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July 25, 2005

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Received

Mr. R. Gary Dinsick, Army Team Leader  
Base Realignment and Closure Commission  
2521 South Clark Street, Suite 600  
Arlington, Virginia 22202

RE: Fort Monmouth, New Jersey

Mr. Dinsick:

On behalf of the mayors of the Fort Monmouth Host Communities, I want to thank you for taking the time to meet with myself, Mike Trotta and Jeff Donohoe earlier this month to discuss our concerns regarding the proposed closure of Fort Monmouth. As you are aware, the community is opposed to the closure due a number of concerns with the Secretary of Defense's evaluation of the Fort and its capabilities. This memorandum amplifies several of the concerns that we discussed with you and your staff members.

First and foremost, the Host Communities believe that the Secretary did not adequately consider the value of research conducted at Fort Monmouth, in terms of the military value of that research. The Army's Briefing Book on Fort Monmouth summarizes the ranking of Fort Monmouth as compared to Aberdeen Proving Ground on a number of key research area. Fort Monmouth consistently ranked higher than Aberdeen Proving Ground on four of the five key criteria evaluated under Tab 1 in the Briefing Book, as summarized in Table 1 below.

| Table 1<br>Tab 1 - Military Value<br>Research, Development and Acquisition,<br>Test and Evaluation Functions |                               |                  |
|--|-------------------------------|------------------|
|  | Aberdeen<br>Proving<br>Ground | Fort<br>Monmouth |
| Army Human Systems Research Military Value   |                               |                  |
| Army Information Systems Technology D&A Military Value   |                               |                  |
| Army Information Systems Technology Research Military Value  |                               |                  |
| Army Sensors, Electronics and EW D&A Military Value  |                               |                  |
| Army Sensors, Electronics and EW Research Military Value   |                               |                  |

Source: Army Briefing Book, pages 5 through 7 of 200

In reviewing the Briefing Book for Fort Monmouth, we note that the Technical Joint Cross Service Group exempted a number of facilities from consideration due to their size. For example, in evaluating Army Information Systems Technology D&A Military Value, the Army Briefing Book notes, on page 5 of 200, that:

*“20 locations were exempted from consideration as a consequence of a TJCSG decision not to analyze locations with less than 31 full time equivalent work years in a function. It was the military judgment of the TJCSG that the benefit to be derived from consideration of those facilities was far outweighed by the cost of that analysis.”*

This type of explanation was included for each of the research, development, acquisition, test and evaluation (RDAT&E) categories evaluated under Tab 1 in the Briefing Book, although the number of installations exempted from consideration was different for each subcategory. While the Community recognizes that the Department of Defense faced a daunting challenge in evaluating all military installations, it seems incongruous to summarily eliminate a group of small facilities from consideration given the intent of the base closure process to reduce inefficiencies.

As we expressed during our meeting, the data in the Briefing Book under Tab 4 appears to indicate that Aberdeen Proving Ground utilizes just 11.8% of its capacity for RDAT&E functions at the present time. The data from Tab 4 of the Briefing Book is summarized below. As shown, the data indicates that Aberdeen Proving Ground uses just 1.1 million square feet of its 9.7 million square feet of its reported capacity, indicating that more than 8.5 million square feet of space is vacant and unused. It is a significant concern that a facility that is operated so inefficiently could become the Center of the Land C4ISR program for our warfighters. It is not clear whether the capacity data is incorrect, or whether the facility is actually as inefficient as it appears, but it would appear to be a significant issue for the Commission in either case.

**Table 2**  
**Briefing Book Tab 4**  
**Capacity for Research, Development and Acquisition,**  
**Test and Evaluation Functions**

|                  | <b>Current Capacity<br/>Square Feet</b> | <b>Percent</b> | <b>Current Usage<br/>Square Feet</b> | <b>Percent</b> |
|------------------|---|----------------|--------------------------------------|----------------|
| Aberdeen         | 9,714,389                               | 100.0%         | 1,142,141                            | 11.8%          |
| Fort Belvoir     | 589,570                                 | 100.0%         | 270,043                              | 45.8%          |
| Fort Monmouth    | 1,092,988                               | 100.0%         | 589,466                              | 53.9%          |
| Redstone Arsenal | 1,817,021                               | 100.0%         | 1,840,958                            | 101.3%         |
| CECOM San Diego  | 441,460                                 | 100.0%         | 96,693                               | 21.9%          |
| Adelphi Labs     | 343,645                                 | 100.0%         | 199,721                              | 58.1%          |

Source: Army Briefing Book, page 11 of 200

The issue of whether Aberdeen has more than 8.5 million square feet of vacant space is significant, particularly in terms of Criteria 4 (The cost of operations and manpower implications). Specifically, Aberdeen’s operating costs may be understated, since they may not be operating 8.5 million square feet of their buildings, which they have indicated are vacant. Tables 3 and 4 below illustrate the impact of considering the base operations cost based on total square footage as compared with net occupied square footage. As shown in the Tables, considering all of Aberdeen’s reported square footage (14.4 million

**Table 3  
Tab 6  
Army Capacity Results Analysis**

|                             | <b>Aberdeen Proving Ground</b> | <b>Fort Monmouth</b> |
|-----------------------------|--------------------------------|----------------------|
| General Purpose             | 5                              |                      |
| Applied Instruction         |                                | 7                    |
| Organizational/Classroom    | 0                              |                      |
| Aircraft Maintenance Hangar |                                | 6                    |
| Vehicle Maintenance Shop    |                                | 3                    |
| General Admin               |                                |                      |
| Small Unit HQ               |                                | -10                  |
| Large Unit HQ               |                                | 0                    |
| Enlisted Unaccompanied      |                                |                      |
| Student Barracks            |                                | 1                    |
| Recruit/Trainee Barracks    | 0                              | 0                    |
| Dining Facility             |                                | 5                    |
| Officer Unaccompanied       |                                | 0                    |
|                             |                                |                      |
| Vehicle Parking             |                                |                      |

**Source: Army Briefing Book, pages 17 and 18 of 200**

Because of these significant shortages in terms of support space, the community believes that the one-time costs for relocating operations from Fort Monmouth to Aberdeen Proving Ground is understated in the Secretary's analysis. Any increase in one-time costs will reduce the level of anticipated savings from the closure, extend the payback period and reduce the net present value of the proposed relocation from Fort Monmouth to Aberdeen. This was illustrated clearly during the recent BRAC Regional Hearing in Baltimore, when the Patriot's Alliance provided testimony that despite the Secretary's contention that the Prep School for West Point could be relocated to the West Point Campus from Fort Monmouth for a one-time cost of less than \$25 million, the Public Works Department at West Point has requested more than \$200 million in funding to implement the recommended relocation.

As we discussed during our meeting, there is at least one data error in the Secretary's analysis of Fort Monmouth. Page 175 of 200 in the Army Briefing Book indicates a population of 11,262,127 for the Monmouth-Ocean MSA, which is overstated by a factor of 10. The same page indicates that the military housing area (MHA) population is 1,126,217, the correct population. This data error resulted in Fort Monmouth being unfairly penalized on at least the medical-related community evaluation factors – the medical-related capacity of the community. As shown in the graphic below, the use of the incorrect population figure resulted in Fort Monmouth being unfairly evaluated relative to the population per physician, as well as the population per hospital bed. It is not clear whether this same erroneous population figure was used to evaluate other community-related benchmarks, such as child care and education. However, it appears

square feet) against its budget of \$210 million, indicates an average cost operating cost of \$14.55 per square foot of building area. Fort Monmouth's cost, using the same methodology, is \$21.80 per square foot.

**Table 3  
Unadjusted Average  
Operating Cost per SF**

|                           | <b>Budget</b>  | <b>Square Footage</b> | <b>Operations<br/>Cost/SF</b> |
|---------------------------|----------------|-----------------------|-------------------------------|
| Aberdeen Proving Ground   | \$ 209,980,684 | 14,429,407            | \$ 14.55                      |
| Adelphi Laboratory Center | \$ 44,970,244  | 1,131,049             | \$ 39.76                      |
| Fort Belvoir              | \$ 128,202,380 | 7,954,402             | \$ 16.12                      |
| Fort Monmouth             | \$ 109,302,874 | 5,014,521             | \$ 21.80                      |

Source: Department of Defense Base Structure Report, Army Budget Data and Jeffrey Donohoe Associates

However, if the vacant square footage (excess capacity) as reported in Tab 4 of the Briefing Book, is removed to estimate the net occupied square footage, the operating cost for the occupied facilities changes significantly. As shown in Table 4, removal of the vacant square footage raises the average operating cost per square foot for all facilities. However, operating costs for Aberdeen Proving Ground increase substantially, to almost \$36 per occupied square foot, while the costs for Fort Monmouth increase to more than \$24 per occupied square foot.

**Table 4  
Adjusted Average  
Operating Cost per SF**

|                           | <b>Budget</b>  | <b>Existing SF</b> | <b>Less<br/>Vacancy</b> | <b>Net SF</b> | <b>Adjusted<br/>Operations<br/>Cost/Net SF</b> |
|---------------------------|----------------|--------------------|-------------------------|---------------|--|
| Aberdeen Proving Ground   | \$ 209,980,684 | 14,429,407         | 8,572,249               | 5,857,158     | \$ 35.85                                       |
| Adelphi Laboratory Center | \$ 44,970,244  | 1,131,049          | 143,924                 | 987,125       | \$ 45.56                                       |
| Fort Belvoir              | \$ 128,202,380 | 7,954,402          | 319,527                 | 7,634,875     | \$ 16.79                                       |
| Fort Monmouth             | \$ 109,302,874 | 5,014,521          | 503,522                 | 4,510,999     | \$ 24.23                                       |

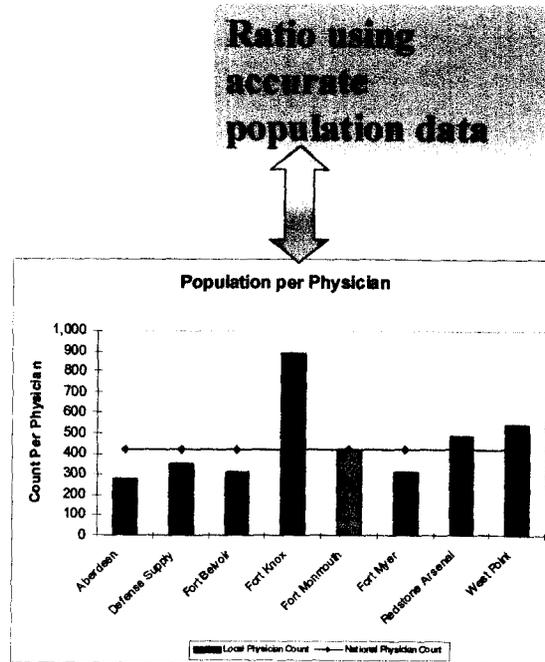
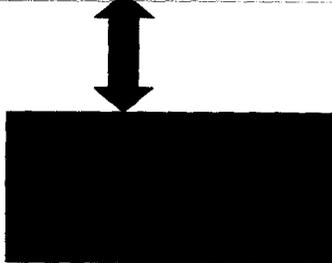
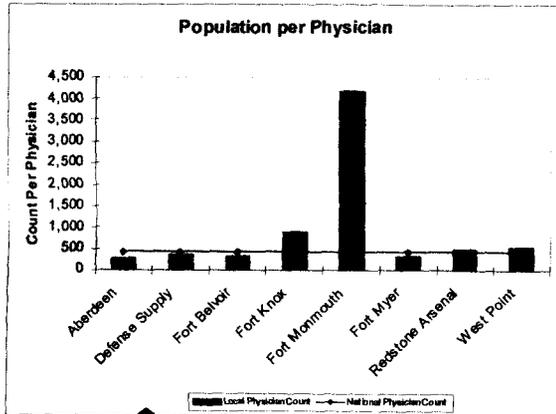
Source: Department of Defense Base Structure Report, Army Budget Data and Jeffrey Donohoe Associates

The community believes that the average cost per occupied square foot is a more realistic indicator of the likely cost of operations, particularly in the case of a major relocation, where existing operations will be transferred to another operating location.

Despite Aberdeen's reported capacity, data in the Briefing Book indicates that Aberdeen has significant deficiencies in terms of the space available for support functions. Table 3 below summarizes the data from Tab 6 of the Briefing Book.

that the data error did affect how Fort Monmouth was ranked using the “Criteria Seven Evaluation Tool”, which appears on pages 152 through 155 of the Briefing Book. Specifically, in evaluating alternatives to Fort Monmouth, evaluators consistently indicated that the level of medical services would increase, due to the effects of the Secretary’s overstatement of population for Fort Monmouth.

## Population per Physician



Finally, the closure of Fort Monmouth will have a significant economic impact on the host communities and the larger region. The loss of 4,652 civilian jobs and 620 military members will be devastating to our region. These job losses are projected to result in the loss of \$120 million in annual retail sales, including \$75 million annually in the Host Communities. Over the 20-year BRAC planning horizon, our region will lose more than \$2.4 billion in retail sales activity as a result of the employment reductions at Fort Monmouth.

The closure of Fort Monmouth will also put more than \$430 million in tax base at risk in the host communities, as well as an additional \$260 million in the region. This is due to the number of Fort Monmouth employees that live in the Host Communities (1,325) and the larger region (787). Together, these regional residents account for more than 45% of the civilian employment at the Fort. The follow-on impacts could be even worse than the closure of the Fort itself. Monmouth

Monmouth County has established itself as a significant cluster of defense-related contracting. Monmouth County companies received approximately \$925 million in defense contracts in FY 03, about 25% of all defense contracts in the State of New Jersey. Fort Monmouth awarded more than \$580 million in contracts in FY 03, and Monmouth County companies received more than \$335 million in contract awards, with the Host Communities accounting for more than \$320 million of that total. These defense contractors are considered to be location-sensitive, and likely to relocate if Fort Monmouth is closed.

This would significantly increase the economic impact to the Host Communities and the larger region. Not only will the disposable income for the employees of these contractors be lost, but their departure will create substantial amounts of office and research/development vacancy in the regional real estate market, putting more tax base at-risk for the local communities. The Borough of Tinton Falls has previously experienced this phenomenon first-hand, when CECOM relocated from an office building in the community. The assessed valuation for that facility fell from more than \$30 million to less than \$13 million.

We hope this information is helpful as you continue your evaluation of the Secretary of Defense's recommendations for closure. If we can provide additional assistance or information, please do not hesitate to contact us.

Sincerely,



Gerald Tarantolo, Mayor  
Borough of Eatontown

*on behalf of*

Maria Gatta, Mayor  
Borough of Oceanport

Peter Maclearie, Mayor  
Borough of Tinton Falls

Emilia Siciliano  
Shrewsbury Borough Mayor

Suzanne Castleman  
Little Silver Mayor

| <b>Tab 1<br/>Military Value<br/>Research, Development and Acquisition,<br/>Test and Evaluation Functions</b> |  |                          |
|--|--|--------------------------|
|  | <b>Aberdeen<br/>Proving<br/>Ground</b> | <b>Fort<br/>Monmouth</b> |
| <b>Army Human Systems Research Military Value</b>  |  |                          |
| <b>Army Information Systems Technology D&amp;A Military Value</b>  |  |                          |
| <b>Army Information Systems Technology Research Military Value</b>   |  |                          |
| <b>Army Sensors, Electronics and EW D&amp;A Military Value</b>   |  |                          |
| <b>Army Sensors, Electronics and EW Research Military Value</b>  |  |                          |

*Source: Army Briefing Book, pages 5 through 7 of 200*