

TOBYHANNA ARMY DEPOT
DUE DILIGENCE EXECUTIVE SUMMARY

1. **Due Diligence Team Recommendation.** The Team recommends that the Residential Communities Initiative (RCI) Partner at the nearby United States Military Academy (USMA) approximately 100 miles away be approached to gauge interest in including the housing at Tobyhanna Army Depot (TYAD) in the privatization project at West Point, NY. The recommended development scope would consist of replacing the two single family homes and renovating 40 existing townhouse units during a four-year Initial Development Period (IDP). Various stages of renovation for all homes would be conducted during the term of a 50-year ground lease.

a. The small number of homes and the resulting high cost of operating these homes in isolation could be more efficiently managed as part of a larger project.

b. A combined RCI project could deliver the required housing for each installation as outlined in the latest Housing Market Analysis (HMA) for USMA and TYAD respectively.

c. The nearby USMA RCI project is currently finalizing its Community Development and Management Plan (CDMP) and thus could incorporate TYAD into the initial plan prior to financial closing if steps were taken quickly.

2. **Housing Situation/Considerations.**

a. **Current Inventory.** The current housing inventory at TYAD includes 40 townhouses built in 1996 and two single family homes built in 1953 and 1959. The 40 townhouses received renovations in 1996 which included new roofing, tile and cabinets. At the time, two of the 40 townhouses were renovated to ADA standards. Based on the current condition of the 40 townhouses, they would likely require minor or medium renovations during the IDP. One of the single family homes is designated for the Commanding Officer. The second single family home is currently occupied by the installation's chaplain, although the home is not specifically designated for the chaplain. The chaplain's quarters received a 1996 renovation similar in scope to the townhouses. The Commanding Officer's home received only a new roof. The renovations required by the Commanding Officer's home are estimated to cost approximately \$150,000, which approaches the cost of replacement.

b. **Occupancy and Demand.** Prior to FY06, Tobyhanna's occupancy rate averaged 95%. Recent deployments have dropped the occupancy rate to between 80-90%. Demand to live on-post exists because Tobyhanna is located in the Pocono Mountain resort area and has recently become a popular location for those commuting into New York City. These characteristics combined with a generally low

BAH, have made the cost of living off-post almost out of reach for many Soldiers, particularly JNCOs.

c. **Housing Market Analysis.** The 2007 HMA for TYAD indicates a requirement of 41 homes in 2012. The recommended approach results in an end-state of 42 homes because it is anticipated that the two replacement homes will accommodate the Commanding Officer and the Chaplain or the Command Sergeant Major. The remaining 40 townhouses are multi-plex homes that do not allow for the demolition of one unit.

3. Supporting Situation/Considerations.

a. **Land Availability.** Army Family housing currently accounts for 16.4 acres on the installation. The housing consists of 40 townhouses and 2 single family dwellings with attached private garages and storage units. All housing is located in the Community Area of the installation. The 2007 HMA for TYAD calls for an end state of 41 homes and this requirement can be met using the land currently set aside for family housing. If a need for additional family housing were to arise, 70% of the land at TYAD is considered "open space" with specific areas designated for family housing including a plot adjacent to the existing family housing. In addition to this designated area, there is a plot of government-owned land located across from TYAD where additional homes were formerly located. These homes were demolished in 2005.

b. **Environmental Constraints.** The primary manmade constraints at TYAD that must be examined and possibly mitigated include: hazardous materials, air quality, potable water supply, hazardous waste and ERP/AOC sites. Although most lead based paint and asbestos has been remediated, several units still have to be treated.

c. **Archeological Constraints.** There are no known archeological constraints at TYAD.

d. **Impact on Local Services and Infrastructure.** The HMA does not call for a significant change in the number of homes at TYAD, therefore, key resources such as utilities, school availability, fire and police services, traffic, roads and general community infrastructure would not be significantly impacted.

e. **Local Market Considerations.** In recent years, there has been strong demand for housing at Tobyhanna, stemming from the lack of affordable off-post housing due to insufficient Basic Allowance for Housing (BAH) rates. TYAD is located in a resort area, not far from New York City, making it challenging for Soldiers to live in the local economy with their current BAH. Any Service Member with a duty station within 60 miles of TYAD is eligible to live on-post. Only three Soldiers are assigned to TYAD; the Commanding Officer, the Command Sergeant Major and the installation Chaplain. The remaining residents are either assigned to tenant facilities on-post or

are drawn from other duty locations in the area. While the active duty population is small, the civilian population consists of approximately 5,000 people, making TYAD the largest employer in the region.

4. Options Considered.

- a. **Stand-Alone Privatization (Full Scope);**
- b. **Stand-Alone Privatization (Reduced Scope);**
- c. **Combination with Existing Privatization Project;**
- d. **Off-Post Leasing Program;**
- e. **Status Quo/MILCON; and**
- f. **Eliminate Housing**