committee

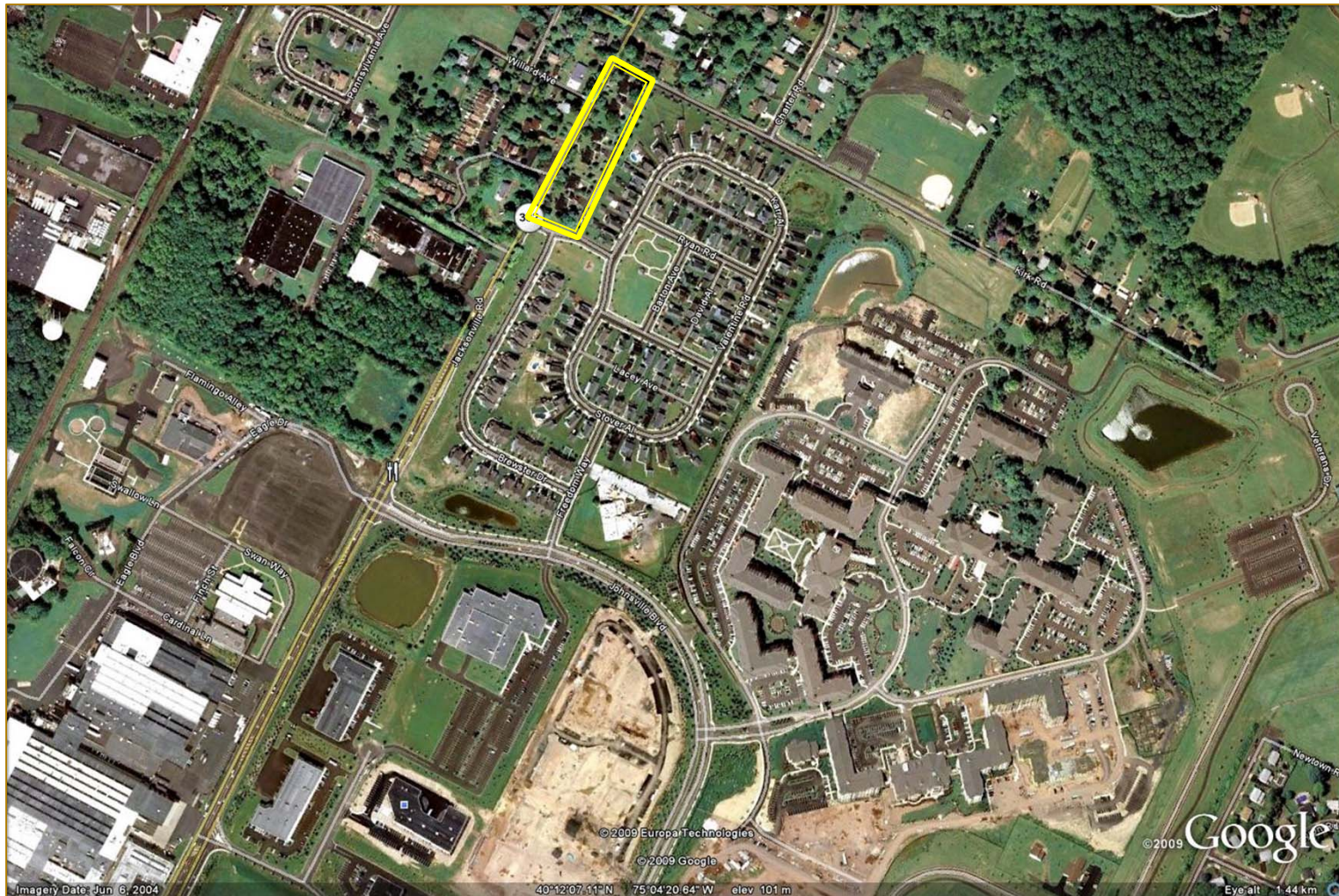
- Thomas Panzer, Esq., Chairman, Warminster Representative
- Scott DeRosa, Vice Chairman, Warminster Representative
- DonnaMarie Davis, Esq., Bucks County Representative
- Victor Lasher, Centennial School District Representative
- Ed Oldroyd, Ivyland Representative
- Stan Allen, Alternate, Warminster Representative
- Mike McGee, HLRA Executive Director

Site Context – Shenandoah Woods



Note: Site boundaries are approximate

Site Context – Jacksonville Road



Site Context



Presentation of Notices of Interest

- The Redevelopment Fund/Bucks County Housing Group (TRF/BCHG)
 - Shenandoah Woods
 - Jacksonville Road
- ATG Learning Academy (Jacksonville Road)
- Aldie Foundation (Shenandoah Woods)
- Warminster Township (Shenandoah Woods)

Eligibility of the NOIs

- Eligibility under BRAC DOD/HUD policies
 - Does the NOI meet basic eligibility requirements?
 - Does the NOI directly serve the homeless, or serve a public benefit purpose in the vicinity of the installation?
 - Suitability of the requested property to satisfy the proposed use
 - Is the NOI use consistent with the community needs?

Economic Viability of the NOIs

- Economic Viability
 - Does the proposer have the financial and management resources to carry out the project?
 - Does the proposal address a gap in the Continuum of Care?
 - Does the project as proposed appear to be viable?

Eligibility of NOIs

- TRF/BCHG – Shenandoah Woods
- TRF/BCHG – Jacksonville Road
- ATG Learning Academy (DoEd PBC)
- Aldie Foundation
- Warminster Township (DOI PBC)

Viability: TRF/BCHG

- TRF/BCHG

- Questions/Concerns

- Source of construction loan funding if stated funding is not achieved
- Source of the \$1 million to capitalize the Homeless Trust Fund
- Provide a rationale for the “for sale” price points and sales pace
- Provide a 10 year cash flow.
- Are the requests for the two housing areas to be considered together?
- If considered separately, would TRF/BCHG continue to seek a homeless conveyance for one site if the other site is declined by the HLRA?
- Is the existing infrastructure on Shenandoah Woods adequate?

Viability: TRF/BCHG (cont'd)

■ TRF/BCHG

■ TRF/BCHG Response

- TRF has the financial resources to stand behind the project should other funding not be available
- Rationale for sales price and pace was provided, BBPC findings concur
- The homeless conveyances are to be considered separately
- BCHG will continue to pursue a homeless conveyance for Jacksonville Road even if the Shenandoah Woods conveyance is declined
- Based on the financials submitted, BCHG has the financial capacity to rehab the Jacksonville Rd units w/o funds from Shenandoah Woods project
- Jacksonville Road housing addresses a gap in the Continuum of Care as stated in the 2009 Annual Action Plan
- The project budget includes \$4.7 million for infrastructure improvements



Conclusion – No significant market/economic concerns w/NOI

Viability: ATG Learning Academy

- ATG Learning Academy (DoEd PBC)
 - Questions/Concerns
 - Provide detail on the assembly of funds for the project
 - Provide a rationale for the tuition expected
 - Provide a more detailed operating budget
 - ATG Response
 - Tuition is expected to cover the operating costs. They are seeking grants and other public funding
 - A description of expected demand was provided
 - A detailed operating budget showing positive cash flow was provided
 - Conclusion – No significant market/economic concerns w/NOI

Viability: Aldie Foundation

- Aldie Foundation
 - Questions/Concerns
 - How do you plan to cover the quarterly losses shown in the financials?
 - Are there additional capital expenses?
 - Please estimate the utility share covered by Aldie and the source of those funds
 - Aldie Response
 - The Agency (Aldie) has sufficient resources to cover the early losses
 - The operating revenues will cover future capital expenses, and Aldie resources will cover any gaps
 - The utility share from Aldie will be approximately 50% and will come from Aldie's general operating fund and/or HUD "Shelter Plus Care" funding
 - Aldie NOI addresses a gap in the Continuum of Care as stated in the 2009 Annual Action Plan
- Conclusion – No significant market/economic concerns w/NOI

Viability: Warminster Township

- Warminster Township (DOI PBC)
 - Questions/Concerns
 - There were no economic/market related questions for this NOI
- Conclusion – No significant market/economic concerns w/NOI

Recommendation: Which NOIs to Include In Reuse Alternatives Analyzed

- ATG Learning Academy (Jacksonville Road DoEd PBC)
- Aldie Foundation (Shenandoah Woods)
- Warminster Township (Shenandoah Woods DOI PBC)
- TRF/BCHG (Jacksonville Road)

Preliminary Market Findings

- Residential
- Commercial/Office
- Retail
- Industrial

Residential Market

- Evident market support for both for-sale and for-rent, “value alternative” and residential priced to the market
 - Viable market for apartments/condominiums reusing existing townhouses
 - Viable market for redevelopment to single family homes (max. 112 units)
- Subsidized housing (Section 8) is not a viable option; entire voucher allocation already used in Bucks County.



Residential Market (cont.)

- Potential mitigating factors impeding market capture
 - Unit rehab costs
 - Utility infrastructure upgrade costs
 - Demo costs: \$1.59M - \$3.18M (est)
 - Even without land acquisition costs, sizeable economic/financial/environmental hurdles exist
- Conclusion
 - Recommend reuse alternatives analyzed consider both residential rehab and new unit construction

Office Market

- Evident market support for small-block office space development
 - Ivyland Borough is considering a land bank for community-serving professional office
- Potential mitigating factors impending market capture
 - Supply of space and appropriately zoned land is adequate for 10-15 years of projected demand
 - Both sites would require demo and rezoning, adding to development costs
- Conclusion
 - Recommend reuse alternatives analyzed consider potential for small (10,000-20,000 square feet) office development at Jacksonville Road site only, in order to appeal to community-serving professional services

Retail Market

- No evident market support for retail development
 - Local area is oversupplied in almost all retail categories – serves a large trade area
- Additional concerns re: retail development potential
 - Shenandoah Woods has limited access and visibility, not in a retail/commercial cluster
 - Jacksonville Road has access and parking issues
- Conclusion
 - Recommend no retail component in reuse alternatives analyzed

Industrial Market

- No evident market support for industrial uses
 - Supply of space and appropriately zoned land is adequate for 10-15 years of projected demand
- Additional concerns re: industrial development potential
 - Shenandoah Woods would require demo and rezoning, adding to development costs
 - Incompatible with surrounding land uses
- Conclusion
 - Recommend no industrial component in reuse alternatives analyzed

Discussion

Opportunity for Public Comment

Possible Alternatives to Analyze*

- Shenandoah Woods Housing Area
 - S-1, Approve TRF/BCHG NOI and Warminster NOI (5 bldgs) to rehab remaining housing (35 bldgs) for **moderate income "for sale" housing** with park/open space
 - S-2, Approve Warminster NOI (5 bldgs) for park/open space, raze remaining 35 bldgs for **new market rate "for sale" housing**
 - S-3, Approve Warminster NOI (5 bldgs) and rehab remaining housing (35 bldgs) for **market rate "for sale" housing** with park/open space
 - S-5, Approve Warminster NOI (5 bldgs) and modified Aldie NOI (5 bldgs), and raze remaining housing (30 bldgs) for **new market rate "for sale" housing** with park/open space
 - S-6, Approve Warminster NOI (5 bldgs) and modified Aldie NOI (5 bldgs) and **rehab** remaining buildings (30) into **market rate rental housing** with park/open space
 - S-8, Raze all buildings and construct **new market rate "for sale" housing** w/o park/open space

Possible Alternatives to Analyze*

- Jacksonville Road Housing Area
 - J-1, ATG Learning Academy NOI – modest rehab of 6 bldgs for **educational uses**
 - J-2, TRF/BCHG NOI – modest rehab of 6 bldgs for **homeless housing**
 - J-3, Rehab of 6 bldgs for **“for sale” market rate housing**
 - J-5, Raze 6 bldgs and rebuild **new market rate “for sale” housing**
 - J-6, Rehab as **professional offices**

LRA Direction: Recommended Alternatives to Analyze*

- Shenandoah Woods Housing Area
 - S-2, Approve Warminster NOI (5 bldgs) for park/open space, raze remaining 35 bldgs for **new market rate “for sale” housing**
 - S-3, Approve Warminster NOI (5 bldgs) and **rehab** remaining housing (35 bldgs) for **market rate “for sale” housing** with park/open space
 - S-5, Approve Warminster NOI (5 bldgs) and modified Aldie NOI (5 bldgs), and raze remaining housing (30 bldgs) for **new market rate “for sale” housing** with park/open space
 - S-8, Raze all buildings and construct **new market rate “for sale” housing** w/o park/open space

LRA Direction: Recommended Alternatives to Analyze*

- Jacksonville Road Housing Area
 - J-1, ATG Learning Academy NOI – modest rehab of 6 bldgs for **educational uses**
 - J-2, TRF/BCHG NOI – modest rehab of 6 bldgs for **homeless housing**
 - J-3, Rehab of 6 bldgs for **“for sale” market rate housing**
 - J-5, Raze 6 bldgs and rebuild **new market rate “for sale” housing**
 - J-6, Rehab as **professional offices**

Appendix

Backup Materials

Candidate Reuse Alternatives*

Shenandoah Woods Housing Area

Alternative	Brief Concept
S-1	Rehab into Moderate Income Housing with Park/Public Land (TRF/BCHG NOI)
S-2	Warminster NOI for Park/Public Land and Raze All Buildings and Construct New Market Rate Housing
S-3	Aldie NOI with Park/Public Land – Rehab into Market Rate Housing
S-4	Aldie NOI with Park/Public Land – Rehab into Moderate Income Housing
S-5	Aldie NOI with Park/Public Land – Construct New Market Rate Housing
S-6	Rehab Into Market Rate Housing and Construct New Market Rate Housing w/o Park/Public Land
S-7	Rehab Into Moderate Income Housing and Construct New Market Rate Housing w/o Park/Public Land
S-8	Raze All Buildings and Construct New Market Rate Housing w/o Park/Public Land
S-9	Commercial/Industrial with Park/Public Land
S-10	Commercial/Industrial w/o Park/Public Land

Resulting Alternatives to Analyze*

- Shenandoah Woods Housing Area
 - Raze for new R-2 residential
 - S-2, Approve Warminster NOI (5 bldgs) for park/open space, raze remaining 35 bldgs for **new market rate housing**
 - S-5, Approve Warminster NOI (5 bldgs) and modified Aldie NOI (5 bldgs), and raze remaining housing (30 bldgs) for **new market rate housing** with park/open space
 - S-8, Raze all buildings and construct **new market rate housing** w/o park/open space
 - Rehab existing units for reuse
 - S-3, Approve Warminster NOI (5 bldgs) and rehab remaining housing (35 bldgs) for **market rate "for sale" housing** with park/open space
 - S-6, Approve Warminster NOI (5 bldgs) and modified Aldie NOI (5 bldgs) and **rehab** remaining buildings (30) into **market rate rental housing** and with park/open space

Candidate Reuse Alternatives*

Jacksonville Road Housing Area

Jacksonville Road Housing Area Alternative Concepts	
<i>Alternative</i>	<i>Brief Concept</i>
J-1	ATG NOI Approved – Modest Rehab for Educational Use
J-2	TRF/BCHG NOI Approved – Modest Rehab for Homeless Housing
J-3	Rehab as Existing Market Rate Housing
J-4	Rehab as Existing Moderate Income Housing
J-5	Raze and Construct New Market Rate Housing
J-6	Commercial/Industrial Use

Resulting Alternatives to Analyze*

- Jacksonville Road Housing Area
 - Raze for new R-2 residential
 - J-5, Raze all buildings (6) and rebuild new market rate housing
 - Rehab existing units for reuse
 - J-1, ATG Learning Academy NOI – modest rehab of 6 bldgs for educational uses
 - J-2, TRF/BCHG NOI – modest rehab of 6 bldgs for homeless housing
 - J-3, Rehab of 6 bldgs for “for sale” market rate housing
 - J-6, Rehab as professional offices