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FORT HANCOCK 21st CENTURY ADVISORY COMMITTEE MEETING #44

October 31, 2025

9 am – 12:30

Hybrid Meeting

Agenda Items for This Meeting

- Leasing Update
- Leasing Alternatives Update
- Leasing Initiative
- General Park Update
- Key Takeaways, Committee Recommendations, Next Steps

Recommendations from This Meeting

1. Having heard this additional level of interest, the committee encourages the park to move forward with plans to issue a request for quotations (RFQ) that would enable additional qualified candidates to become eligible for seeking leases without inhibiting the current Agreement holder (Stillman Development) from continuing work.
2. The committee recommends advancing that partnership in concert with refinement of Stillman Development's efforts, to move forward with action on a subset of buildings covered by their General Agreement. In addition, the committee recommends that the Sandy Hook Foundation articulate for the committee, a specific strategic plan for its financial support toward the stabilization of the build. The committee also asks that the Sandy Hook Foundation articulate its strategic vision for the adaptive re-use of the historic main post in the context of the vision adopted by the advisory committee.

Attendees:

NPS: Jennifer T. Nersesian, Gateway National Recreation Area Superintendent and Designated Federal Officer (DFO); Karen Edelman, Gateway Business Services; Mimi Berfield, Gateway Business Services; Matt Hankins, Gateway Business Services; David Jordan, Gateway Business Services; Daphne Yun, Gateway Public Affairs; Leo Da Silva, Acting Sandy Hook Unit Manager; Patti Rafferty, Chief of Resource Management

Facilitator: Bennett Brooks, Consensus Building Institute

Tech Support: Charlotte Goodman, Consensus Building Institute

FACA Committee Co-Chairs: Gerry Glaser and Shawn Welch

FACA Committee members: Linda Cohen, Mary Eileen Fouratt, Dorothy Guzzo, Bill Kastning, Norah-Kerr McCurry, Tony Mercantante, Michael Walsh

Aidita Milsted- NJ Economic Development Authority

The meeting was held in Middletown's new facility and was the first in-person meeting since February 28, 2020. Leasing initiative alternatives were discussed, and Aidita Milsted from NJ Economic Development Authority gave a presentation.

The meeting was followed by an in-person tour of Fort Hancock.

Leasing update

Seven buildings are leased, four are under a letter of intent, and 21 are under a general agreement with the Stillman Group. Building 23 has been stabilized, hazardous material abatement has been completed and select demolition and stabilization phases of the project have occurred. The construction project went out to bid, but the estimates came back much higher than anyone anticipated. The next step is for the Monmouth County and school district to re-bid.

The four buildings under a letter of intent will be used as the following. Buildings 24 and 25 are meant to be residential units, a one bedroom and studio mix. Building 40, the old YMCA building, is going to be a dining/food/event space. Building 114, the old officers club, will be an event venue. The proposed drawings for those buildings were presented in an earlier Federal Advisory Committee meeting, and the lessee is proposing an addition onto that building so it can be utilized as intended. There is preliminary concurrence from the State historic preservation office on that. [Link here](#)

The facilitator commented that the park and committee are at an interesting moment here with several pieces in play on somewhat parallel paths The Stillman project and its potential economics needs to be better understood, other financial alternatives should be explored, and a Plan B should be considered.

Leasing Alternatives Update

There are a lot of updates since the last advisory committee meeting.

The park continues to work with Roy Stillman, who has an active agreement on 21 buildings. Stillman completed in-depth assessments for buildings 7 and 12 and used this analysis to come up approximate figure for the restoration of 21 buildings, which was \$100 million. The original intent for this project was an investment of \$30 million. Stillman's breakeven point where they wouldn't make money, but they wouldn't lose money, was \$50 million. A \$100 million price tag leaves this project with a \$50 million gap. Stillman is still interested and interested in additional available financing. There needs to be a way to close this gap. The financing work group established at the last Advisory Committee meeting has met and been productive, and the park has investigated Stillman's estimates to see if it's a \$100 million dollar project.

Based on knowledge of the buildings and what Gateway has been able to contract work for, there were individual items the park was able to lower the cost of. Work that Gateway has completed that was included in the Stillman estimate was also removed. By removing that work out and revising some of the line items based on our experience, the estimate was reduced by 25%. That still leaves a \$25 million gap that needs to be closed, which is significant. Needing to find \$25 million seems much more manageable, particularly if done in an incremental way. It starts to seem much more feasible to find funding from various sources.

At the last federal advisory committee, a recommendation was made to create a finance alternative working group. The goal of this group is to explore and discuss what some financing alternatives might be to help bring in other sources of funding to close that gap and augment what we're trying to do. The group met a couple of times and helped identify new sources of funding, including grants from the NJ Historic Trust and the NJ Economic Development Authority. There are different requirements for the three different programs including time frames, wage requirements and who can be the applicant.

The New Jersey Historic Preservation Trust has a grant program that gives \$750,000 a year for up to 4 years in a row of matching funds for historic preservation work. A nonprofit partner must be the applicant. There is a matching requirement, but the work the park is investing in may satisfy that matching requirement. The Sandy Hook Foundation may be a possibility for the nonprofit partner. The next grant opportunity will open in January. Applications are due in April; we wouldn't find out about the award until year's end and the funding itself wouldn't be available until the next year. These are long time frames, but the projects have long time frames, too. That gives you a sense of what might be possible from that funding source.

The NJ State Economic Development Authority, they are joining us today to present on their historic property reinvestment program and that is one of two programs we discussed with them. There is a new program called CAFÉ specifically geared toward arts programs. It has its own requirements and strings attached. It's paid back over time in the form of credits, but those credits can be substantial; we are talking tens of millions of dollars if the facilities are used for

arts programming. This could apply to some of these buildings. All these different programs, state programs, and state-related programs, are all stackable. Multiple funding sources can be used together on the same project. For instance, with the tax credits that come through the Economic Development Authority, these are state preservation tax credits they will count on top of federal tax credits. To remind you federal historic tax credits for anything that is a commercial undertaking relating to historic preservation adaptive reuse, you get up to 20% of the project cost back in cash from the Federal Government. The state tax credits are on top of that. You could potentially get up to 50% with some caps in it - I'm sure we will find out more about that but up to 50% back on top of that 20% so it could become up to 70% as state and federal credits are combined, money back on your investment which significantly reduces project costs.

Not only are these groups enthusiastic about the work that is being done at Fort Hancock, but they've also discussed how the programs were designed thinking about Fort Hancock and ways to make sure it would be eligible. For example, one program was developed with program criteria that was geared toward individual buildings and not groupings of buildings. program was revised that so that groups of buildings could qualify. These programs could be part of the solution, eventually a significant part of the solution.

This information was shared with the Stillman Group, and they are exploring these options. Roy Stillman and his group, they fully understand where the park is at. Stillman has made clear that he needs a clear pathway for financing to undertake the project. The project only makes financial sense for their group if they can do the whole thing. That is the scale of which they based their investments and business model on. They are not interested in doing it piecemeal. They are willing to look at a few buildings at a time if the financing model dictates that's how it would work. But only if there is a clear pathway to show there is enough financing over time to close that gap and make the entire project feasible. That doesn't exist now. There are some promising leads, but they don't entirely close the gap. There are some other investments that may work, and the park is continuing to pursue other federal level investment

The park is looking at the next investment on Officers' Row. Masonry is next and some porches may be included in this project. There is a contract for design of the masonry that should solve that question of why the bricks are falling off once for all and provide the blueprints to move forward and instruct the actual work on those buildings. The estimate for the work is \$3-4 million but may be less. This investment will be another step to close the financing gap. But there still is a gap and there isn't a clear roadmap as to where all the pieces of financing are going to come from.

There will be a crossroad probably sooner rather than later where we will see if the Stillman project will work or if it's not possible. At that point the park should have a Plan B ready for what we do if doing all the buildings under one developer is no longer feasible.

NJ Historic Property Reinvestment Program

Aidita Milstead from the NJ Economic Development Authority spoke about the NJ Historic Property Reinvestment Program. This program was created as part of the economic recovery

act of 2020 and deals with the rehabilitation of historic buildings. The original program defined historic property as a single structure- but multiple structures can now be considered.

This program is meant to work in conjunction with the federal historic tax credit program, and although they are a little different, this program works with the historic preservation office to make it as seamless as possible. Federal forms are accepted, and the state money can be used with the federal money. There is an equity requirement under this program, and the expected federal historic tax credit can be used as an equity contribution. The program requires that the buildings are already identified as historic, the awards are 40-60% of eligible rehabilitation costs depending on the type of project and their location. In Sandy Hook, it would be 50%. The program is competitive, so projects are all due by pre-established deadline through applications and there is competitive scoring. The projects need to follow Secretary of Interior standards.

Some changes have been made based on feedback.

- There are now exceptions to the disqualification if any work was completed in the building while you are the current owner and applicant.
- The credit amounts were increased, and a funding gap requirement was eliminated for projects that are either in a government restricted municipalities (Atlantic City, Paterson, or Trenton are the three currently identified as GRMs in NJ) or have total cost of under 5 million.
- An upcoming change will allow approval by the NPS of a Part 1 to count as a prior historic designation.
- There is now more time for the construction, an increase of 36 months from 24 months. There is a five-year limit if the construction is being done in phases.
- There is a façade rehabilitation program that will be introduced as well.

The property must be income producing to qualify for the grant but no profit generating. Therefore, a nonprofit can apply if the building requiring the money is being used for some income such as a small entrance fee.

There is a requirement for a funding gap unless a project is in a government-restricted municipality or under 5 million. The applicant must demonstrate that the funding gap exists, and the award will be equal or less than the gap. The applicant must also show that without this money, the project is not economically feasible.

Most projects require a 20% equity contribution. That could be the federal tax credit, costs previously incurred, or cash in hand.

Residential projects must be income-producing; therefore, these projects must be rentals. There must be at least four rental dwelling units and at least 20% of newly created units will have to be low or moderate income.

The new exceptions for commencement of construction are:

- It was done by somebody else, but you didn't tell them to do it, and they are not your affiliate, and they had nothing to do with you before you got in.
- It was completed more than two years prior to the application.
- The work was ordered by a building code official because of health and safety reason, there is a health or safety concern, that could be done but, in that case, it must be limited to addressing that condition and it must meet the standards.
- Also, if the work has been approved by either the NJ Historic Trust or New Jersey Preservation Office, as meeting the standards.
- If you have completed the work within two years and you can prove the burden would be on the applicant and the work was done meeting the (Secretary of Interior) standards then it would be okay.

Any work done before an agreement is signed would not count toward an award.

Most properties fall into the category of 50% of eligible costs up to a maximum of \$8 million. Aidita shared two projects that received funding through this program, Loew's Theater in Jersey City and Atlantic Lofts in Atlantic City.

A committee member asked Aidita to address ineligible costs since the conversation about the Fort Hancock project has focused on a residential use.

Eligible costs include all costs on the building itself. The work must be done on something permanently attached to the building, either interior or exterior, and follow the IRS definition of what is permanently attached to the building or structure. Site work or any addition or increase in space or size is not covered. Plumbing, HVAC, electrical, finishes, tile, and wall covering are covered. Kitchen and bathroom cabinets are not considered permanent; therefore, they are not covered. There are some exceptions, such as if a sink is mounted on a cabinet, that will be covered.

Residential projects that are creating new units must have 20% set aside for low or moderate income. A question was asked about Sandy Hook. Would this apply since these were originally single-family homes?

The answer is yes, since new units are being created.

The leasing requirements for this program are less than under the federal program. The leasing duration only must be five years after completion. There is an extra tail end on prevailing wage so you have some compliance you must do for five years and then from the moment you get your credit there is ten years what is called building services so it's janitorial, security would have to be prevailing wage. All work must be prevailing wage. This is true for any program under the NJ EDA.

The use of prevailing wage will make construction more expensive. An analysis must be done to determine whether the credit is a greater benefit than less expensive construction. That is why the details of each program are important. Gateway Superintendent Jen Nersesian suggested the financing work group take the lead on working through how the pieces of potential funding sources. Each grant opportunity has different criteria, different applicant requirements, different time frames. This is aside from any federal funding or different models of private investment that may be considered.

Plan B was discussed. What will it look like if the Stillman agreement doesn't work? Gateway's superintendent asked the committee to think about a new opportunity should look like. Should the park look for someone to take on all the buildings or will there be individual projects for each? From a management perspective one project one building is not ideal. It's more complicated, more time consuming, needs more capacity. A better option is groupings of buildings. There are some buildings that continue to get back up offers, while other buildings are in worse condition and need a lot more investment. An option could be to group the better buildings with those that need more work.

The fact that the roofs have been done and that the masonry and porch project will start may make any Plan B more appealing. The question was raised about how the buildings can be stabilized while maintaining financial incentives for investors.

The park is focused on stabilizing the buildings by addressing critical systems such as roofs (completed), masonry (next project) and then fenestration (windows and doors). These projects keep the buildings standing so conversations about longer term plans can continue.

A matrix should be created showing all the buildings and funding. It should include who should apply for the funding, is it private, non-profit, or park service? When is money expected and what are the steps? This matrix could be shared with Stillman. Once the overlapping parts of all the grants are seen, a decision can be made about which grants to pursue. Some are more complicated than others. The timing will also be important with a plan B and the focus on a new investor or interested parties. The timeline is tight. The New Jersey historic application is due in April, the EDA opportunity would be due next year. A year sounds like a lot but considering that we need to be ready to move on construction with this funding, that is not a lot of time to have everything lined up. The best pathway forward for the application should be chosen and work toward that to make it happen within a year.

At this point the park is still waiting for Stillman's response. The park will issue RFPs for smaller groupings of the buildings if Stillman can't make the project work. Stillman is looking at these funding options and weighing the tax credit against the use of prevailing wage.

Three people spoke during the public comment period and a letter that was submitted to the committee was read.

Muriel Smith is a local resident from Atlantic Highlands. She feels that the NPS has been over generous with Mr. Stillman. She feels the park should break the available buildings into smaller groups and open the opportunity to others. She applauded the park service for fixing the roofs and everything else that is being done. She doesn't think Fort Hancock is an appropriate area for low-income housing since groceries are too far away. She continued by asking about the buildings that MAST is using. At this point the NJROTC has no place to drill- what will happen to this group?

Jacob Jamal is a local realtor. He recently became interested in the Sandy Hook leasing program. He feels that the government should reopen the opportunity and that it shouldn't cost \$100 million to rehabilitate these buildings.

Lauren Cosgrove is the northeast campaign director for the National Parks Conservation Association (NPCA). She thought that the roof investment was an amazing project. She continued that the NPCA is advocating for more for national parks, including the renewal of the Great American Outdoors Act.

A letter from Brian Samuelson, the lessee of Building 21, was read.

Dear FACCA Committee members:

- > Looks like it's time for a few new ideas to facilitate the saving of Officer's Row and other buildings on Sandy Hook. Let's save the NPS and taxpayers a lot of money and save some great houses. \$25 million and over \$800,000 respectively!
- > Developer Roy Stillman has held Officer's Row and a total of 21 buildings hostage for over four years. At the last meeting he was asking for \$50 million dollars from the NPS to complete it. Roy Stillman also wants to make them each have multiple apartments up to five (in some circumstances I believe). This is against the Secretary of Interior Standards, and hence illegal in our opinion. It's criminal that he doesn't even know this. As Mr. Tony Mercantante pointed out, there is not enough parking out there for that kind of development. We can do the same project for less than half that \$50million. So this is my formal request to outbid Mr. Roy. Stillman and ask for \$25 million dollars to do the 21 buildings he has a free option on.
- > I have also been in touch with a local Bank of America loan officer. Many people in this area qualified for the Maximum \$975,000 HELOC loan. If GATE would release buildings 2 through 5, 7, 12, and 17 to me, I can get them leased. I have been in touch with the Durst family, the owner of Seastreak, a movie producer, and about a dozen others that have interest in this project and the financial where with all. We just need flexible lease terms, and power of yes!
- > GATE does not have any ADA accessible overnight accommodations. Since building #600 (aka the Sandlass house) is not on the national register, it is perfect to convert to an ADA accessible accommodation at virtually no cost to the NPS. Its location outside of the main

entrance next to the Highlands bridge makes it more uniquely accessible to handicapped visitors. According to the recent unit coordinator Pete McCarthy, it would cost the NPS around \$800,000 just to tear it down. We can personally save that home that is rich in local history per the Seabright Mayor that also wants it saved. This would enable GATE to comply with ADA requirements at virtually no cost. We just need them to build a handicap ramp or supply a lift to their specs. Creative lease terms would help. This project could easily save the Park Service over \$2 million dollars once completed. Unfortunately, we were unable to attend today's meeting in person, as we never received notice of it from GATE. Thank you for your attention – Brian Samuelson

A committee member asked if the holder of the letters of intent for four buildings would be interested in applying for the NJ EDA grant. Not only would this grant help with the project itself, but it could also act as a demonstration project to show it is possible to use the programs to get money, possibly even stackable money. Stillman shouldn't be the only group who benefits from this knowledge. Other members agreed, and the superintendent suggested that there should be a follow up with the holder of the letter of intent.

There was a discussion about the necessary steps if the park issued another RFP. A schedule should be developed to see if it is feasible for new applicants to apply for grants. A new RFP would need to be packaged and issued. It must be open for a minimum amount of time (30 days?). The respondents need to be validated and then there is a prescribed process that must be completed to select one of the proposals. Once a selectee has been chosen a letter of intent must be executed, designs must be developed to go through compliance including some type of evaluation with the historic preservation office. There will need to be consensus for the designs and then negotiate the terms of the lease and then be ready to sign a lease to execute on the project.

A letter of intent is sufficient to submit for the NJ EDA grant. The lease needs to be fully executed before the agreement (of the grant) is signed.

Questions about the NJ EDA grant program can be sent to historictaxcredit@NJEDA.gov.

PARK UPDATE

Gateway Superintendent Jen Nersesian shared that she will be moving on after 11 years at Gateway. Her new position is the Regional Director for the National Capital Region.

Minka Sendich, the deputy superintendent, will become acting superintendent during the search for a new permanent superintendent. The position of Gateway's superintendent has been elevated to a senior executive level.

There are multiple projects at Sandy Hook – about \$50 million worth of investment. These include several Great American Outdoors Act projects as well as projects from other funding sources. While these investments really help the deferred maintenance at Sandy Hook, there will be impact to the park for the next several years. Most of these projects deal with infrastructure, which will help support future rehabilitation work in the buildings. While these

projects may not be the historic preservation that we want our visitors to experience, this is necessary investment for that next step.

The water and wastewater system project is \$14.2 million and should be completed by the end of the year.

There is also a project for the Officers Row seawall and the Sandy Hook chapel seawall. The Officers Row seawall is a \$15.8 million project, and the chapel seawall is a \$20 million project. These are in the latter stages of design, and construction should start next summer. This project will rehabilitate the current seawall system, taking sea level rise and planning for the future into consideration. It's about shoreline stabilization, not surge protection. The seawall projects are being done through an interagency agreement with the Army Corps of Engineers.

There is an ongoing \$4.5 million construction project rehabilitating Sandy Hook's water system wells. This project should be finished by the end of next month.

Another Great American Outdoors Act project that is in design is for the electrical lines at Sandy Hook. This \$8.5 million project will not only modernize the system but make it more resilient by placing the electric lines underground.

Other work is happening on some critical systems work and envelope work on buildings 32, 34, 35, 51 and 108 including putting an underground propane tank in the chapel.

The park is working on short-term solutions for parking as well as a more formalized long-term vision which includes summer access to the park.

There are two issues with the problem of summer access:

1. Does the entrance itself need a redesign to get people more quickly through? Should the entrance booths be removed, and payment areas be added in each parking lot? That may speed up access and eliminated some backups but may create new issues as visitors circle around and look for parking.
2. The challenging piece of that is also beyond the park - the fact that one lane comes over the bridge and one lane comes from Seabright, so on a busy summer day when everyone wants to come to Sandy Hook, even though we have got 5 or 6 lanes open at the entrance booths, the fact that we only have two lanes at some point that feed into there is a hard one to solve.

The answer to those kinds of questions is to bring in a traffic engineer for a formal traffic study. But part of a long-term answer to that is that more alternative transportation to Sandy Hook is needed. This includes water taxi service, ferry service, and shuttles from parking outside of Sandy Hook so we are not just relying on cars coming in and parking in the parking lots. There is plenty of room for more people on the beach; there's just not room for more cars in the lots. And then hand-in hand with a shuttle that is circulating in Sandy Hook is important, so you don't need a car to get around. Once you're in Sandy Hook you're here for the day and go up to the main post area to get dinner or to stay in a B and B or do all the other fabulous activities that are going to be there. That's the long-term vision. The short term is a parking study, and that is something the park has its sights on.

The superintendent shared an update on Building 600, also known as the Sandlass House. This is the building that's on the left right as you enter Sandy Hook. For years there have been folks advocating for the preservation of that building. This building does not contribute to the national historic landmark and doesn't pertain to the history that Gateway National Recreation Area was established to protect. The park contracted an outside agency for a formal determination of eligibility for inclusion as an historic property to see if it rose to that level. The outcome of that determination was that it was not eligible. It is not historic for a variety of reasons - due to lack of integrity, it's been moved, its condition, it doesn't pertain to national historic landmark. That was the determination received from the professional that we contracted, and this was then submitted through the evaluation process. This went all the way up for a final decision to the ultimate decision-making authority, the Keeper of the Secretary of Interior Historic Standards. The final determination is Building 600 is not eligible for inclusion in the national register of national historic landmarks. Since it is not historic at the federal level the park will not invest in its preservation or maintenance of. Since this process has been completed, the park will move forward with demolition of this building. There will still be a formal consultation process as required for all demolition projects.

The committee worked on recommendations. They are as follows:

1. Having heard this additional level of interest, the committee encourages the park to move forward with plans to issue a request for quotations (RFQ) that would enable additional qualified candidates to become eligible for seeking leases without inhibiting the current Agreement holder (Stillman Development) from continuing work.
2. The committee recommends advancing that partnership in concert with refinement of Stillman Development's efforts, to move forward with action on a subset of buildings covered by their General Agreement. In addition, the committee recommends that the Sandy Hook Foundation articulate for the committee, a specific strategic plan for its financial support toward the stabilization of the build. The committee also asks that the Sandy Hook Foundation articulate its strategic vision for the adaptive re-use of the historic main post in the context of the vision adopted by the advisory committee.