

ECONOMIC AND FISCAL IMPACT ANALYSIS

Project

Evaluation of the impacts of Fort Monmouth on the host communities of Eatontown, Oceanport, Tinton Falls, Little Silver and Shrewsbury.

Description

The 1,100-acre Fort Monmouth property is physically located in Eatontown, Oceanport and Tinton Falls. In addition, the communities of Little Silver and Shrewsbury directly abut the Fort. The Fort employs more than 5,200 people, including more than 4,600 civilians and more than 600 military personnel. The Fort is a leading edge research center, providing communications capabilities to warfighters in the field.

As the 2005 Base Realignment and Closure (BRAC) round drew near, the communities requested an evaluation of the potential economic and fiscal impacts associated with a closure of the Fort. Their concern centered on potential municipal budget shortfalls for the host communities, as well as the significant amount of office and research space in office and business parks in the area that could be affected if the Fort were nominated to the 2005 Base Realignment and Closure list by the Secretary of Defense.

■ Fort Monmouth
■ Monmouth property in Eatontown
■ Monmouth property in Tinton Falls
■ Monmouth property in Oceanport



Solutions

Jeffrey Donohoe Associates (JDA) was retained to evaluate the economic and fiscal impacts associated with the operation of Fort Monmouth.

JDA worked with representatives of the Fort to understand where employees reside, in order to evaluate potential fiscal issues on a community-by-community basis. Revenue and expense budgets for each community were evaluated, to gain a better understanding of the impact of Fort personnel, both military and civilian, on municipal revenues and expenditures.

In addition, the Fort also provided data relative to the amount of prime contracts awarded to local firms, both for the host communities, and for the larger Monmouth County region. This evaluation indicated that Monmouth County contractors receive more than \$900 million annually in contract awards from the Department of Defense, and that contractors in the Fort Monmouth host communities receive almost \$350 million in contracts each year. This is considered to be an important component of the Fort's economic impact on the host communities, as well as the County and the State as a whole.

Real estate impacts were also considered. In particular, there are a number of off-base office and business parks which house many of the Defense contractors in the region. Based on the possible closure of the Fort, the potential for increased vacancies, tax abatements and defaults was evaluated.

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