



OPEN SPACE FEASIBILITY STUDY FOR THE BANCROFT SITE

Borough of Haddonfield
Camden County, NJ

October 2010

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Introduction

This report updates the Fiscal Impact Analysis and Open Space Feasibility Study for the Bancroft Site: Redevelopment Plan Options dated October 2006. The purpose of this report is to determine the feasibility of open space preservation on the site, including the associated development costs for such a project.

The Bancroft Site is located on the north side of Kings Highway (State Route 41) and is bordered by Haddonfield Memorial High School to the west, county owned parkland to the north and east, and Kings Highway to the south. Hopkins Lane, a public street, runs between the two parcels.

It seems likely that no matter what decisions are made in relation to the final disposition of the Bancroft Site, some element of open space protection will occur, whether it is the comprehensive acquisition of the entire site for some sort of active or passive recreation use, or if portions of the site are dedicated for different types of open space use. Under any of the site redevelopment scenarios, open space will be a component. It is clear from public opinion that the western portion of the property (Block 13, lot 25) may involve the razing of some existing buildings to be replaced with some number of athletic fields for use by the high school and community sports organizations. An adaptive reuse would be determined for Lullworth Hall. However, the eastern portion of the property (Block 14, Lot 2) could involve any number of scenarios, including total redevelopment, open space protection, and a combination of the two. What follows is a basic outline of the open space options.

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Executive Summary

The following summary is based on our analysis of the open space options as explained in detail through the remainder of the report.

1. The viability of open space protection on the site varies with the scenarios considered.
2. The Camden County Open Space Program could potentially contribute 25% of the purchase price, based on prior contributions to similar projects.
3. NJDEP Green Acres funding could be a maximum of 50% of the cost depending on the amount of funds allocated to Green Acres that year and the number and quality of other applications by other municipalities.
4. The Borough or County would need to borrow/bond for the remainder of the purchase price.
5. The Borough could optimistically expect funds to pay down a portion of the debt service from annual grants from the New Jersey Department of Environmental Protection (NJDEP) Green Acres Program and expected revenues from the municipal open space tax.
6. There are no other identifiable sources of funds for open space acquisition.

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Potential Open Space Bonding Capability

One of the benefits of an open space trust fund, aside from the NJDEP Green Acres Program Planning Incentive Grant program, is a steady source of funding for debt services of municipal bonds that can be used for open space acquisition. Moody's has assigned an Aa3 rating to the Borough of Haddonfield's \$5.86 million General Improvement Bonds. The Aa3 rating reflects the Borough's stable tax base, reserve levels and below average debt burden. This allows Haddonfield to bond for open space acquisition if it finds that step necessary to raise enough funds for any contribution to an open space partnership.

What follows is a comprehensive review of non-municipal funding sources for open space acquisition. Open space acquisition is typically accomplished through partnerships among State, County, municipal and non-profit partners, all contributing funding and resources to the protection project. By partnering with the NJ Green Acres Program, the County, state agencies and private non-profit conservation groups for joint acquisition of open space, Haddonfield would be able to leverage available funding. Each of the partners gets additional open space added to the overall inventory and at only a fraction of the cost that it would have cost to proceed with the project alone. Following the description of the potential partners and funding programs is a matrix of funding partners and a breakdown of potential funding scenarios. In assessing the financial feasibility of any open space acquisition scenario, it is important to keep in mind that some programs are grant programs and others are low-cost loan programs.

Municipal Open Space Acquisition

Municipal open space has many benefits including aesthetic value, ecological function, recreation opportunities and cultural identity. It is also generally considered a net benefit to municipal budgets, since open space does not generate school children or require regular municipal services. However, there are also real costs that are generated by open space acquisition, the foremost of which are the acquisition costs. Even with grants, partnerships and low interest loans, the cost of open space acquisition, especially in developed areas, is high. If the open space is to be developed for active recreation and maintained over time, the costs include much more than acquisition and continue into the future. If undeveloped open space is acquired through grants and partnerships with little municipal expense, then the fiscal impact on the community is positive since it does not generate the typical fiscal impacts associated with development. However, if

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developed property is acquired through significant municipal expense and requires ongoing maintenance, then there will be a significant time period before the cost of the open space acquisition and the annual maintenance costs are less than the annual municipal services costs if the same property was redeveloped.

Municipal Open Space Funding

The Borough established a municipal open space tax in 2007 of one half cent for each \$100 of assessed value with a sunset provision after five years (2012). The current open space fund contains \$330,167 with another \$113,211 to be collected in 2010. It is uncertain whether the open space tax will be continued beyond 2012.

The NJDEP Green Acres Program has a Planning Incentive Grant program for municipalities with an open space trust fund and an approved open space and recreation plan, which provides up to a 50% matching grant for open space acquisition.

Non-Municipal Open Space Funding Sources

State Funding Sources

1. Garden State Preservation Trust

The Garden State Preservation Trust is the financing authority that receives \$98 million a year through a constitutional dedication for the preservation of parks, natural lands, farmland and historic sites. The funds are used by NJDEP Green Acres Program, the State Agriculture Development Committee's Farmland Preservation Program, and the New Jersey Historic Trust. The funds are made available through application to various programs administered by these three state programs. The two programs that are most applicable to the Bancroft Site are NJDEP Green Acres Program and the New Jersey Historic Trust.

A. NJDEP Green Acres Program Matching Grants Program

If a municipality has an approved source of open space funding and an approved open space and recreation plan, the Green Acres Program, administered by the NJDEP, provides a larger match for land acquisition. The Planning Incentive Grant, for municipalities with an open space levy and an approved open space and recreation plan, provides a matching grant of up

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to 50% of the purchase price. The Borough has made an application under this program in an effort to secure a 50% matching grant for purchase of the Bancroft Site.

According to recent conversations with Green Acres staff, the Borough has been awarded a 2009 Green Acres PIG grant of \$500,000 towards the acquisition of open space on the Bancroft Site. The Borough has also petitioned for an additional \$500,000 in the 2010 funding round and that request is under review. At the time of the original analysis, the 2006 funding round had completely exhausted the funding available in the Garden State Preservation Trust Fund. The Green Acres Program could not enter into any other municipal grant agreements without the fund being re-authorized and re-funded by the voters in a statewide referendum. Since that time, a \$400 Million bond issue to replenish the Garden State Preservation Trust Fund was approved by the voters and funds are again available.

It should be noted that the Borough could make supplemental funding requests to the Green Acres Program annually for several successive rounds for the same project. This means that the Borough might secure \$500,000 towards the acquisition of the site in one year, make supplemental funding requests the following years and could, over time, pay down the balance of any acquisition bond, up to 50% of the purchase price.

The Green Acres Program recognizes that few if any municipalities receive the full 50% match through only one round of funding. Moreover, the Green Acres Program states that the majority of municipalities do eventually receive the full 50% match; however the length of time it takes to receive the 50% match is dependent on both program funding and the number of applications.

B. New Jersey Historic Trust Historic Preservation Revolving Loan Fund

The Historic Preservation Revolving Loan Fund provides financing for the preservation, improvement, restoration, rehabilitation, and acquisition of historic properties. It is the only funding available for acquisition through the

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NJ Historic Trust. Municipalities are eligible for funding and eligible properties include those listed on the State Registry of Historic Places, which includes the Haddonfield Historic District and Lullworth Hall. The funds are available for preservation, improvement, restoration, rehabilitation and acquisition of historic properties. The minimum loan amount to be accepted for review is \$25,000. No single loan amount can exceed 15% of the revolving loan fund balance as of July 1 of the current fiscal year. Currently, the maximum available loan is \$370,000. The interest rate on these loans is no more than 4%, and the term of the loan repayment period is up to twenty years, although the usual range is from five to ten years. In addition, the NJ Historic Trust has the Emergency Grant/Loan Program, which was created as created to provide small amounts of money for funding emergency work to preserve endangered historic properties.

The NJ Historic Trust does have funding available and intends to provide funding through 2009. The matching grants programs of the NJ Historic Trust, the Historic Site Management Grants and Capital Preservation Grants are for construction costs and not for acquisition. The only program technically available for acquisition is the Historic Preservation Revolving Loan Fund, which is currently capped at \$370,000.

An important note about Historic Preservation on the Bancroft Site: The NJ Historic Trust granted \$200,000 in 2000 to Bancroft NeuroHealth for exterior restoration of Lullworth Hall and the adjacent carriage house to the rear. The trust now holds a preservation easement on the property until 2013 to protect the investment of public funds in the restoration. This easement requires the Trust to be notified if any alteration to Lullworth Hall or the carriage house is proposed.

2. New Jersey Environmental Infrastructure Trust

Begun in 1987, the New Jersey Environmental Infrastructure Trust (NJEIT) provides low-cost financing for the construction of environmental infrastructure projects that enhance and protect ground and surface water resources. In August 2010 the Governor signed legislation to appropriate \$821 million in funding for Trust projects. The program is designed to provide funding to public agencies to help ensure the

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safety of drinking water supplies while making possible sustainable economic development. The funds are also available for land acquisition projects; particularly those that help protect ground and surface water resources. In light of this fact and the fact that Bancroft Site is on the Cooper River, the NJEIT is also a credible source for open space acquisition funding. However, any lands protected with NJEIT funding could only be used for passive recreation and not for active recreation facilities.

The NJEIT program is administered jointly by the Trust and NJDEP. The NJDEP acts as the reviewing agency for all projects to ensure that project would in fact be beneficial to ground and surface water resources. Haddonfield would traditionally receive loans in two equal parts: approximately one half to three quarters comes from a zero interest State Revolving Fund (SRF) maintained by the NJDEP. The other portion comes from proceeds of highly rated tax-exempt revenue bonds sold by the Trust. Combining these two funds results in a loan that is 50 to 75% lower than traditional loan rates. The 2009 rate was 2.02%. There are some program requirements, however, such as a requirement that the pay off of the loan must be over the full term of the loan and the Borough must have a list of open space acquisition projects that exceed the current capacity of any dedicated open space tax. Loans are awarded each November at the end of a thirteen month cycle. October 1st is the deadline for placing projects on DEP's priority list.

The Borough should compare the program requirements and the lending rates of the NJEIT and the CCIA to determine which program would best supply the amount of funding the Borough would have to raise for open space acquisition.

3. New Jersey Office of Natural Resource Restoration

Established in the early 1990s, the Office of Natural Resource Restoration (ONRR) was established to manage natural resource restoration settlements. The program is designed to facilitate the remediation of oil spills and discharges by identifying responsible parties and collect funding for remediation projects. ONRR coordinates restoration activities with a variety of NJDEP programs, such as the Site Remediation Program, Division of Fish & Wildlife, and the Green Acres Program. The ONRR serves as

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technical and litigation support to the New Jersey Attorney General's Office in pursuing natural resource damage claims and restoration settlements.

The program essentially functions by matching offenders with projects. For example, if a polluter impacts ten acres of land used for ground water recharge in a town, the ONRR works to identify another ten acres of property suitable for ground water recharge in another part of the community and makes the polluter protect it as open space. At this time, the ONRR has no identifiable offender in Haddonfield that would be a perfect candidate for a match for the Bancroft Site acquisition. However, the Borough can make application to the program, explaining that the Bancroft Site is on the Cooper River, is immediately adjacent to the existing Cooper River County Park and has value for water supply and species habitat. The ONRR prefers to partner projects and offenders in the same locale, but will consider links by watershed or other regional considerations.

4. NJDEP Brownfields

The Hazardous Discharge Site Remediation Fund (HDSRF) was created in 1993 and is administered by the NJDEP and the New Jersey Economic Development Authority. The funds are provided through appropriations from the New Jersey Legislature and repayment of principal and interest on loans. Grants and low interest loans are available to businesses, municipalities and homeowners for various remedial activities.

Municipalities may apply for grants and loans up to \$3 million per year for investigation and cleanup activities from the HDSRF. The New Jersey Economic Development Authority plays a key role in financing these grants and loans working with NJDEP to cover eligible costs and provide loan servicing. Grants are specifically provided to municipalities for a preliminary assessment and site investigation when a municipality holds the tax sale certificate, has foreclosed or passes a resolution with the intent to voluntarily acquire a property for redevelopment. Municipalities may obtain funding to proceed with the remedial investigation if they own the property. If after conducting the previous steps a municipality wants to conduct the cleanup, low interest loans are available up to \$3 million per year per site. The maximum term for any loan is ten years. Using data from these activities, local officials can develop cost estimates of any cleanup work that may be required at a site. This improves the

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property's marketability and defines the environmental and financial risk of a property.

Unless it is determined that there are remediation costs associated with the reuse of the site, the HDSRF is not a source of funds for the Bancroft Site. The Borough may want to consider making application to the HDSRF for demolition and remediation costs associated with the redevelopment of the site, either as recreation or another development alternative, if it is found to be necessary.

County/Regional Funding Sources

5. Camden County Open Space, Recreation, Farmland, And Historic Preservation Trust Fund

Monies available in the Camden County Open Space, Recreation and Farmland and Historic Preservation Trust Fund are allocated in the following manner:

- Open Space Acquisition / Farmland Preservation
- Enhancement of Existing Recreation Facilities
- Historic Preservation

The Bancroft Site would be a candidate for the Open Space Acquisition Program for active and passive recreation and the Historic Preservation Program since the site is within the state recognized Haddonfield Historic District and Lullworth Hall is listed on the State Register with a Certificate of Eligibility.

The County Open Space Program is funded by an approved County Open Space Tax at a rate of \$0.02 per \$100 of assessed value. The County however, in a form of property tax relief, suspended collection of the County Open Space tax during the final half of 2010 and the beginning half of 2011.

According to staff in the Camden County Division of Environmental Affairs, the County could reliably be counted on to contribute approximately 20% to 30% of the purchase price for some or all of the Bancroft Site. We have been advised that in a meeting with Borough Commissioner Borden, senior county officials expressed a willingness to consider using county open space funds to participate in a Bancroft purchase. They advised that a contribution of as much as \$5 to \$6 million was

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possible assuming approval of the county open space committee, appropriate approvals and other approvals.

The site is identified in the 2004 County Open Space Plan as a part of the River to Bay Greenway. The likelihood of County participation is strengthened by the fact that the Bancroft Site is on the Cooper River and is immediately adjacent to the existing Cooper River County Park. However, the County would prefer to see the acquisition of the Bancroft Site to also be a partnership acquisition project, bringing many groups to the table.

6. Camden County Improvement Authority

The Camden County Improvement Authority (CCIA) is an independent, public agency that offers taxable and tax-exempt bonds to support the region's economic base. The Authority is self-sustaining through income earned on real-estate investments, financing fees, service contracts and other sources of business revenue. As an autonomous County agency, the CCIA has access to financial options not available to local governments. Consequently, it is uniquely positioned to undertake projects that the County or its municipalities might not otherwise be able to accomplish.

By issuing revenue bonds, the Authority can generate substantial sums of money to finance large-scale projects through separate non-tax revenue sources or lease-purchase agreements. Moreover, it can do it expeditiously. Unlike towns or counties, which must operate within the limits of an annual capital budget, the Authority can finance a new project at any time. In addition, its financial flexibility can often result in considerable savings through lower interest rates and creative debt restructuring.

The CCIA could be a potential source of funds for open space acquisition through a low interest bond issue (dependent on current interest rates). The excellent bond rating of the Borough would allow it to issue it's own municipal bond, but a CCIA bond might be more advantageous since it would be issued outside the limits of the annual capital budget. It would still affect the Borough credit and debt rating.

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The Borough should compare the program requirements and the lending rates of the NJEIT and the CCIA to determine which program would best supply the amount of funding the Borough would have to raise for open space acquisition.

7. Casino Reinvestment Development Authority

Established in 1984 by the State of New Jersey, the Casino Reinvestment Development Authority (CRDA) provides capital investment funds for economic development and community projects that respond to the changing economic and social needs of Atlantic City and the State of New Jersey. The CRDA fund projects that directly serve pressing social and economic needs of local residents, including but not limited to supermarkets, commercial establishments, daycare centers, youth and senior citizen facilities, parks, and community centers. In 2004, the Legislature required the CRDA to issue bonds to create a \$31 million North Jersey/South Jersey Projects Fund for North Jersey and South Jersey (not including Atlantic City) community and economic development projects.

The CRDA has recently changed its focus from community development to economic development. The majority of CRDA projects, with the exception of housing projects within Atlantic City, focus on economic development and job creation. The CRDA has also shifted its focus from grants to loans. The CRDA is not a likely source of funding for the Bancroft Site.

8. William Penn Foundation

The mission of the William Penn Foundation (WPF) is to "Improve the quality of life in the Greater Philadelphia region through efforts that foster rich cultural expression, strengthen children's futures, and deepen connections to nature and community. In partnership with others, we work to advance a vital, just, and caring community." The foundation works with non-profits throughout the greater Philadelphia region (Bucks County, Camden County, Chester County, Delaware County, Montgomery County, and Philadelphia County). One of the Foundation's three major focus areas is the Environment and Communities Grant Program.

The WPF awarded 246 grants in 2009 for a total of \$47.3 million and paid \$63.9 million in 2009 on 461 active grants. The Environment and Communities Grant Program awarded \$68 grants to local and regional non-profits for work throughout the region

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totaling over \$25 million. There is no minimum or maximum award granted. Each year the money is apportioned according to the number and quality of the applications presented.

Customarily, the Borough would not apply directly to the WPF for grants or funding for open space acquisition. The Borough would identify a non-profit partner (most likely the Trust for Public Land or the New Jersey Conservation Foundation) for the project and the non-profit would submit a proposal for projects within their project area that require funding.

In preparing this report, Conservation Resources, Inc., a non-profit group specializing in matching donors with conservation projects was contacted. Conservation Resources stated that the William Penn Foundation has shifted its focus to protection of the Delaware Bay Shore and therefore may no longer be a likely source of foundation grants based upon this shift. This was also confirmed through a conversation with Foundation staff. The WPF should not be considered a primary source for open space acquisition funding by the Borough.

National Funding Sources

9. National Fish and Wildlife Foundation

The National Fish and Wildlife Foundation (NFWF) is a private, non-profit organization established by Congress in 1984. The Foundation fosters cooperative partnerships to conserve fish and wildlife habitat through a matching grants program. The Foundation awards matching grants utilizing federal funds provided by annual Congressional appropriations and agreements with federal agencies. The Foundation is mandated by Congress to ensure that each federal dollar awarded is leveraged with a non-federal dollar or equivalent goods and services.

The NFWF does not typically fund municipal open space acquisitions. Their focus is on protecting large tracks of land with definitive wildlife habitat benefits. They would typically assist in acquisitions in the Pinelands, Highlands or Delaware Bayshore. The NFWF is not a likely source of funding for the Bancroft Site.

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10. Federal Land and Water Conservation Fund

Created by Congress in 1964, the Land and Water Conservation Fund (LWCF) provides monies to federal, state and local governments to acquire land, water and conservation easements on land and water. Each year, four federal agencies-the US Department of Agriculture Forest Service, and the US Department of Interior National Park Service, Fish and Wildlife Service and Bureau of Land Management, identify important properties available for purchase. Congress appropriates up to \$900 million each year for LWCF projects.

The Forest Service typically chooses acquisition projects that will be added to the National Forests. They do, however, have an Urban and Community Forestry Program. Unfortunately, the Urban and Community Forestry Program does not participate in acquisition programs. The Program aids communities post acquisition with parks planning and green infrastructure projects. The Program is a 50/50 matching grant program administered through the NJ State Forestry Program and is a possible source of funding for parks planning or reforestation if the Bancroft Site is acquired for open space.

The Fish and Wildlife Service typically chooses acquisition projects that will be added to the Fish and Wildlife Refuges. The Bancroft Site is not within any designated wildlife refuge acquisition areas. The National Park Service provides a 50/50 matching grant program administered through the NJDEP Green Acres Program through an annual allocation. The Green Acres LWCF program has moved away from municipal projects and focuses the dwindling federal allocation to State acquisitions. The LWCF is not a likely source of funding for the Bancroft Site.

Non-Profit Partners/Funding Sources

When discussing non-profit partners for open space acquisition, there are two that are currently active in the area, the Trust for Public Land and The New Jersey Conservation Foundation. Both of these organizations would make a great partner for the project, and if the Borough moves forward with acquisition; one of these groups would step forward as a partner. If approached by the Borough, the two organizations would meet and decide which one would step up as a partner to help secure foundation funding.

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11. Trust for Public Land

The Trust for Public Land (TPL) is a “national, nonprofit, land conservation organization that conserves land for people to enjoy as parks, community gardens, historic sites, rural lands, and other natural places, ensuring livable communities for generations to come.” In August 2001, the TPL launched the River to Bay Greenway initiative, a vision for a multi-use recreational route that will span 70 miles of southern New Jersey to link the Delaware River to the Barnegat Bay. TPL considers southern New Jersey an important area of focus because the region faces tremendous development pressure and contains some of the fastest growing counties in the nation.

The Bancroft Site is identified in the 2004 County Open Space Plan as a part of the River to Bay Greenway; it is also a part of the TPL River to Bay Greenway initiative. The likelihood of TPL participation is strengthened by the fact that the Bancroft Site is on the Cooper River and is immediately adjacent to the existing Cooper River County Park. According to Cindy Roberts, senior project manager, Southern New Jersey, TPL is still interested in participating in an acquisition of the property. However, TPL expressed concern that a lack of progress on acquisition activities could limit the amount of funding from other sources.

12. New Jersey Conservation Foundation

The New Jersey Conservation Foundation (NJCF) “preserves land and natural resources for the benefit of all. Through acquisition and stewardship, NJCF protects strategic lands; promotes strong land use policies; and forges partnerships to achieve conservation goals. Since its inception in 1960, NJCF has preserved and protected tens of thousands of acres across New Jersey - either by buying land outright, receiving land from donors, or working with other groups to find creative ways to save our precious open spaces and habitats. Through land acquisition, stewardship, and partnerships with other organizations, NJCF has become the most powerful, private land conservation organization in the state of New Jersey.”

NJCF has been actively working on the Camden Greenway project for 20 years. The intent of the project is to protect a continuous system of open space for recreation and environmental enhancement along the shorelines of the Cooper and Delaware Rivers and Newton Creek. NJCF has assisted the City of Camden in acquiring

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easements and land along the Cooper River, connecting Camden County's Cooper River Park with parks on the Delaware River. The Bancroft Site is identified in the 2004 County Open Space Plan as a part of the River to Bay Greenway; and is entirely consistent with the Camden Greenway project. The likelihood of NJCF participation is strengthened by the fact that the Bancroft Site is on the Cooper River and is immediately adjacent to the existing Cooper River County Park. A recent conversation with staff indicates that NJCF continues to support the project and could act as a facilitator; however, they would not likely be a funding source.

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Funding Source Matrix

	Funding Source		Type of Funding	Likelihood
1A	<i>NJDEP Green Acres Program Matching Grants Program</i>	For municipalities with an Open Space levy and an approved Open Space and Recreation Plan, provides a matching grant up to 50% of the purchase price.	Grant	Received \$500,000 for 2009 Likely some level of funding in 2010 and beyond
1B	<i>New Jersey Historic Trust Historic Preservation Revolving Loan Fund</i>	For preservation, improvement, restoration, rehabilitation and acquisition of historic properties. Currently, the maximum available loan is \$370,000.	Loan	Not a significant source of funding
2	<i>New Jersey Environmental Infrastructure Trust</i>	Provides low-cost financing for the construction of projects that enhance and protect water resources. Also available for land acquisition projects that help protect water resources.	Loan	Likely source of funds through a low interest loan/bond issue
3	<i>New Jersey Office of Natural Resource Restoration</i>	Designed to facilitate the remediation of oil spills and discharges by identifying responsible parties and collect funding for remediation projects	Grant	Not a likely source of funding
4	<i>NJDEP Brownfields- Hazardous Discharge Site Remediation Fund</i>	Grants and low interest loans are available to businesses, municipalities and homeowners for various remedial activities	Grant/Loan	Not a likely source of funding
5	<i>Camden County Open Space, Recreation, Farmland, And Historic Preservation Trust Fund</i>	For open space acquisition, farmland preservation, enhancement of existing Recreation Facilities and historic preservation.	Grant	Likely to contribute 20% to 30% of the purchase price
6	<i>Camden County Improvement Authority</i>	An independent, public agency that offers taxable and tax-exempt bonds to support the region's economic base	Loan	Likely source of funds through a low interest bond issue
7	<i>Casino Reinvestment Development Authority</i>	Provides capital investment funds for economic development and community projects	Grant	Not a source of funding
8	<i>William Penn Foundation- Environment and Communities grant program</i>	Awards grants to local and regional non-profits for work throughout the region	Grant	Not a likely source of funds

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9	<i>National Fish and Wildlife Foundation</i>	Awards matching grants utilizing federal funds to conserve fish and wildlife habitat	Grant	Not a likely source of funding
10	<i>Federal Land and Water Conservation Fund</i>	Provides monies to federal, state and local governments to acquire land, water and conservation easements on land and water	Grant	Not a likely source of funding
11	Trust for Public Land	National, nonprofit, land conservation organization	Partner	Not a likely source of funds
12	<i>New Jersey Conservation Foundation</i>	Statewide, nonprofit, land conservation organization	Partner	Not a likely source of funds

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Costs Associated with Open Space Acquisition

Since the site is currently developed, any use of the site for open space and recreation will likely require the demolition of all or a portion of the buildings on site (with the exception of Lullworth Hall). The following section discusses estimates for demolition costs and recreation facilities construction costs.

Demolition Costs

If the site is acquired, there will likely be additional costs for the partial or total demolition of the existing facilities (with the exception of Lullworth Hall). Using estimates for New Jersey from the US Veterans Administration for Institutional Building Demolitions on sites nationwide¹, the cost of demolition is anticipated to be \$7.70 per square foot for demolition and \$7.20 a square foot for hauling and dumping. This does not include any additional costs if asbestos or other environmental contamination is present on the site.

If all buildings on Block 14, Lot 2 were to be demolished, that would be a total of 62,200 square feet. If the only buildings to remain on Block 13, Lot 25 were Lullworth Hall and the carriage house, then that would be a total of approximately 35,600 square feet. This would be a total of 97,800 square feet of demolition. As is illustrated in the table below, the total demolition costs for the site would be approximately \$1,457,220.

Property	Square Footage	Demolition Rate per Square Foot	Demolition Cost	Hauling and Dumping Rate per Square Foot	Hauling and Dumping Cost	Total Cost
Block 14, Lot 2	62,200	\$7.70	\$478,940	\$7.20	\$447,840	\$926,780
Block 13, Lot 25	35,600	\$7.70	\$274,120	\$7.20	\$256,320	\$530,440
Total	97,800		\$753,060		\$704,160	\$1,457,220

Facilities Costs

Estimating costs for recreational facilities is related to the type of facility, the size of the development and the intensity of the development. Basic recreation facilities development, such as multi-purpose playing fields, involves grading the site, topsoil, seeding, stormwater management and drainage. This type of development averages

¹ US Dept of Veterans Affairs, Office of Facilities Management

\$100,000 an acre. Irrigation would cost another \$100,000 an acre and lighting would average \$150,000 an acre². If we assume a minimum of eight acres of active recreation development on Block 14, Lot 2 (those areas currently developed and intended to be demolished) and three acres of active recreation on Block 13, Lot 35 (for school athletic facilities) then the cost estimates range from \$1,100,000 to \$3,850,000 for facilities costs.

Property	Acres of Recreation Development	Recreation Development Rate - Low Estimate	Recreation Development Cost - Low Estimate	Recreation Development Rate - High Estimate	Recreation Development Cost - High Estimate
Block 14, Lot 2	8	\$100,000	\$800,000	\$350,000	\$2,800,000
Block 13, Lot 25	3	\$100,000	\$300,000	\$350,000	\$1,050,000
Total	11		\$1,100,000		\$3,850,000

Possible Funding Scenarios

The viability of open space protection on the Bancroft Site varies with the scenarios considered. However, a clear pattern of possible funding scenarios has emerged. The Camden County Open Space Program could contribute 25% of the purchase price, based on prior contributions to similar projects. The Borough has also received \$500,000 grant funds from NJDEP Green Acres. The Borough or County would need to bond/borrow for the remainder of the purchase price at the time of the purchase. However, the Borough could optimistically expect income for service of the bond debt from the NJDEP Green Acres Program annual requests for supplemental funding from them, as well as expected revenues from the municipal open space tax. The NJDEP Green Acres Program can give up to 50% of the purchase price of the property, but the amount granted each year is dependent upon the amount of funds allocated to Green Acres that year and the number of and quality of other applications by other municipalities. It should be clear that the Borough would make supplemental funding requests with no guarantee of funding in each funding round.

² Suburban Consulting Engineering, John Miller, PE, Principal

What follows are examples of potential funding scenarios based on the research and interviews conducted for this study. These funding scenarios include a breakdown with an assumed purchase price of \$10 million, \$15 million and \$20 million.

Please see Appendix A for additional parks and recreation development funding programs.

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1. \$10 Million Dollar Purchase Price (\$534,760 per acre) over 20 year period

	Type of Funding	Funding (%)		Bond Principal Costs	Potential Cost to Taxpayers	Timing/Notes
Camden County Open Space Program	Grant	25%	\$2,500,000			At Closing
NJDEP Green Acres Program	Grant (2009 & 2010)	10%	\$1,000,000			At Closing
Borough/County Open Space Bond	Bond/Loan	65%		\$6,500,000		At Closing
At Closing Totals		100%	\$3,500,000	\$6,500,000		\$10,000,000 At Closing
NJDEP Green Acres Program	Grant	Up to 50% of total (40% remaining)	\$4,000,000			\$200,000 each year for 20 years
Open Space Tax	Tax	22%	\$2,200,000			\$110,000 each year for 20 years
After Closing Totals		Up to 62%	\$6,120,000			Toward Bond Principal Payment
Unfunded Bond Principal Cost	Cost				\$1,400,000*	After 20 Years
Bonding Interest Costs (4%)	Cost				\$3,185,000	20 Year Bond
Demolition	Cost				\$1,500,000	After Closing
Recreation Facilities	Cost				\$1,100,000	After Closing
Recreation Costs Totals					\$2,600,000	Unfunded by Open Space Dollars
Total Funding vs. Total Costs			\$8,600,000		\$7,185,000	\$15,785,000 Total Cost**

*Unfunded Bond Principal is Bond Principal Cost minus After Closing Totals.

** Does not include Estimated Annual Maintenance Costs of \$30,000

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Total Cost \$10 Million Dollar Purchase Price, 20-Year Bond:

Purchase price	\$10,000,000
Recreation cost (demolition and construction)	<u>\$2,600,000</u>
Total Hard Costs	\$12,600,000

Grant Funding (at closing)	<u>\$3,500,000</u>
Remaining Hard Costs to be bonded	\$9,100,000

Annual Costs

Average Annual Debt Service Payment for \$9,100,000	\$676,767
Estimated Annual Maintenance Costs	<u>\$30,000</u>
Total Estimated Annual Costs	\$706,767

Annual Revenues

Estimated O.S. Tax Income per year	\$110,000
Estimated GA Program Grant per year	<u>\$200,000</u>
Total Estimated Annual OS Funding	\$310,000

Annual Costs with Annual Revenues	\$396,767
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Annual Costs without Annual Revenues	\$706,767
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Estimated annual tax increase on local tax dollars

(In addition to half cent open space tax)

Annual Costs with Annual Revenues	\$396,767
Estimated increase in cents on the tax rate	\$0.0175
Estimated cost on average \$491,000 assessed home	\$86 per year

Annual Costs without Annual Revenues	\$706,767
Estimated increase in cents on the tax rate	\$0.0312
Estimated cost on average \$491,000 assessed home	\$153 per year

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2. \$15 Million Dollar Purchase Price (\$802,139 per acre) over 20 year period

Description	Type of Funding	Funding (%)		Bond Principal Costs	Potential Cost to Taxpayers	Timing/Notes
Camden County Open Space Program	Grant	25%	\$3,750,000			At Closing
NJDEP Green Acres Program	Grant (2009 & 2010)	6.6%	\$1,000,000			At Closing
Borough/County Open Space Bond	Bond/Loan	68.4%		\$10,250,000		At Closing
At Closing Totals		100%	\$4,750,000	\$10,250,000		\$15,000,000 At Closing
NJDEP Green Acres Program	Grant	Up to 50% of total (43.4% remaining)	\$6,500,000			\$325,000 each year for 20 years
Open Space Tax	Tax	14.6%	\$2,200,000			\$110,000 each year for 20 years
After Closing Totals		Up to 58%	\$8,700,000			Toward Bond Principal Payment
Unfunded Debt Service	Cost				\$2,650,000*	After 20 Years
Bonding Interest Costs	Cost				\$5,022,500	20 Year Bond
Demolition	Cost				\$1,500,00	After Closing
Recreation Facilities	Cost				\$1,100,000	After Closing
Recreation Costs Totals					\$2,600,000	Unfunded by Open Space Dollars
Total Funding vs. Total Costs			\$12,350,000		\$10,272,500	\$22,622,500 Total Cost**

*Unfunded Bond Principal is Bond Principal Cost minus After Closing Totals.

** Does not include Estimated Annual Maintenance Costs of \$30,000

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Total Cost \$15 Million Dollar Purchase Price, 20-Year Bond:

Purchase price	\$15,000,000
Recreation cost (demolition and construction)	<u>\$2,600,000</u>
Total Hard Costs	\$17,600,000

Grant Funding (at closing)	<u>\$4,750,000</u>
Remaining Hard Costs to be bonded	\$12,850,000

Annual Costs

Average Annual Debt Service Payment for \$12,850,000	\$955,655
Estimated Annual Maintenance Costs	<u>\$30,000</u>
Total Estimated Annual Costs	\$985,655

Annual Revenues

Estimated O.S. Tax Income per year	\$110,000
Estimated GA Program Grant per year	<u>\$325,000</u>
Total Estimated Annual OS Funding	\$435,000

Annual Costs with Annual Revenues	\$550,655
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Annual Costs without Annual Revenues	\$985,655
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Estimated annual tax increase on local tax dollars

(In addition to half cent open space tax)

Annual Costs with Annual Revenues	\$550,655
Estimated increase in cents on the tax rate	\$0.0243
Estimated cost on average \$491,000 assessed home	\$119 per year

Annual Costs without Annual Revenues	\$985,655
Estimated increase in cents on the tax rate	\$0.0435
Estimated cost on average \$491,000 assessed home	\$214 per year

October 19, 2010

3. \$20 Million Dollar Purchase Price (\$1,069,519 per acre) over 20 year period

Description	Type of Funding	Funding (%)		Bond Principal Costs	Potential Cost to Taxpayers	Timing/Notes
Camden County Open Space Program	Grant	25%	\$5,000,000			At Closing
NJDEP Green Acres Program	Grant (2009 & 2010)	5%	\$1,000,000			At Closing
Borough/County Open Space Bond	Bond/Loan	70%		\$14,000,000		At Closing
At Closing Totals		100%	\$6,000,000	\$14,000,000		\$20,000,000 At Closing
NJDEP Green Acres Program	Grant	Up to 50% of total (45% remaining)	\$9,000,000			\$450,000 each year for 20 years
Open Space Tax	Tax	11%	\$2,200,000			\$110,000 each year for 20 years
After Closing Totals		Up to 56%	\$11,200,000			
Unfunded Debt Service	Cost				\$3,900,000*	After 20 Years
Bonding Interest Costs	Cost				\$6,860,000	20 Year Bond
Demolition	Cost				\$1,500,00	After Closing
Recreation Facilities	Cost				\$1,100,000	After Closing
Recreation Costs Totals					\$2,600,000	Unfunded by Open Space Dollars
Total Funding vs. Total Costs			\$16,100,000		\$13,360,000	\$ 29,460,000 Total Cost**

*Unfunded Bond Principal is Bond Principal Cost minus After Closing Totals.

** Does not include Estimated Annual Maintenance Costs of \$30,000

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Total Cost \$20 Million Dollar Purchase Price, 20-Year Bond:

Purchase price	\$20,000,000
Recreation cost (demolition and construction)	<u>\$2,600,000</u>
Total Hard Costs	\$22,600,000

Grant Funding (at closing)	<u>\$6,000,000</u>
Remaining Hard Costs to be bonded	\$16,600,000

Annual Costs

Average Annual Debt Service Payment for \$16,600,000	\$1,234,542
Estimated Annual Maintenance Costs	<u>\$30,000</u>
Total Estimated Annual Costs	\$1,264,542

Annual Revenues

Estimated O.S. Tax Income per year	\$110,000
Estimated GA Program Grant per year	<u>\$450,000</u>
Total Estimated Annual OS Funding	\$560,000

Annual Costs with Annual Revenues	\$704,542
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Annual Costs without Annual Revenues	\$1,264,542
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Estimated annual tax increase on local tax dollars

(In addition to half cent open space tax)

Annual Costs with Annual Revenues	\$704,542
Estimated increase in cents on the tax rate	\$0.0311
Estimated cost on average \$491,000 assessed home	\$153 per year

Annual Costs without Annual Revenues	\$1,264,542
Estimated increase in cents on the tax rate	\$0.0558
Estimated cost on average \$491,000 assessed home	\$274 per year

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APENDIX A

Additional Sources of Funding for Open Space and Recreation Programs

Those Most Appropriate for Haddonfield

RESOURCES	PROGRAM DESCRIPTION	ADMINISTERED BY	ELIGIBLE ENTITY
Green Communities Challenge Grants	To help local government agencies implement urban and community forestry projects; projects are provided under four themes: Development, implementation, tree maintenance, and research projects	DEP-Community Forestry Program	Municipal and county governments
Environmental Education Grants Program	Provides financial support for projects that design, demonstrate, or disseminate environmental education practices, methods or techniques.	USEPA-Office of Environmental Education	
Sustainable Development Challenge Grants	The USEPA solicits proposals for these grants that challenges communities to link environmental protection, economic prosperity, and community well-being	USEPA- SDCG Program	Municipalities, non-profit organizations

Other Sources

RESOURCES	PROGRAM DESCRIPTION	ADMINISTERED BY	ELIGIBLE ENTITY
Aid for Urban Environmental Concerns	The grant is designed to provide funding for the State's urban communities to enhance the environment in the urban settings.	DEP-Office of Business & External Affairs	Municipalities and Counties classified as Urban
Livable Communities	Creation of a strategic investment plan; Improvements that support transit or transit ridership for bus, train, light rail or ferry; Streetscapes, traffic calming and implementation of context sensitive design strategies; Bicycle or pedestrian facilities; Parking and circulation; Landscaping/Beautification of transportation related facilities; Minor resurfacing and pavement rehabilitation associated with other activities as listed above but not to exceed 25% of the project cost	Department of Transportation-Local Government Services	Municipalities, counties
Municipal Aid Program- Bicycle Projects	Municipal aid given to support projects that result in either the creation of a new independent bicycle facility or in making an existing roadway bicycle compatible; competitive process; in four districts	Department of Transportation-Local Government Services	Municipalities

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Municipal Aid Program- Pedestrian Projects	Municipal aid given in support of projects that will result in a safer environment for pedestrians	Department of Transportation-Local Government Services	Municipalities
National Recreation Trails Program	To provide financial assistance for developing and maintaining trails and trail facilities; trails can be for non-motorized, multi use and motorized purposes.	DEP- Natural Lands Management	Government and nonprofit land owners
New Jersey Tree Planting Grant	To positively impact local areas by planting trees on land owned or controlled by state, county or local governments by supporting and encouraging the development of Community Forestry Programs.	DEP- Community Forestry Program	
Recreation and Park Departments Assistance	Assists community recreation and park departments with the initiation, development, administration and management of recreational sites, resources and programming.	DCA-Housing and Community Development	Local government, recreation agency or citizen
Sustainable Development Challenge Grants	The USEPA solicits proposals for these grants that challenges communities to link environmental protection, economic prosperity, and community well-being	USEPA- SDCG Program	Municipalities, non-profit organizations

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APPENDIX B

Contacts List

NJDEP Green Acres Program

501 East State Street
Station Plaza Building 5, Ground Floor
Trenton, NJ
Phone: (609) 984-0500

Staff Contacted:

- Bob Watson, South Central Regional Team
- Steve Jandoli, Planning & Information Management
- John Flynn, Planning & Information Management

New Jersey Historic Trust

New Jersey Department of Community Affairs
101 South Broad Street
P.O. Box 457
Trenton, NJ 08625-0212
Phone: (609) 984-0473

Camden County Open Space, Recreation, Farmland, And Historic Preservation Trust

Camden County Division of Environmental Affairs
520 North Newton Lake Drive
Collingswood, NJ 08107
Phone: (856) 858-5241
Staff Contacted: Jack Sworaski, Director, Division of Environmental Affairs

Camden County Improvement Authority

1909 Route 70 East, Suite 300
Cherry Hill, NJ 08003
Phone: (856) 751-CCIA (2242)

New Jersey Environmental Infrastructure Trust

3131 Princeton Pike
Bldg. 6, Suite 201
Lawrenceville, NJ
08648
P.O. Box 440
Trenton, NJ 08625
Phone (609) 219-8600

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Casino Reinvestment Development Authority

1014 Atlantic Avenue

P. O. Box 749,

Atlantic City, New Jersey 08401

Phone: (609) 347-0500

New Jersey Office of Natural Resource Restoration

New Jersey Department of Environmental Protection

Natural and Historic Resources

Office of Natural Resource Restoration

P.O. Box 404, Station Plaza 5

Trenton, NJ 08625-0404

Phone: (609) 984-5475

NJDEP Brownfields

New Jersey Department of Environmental Protection

Bureau of Fund Management and Cost Recovery

Phone: (609) 633-1487

William Penn Foundation

Two Logan Square

11th Floor

100 North 18th Street

Philadelphia, PA 19103 2757

Phone (215) 988-1830

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National Fish and Wildlife Foundation

National Fish and Wildlife Foundation National Office
1120 Connecticut Ave., NW
Suite 900, Washington, DC 20036
Phone: (202) 857-0166

Federal Land and Water Conservation Fund

USDA Forest Service, Lands and Realty Management
1400 Independence Ave., SW
Mailstop 1124
Washington, DC 20250-1124
Phone: (202) 205-1248

Urban and Community Forestry Program

USDA Forest Service
Attention: Forest Health Protection
201 14th Street SW
Washington, D.C. 20250
Phone: (202) 205-1054

U.S. Fish and Wildlife Service

Division of Realty
4401 North Fairfax Drive
Arlington, VA 22203
Phone: (703) 358-1713

Camden County Cultural and Heritage Commission

250 South Park Drive
Haddon Township, NJ 08108
Phone: (856) 858-0040

Trust for Public Land

South Jersey Field Office
P.O. Box 2654
Southampton, NJ 08088
Phone: (609) 859-9615

Staff Contacted: Cindy Roberts, Senior Project Manager, Southern New Jersey

New Jersey Conservation Foundation

Bamboo Brook
170 Longview Road
Far Hills, NJ 07931
Phone: (856) 767-2632/(856) 342- 6523
Staff Contacted: Peter Kroll, Camden Greenway Project Manager

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The Nature Conservancy of New Jersey

Delaware Bayshores Program Office
Delaware Bayshores Center
2350 Route 47
Delmont, NJ 08314
Phone: (609) 861-0600

Conservation Resources, Inc.

100 North Road Suite Two
PO Box 594
Chester, NJ 07930
Phone: (908) 879-7942
Staff Contacted: Michael Catania, President

Association of New Jersey Environmental Commissions

Mendham Office/Resource Center
ANJEC
P.O. Box 157
Mendham, NJ 07945
Phone: (973) 539-7547

South Jersey Land & Water Trust

(formerly the Federation of Gloucester County Watersheds and the South Jersey Land Trust)
P.O. Box 233
Glassboro, NJ 08028
Phone: (856) 589-2049

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