

MARCH 2019



NORRISTOWN STATE HOSPITAL

Land Planner Feasibility Study

SUBMITTED TO:
Pennsylvania
Department of
General Services



PREPARED BY:

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INTERNATIONAL

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CONTENTS

SECTION 1: INTRODUCTION	3
Site History	3
Project Overview	4
Project Team	7
Project Approach	8
SECTION 2: WHY THE LAND PLANNING STUDY	9
Forensic Capacity at Norristown State Hospital	9
Community Input and Land Use Study	11
SECTION 3: CURRENT OPERATIONS OF THE NORRISTOWN CAMPUS	13
Location and Land Use	14
NSH Operations	15
Non-DHS Service Providers	17
Nonprofit/Community Organizations	19
Economic Impact of Current Operations	19
SECTION 4: DUE DILIGENCE STUDY FINDINGS	21
Overview	21
MAI-Certified Real Estate Appraisal	22
Highest and Best Use Determination	22
Phase I Environmental Site Assessment	25
Cost Analysis for the Removal & Replacement of Existing Asbestos Containing Materials	26
Utility Separation Analysis	26
Demolition Cost Analysis	28
SECTION 5: STAKEHOLDER ENGAGEMENT	29
Overview	29
Stakeholder Meeting Findings	30
Online Public Survey	39
Public Meeting Comments	44
SECTION 6: RELOCATION PROCESSES	45
Overview	45
Considerations for the Potential Relocation of NSH Operations	46
Relocation of County Mental Health Providers	46
Relocation of Non-Profit and Community Organizations	48
SECTION 7: FEASIBILITY ANALYSIS	51
Overview	51
Alternatives Analysis	54
SECTION 8: RECOMMENDATIONS	69
Alternative 2 - Partial Property Conveyance	69
Property Disposition Process	72
Conclusions	73
APPENDICES	75

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Introduction

1

Site History

In May 1876, under Public Law 121, the Pennsylvania Legislature called for the establishment of a state mental hospital to serve the Southeastern District of Pennsylvania. In direct result of the legislation, Norristown State Hospital (NSH) was designed by Wilson Brothers & Company. The facility was the first of the Pennsylvania state hospitals to construct its buildings in a style following the “cottage” model, developed in Gheel, Belgium, rather than the large-scale single structure Kirkbride Model that is composed of multiple “wings”. Based on the cottage model, NSH buildings are separate structures above ground, but are all inter-connected by a system of tunnels. Throughout its history, this model has allowed for the separation of patients into areas based on their level of function.

NHS first opened its doors in 1880 and, by September 30 of that year, there were 295 men and 251 women receiving in-patient care and treatment. It was the first institution in the country to recognize female physicians and the first to house a pathology department. By 1947, the facility grew to support approximately 5,000 individuals needing mental health services.

Throughout the late 20th century, new mental health treatment policies led to the gradual decrease of patients as there was a shift to more community-based treatment. Today, the hospital continues to provide mental health services with approximately 300 beds, including 187 forensic beds and 102 civil beds. In recent years, NSH has integrated patients and staff from the closures of other state hospitals and is now the only remaining state hospital in southeastern Pennsylvania. The hospital campus is also home to various mental health service providers serving the community and Pennsylvania’s southeast region, including the counties of Bucks, Chester, Delaware, Montgomery, and Philadelphia.

- Norristown State Hospital was completed in 1879 and opened in 1880
- By 1947, the facility grew to support approximately 5,000 individuals needing mental health services
- Forensic services began in 1937 with the development of Building 51

While the Department of General Services has overall ownership responsibility of the NSH campus property, the Department of Human Services (DHS) is responsible for the campus's state hospital operations and its facility and property maintenance. The state hospital operations includes the general psychiatry unit and the Regional Psychiatric Forensic Center (RPFC). As described in Chapter 3, DGS also leases several buildings on the NSH campus to non-Commonwealth agencies including Montgomery County and nonprofits providing health and human services.

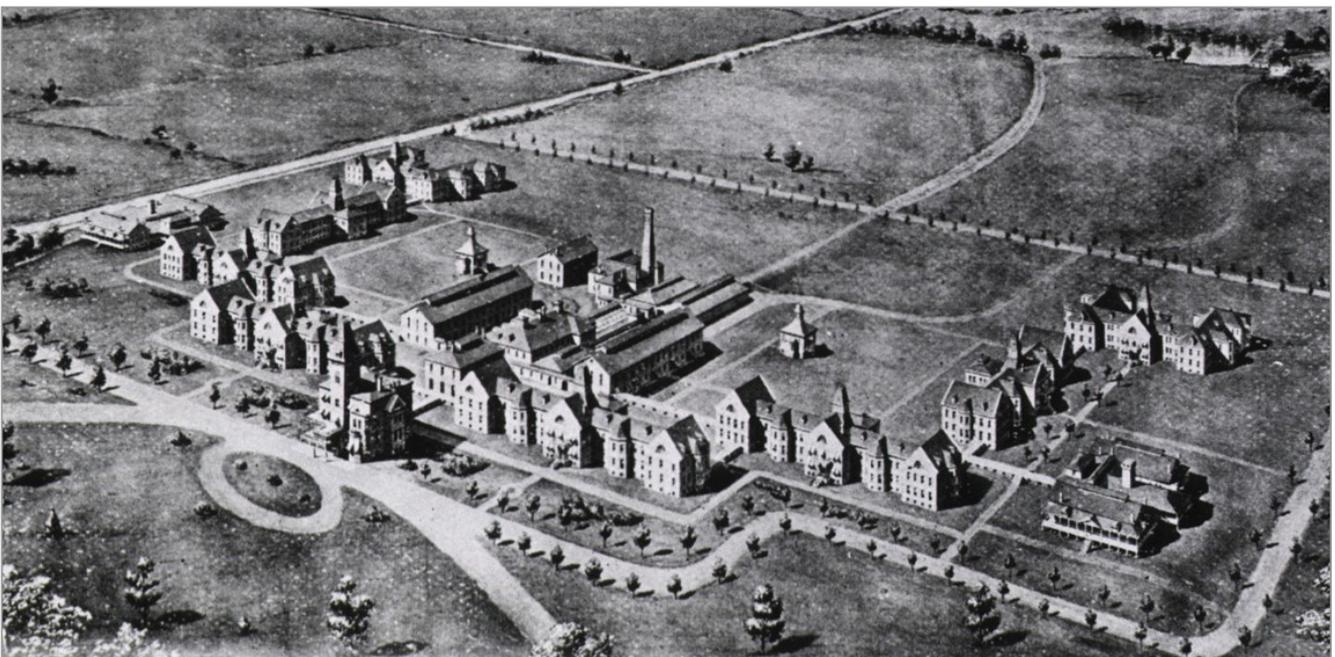
Project Overview

In November 2017, DGS issued a Request for Quotations (RFQ -2017-Norristown-01) to secure the services of a qualified land planner to conduct an independent land planning feasibility study of the NSH campus located at 1101 Sterigere Street, Norristown, Pennsylvania. The goals of the NSH study were to:

- Determine the highest and best use of the state hospital campus property; and
- Determine if any portion of the property could economically and legally be subdivided while allowing those portions of the property and facilities required by DHS for ongoing mental health treatment to remain in Commonwealth use and ownership.

The NSH property to be evaluated under the Land Planning Study consists of approximately 198.8 acres. The acreage of the Land Planning Study area did not include those lands that comprise the former farm lands originally associated with NSH currently known as the Norristown Farm Park. A map of the Land Planning Study area is provided in Figure 2.

Figure 1: NSH Campus Circa 1880



Norristown State Hospital Campus

198.8
Total Acres

133.4
acres in
Norristown

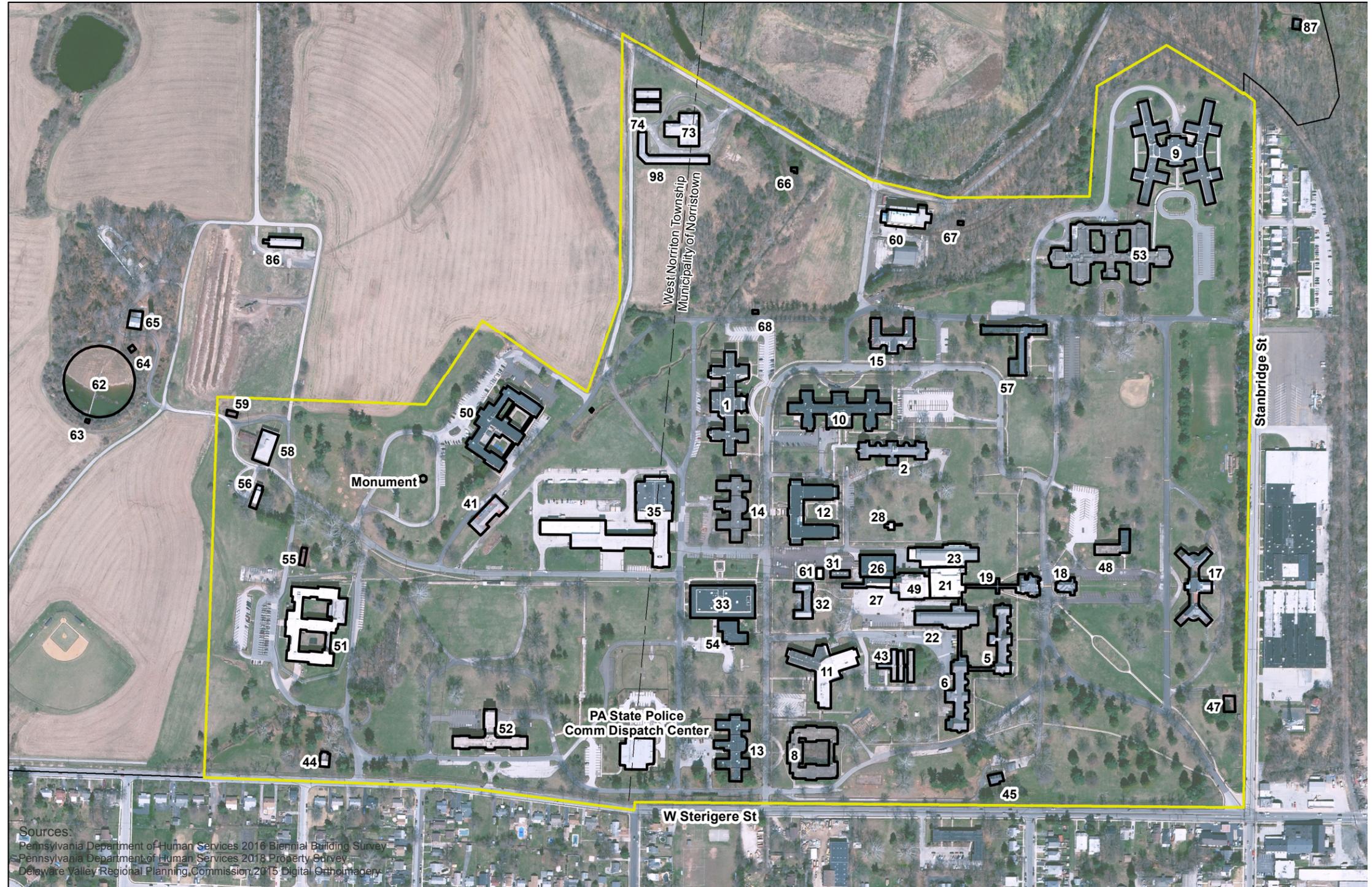
65.4
acres in
West Norriton Twp

55
Buildings

Figure 2: NSH Campus Property and Buildings

Building Names

- 1 Lenape Hall
- 2 Activities Building
- 5 Patient Building
- 6 Offices and MR
- 8 Patient Building
- 9 Harriet Tubman House
- 10 Pennsylvania House
- 11 York House
- 12 Benjamin Rush
- 13 Heritage House
- 14 Constitution House
- 15 Circle Lodge
- 17 Admissions
- 18 Office Building
- 19 Administrative Office
- 21 Main Kitchen/Employee Cafeteria
- 22 Male Refectory/Recreation
- 23 Storage and kitchen
- 26 Main Storeroom
- 27 Main Storeroom
- 28 Fire Pump house
- 31 Salvage
- 32 Employee building
- 33 General Purpose Building
- 35 Maintenance
- 41 Maintenance Annex
- 43 Green House
- 44 Residents Cottage
- 45 Residents Cottage
- 47 Sewer Comminutor pump Building
- 48 Medical Office Building
- 49 Refrigeration
- 50 Ward Building
- 51 Brandywine House
- 52 Medical Surgical Building
- 53 Republic House
- 54 Canteen
- 55 Cottage
- 56 Cottage
- 57 Para Medical Office Building
- 58 Machinery Storage Barn
- 59 Tractor Storage
- 60 Boiler House
- 61 Switch house
- 62 Reservoir
- 63 Chlorinator Building
- 64 Reservoir Outlet Valve
- 65 Stand Pipe/ Salt and Softener
- 65A Well house Well #3
- 65B Well house Well #4
- 65C Well house Well #6
- 66 Well house Well #11
- 67 Well house Well #12
- 68 Well house Well #13
- 73 Agricultural Building
- 74 Root Storage building
- 94 Cottage 94
- 96 Cottage 96



**Norristown State Hospital Land Planner Project
 Study Area**

Norristown, Montgomery County, PA



Revised June 2018



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Project Team

In April 2018, DGS selected Michael Baker International (Michael Baker) to perform the NSH Land Planning Study and its professional services were augmented by the Small Diverse Business (SDB) and Small Business (SB) firms identified in Figure 3 below.

Figure 3: Consultant Team

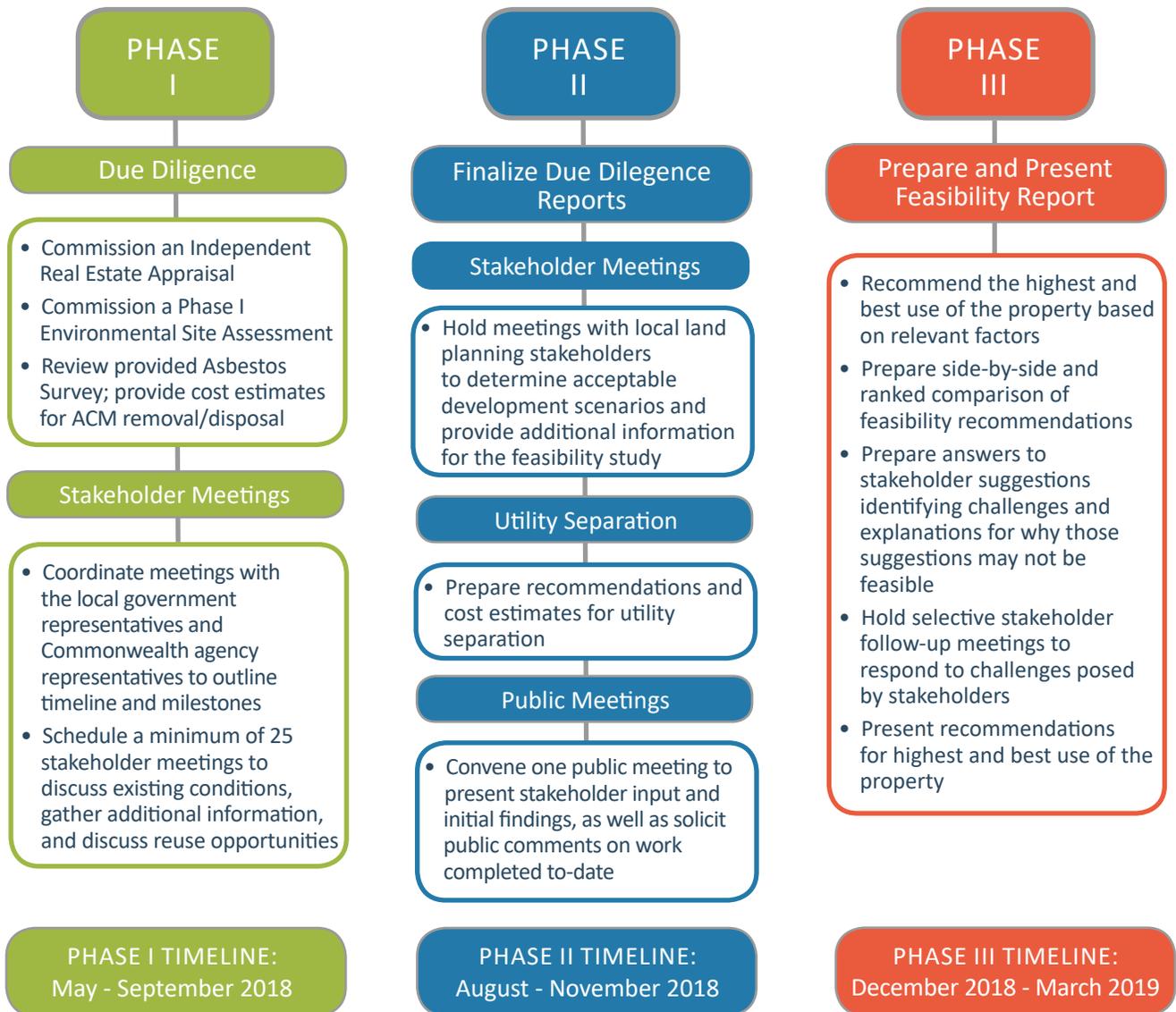


SDB – Small/Diverse Business • SB – Small Business

Project Approach

The project scope of work requirements were defined by the DGS RFQ -2017-Norristown-01 and was executed by the Consultant Team according to the phased approach illustrated in Figure 4. The project was divided into three distinctive phases with specific tasks described within each phase. A graphic presentation of the project phases and tasks is presented below. Specific outcomes of each of the tasks are presented in subsequent sections of this report.

Figure 4: Project Scope of Work



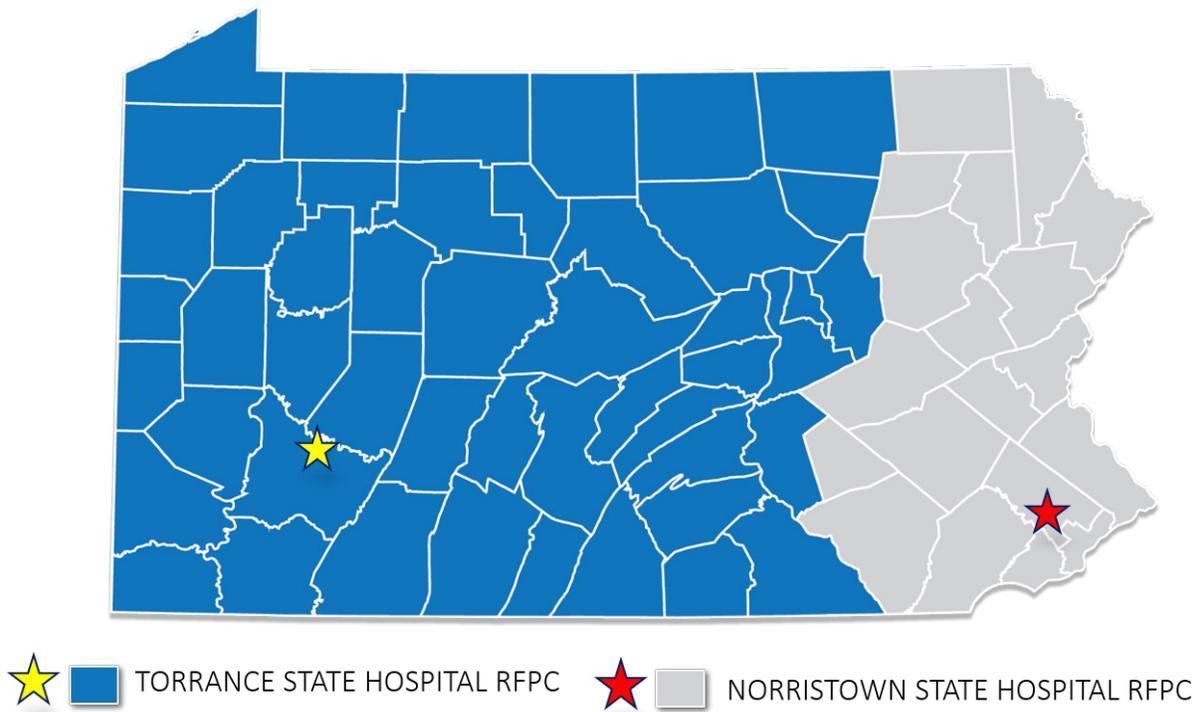
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Why the Land Planning Study

Forensic Capacity at Norristown State Hospital

NSH is one of only two Regional Psychiatric Forensic Centers (RPFs) in the Commonwealth and serves a region consisting of 19 counties in southeastern Pennsylvania. The only other such facility is Torrance State Hospital, in Torrance, Pennsylvania which serves the remainder of the state.

Figure 5: RPF Service Area



RPFC facilities serve individuals who have been committed by a criminal court for psychiatric treatment. These individuals have been charged with a crime and were either:

- Found incompetent to proceed to trial and need treatment in order to be able to stand trial;
- Detained in a county prison and are in need of inpatient care; or
- Found not guilty by reason of insanity.

Generally, individuals are held in a prison facility until the RPFC has capacity to accept them to begin mental health evaluation and/or treatment. The NSH RFPC has historically had longer waitlists when compared to Torrance's RFPC. In 2012, for example, the NSH RFPC waitlist was approximately four months. In 2016 and 2017, the average waitlist was over one year. The majority of individuals on the waitlist (64%) have been charged with minor crimes.

In October 2015, the American Civil Liberties Union (ACLU) filed a class action lawsuit regarding length of wait times for admission to the forensic units at NSH and Torrance State Hospital. Because the long waitlists were indefensible, the parties agreed to settle the case. Since the first settlement agreement in January 2016, the Commonwealth has funded 316 additional community slots for the forensic population of which approximately 70% are online while the remaining ones will be phased in over the next 6 months. Despite the expansion of community treatment slots, the Commonwealth ultimately realized that additional forensic treatment beds were needed at NSH to control the growth of the NSH waitlist.

To accomplish the establishment of additional forensic beds, the Commonwealth planned facility modifications at NSH. The decision to establish additional forensic beds at NSH versus Torrance was based on the fact that the wait list for services was four times longer at NSH than it was at Torrance.

In addition, NSH offered the most centralized location for the 19-county service area. County sheriff departments must travel to forensic locations to transport individuals for court hearings and a centralized location provides greater access for family visitations. A centralized location also affords defense counsel the ability to meet with their clients.

Building 10 at NSH was selected for modification to accommodate the additional forensic beds. The building was selected for the following reasons:

- Building 10 was already in use and housed both civil and step-down units;
- It was the only patient care building up to code, other than Building 1, that did not have leased tenant occupation; and
- It required the fewest renovations and therefore was the most cost effective and time efficient option.
- Construction was initiated by the Commonwealth to modify Building 10 to establish more forensic capacity in mid-2017.

Community Input and Land Use Study

In light of the ACLU settlement outcomes, modifications to Building 10 generated significant concerns within the greater Norristown community. Specifically, local government and business leaders expressed concerns about the new construction and threatened to pursue a court-order injunction to stop the construction. Under a strict timeline from the ACLU court-order, the Commonwealth negotiated both a short-term and long-term plan to reevaluate Commonwealth operations at NSH and to explore local desire to redevelop the NSH campus for economic development purposes. This plan was outlined in a letter dated December 6, 2017 from the Commonwealth to Council President Sondra Sanders. This letter is included in Appendix A.

One of the short-term commitments was for the Commonwealth to contract a qualified land planner to conduct the NSH Land Planning Feasibility Study.

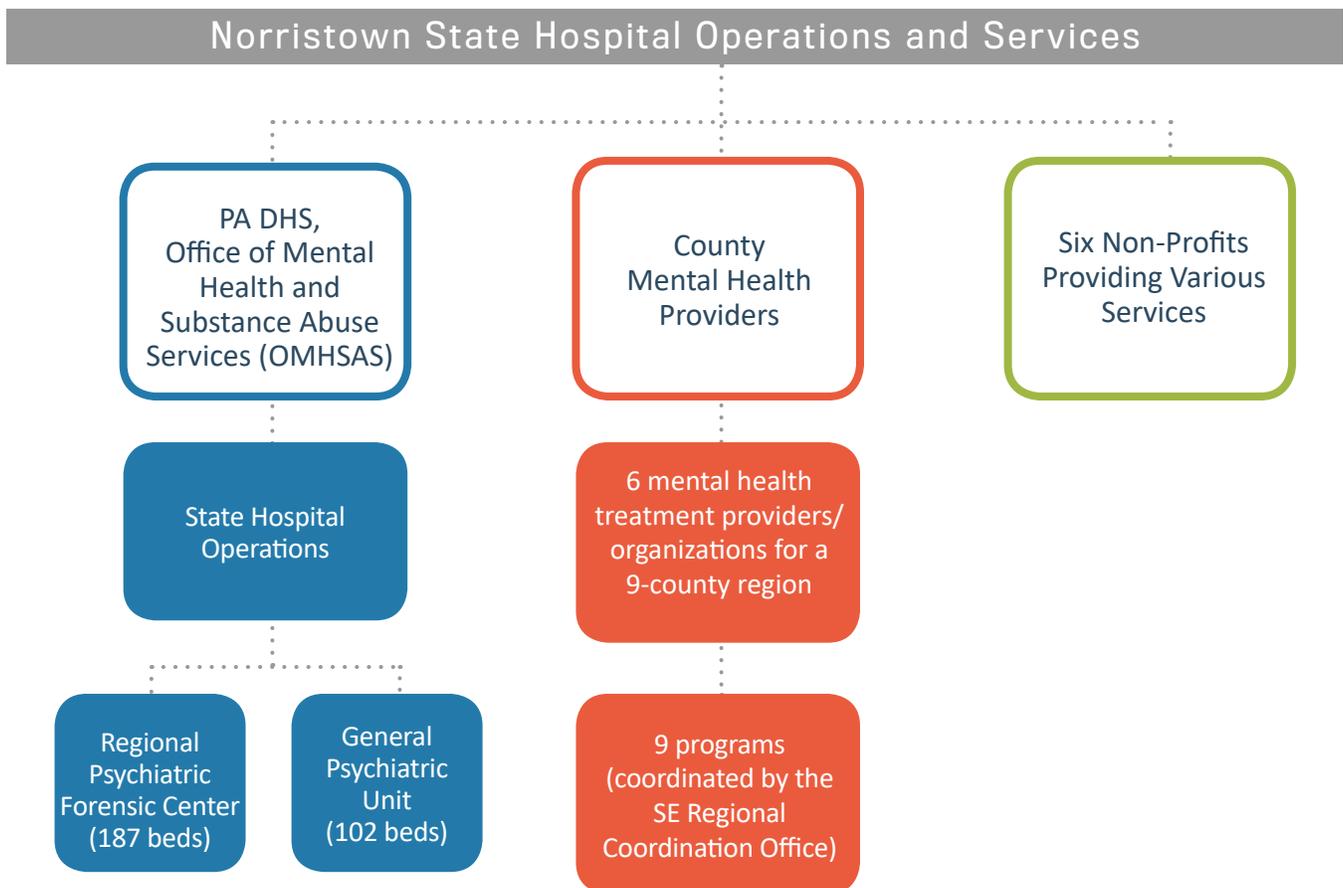
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Current Operations of the Norristown Campus

One of the Consultant Team's findings from the stakeholder outreach process was the lack of awareness and understanding of the NSH operations and the various activities and services provided to not only patients of NSH's, but to the community. The Commonwealth leases several buildings to Montgomery County Mental/Behavioral Health and non-profit service providers. In addition, the Commonwealth allows utilization of the campus for recreational activities free-of-charge to the community and a greenhouse open to the public. A summary of the current operations and activities at the NSH campus is provided below.

Figure 6: NSH Operations and Services



Location and Land Use

The NSH campus is situated on 198.8 acres located in two Montgomery County municipalities, West Norriton Township and the Municipality of Norristown. Approximately 133 acres are in Norristown and 65 acres are in West Norriton Township. The campus consists of 55 buildings comprising 2,025,808 square feet of office and cafeteria, institutional, facilities/maintenance, private residences, and green house space.

The portion of the NSH campus located in Norristown is zoned Institutional (IN). Per Norristown's zoning ordinance, the purpose of the IN zoning district is to encourage preservation and subsequent logical and timely development of land for institutional purposes in accordance with the Municipality's comprehensive plan; to assure suitable design for the purpose of protecting the environment of the adjacent and nearby neighborhood; and to ensure that institutional development occurs only when served by adequate public utilities and streets. Standards set forth in the zoning ordinance were intended to minimize any adverse effect of institutional developments on nearby property values. Permitted uses include places of worship, schools and universities, mental health services, hospitals, institutional headquarters, agriculture and forestry, noncommercial recreational facilities and open space preservation areas, cemeteries, and institutional homes. The minimum lot size is two acres.

The portion of the NSH campus located in West Norriton Township is zoned Rural Residence (R-A). The zoning allows for the construction of single-family residential units on lots not less than 40,000 square feet and agriculture and municipal uses. Certain educational and not for profit uses are permitted only per a special exemption per the Zoning Hearing Board.



NSH Operations

Figure 7 shows all NSH campus buildings with state hospital buildings shaded blue. Tentant-leased are shaded green and are used to deliver the various mental health and housing support services provided by the various county mental health service providers and their contracted third-party service agencies. The pink-shaded buildings represent the NSH buildings that are no longer in use and are deemed structurally deficient.

At the time this report was prepared in March 2019, a total of 754 Commonwealth employees work at NSH. Table 1 on page 16 specifies NSH's current operations by building and their respective number of employees.

NSH currently has a 289-bed capacity serving general psychiatric and forensic patients. These beds are comprised of:

- 102 beds in the general psychiatry unit also referred to as the civil section. The civil section operates from Buildings 1 and 10 and serves the needs of citizens in the southeastern region which includes: Southeastern region of Bucks, Chester, Delaware, Montgomery, and Philadelphia counties.
- 187 beds in the RPFCS unit. These beds serve the needs of citizens from 19 eastern Pennsylvania counties. The RPFCS operates from Buildings 10 and 51.

Figure 7: NSH Campus and Property Boundary Map

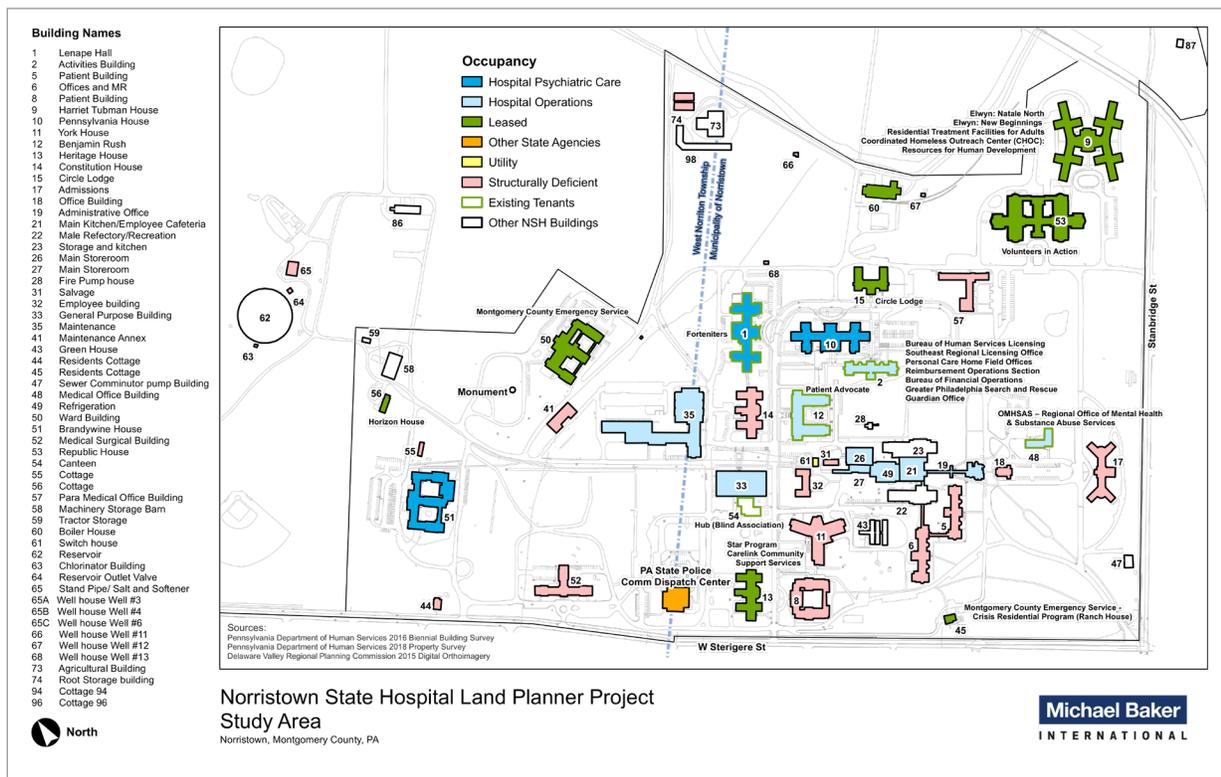


Table 1: Current NSH Operations and Employees

Current Norristown State Hospital Operations			
Building	Operation/Office	Employees	Description
#01	Civil Step-Down Patient Building	69	Civil step-down services
#02	Bureau of Human Services Licensing / Southeast Regional Licensing Office / Personal Care Home Field Offices	2	DHS regional office
#02	Guardian Office	2	Patient Guardian Services
#02	Reimbursement Operations Section, Bureau of Financial Operations	4	NSH accounts receivable operations
#10	Forensic and Civil Step-Down Patient Building	175	Regional psychiatric forensic and civil step-down services
#12	Nursing/PI/SRS Offices	30	Central Offices for Nursing and other Clinical Departments
#19	Administration	12	Administration, Accounting & Procurement
#21/23	Dietary	39	Food Preparation
#21	Vocational Adjustment Services	7	Vocation Services
#22	Security	15	Security Offices
#26/27	Warehouse	2	Warehousing and Emergency Red Cross Storage Center
#35	Maintenance Building	43	Maintenance and Garage Operations
#48	Human Resources	5	HR Services and Recruitment
#48	OMHSAS – Regional Office of Mental Health & Substance Abuse Services	8	OMHSAS regional office staff location
#51	NSH Regional Forensic Psychiatric Center	335	Regional psychiatric forensics services
#60	Boiler Plant	6	Steam Production
TOTAL EMPLOYEES		754	



Non-DHS Service Providers

In addition to DHS, OMHSAS operations, six mental health treatment providers operate nine county mental health treatment programs on the NSH campus. Counties included in the regional mental health service delivery partnership are Bucks, Chester, Delaware, Montgomery, and Philadelphia. The program service delivery is coordinated through the Southeast Regional Mental Health Services Coordination Office (SE Regional Coordination Office).

Each of the six providers lease building space through the Commonwealth. At the time this report was prepared, a total of 441 employees from county mental health tenants were assigned to work from six buildings on the NSH campus. Table 2 lists each building, the program operating out of the building, the number of employees, and the county(ies) served.

The following summarizes the operations of the mental health service providers on the NSH campus. The information was provided by the Southeast Regional Coordination Office.

- Nine programs operate from the NSH campus and are provided via six providers, which include: Montgomery County Emergency Service, Inc. (MCES), Carelink, Circle Lodge, Resources for Human Development, Elwyn, and Horizon House.
- The total community bed capacity of the programs is 304.
- Approximately 3,720 individuals are served annually by programs operating from the 6 providers on the NSH campus.
- The length of program operation averages 18 years with one program that has operated at NSH for 44 years.
- The total amount of rent, utilities, and insurance paid annually to DGS for all the campus providers is \$1,799,693.
- Within the past ten years, capital improvements have been invested in each of the buildings for the nine programs. Investments have been made by both the Commonwealth and the tenants.
- Varying types of federal and state medical assistance programs and insurance pay for the services provided on campus.

Table 2: Existing Employees of Tenants Operating at the NSH Campus

County Mental Health Contracted on NSH Campus				
Building	Operation/Office	Employees	Description	County Served
#09	Resources for Human Development/ Coordinated Homeless Outreach Center Shelter (CHOC)	25	Emergency housing for single adults experiencing homelessness	Montgomery
#09	Elwyn/New Beginnings – Residential Treatment Facility for Adults (RTFA)	23	Residential housing, continuous treatment, support, and supervision for adult residents	Berks, Chester, Delaware, Montgomery
#09	Elwyn/Natale North Forensic – Residential Treatment Facility for Adults (RTFA)	17	Forensic residential housing, continuous treatment, support, and supervision for adult residents	Berks, Delaware, Montgomery
#13	Carelink-STAR Residential/STAR – Community Residential Rehabilitation (CRR) Carelink-STAR partial program/STAR Partial Hospitalization Program	60 (20 fulltime / 40-part time)	Residential rehabilitation program providing 24-hour support and supervision in a secure facility seven days per week	Berks, Chester, Delaware, Montgomery, Philadelphia
#15	Circle Lodge / Circle Lodge Community Residential Rehabilitation (CRR)	17	24-bed, State-licensed community residential rehabilitation program	Montgomery
#45	MCES Carol's Place / Carol's Place - Crisis Residential	20	Short-term, consumer-centered treatment a supportive, home-like environment to adults who are experiencing an acute psychiatric crisis and who can be treated safely and effectively	Montgomery
#50	MCES Acute Psychiatric Hospital / MCES - Inpatient, Crisis and Ambulance	270	Non-profit behavioral health emergency service that meets the needs of persons experiencing a psychiatric emergency or serious mental health crisis on a 24/7 basis	Berks, Chester, Delaware, Montgomery, Philadelphia
#56	Horizon House / Community Residential Rehabilitation (CRR)	9	Residential program from Philadelphia State Hospital to satisfy a DHS program requirement	Philadelphia
TOTAL EMPLOYEES		441		

Nonprofit/Community Organizations

In addition to the six county providers, there are also six non-profit and community organizations that hold building leases or an agreement to use land at the NSH campus. Collectively, these organizations operate with four employees and over 100 volunteers. Table 3 identifies these organizations that currently lease or utilize space at the NSH campus rent-free.

Table 3: Existing Nonprofit Organizations Utilizing NSH Campus

Non-Profit and Community Organization on NSH Campus			
Building	Operation/Office	Employees	Description
#02	Greater Philadelphia Search and Rescue	20 (volunteers)	Volunteer Search and rescue team for PA, NJ, DE and MD
#12	Patient Advocate	2	Advocate for NSH patients
#53	Volunteers in Action	80 (volunteers)	Provides programs and activities for patients of NSH to enhance the quality of life
#54	Hub (Blind Association)	2	Canteen
Green Space/ Stream Area	Stony Creek Anglers	25 (volunteers)	Trout Nursery
Sports Field/ Open Green Space	Norristown Youth Eagles, Inc.	(volunteers)	Youth Football League

Economic Impact of Current Operations

During the Land Planning Study, the economic impact of current operations was quantified by utilizing real-time data on operational spending, employment numbers, wage compensation, and related economic activity. In addition, the indirect and induced spending was estimated utilizing IMPLAN, an econometric modeling software, to understand the local and regional impacts of NSH in the Municipality of Norristown, West Norriton Township, and Montgomery County.

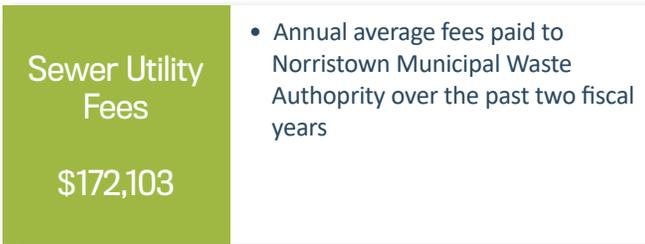
In total, the NSH campus supports 1,907 jobs (including both DHS state hospital employees and tenant employees). This equates to approximately 22% of all jobs located in Norristown, as the U.S. Census Bureau, Center of Economic Studies estimates that there are 8,816 jobs located within the borders of Norristown. In terms of compensation, these 1,907 workers receive \$93.4 million annually in direct employee wage compensation. In addition, the NSH campus supports 858 indirect and induced jobs in supplier industries, providing \$47.1 million in employee wage compensation. The hospital workforce

includes medical professionals with advanced degrees as well as administration and office personnel. This is a significant financial impact and it emphasizes the important (and possibly unrecognized) role that NSH operations plays within the local and regional economies.

The total economic impact of the NSH campus today is 2,053 jobs and \$140,500,000 in employee wage compensation. In addition, the Norristown Municipal Waste Authority receives an average of \$172,103 in sewer utility fees annual from tenants on the NSH campus.



Economic IMPACTS



4

Due Diligence Study Findings

Overview

The Land Planning Study included the completion of six due diligence studies to help inform the land planner consultant team's technical evaluations of the NSH campus and its appurtenant facilities and help determine if the NSH campus (or portion thereof) could be economically and legally subdivided for conveyance to a non-Commonwealth entity for future reuse.

The due diligence studies were conducted under Phase I and Phase II portions of the Land Planning Study and included the following:

- Member of Appraisal Institute (MAI) Certified Real Estate Appraisal
- Highest and Best Use Determination
- Phase I Environmental Site Assessment
- Cost Analysis for the Removal and Replacement of Existing Asbestos Containing Materials (ACMs)
- Utility Separation Analysis
- Demolition Cost Analysis

Copies of the due diligence studies are provided in the Appendices.

MAI-Certified Real Estate Appraisal

A MAI-certified real estate appraisal was completed by the Consultant Team to determine the “as is” market value of the 198.8-acre NSH campus. The property rights appraised in the appraisal report are of the fee simple estate. Personal property (i.e., business value, furniture, fixtures, and equipment) was not included in the valuation of the property. The final appraisal report, dated June 26, 2018, is included in Appendix C.

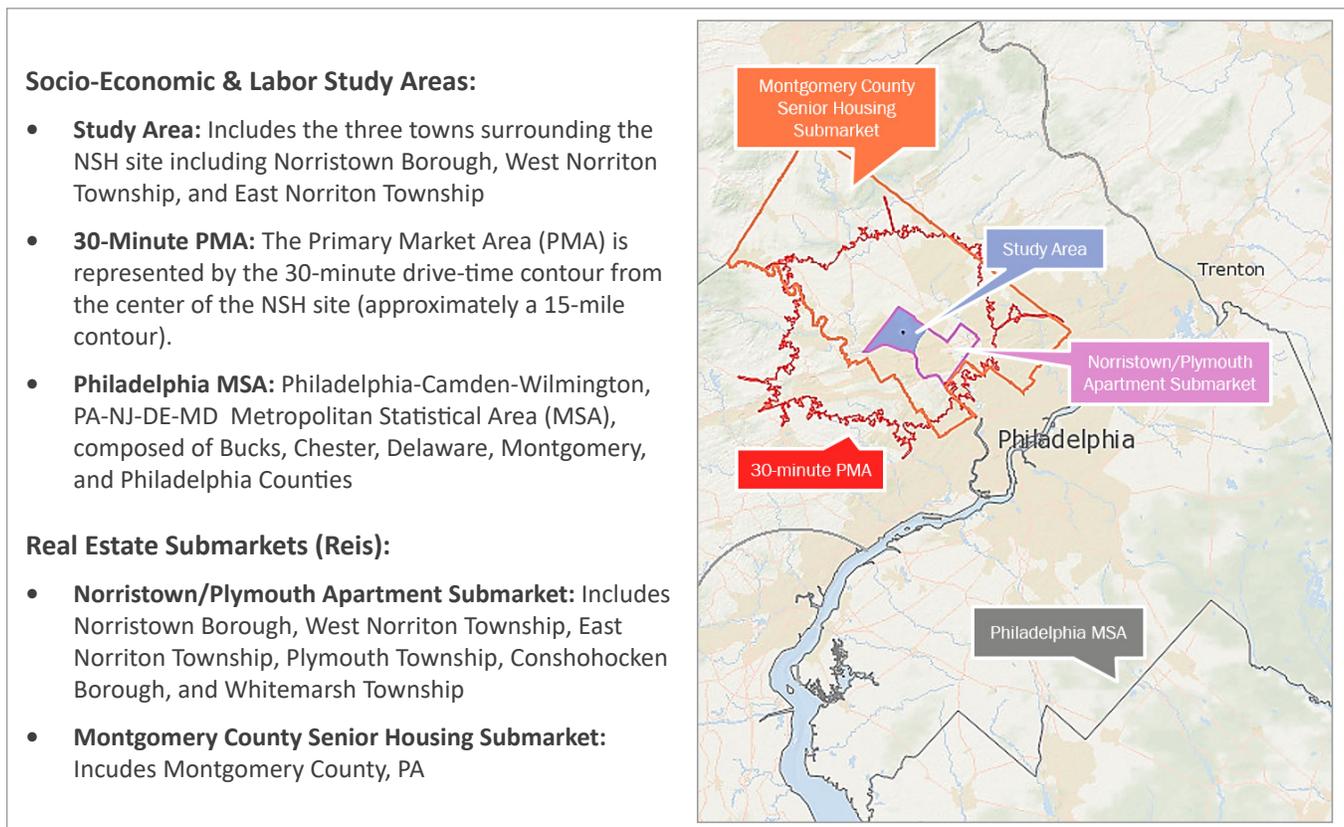
Highest and Best Use Determination

ANALYSIS

A highest and best use study was performed by the Consultant Team to identify the highest value of the NSH campus property (or conveyed portion thereof) based on its receptivity to land uses that would be supported by the local and regional marketplace. The highest and best use study also considered land uses that are legally permissible, physically possible, and maximally productive.

The highest and best use study used a market analysis approach to identify uses that could be captured at the NSH campus based on end-uses that are potentially viable within the defined study areas as illustrated in Figure 9. The market analysis considered socioeconomics, labor and industry, and real estate supply and demand (i.e., multi-family residential, senior housing, and commercial office uses) trends within the defined study areas.

Figure 9: Highest and Best Use Market Analysis Study Areas



The highest and best use study assumed that the 198.8-acre NSH campus (or a portion thereof) could be subject to redevelopment by a non-Commonwealth entity at a future point in time based on the economic and legal feasibility of the property's (or portion thereof) subdivision and conveyance. The conveyed property would no longer be under Commonwealth ownership and all NSH operations, buildings, and supporting infrastructure would be removed, thus leaving a "pad-ready" site for the receiving entity. However, existing off-site conditions (e.g., transportation infrastructure, etc.) would remain in their current condition and no improvements would be made by the Commonwealth. Such off-site improvements would be the responsibility of the receiving entity and/or land development party(ies) per the redevelopment project's infrastructure needs.

The highest and best use study also considered the redevelopment challenges associated with the NSH campus' existing operations and physical location. For example, if only a portion of the campus would be conveyed and certain NSH operations continued to exist, then the size of the redevelopment area would be limited and the financial return on the investment would also be limited accordingly and potentially at a higher risk.

Secondly, market receptivity to redevelopment occurring adjacent to ongoing NSH operations could be a major perceptual challenge for a variety of land uses that might otherwise be market viable.

Finally, the location of the NSH campus, which is dislocated from major arterial roadways, has poor visibility from high traffic areas, and is beyond comfortable walking distance from commercial service areas, creates additional challenges for a variety of land uses (e.g., office uses, convenience and comparison retail, and certain types of residential housing).

Based on the market analysis, the highest and best use study determined both viable and non-viable uses for the NSH campus property. The viable uses are based on the potential new demand for certain uses within the study areas defined in Figure 9. Such uses have the potential for redevelopment opportunities on the NSH campus. The non-viable uses are based on market potential and various challenges associated with the NSH site as discussed above.

VIABLE LAND USES FOR THE NSH CAMPUS

- **Multi-Family Residential** – The highest and best use study determined that there will be a demand for over 14,300 additional dwelling units in the study areas by 2026. The study also revealed a demand for senior housing including independent living and assisted and higher care units. Depending upon the acreage available for redevelopment on the NSH campus, a portion of the multi-family residential product demand could potentially be captured by the NSH campus site (i.e., all 198.8 acres or a portion thereof based on the final conveyance alternative selected by the Commonwealth).
- **Senior Housing** – The highest and best use study projects an approximate increase of 6,212 new senior (ages 75 and older) households by 2022. If no new senior dwelling units or skilled nursing beds are supplied within the study areas, there will be a demand for approximately 725 independent living units, 382 assisted living units, and 680 skilled nursing care beds by 2022. The NSH campus' current mission and operations would align well with senior housing services and operations given that such a product would be developed in a campus like setting and that its impact on local traffic and neighborhoods would be minimal.

NON-VIABLE LAND USES FOR THE NSH CAMPUS PROPERTY

- **Commercial Office** – The highest and best use study determined that there will be a net new demand for approximately 32,290 square feet of professional office space and 24,050 square feet of medical office space within the study area by 2022. While some of the new demand of office space within the study area and larger Primary Market Area (PMA) could potentially be accommodated by new office development on the NSH campus, there is 928,494 square feet of general office space and 46,400 square feet of medical office space currently available for sale or lease within the study area (well more than current demand requires). Consequently, the highest and best use study finds that little, if any, commercial office space will be demanded within the confines of the NSH campus area, except for space that has a direct supporting role to the hospital’s operation and mission.

Moreover, the NSH site’s lack of visibility or immediate accessibility to one or more major arterial roadways dramatically limits the attractiveness of the campus for prospective office users and developers of such space. While SEPTA commuter rail service exists, the rail station is a circuitous walk of more than one-half mile from the campus. Scheduled, fixed route bus service is also provided by SEPTA and includes multiple designated stops throughout the NSH campus.

- **Retail Space** – The highest and best use study determined that retail uses were not viable for the NSH campus based on the following factors.
 - The location of the NSH campus lacks sufficient visibility for traditional retail to be successful, plus it is challenged by its location away from downtown Norristown and its proximity to the King of Prussia Mall.
 - Associated with the lack of visibility, the campus neither abuts a main street or a major arterial roadway, which is essential to most successful retail operations.
 - Placing retail at the campus location would only serve to compete with the current revitalization efforts along Norristown’s downtown area.
 - Ingress and egress to the NSH campus is principally through residential neighborhoods and the redevelopment of the campus will need to carefully consider the traffic impacts to local roadways and residential neighborhoods.
- **Industrial Space** – The highest and best use study determined that industrial space uses were also non-viable for the following reasons.
 - As with retail, an attractive (and successful) light industrial location must offer immediate access to one or more (and typically, it is at least two) major arterial roadways. This is particularly true for today’s next-day and same-day delivery service.

- While there currently exists light industrial uses adjacent to the NSH campus along Stanbridge Street, and on either side of Sterigere Street, the rest of the immediately surrounding area is residential and would prove challenging to new prospective light industrial users that may require frequent truck use for deliveries and shipments.
- Ingress and egress to the NSH campus is less than ideal for light industrial users.

Phase I Environmental Site Assessment

As part of the Land Planning Study, a Phase I Environmental Site Assessment (ESA) was prepared by Moonstone Environmental in June 2018. The Phase I ESA identified the following Recognized Environmental Conditions (REC) at the site:

- **Eight (8) petroleum underground storage tanks removed in 1994 and 1995.** Some evidence of a release was identified around these tanks at the time, but the areas were not fully investigated to determine the extent of impact. Because of the presence of underground storage tanks, further environmental investigations are recommended specifically for soil and possibly groundwater sampling, analysis, and preliminary site characterization.
- **Above ground storage tank located in a secondary containment dike.** There are signs of possible leakage at the dike's drainage point (e.g., stressed vegetation). A gasoline tank known to exist on the site from 1950-1964 was located along the southern exterior wall of Building #59. The status of this storage tank is currently unknown, and soil and possibly groundwater sampling should be conducted in order to characterize the impacts from this tank.
- **Gasoline tank noted on historical maps.** There is currently no visible sign of the gas tank and nothing to indicate whether it was above ground or underground. There is no record of it being investigated.
- **Historical presence of coal, coal ash, and associated rail delivery system.** All of these may have resulted in impacts to soil. Coal used to be stored and used at the boiler house (Building #60) until the boilers were converted to heating oil. Two fly ash silos were formerly located along the northern wall of Building #60, to the east of the 20,000-gallon heating oil tanks. The storage of coal and coal ash at grade and the former/current presence of railroad spurs at the site may have resulted in impacts to soil. Therefore, these issues are considered a REC. Soil sampling should be conducted in the areas where coal and fly ash were stored to characterize the areas.
- **Fill and vent lines suggesting the presence of heating oil tanks inside buildings.** The presence of tanks could not be confirmed, and their condition could not be assessed because the buildings were inaccessible.

The Phase I ESA recommended the completion of a Phase II ESA. Specifically, Phase II investigations should include the following activities:

- GeoProbe drilling at approximately 55 soil boring locations;
- Geophysics to clear the boring locations prior to drilling; and
- Laboratory analysis of approximately 100 soil samples.

Phase II reporting would provide enough site analysis to prepare a preliminary site characterization. Depending on the findings, further investigation may be needed to fully characterize the site. The final goal would be to close out any remaining issues with the Department of Environmental Protection and obtain a Release of Liability under the Pennsylvania Act 2 Land Recycling Program.

If the intention is to sell the entire site or portions thereof, it is recommended that the Commonwealth completes any remaining environmental work and obtain an Act 2 Release of Liability (if necessary) prior to conveyance.

Cost Analysis for the Removal and Replacement of Existing Asbestos Containing Materials

Buildings on campus are known to contain asbestos and require future abatement. In 1990, the Commonwealth commissioned a building survey to evaluate the ACMs in each building on the NSH campus. The Consultant Team estimated asbestos abatement and replacement costs for each building based upon previously-identified ACMs in buildings listed on the 1990 survey. For buildings which have been deemed structurally deficient, only abatement costs were estimated. Costs to replace ACMs were also estimated should building renovation be considered as part of the alternative analysis. Cost estimates for ACMs and replacement should be considered as “an order-of-magnitude” cost for estimating purposes only. Abatement and replacement costs can have a wide range of variables that should be addressed in order to prepare a more accurate estimate.

Utility Separation Analysis

The Consultant Team performed an analysis of the existing utilities servicing the NSH campus and determined the requirements and estimated costs for their termination and separation for the proposed land conveyance alternatives presented in this study. The analysis was based on the review of utility plan drawings obtained through DGS and NSH staff, as well as an on-site inspection of the utilities at the NSH campus property. A summary description of the existing utilities and the proposed conceptual separation approach is included in Table 4.

Table 4: Utility Separation Analysis for the NSH Campus

Utility	Existing Condition	Conceptual Separation Approach
Electrical	<p>The existing electrical system to the campus is fed from the north into a switch within Building 18 (Office Building) then back into the remainder of the campus.</p>	<p>Any electrical runs to be removed will have wire removed from the conduit with conduits/ ductbank abandon in place and sealed within the manhole.</p> <p>If Building 18 is demolished, extension feeders will be required to maintain power for several buildings. The existing medium voltage cable will be demolished and the ductbank abandon in place.</p>
Fire Protection	<p>The existing fire system within the limits of study are owned and maintained by DHS. The connection point of service is for the property is located on the northwest side of the campus at Whitehall Road.</p>	<p>Fire main systems will be capped and abandon in place. Fire laterals to buildings to be demolished will be removed and backfilled with fill material, topsoil, and seeded. Any fire hydrants connected to abandon lines will be removed.</p>
Sanitary Sewer	<p>The existing sanitary sewer system within the limits of study are owned and maintained by DHS. The eventual point of discharge from the property is located northeast of the Stanbridge Street and Sterigere Street intersection.</p>	<p>Sanitary system main will remain in place. Sanitary system laterals to buildings, manholes, and junction boxes will be demolished, removed, capped at the main, and backfilled. Deep sanitary system lines will be disconnected from the sanitary main and capped with flowable backfill. Deep sanitary system lines are cost prohibitive to remove and will be abandoned in place.</p>
Storm Sewer	<p>The existing storm sewer system within the limits of study are owned and maintained by DGS. The larger point of discharge from the property is located along Kepner Creek, a tributary to Stony Creek (TSF). Kepner Creek flows along the northern side of the limit of study. The southeastern corner of the limit of study drains to a storm sewer system along Stanbridge Street.</p>	<p>Most of the existing storm sewer system will remain in place due to overall site drainage. Demolished buildings will have laterals and yard drains adjacent to buildings connecting to main removed and backfilled with fill material, topsoil, and seeded.</p>
Domestic Water	<p>The existing domestic water system within the limits of study are owned and maintained by DHS. Domestic water is fed to the campus from a main along Whitehall Road.</p>	<p>Most of the existing domestic water system main will remain in place due to overall site service. Demolished buildings will have laterals demolished connecting to main removed and backfilled with fill material, topsoil, and seeded.</p>
Heating/Steam	<p>The existing heating/steam system within the limits of study are owned and maintained by DHS. The heating/steam system primarily runs through the existing tunnel system except for a few laterals.</p>	<p>Disconnect all steam and condensate return lines at the demolished building. Cap and abandon existing steam and condensate return lines in-place. Laterals outside of the tunnel system will be removed and backfilled with fill material, topsoil, and seeded.</p>

The conceptual separation approach is based on the Consultant Team's professional opinion and knowledge gained through the review of existing utility plans and the on-site inspection. The actual approach will require DGS to proceed with an engineering and design plan for the final selected conveyance alternative. Cost estimates for the conceptual separation were based on Alternative 2 and Alternative 3 presented and discussed in Feasibility Analysis section (Section 7).

Demolition Cost Analysis

An opinion of probable cost for the demolition of each NSH campus building was prepared by the Consultant Team for all buildings located within the NSH campus, excluding the Pennsylvania State Police building, the campus' tunnel systems, and electrical power station. The cost estimate was based on NSH's Bi-annual Building Survey Reports, on-site inspections of the buildings, probable construction costs for current dollars in the Norristown area, and marketplace pricing for salvaged material via a third-party salvage company located in Bridgeport, Pennsylvania.

The opinion of probable cost excludes the removal of any foundations greater than four feet below finished grade and the preservation of utilities within the tunnel system where a tunnel passes through a demolished building and continues to a building to remain. Each instance will need to be evaluated as part of the utility separation plan. The remaining portions of the foundations will be perforated to prevent ponding of subsurface water and backfilled with material generated by crushing the building debris to a size of four inches or smaller.

The opinion of probable cost is made on the basis of the experience, qualifications, and best judgment of the Consultant Team's cost estimation. The estimate was prepared in accordance with generally accepted cost estimating practices and standards. The cost estimates were used to support the development of the alternatives analysis presented and discussed in Section 7.



Stakeholder Engagement



5

Overview

A series of stakeholder engagement meetings were held to ensure that the NSH Land Planning Study considered multiple viewpoints from individuals who currently use the campus and those with interest in its future use. Local, regional, and state stakeholders participated in both in person meetings and telephone interviews between June 2018 and August 2018.

While the original scope of stakeholder engagement included conducting 25 in-person interviews, the Consultant Team engaged nearly 500 people through 24 in-person meetings, two stakeholder workshops, 13 phone interviews, and an online survey completed by 352 respondents. The expanded scope of engagement ensured the NSH Land Planning Study reflected the significant level of public interest in the future of the NSH campus. In total, more than 50 organizations were represented during the outreach. A list of organizations that participated in the various stakeholder meetings is included in Appendix B.

In addition to the June, July, and August 2018 stakeholder engagement, the Phase I findings from the stakeholder engagement, environmental studies, and highest and best use analysis were presented at a public meeting held on October 9, 2018. A total of 111 people attended the public meeting. The public meeting transcript as well as the PowerPoint presentation used to summarize Phase I findings can be found on DHS NSH website: <http://www.dhs.pa.gov/citizens/statehospitals/norristownstatehospital>.

This section of the report summarizes stakeholder findings by:

- Stakeholder Meetings
- Online Citizen Survey
- Public Meeting Comments

Stakeholder Engagement by the Numbers

24 In-person Meetings	2 Stakeholder Workshops
13 Phone Interviews	352 Online Survey Participants

500
Total # of People Engaged

50+
Total # of Organizations Represented

Stakeholder Meeting Findings

This section summarizes stakeholder input obtained during the in-person and telephone meetings. The stakeholder input has been aggregated and is presented by broad topic area.

Generally, key findings include:

- The Municipality of Norristown officials and several additional stakeholders view the NSH campus as an opportunity to redevelop underutilized property, generating tax revenues for Norristown and the Norristown Area School District. Norristown and other stakeholders are concerned that social services are too concentrated in the municipality, including the NSH campus, and need to be more equitably distributed throughout Montgomery County.
- The leadership and employees of NSH and the many social service providers operating on campus conveyed that the NSH campus is an invaluable community and regional asset. It meets an important, growing need for citizens requiring mental health services who are often stigmatized and misunderstood. For these reasons, the campus should continue to operate at its existing, and even an improved, level of service. Further, the cost of relocating services would not be economically feasible and would likely result in federal, state, and local legal challenges.
- Norristown citizens and other stakeholders generally support the value of mental health services provided at the NSH campus and most do not object to the campus' continued operation. Citizens, however, would like to see improved communications between the community and NSH officials to help address an observed lack of transparency and public safety.
- Citizens, particularly those living in neighborhoods surrounding the campus, do not wish to see any development which impacts Norristown Farm Park and would like to ensure the campus continues to be available for open space and recreational uses. Further, any potential development which increases traffic is an issue.
- Universally, stakeholders expressed frustration with the amount of deteriorated and vacant buildings on the NSH campus and the impact those buildings have on neighboring property values, community aesthetics, and public safety. Stakeholders would like to see buildings demolished or adaptively reused.

EXPECTATIONS AND CONCERNS REGARDING THE LAND PLANNING STUDY

Stakeholders were appreciative of the opportunity to participate and provide input on the Land Planning Study. High level expectations as well as concerns were expressed about redeveloping the property as well as leaving the current uses on campus as is. The following bullets summarize expectations and concerns as presented by stakeholders interviewed.

- **Managing Expectations.** Many stakeholders noted that expectations regarding the timing of potential future redevelopment and future redevelopment plans should be managed at all levels.
- **Opportunity for Economic Growth.** The Land Planning Study was identified as an opportunity for the Municipality of Norristown to have a ‘once in a lifetime’ opportunity for economic growth. Some stakeholders contend that the future of Norristown is wholly dependent on the future of the property.
- **Long Overdue Discussions About Reuse.** Reuse at the NSH campus has been discussed for more than 30 years with a lack of progress to date. Previous commitments made by government officials have not been honored. The community has little or negative trust when working with government officials.
- **Why Impact Current Operations at the NSH Campus?** Several stakeholders questioned why the Commonwealth would consider changes to state owned property that has served individuals with mental health needs for more than a century.
- **Disruption to Lives and Recovery.** Rumors about closing programs and services were noted as disruptive to patient recovery, patient families, and people working at the campus.
- **Ensuring Community Input.** Stakeholders reported that one of the most important items to remember when conducting the Land Planning Study is that citizens want to be heard and represented in the planning process.
- **Timing and Political Risks.** Any future plans for conveyance and redevelopment should not be rushed, which could result in the plans not being implemented. Results can be achieved by working cooperatively with government officials from all levels.

LACK OF COMMUNICATION AND OUTREACH

Nearly all stakeholders expressed a lack of communication from the Commonwealth about past and current activities at the NSH campus. The lack of communication has led to speculation about existing and future campus activities.

- **Lack of Community Awareness and Transparency.** It was reported that citizens are not aware of the various agencies operating on campus and many believe that all activity is state hospital related. In terms of redevelopment potential, confusion exists about what facilities are required to remain on the NSH campus.

- **Value of Mental Health Services is Misunderstood.** Several stakeholders felt the value of the mental health services provided on campus is misunderstood and mental health challenges are often viewed as a stigma. Stakeholders also felt the community does not appreciate the value of the services provided to citizens with mental health needs. This can and should be improved with additional communication. In addition, there is a misconception that individuals discharged from the forensics unit are automatically discharged into Norristown. However, when individuals are receiving forensic services at NSH, there are three primary discharge pathways utilized based upon determination of someone's competency to participate in their trial defense.
 - The first discharge pathway is if an individual is found to be competent and the courts agree. In this case, the individual will return to the county jail and proceed with the criminal case.
 - The second scenario encompasses two potential pathways. If someone is determined to be not competent and not likely to become competent and the courts concur, and the person is determined to be able to be served in a community setting, then the individual is placed by their referring county. If the courts or treating psychiatrist recommend continued state hospital level of treatment for the individual, then he/she is committed to the state hospital that serves the referring county.
 - For the five counties, if the courts chose to retain oversight of an individual, then they are served in a step-down bed at NSH. If the courts remove the oversight, then the individual is civilly committed to Wernersville State Hospital.

For mental health services being provided by regional and county providers (i.e., not patients at NSH), stakeholders identified that follow up and monitoring by the home county are required prior to patient discharge and that discharge plans have court oversight in addition to oversight by county mental health offices, the public defender, and adult probation. Every effort is made to return discharged patients to their home county.

- **Lack of Communication regarding the Building 10 Renovations.** Stakeholders reported that the community and labor unions were not aware of any upgrades to Building 10 until construction began. It was recommended that in the future there should be a conduit to communicate with the community. Further, it was expressed that local work should go to local unions, not unions from outside the area.
- **Lack of State Agency Coordination.** A lack of coordination with and between state agencies when planning for programs and services was reported.

UNDERUTILIZED LAND AND DETERIORATING BUILDING CONDITIONS

Stakeholders unanimously expressed the lack of investment in maintenance and improvements at the NSH campus, which has led to building deterioration, blighted conditions, and underutilized space.

- **Deteriorating Buildings and Lack of Improvements.** Stakeholders reported that the state has been slowly shuttering the NSH campus and that the property has been allowed to deteriorate for approximately 30 years with insufficient plans. There are potential public safety and liability issues associated with dilapidated buildings not being demolished in a timely manner. Stakeholders felt upgrading buildings would go a long way towards removing stigma associated with the property.
- **Impact on Surrounding Neighbors.** Neighboring residents reported that any property improvements are better than what they currently look at (e.g., old, deteriorated structures). The worst buildings most visible to the community do not seem to be secure. This level of blight would not be tolerated by a private land owner.
- **Perceived Lack of Concern for Mental Health Treatment.** It was noted that the presence of NSH was once a source of pride for the community and viewed as an asset. That is no longer the case given the state of the buildings. Lack of DGS investment in the maintenance of the buildings was viewed as a statement on the Commonwealth's stance toward mental health treatment. There needs to be a renewed commitment to maintenance and improving the current facilities.
- **Reuse Underutilized Space to Benefit Norristown.** Several stakeholders felt that Norristown should be able to use some of the underutilized land on campus for economic development. A promise was made during the Governor Rendell Administration that Norristown could use the underutilized space to increase the tax base through redevelopment opportunities. Governor Wolf formalized the commitment in a December 2017 letter to Norristown which referenced this Land Planning Study effort. The potential to consolidate and shrink the campus footprint would provide developable land and save taxpayer dollars by eliminating the need to maintain the large inventory of underutilized buildings.
- **Environmental and Health Concerns.** Some buildings are underutilized and portions are not usable due to poor conditions. The property has great open space but there are also asbestos and mold concerns in many buildings.

NORRISTOWN IS CONCERNED ABOUT REVENUE GENERATION

Multiple stakeholders expressed concerns about the number of non-taxable uses in Norristown, high taxes, and the economic impact these factors have on Norristown as well as the Norristown Area School District.

- **Large Number of Non-Taxable Uses.** Norristown was reported to have a disproportionate and large amount of non-taxable uses. Norristown is the County seat and Montgomery County government is the largest employer. Much of the property in Norristown is non-taxable including ~96 tax exempt churches and many non-taxable county social service programs. One stakeholder asked, “How do we sustain our community with so many non-profits?”
- **Not Enough Commercial Real Estate.** Norristown lacks well-placed and viable commercial real estate properties. A long-term solution is to build in locations with viable commercial real estate potential.
- **Tax Increases.** Over the years, Norristown has needed to increase taxes. Norristown recently raised taxes by 15.75% and has a total earned income tax of 2.1%, almost double that of the surrounding municipalities. It was reported that Norristown cannot continue to increase taxes and be financially sustainable. There needs to be a long-range financial plan so that people and businesses move back into the community.
- **School District Taxes.** It was reported that Norristown Area School District (NASD) taxes are getting so high that it is an impediment to redevelopment in Norristown and an impediment to neighboring municipalities. This has resulted in development being driven to neighboring communities outside of NASD.
- **Increased Social Service Programs and Economic Injustice.** One stakeholder reported that the number of social service programs that are allowed to continue to be placed in Norristown and at the NSH campus is an economic injustice to the citizens of Norristown.

REGIONAL APPROACH TO MENTAL HEALTH SERVICE DELIVERY

Southeastern Pennsylvania has taken a regional approach to provide mental health services to citizens in the region in an effort to leverage resources. Individuals treated at NSH are from counties across the region and all providers work together to deliver services. Counties included in the regional mental health service delivery partnership are Bucks, Chester, Delaware, Montgomery, and Philadelphia.

- **Cost Sharing and Funding Mental Health Services.** Each county is allocated funds by specific sources to pay for treatment provided at agencies located on the NSH campus. There is significant cost sharing between all counties in the region to provide some of the programs on campus. No single county could afford to establish some of the services provided on campus.
- **Ongoing and Increasing Mental Health Services.** Each of the counties has experienced population growth and a corresponding increase in individuals requiring services. The ongoing need is expected to continue to grow.

CONCERNS ABOUT RELOCATING EXISTING SOCIALS SERVICES FROM THE NSH CAMPUS

Many stakeholders questioned why the state is considering relocation.

- **NSH is Owned by the State, Why Should that Change?** Several stakeholders expressed that the property is owned by the state. Why should this change and why should the resource be taken away from the people who are being served?
- **Concerns about Impact to Patients and Employees.** Stakeholders identified that the state has created a sense of paranoia and concern about the future. Patients have been affected because of press and rumors of the state hospital closing. Staff and patients are very concerned about how they would be affected if they were required to move. Many patients have lived at NSH for 30 to 40 years, and are getting the highest quality of care in their current in-patient setting at NSH.
- **Difficult to Cost-Effectively Replicate Care and Services.** Stakeholders said that the Commonwealth could never replicate the quality of care and effectiveness of services delivered at the NSH campus. The spacious campus, large buildings, and dorm-like setting at low rents would be hard to replicate elsewhere. High risk populations like the patients being served at NSH are at even higher risk in community areas. There would be community resistance to relocate services into another community.
- **Relocating Mental Health Services is Challenging and Costly.** Stakeholders identified that citizens in general do not want individuals with mental health needs in their communities. As state hospitals are closing and the number of facilities is becoming smaller, NSH is one of the few places left for people with mental health needs. Finding locations to site a program can be difficult, requiring an estimated 3 to 5 years. The estimated cost to relocate the county mental health providers and programs alone is \$75,580,000 at a minimum according to information provided. Relocation would also require state and federal programmatic oversight and the identification and approval of a suitable location in another community.
- **The NSH Campus is Necessary.** Mental health care is the one part of the healthcare system that the public does not want to talk about, reported several stakeholders. The need is there, and the campus has provided care for so many years and has become part of the community. Some patients do better in a setting like NSH rather than in the community. What it provides to the larger community in terms of being able to treat and reintegrate people is invaluable.
- **Patients Should Benefit.** A few stakeholders said that since taxpayer dollars built the existing state hospital campus, it should not be turned over for purely private development. If property is sold, proceeds should come back to the mental health community being served.

- **Economic Benefits that NSH Brings to the Community.** Stakeholders said the Land Planning Study needs to quantify the economic benefits the NSH campus brings to the community. As reported by stakeholders, employee spending was estimated at \$7M to \$8M annually. Employees invest in the community and spend money in the community; all shifts; 365 days per year. Many people that work at the NSH campus have moved to Norristown to be closer to their job. Stakeholders reported that it would take a long time for a developer to generate the tax revenues currently being provided by employees.

CONCERNS ABOUT CONTINUING OPERATIONS AT THE NSH CAMPUS

Some members of the community were concerned about the safety of being located near the NSH campus.

- **Homeless Shelter and Social Services.** The county operated homeless shelter (Building 9) was identified as a concern to members of the community. It was reported that residents get upset because of the mental health services on campus and that property values drop due to the location of services. There is also a perception in the community that the buildings which house offenders may not be secure.
- **Concerns with People Being Discharged to Norristown.** It was stated that the policy shift from in-facility care to in-community care in the 1970s had a profound effect on communities that bore the burden, like Norristown. The misperception was that doors were opened and citizens with mental health needs are released into the Norristown community when in fact there is very strict protocol for discharging patients to their home communities.
- **Relocate Social Services to Other Areas of the County.** Some stakeholders contend that the NSH service providers draw people who need such services into Norristown and that programs are being placed in Norristown but nowhere else in the county. This is drawing more people who need services into Norristown. While Norristown is a very accepting community and has provided more than its share of assistance over the years, other communities in the county need to bear some burden, too. It was stated that NSH must be relocated to make room for the economic development that is happening in every municipality in the region except for Norristown. It is Norristown's turn to experience growth and prosperity.
- **First Responder Calls.** A few stakeholders reported that Norristown police, fire, and EMS respond to many incidents at the campus. Emergency responders do not know what is on the NSH campus. The fire department was reportedly uninformed about the conditions of the NSH buildings; responding to fires on the campus would be very dangerous for firefighters. It was also reported that local first responders train at the NSH campus via the use of certain non-utilized buildings.

POTENTIAL FUTURE USES AT THE NSH CAMPUS

Stakeholders discussed many potential future uses at the NSH campus. Uses varied from leaving the campus as is to redeveloping a portion or all of the campus. Uses were viewed as favorable or not favorable depending on the stakeholder.

The following uses were recommended by stakeholders:

- Uses that generate tax revenue;
- Mixed-use development;
- Housing;
- Office;
- Medical offices/medical center;
- Private education facility;
- Uses supporting surrounding recreation including additional trails and sports and recreational fields for the community;
- Adaptive reuse of buildings;
- Consolidation of social services;
- Regional mental health service location;
- Mix of social services and tax generating uses; and
- Development benefitting existing social services on the campus.

Non-favorable uses identified by stakeholders included:

- Tax exempt uses which do not generate tax revenues.
- Expansion of additional social services, a social services super center, institutional use for mental disabilities, or homeless shelters. These uses would not be considered by Norristown.
- The location of a charter school on the campus would pull financial resources from NASD.
- Low income/subsidized housing as Norristown has experienced an increase in subsidized housing.

- Housing contemplated on the NSH campus should be market rate and contribute taxes. However, any proposed residential land use that would increase school age children would not likely be viewed favorably.
- Uses that would negatively impact Norristown Farm Park would not be viewed favorably.
- Any use which negatively impacts mental health services provided at the NSH campus would not be viewed favorably.

POTENTIAL BARRIERS TO DEVELOPMENT / OTHER FACTORS TO CONSIDER

Several potential barriers and other factors to consider when potentially redeveloping the NSH campus were identified by stakeholders.

- **Transportation Infrastructure/Site Access.** Traffic and transportation infrastructure were identified as the most significant issues associated with any future site redevelopment. The challenge to the property is access from roads such as Stanbridge Street and Sterigere Street which were constructed for residential capacity. Past discussions about redeveloping the property were reportedly stymied due to transportation infrastructure.
- **Zoning Changes.** The NSH campus is zoned institutional in Norristown and Rural Residence in West Norriton Township. Both municipalities would need to consider zoning changes for any future development to take place.
- **Organizational Structure.** A few stakeholders suggested that an independent organization such as a redevelopment authority is needed to manage the long-term process of redevelopment. It was suggested that in order to effectively redevelop the NSH campus, the property should be master planned with appropriate uses that are forward thinking and financially feasible.
- **Value of Historic Resources.** Stakeholders said that any redevelopment at the NSH campus must consider the intrinsic historic value of the buildings. Adaptive reuse of buildings would help maintain the historic fabric of the site and maintain open space.
- **Norristown Area School District.** The school district was reported as a challenge. It was stated that people do not want to buy property in Norristown due to the school district. School district taxes are becoming increasingly high and Norristown needs additional revenue to help lower school district taxes.
- **Complementary, not Competitive Uses.** Several stakeholders said that whatever is built at the NSH campus should be complementary and not compete with downtown Norristown redevelopment plans. Any future development at the NSH campus should not pull business away from downtown Norristown and other areas of established commerce.

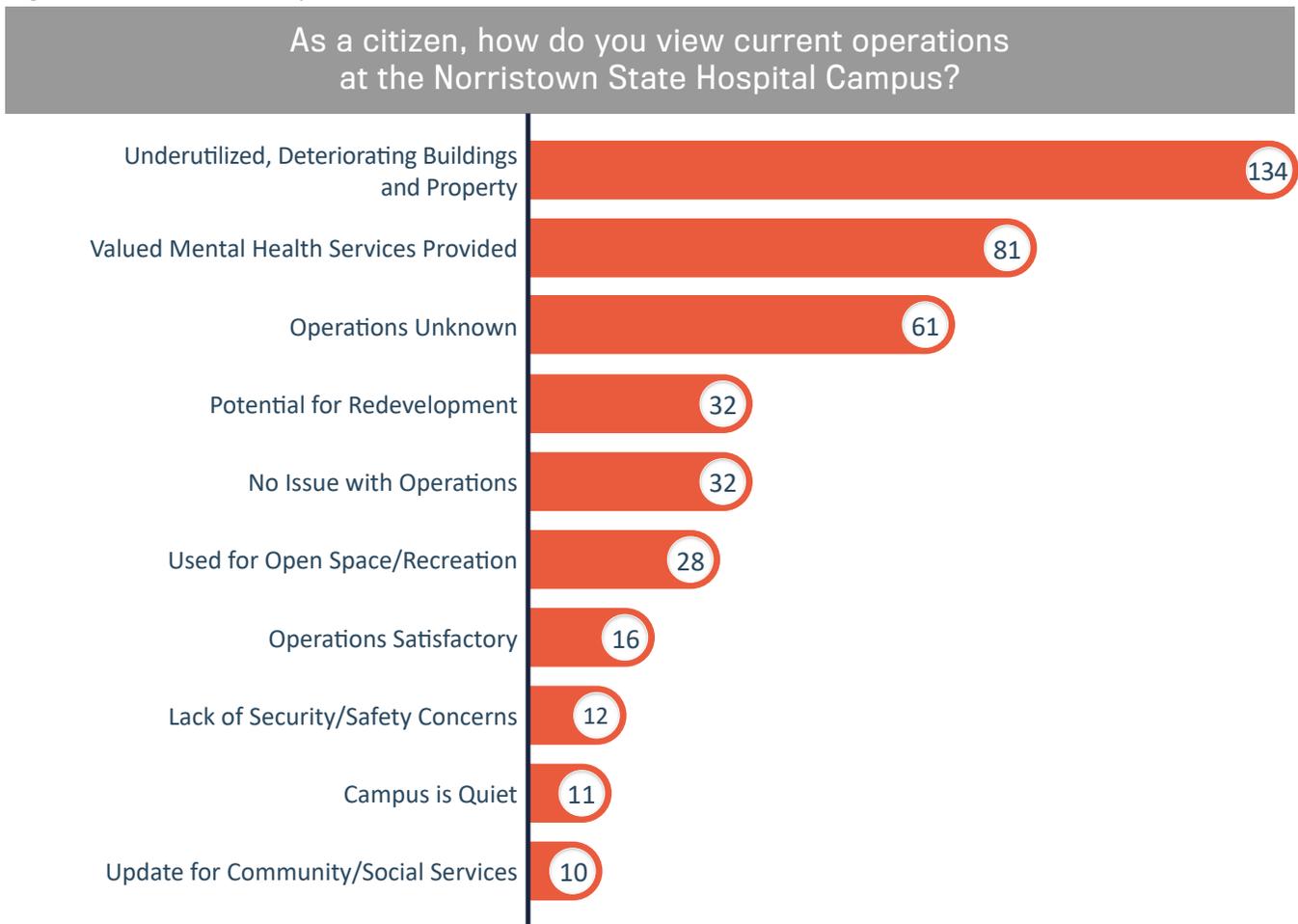
- **SEPTA Operation.** According to discussions with SEPTA during the stakeholder engagement process, SEPTA currently operates a bus route which serves the NSH campus and would need to alter the route dependent upon potential changes in campus operations. A SEPTA rail line crosses the area and travels north to Lansdale. SEPTA does not currently operate rail service north of the Norristown station and several stakeholders inquired about the cost and economic viability of extending SEPTA rail service up to the NSH campus.
- **Infrastructure/Utilities.** It was reported that when Einstein Hospital was built, neighborhoods surrounding NSH were bumped down the service list for the electrical grid. Now, many houses regularly lose power, even during a small storm event. Improvements to the electrical grid may be necessary to support redevelopment of the NSH campus. In addition, flooding was reported as an issue for surrounding property owners. Homes near the campus flood during storm events and residents were concerned that additional development could potentially aggravate flooding.

Online Public Survey

At the request of Norristown Municipal Council and to provide an additional citizen participation opportunity, an online citizen survey was administered. The survey was open during the month of August 2018 and included four open ended questions.

A total of 352 persons completed the online survey and responses were reviewed and aggregated. The top ten responses for each question are presented in the figures below with survey quotes related to the top three responses to provide greater context.

Figure 10: Question 1 Responses



Online Public Survey | QUESTION #1

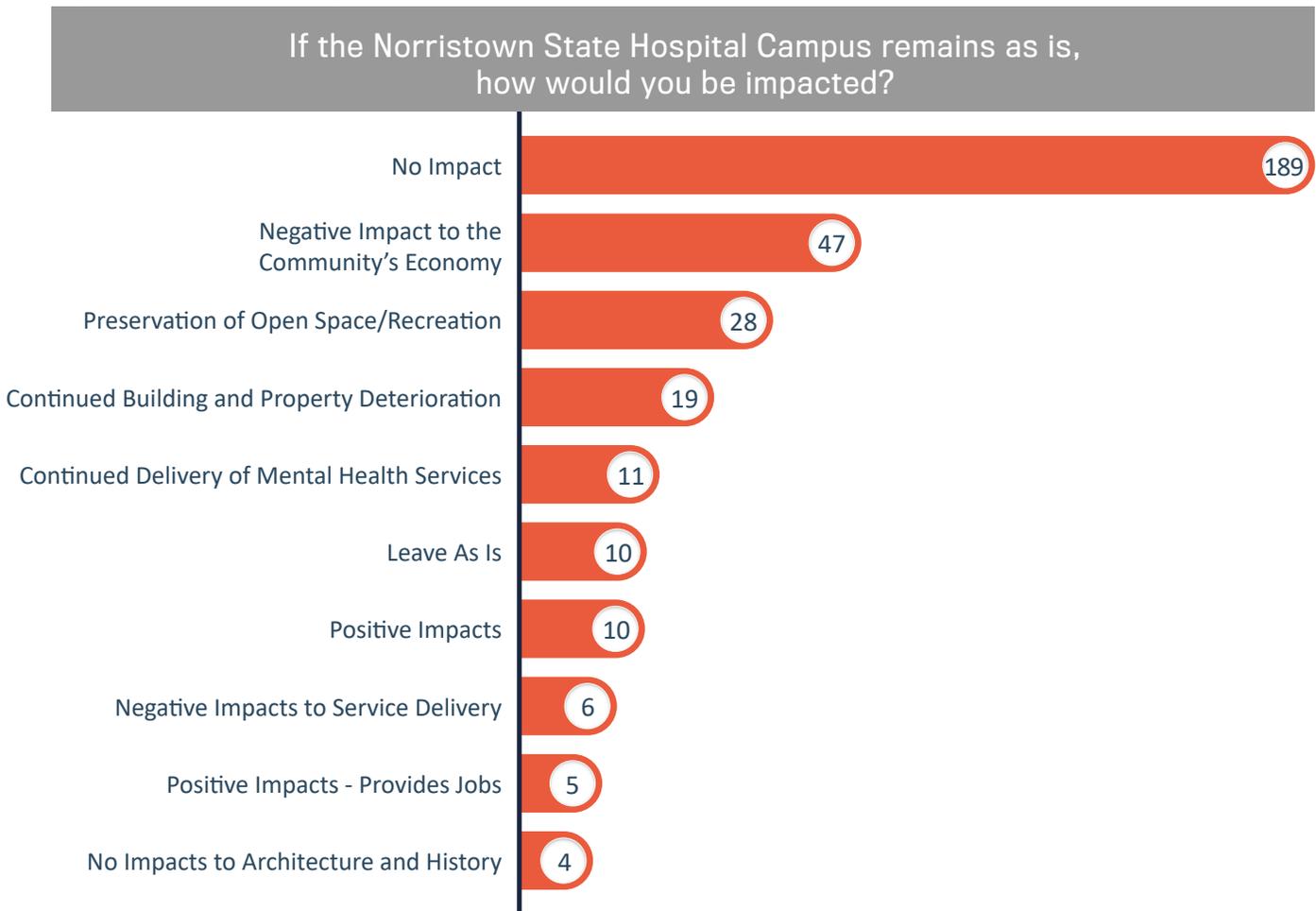
Comments such as ‘dangerous disrepair’, ‘waste of good space & structures’, ‘a maze of functional and non-functional buildings’, and ‘dilapidated and potentially unsafe’ were used to describe current campus and building conditions.

It was stated that “a variety of organizations work on the NSH grounds who serve the most vulnerable people in our community in programs that no one wants anywhere else,” and “Given the lack of long-term treatment options for people with serious mental health concerns, the hospital fills a need.” Conversely, a few respondents viewed services provided on campus as “necessary but too close to residents.”

“It’s actually somewhat of a mystery exactly what’s happening there.” Other words used to describe operations on campus were ‘scary’, ‘mysterious’, and ‘non-transparent’.

“There appears to be closely-guarded secrecy shrouding the campus regarding the patients’ behaviors and little news reaches the ‘outside world’.”

Figure 11: Question 2 Responses



**Online Public Survey
QUESTION #2**

"Personally, there would not be an impact; however, the facility needs to be refurbished and in parts rebuilt."
 "We've lived here our entire life and there is NO negative impact."

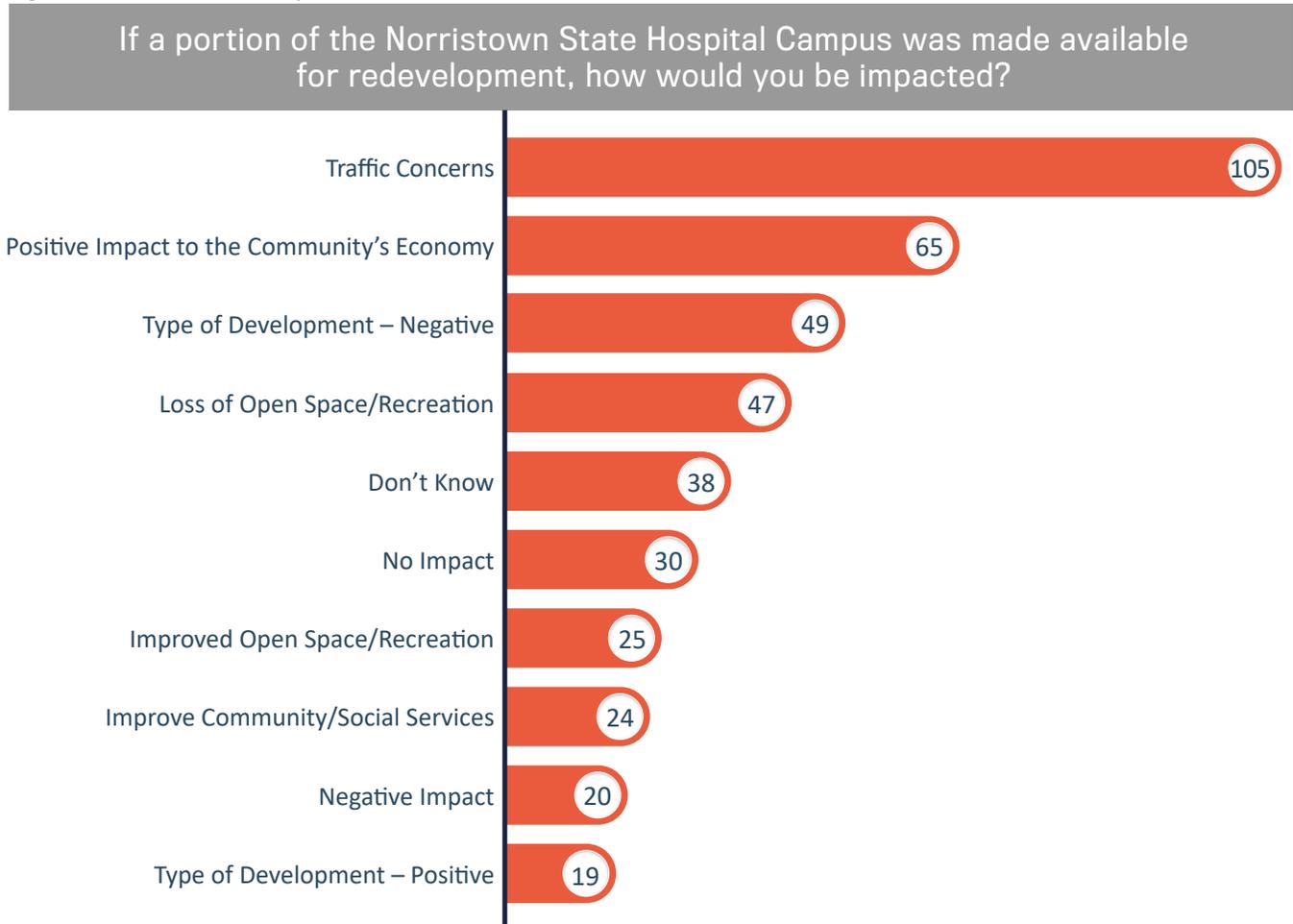
"I think it's sad that there's just one more run down site in Norristown not being utilized. Something needs to change."

"I feel I would still be able to utilize it recreationally (walking, riding bikes) without mental health care for our citizens being sacrificed."

"The beautifully haunting space is a reminder of our town's history, intimately mixed with cherished green space."

"It would continue to be prime real estate that provides no tax or other benefits to the local community."

Figure 12: Question 3 Responses



**Online Public Survey
QUESTION #3**

“There is already too much commercial traffic on Sterigere Street meaning truck, tractor trailer and residential traffic.”

“Increasing activity in [an] not easily accessible corner of Norristown will create more traffic on Sterigere and Stanbridge Street(s)... The trucks that come down Stanbridge now to access businesses are tearing up the roads and cannot maneuver the area.”

“Strongly in favor. It’s ideally situated to help spur local development and could be a turning point in helping the greater Norristown area. Development could also help our tax base significantly.”

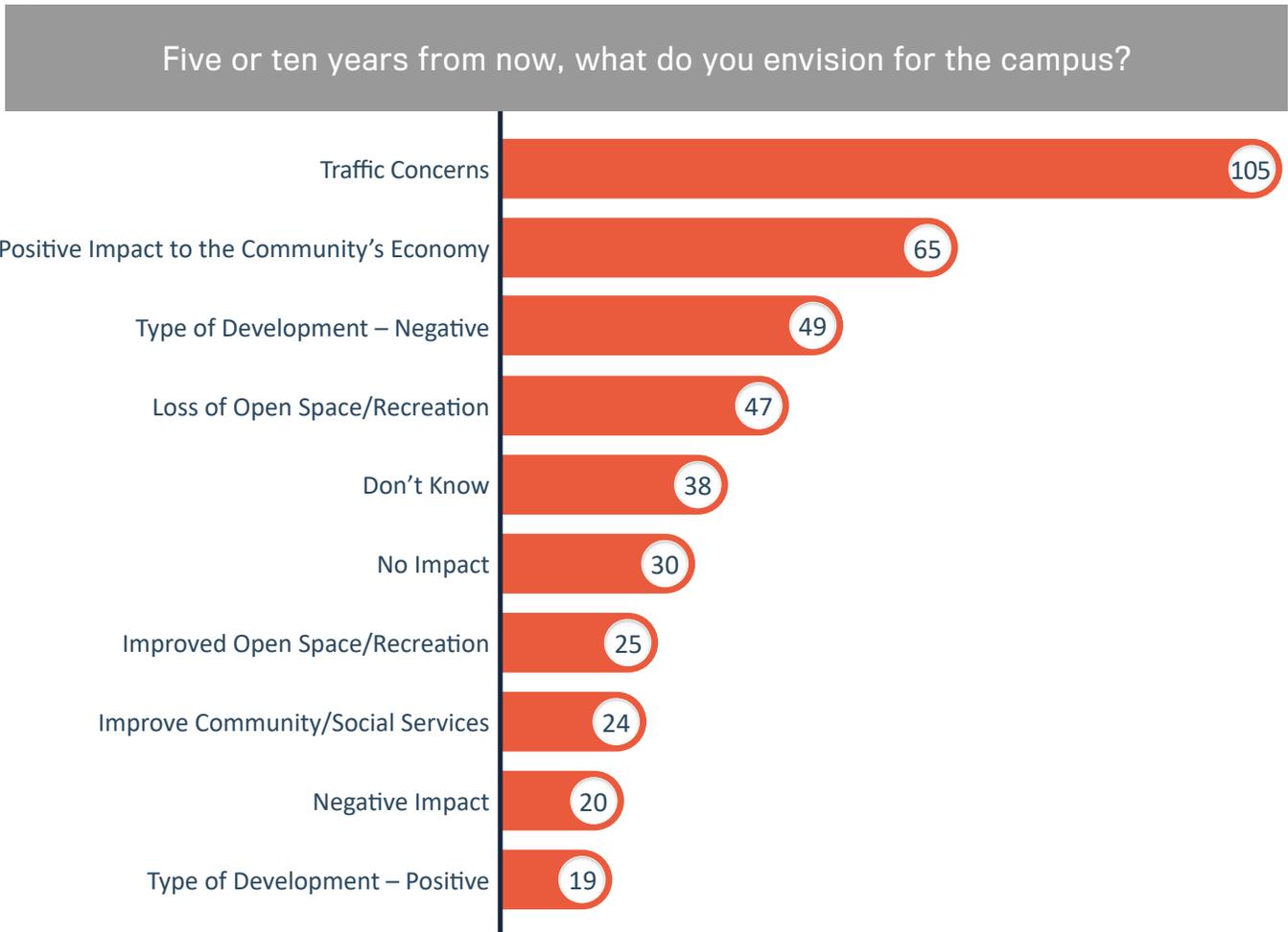
“Depends on what it is redeveloped for. I do not want any low income housing put up. That would affect my property value.” And “Please no apartments or condos. We are already overcrowded.”

“Any redevelopment must predominantly attract tax ratable commercial employers with a majority of high paying jobs. Destination commercial attractions (arts, entertainment, sports) could also be considered so long as they are major mercantile tax revenue generators.”

“Open space or a park would be nice. If homes and business I’d say no.”

“I am concerned about increased congestion, impact on the view shed, impacts on Stony Creek watershed, reduction in natural vegetation, general diminishment in open space which is at a premium in our area.”

Figure 13: Question 4 Responses



“To be converted to all parkland.”

“I would like to see a community farm - one that could provide fresh fruit / vegetables that could be worked by any and all in the community, a nice park for children. I don't think we need more stores or strip malls. Any development should be solely community based.”

“As it is in such close proximity to the Farm Park and Elmwood Park Zoo, I would like to see a compatible destination created that is walkable for all surrounding neighborhoods. Perhaps a couple of cafes or small shops would entice visitors to the Zoo to enjoy the surrounding community.”

“I'd like to see it developed as a venue for concerts and festivals and other community gatherings, arts and music events and festivities.”

“I wish for a more vital, open space to care for those in need. It's a beautiful campus - with the addition of the open space surrounding it.”

“Beautiful old buildings brought back to life and used to meet expressed needs of the community. A place where residents from the very young to the very old come together to enjoy the land, the history and the future. An environmental showplace with something for everyone.”

**Online Public Survey
QUESTION #4**

“Library, community center, after school and summer programs, light retail and restaurants, large green spaces remain.”

Public Meeting Comments

A public meeting was held October 9, 2018 at Norristown Municipal Hall. The purpose of the meeting was to review Phase I findings with members of the public. In total, 111 people attended the meeting.

During the meeting, 23 people provided comment and 16 additional individuals provided written comments via a comment card and short online survey. Consistent with stakeholder meetings and the online survey, comments ranged from keeping the NSH campus 'as is' to various proposals for redevelopment.



6

Relocation Processes

Overview

As noted previously in this study, a letter from the Commonwealth to the Municipality of Norristown in December 2017 prompted DGS to retain a land planner consultant to determine the highest and best use of the NSH campus and to determine if any portion of the property could be economically and legally subdivided while allowing a portion of the property under Commonwealth use and ownership for ongoing mental health treatment. As directed in DGS' scope of work for the Land Planning Study, the Consultant Team analyzed several alternatives which would require varying amounts of relocation of current campus operations. These alternatives, as well as the economic and legal feasibility of each, are presented in detail in the Feasibility Analysis section (Section 7).

Relocating all or a portion of current state hospital operations, county mental health providers, and non-profit and community organizations from the NSH campus would require an expenditure of federal, state, and county financial resources and time. Approximately 2,053 employees provide services to patients. In addition, volunteers providing regional search and rescue services and volunteers coordinating youth sports also operate from the NSH campus. A detailed relocation plan would need to be prepared for each entity and organization prior to any potential relocation. This section outlines some of the potential steps that would be required.

While the Land Planning Study scope of work did not include a detailed relocation analysis, identifying high level costs and timeframes were required to develop and analyze the alternatives presented in the Feasibility Analysis section. Legal feasibility is also discussed in greater detail in the Feasibility Analysis section.

Considerations for the Potential Relocation of NSH Operations

Relocating the DHS NSH operations would require the Commonwealth to reassign a total of 754 employees and relocate 289 patient beds to other existing or new locations.

ESTIMATED RELOCATION COSTS

According to information provided by DGS and the DHS OMHSAS, the estimated cost to relocate and construct a new 250,000 square foot, 200 bed forensic facility is \$100,000,000. This includes costs to construct a new facility, but does not include costs associated with the land use and development process.

ESTIMATED RELOCATION TIMEFRAME

Relocating Commonwealth employees from one location to another typically requires 18 months to two years to complete and requires DGS' coordination with the impacted agency. This timeframe includes DGS' solicitation of bids for a new location (provided the relocation space is not Commonwealth owned), negotiating and securing alternative locations, and employee relocation.

Relocating Commonwealth state hospital employees and patients is much different and requires a significantly longer period of time. The increased time period is primarily due to community concerns with accepting the patient population. An additional factor to consider is the length of time required to comply with federal legislation addressing and protecting citizens with mental health needs such as the Americans with Disabilities Act (ADA), the Rehabilitation Act, the Mental Health Parity and Addiction Equity Act (MPHAEA), and the Affordable Care Act (ACA). At NSH, the Commonwealth must also consider the current ACLU court settlement that requires the Commonwealth to reduce the wait time for forensic beds at the hospital.

With all these factors considered, DGS and DHS OMHSAS estimate the amount of time required to construct and open a new forensic facility to be a minimum of ten years. This ten-year period would include the time required to obtain federal, state, and local authorizations; facility construction; and patient and employee relocation.

Relocation of County Mental Health Providers

Currently, six mental health treatment providers operate nine county mental health treatment programs on the NSH campus with overall program service delivery coordinated through the SE Regional Coordination Office. A detailed description of the programs and operations are provided in the Current Operations section (Section 3). As noted within the Stakeholder Engagement section (Section 5), one of the reasons why mental health treatment programs are located on the NSH campus is because there were no other location alternatives due primarily to public opposition. A strong sense of 'not in my backyard' was identified as a barrier when seeking a location to site a mental health program.

In response to the December 2017 letter outlining discussions with Norristown Municipal Council to convey certain grounds on the NSH campus by 2022, a report was prepared by the SE Regional Coordination Office on behalf of the five counties served. The office conducted a survey of the contracted mental health service providers leasing space at the NSH campus to understand current operations. The SE Regional Coordination Office then identified a detailed, comprehensive process for the relocation of both physical facilities and patients.

The process summarized below is an estimated overview of the relocation process for just one program. A similar relocation process would need to be completed for each of the nine programs operating on the NSH campus.

FACILITY/PROGRAM RELOCATION PROCESS

- **Program Proposal Development/Vision Process.** Requires input from county mental health departments and administrative staff of state and local/county offices of mental health.
- **Request for Proposal (RFP) Development/Review Process.** Includes steps necessary to develop an RFP, conduct the RFP process, and accept and review RFP packages from interested bidders. Typically, a county designated review team reviews and scores each proposal, conducts finalist interviews, and prepares award notices.
- **Program Selection/Contracting.** Once a provider is selected, a contract process begins including establishing an initial contract with a new provider or amending an existing contract. Contracts are approved by the County Boards of Commissioners.
- **Site Acquisition/Site Readiness.** In most county RFP processes, site acquisition and site readiness are major requirements for awarding a proposal to a provider. Legal and fiscal assurances in terms of funding, bank loans, and so forth are developed and in process before a site is acquired. The site acquisition process typically requires upwards of three to six months. Having a 'ready' site was described in the SE Regional Coordination Office report as exceedingly more complicated due to the nature of some of the mental health service programs and frequent community opposition.

As an example, locating one program within the southeastern Pennsylvania region required three years from the identification of a by-right zoned location due to municipal hearings and legal proceedings. The federal, state, and county costs associated with delaying the program's location were more than \$1,000,000

- **Facility Design/Construction.** Once a site is identified and approved, the provider begins architectural design and contracting including securing capital funds to develop the property. The timeframe for renovation or new construction can be unpredictable due to the type of program, number of persons to be served, number of employees to support the program, and licensing requirements per DHS or the Pennsylvania Department of Health (DOH) regulated programs.

To site a program, additional attention may need to be given to modifications and accommodations to support an individual's needs such as handicapped ramps, locked doors, shatterproof windows, gated driveways, and so forth. It was noted that communities might not support property modifications when individuals are from state institutions.

IDENTIFICATION AND TRANSITION OF INDIVIDUALS

The process of identifying and transitioning patients to a new program location is conducted concurrent with the facility and program relocation process. A primary consideration when moving a person from one site to another is the person's willingness to accept the new service. The individual engagement process involves assessment, support meetings with the individual, family meetings, site visits, and paper work preparation.

Additional challenges may occur when individuals are faced with the change of location and space. Many individuals currently at NSH have ample space within the buildings and grounds. The NSH campus provides a location without the unwanted stigma of symptoms and unique presentations dealing with those symptoms. Individuals may experience anxiety about relocating to a new community.

ESTIMATED RELOCATION COSTS

Based on information provided by the contracted county mental health service providers, relocation of all programs currently operating at the NSH campus is estimated at approximately \$75,580,000. This includes both the cost of relocating into existing or constructing new buildings and obtaining necessary permits and approvals to relocate.

ESTIMATED RELOCATION TIMEFRAME

The amount of time required to relocate county contracted tenants varied by program and was estimated between one and two years (minimum) to between three and five years (maximum).

Relocation of Non-Profit and Community Organizations

In total, six non-profit and community organizations hold building leases or an agreement to use land at the NSH campus. Collectively, these organizations operate with four employees and over 100 volunteers.

Estimated relocation costs and timeframes required to relocate were not obtained from the organizations, but insight on the impact of relocation from the NSH campus was provided by several of the organizations.

- Greater Philadelphia Search and Rescue (GPSR) has been operating on the NSH campus for approximately 15 years. The volunteer organization, which formerly operated from the Pennhurst State School and Hospital in Chester County, would find it difficult to relocate as lease costs are very affordable at the NSH campus and the campus provides a location to conduct rescue training.
- It is likely that Stony Creek Anglers could continue existing operations on the property as the land directly adjacent to Stony Creek could not be developed as it is a riparian buffer.
- Norristown Youth Eagles and other youth sports teams that currently use the NSH campus would potentially be required to seek alternate field locations should the property be redeveloped.



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Feasibility Analysis

Overview

The Land Planning Study was prepared to determine the feasibility of potentially subdividing and divesting all or a portion of the NSH campus from Commonwealth ownership. Feasibility was assessed from economic, legal, and stakeholder perspectives using information collected and analyzed by the Consultant Team. This section of the report synthesizes that information into four potential alternatives for the Commonwealth to consider.

ECONOMIC FEASIBILITY

For purposes of this study, economic feasibility is the degree to which economic benefits are greater than economic costs. An economically feasible alternative is one in which the benefit of implementing an alternative outweighs the cost associated with its implementation. To ensure an alternative is economically feasible, the overall benefit to local municipalities and the Commonwealth should exceed the cost required to implement.

The Consultant Team developed the following list of economic benefits which were evaluated for each alternative, as applicable:

- Costs of relocating existing campus operations including planning, siting, and permitting a new building, construction, and physical relocation of staff and patients;
- Costs associated with demolishing structurally deficient buildings on the NSH campus;
- Environmental remediation and asbestos abatement costs;
- Utility separation costs;
- Costs associated with current operational benefits such as wages and income taxes;

- Costs associated with municipal sewage fees; and
- Tax benefits associated with constructing the highest and best use on the NSH property.

All cost estimates presented in this study are estimates developed or derived by the Consultant Team through sound engineering practices or based on information provided by DGS, DHS or other stakeholders. Should the Commonwealth proceed with any of the alternatives outlined below, contractors would be retained to provide final costs. This process is outlined in the Recommendations section.

LEGAL FEASIBILITY

For purposes of the Land Planning Study, legal feasibility is the degree to which relocating operations at the NSH campus satisfies all legal requirements. Legal considerations are key factors that will drive either a potential property conveyance or relocation of existing operations. Legal requirements identified include:

- **Pennsylvania Legislative and Gubernatorial Authorization to Convey Property.** According to Section 514 of Pennsylvania's Administrative Code of 1929 (as amended), no agency of the Commonwealth may sell, or otherwise convey, real property owned by the Commonwealth without the General Assembly passing legislation specifically authorizing the conveyance. This process requires approximately one year to complete and is outlined at a high level as follows:
 - DGS contracts with a Pennsylvania-licensed surveyor to complete a survey/subdivision of the preferred alternative;
 - DGS contracts with a Pennsylvania-licensed appraiser to complete a fair market value appraisal of the property to be conveyed, the fair market value determination is provided to the House/Senate State Government Committees during their review of draft legislation;
 - DGS drafts legislative language for the proposed conveyance;
 - DGS seeks the approval of the drafted language from the Office of General Counsel, Office of Policy, Office of Legislative Affairs, and the Budget Office;
 - DGS submits the approved language to the House and Senate Member who represents the District(s) where the property is physically located;
 - The House or Senate member requests that the Legislative Reference Bureau place the language in appropriate form and seeks co-sponsors from other Members;
 - The House or Senate member formally introduces the language and a House or Senate Bill Number is assigned;

- The bill is referred to either the House or Senate State Government Committee;
 - The House or Senate State Government Committee votes to move the bill to the floor of the House or Senate;
 - The full chamber approves/disapproves the bill;
 - If the bill passes the initiating chamber, it is sent to the other chamber and the process is repeated; and
 - Once the bill passes both chambers, it is sent to the Governor to be signed into law.
- **Pennsylvania’s Legislative Obligation to Provide Mental Health Treatment.** The Mental Health Procedures Act (Act of July 9, 1976 (P.L. 817)) establishes mental health procedures “providing for the treatment and rights of mentally disabled persons, for voluntary and involuntary examination and treatment and for determinations affecting those charged with crime or under sentence.” Any redevelopment or relocation activities such as the NSH campus must consider the provisions of this law.
 - **State Capital Budget Authorization and Release.** A state capital budget bill would be required to authorize appropriation of funds for new construction, renovations, demolition, or environmental cleanup. After approval of the capital budget bill, funds would need authorization to be release.
 - **ACLU Settlement Agreement.** The Commonwealth must make certain that any impact to current NSH state hospital operations satisfies the existing ACLU settlement agreement.
 - **Municipal Land Use Approvals.** DGS and DHS would be responsible for ensuring that any county and local land use approvals in the municipality where state hospital operations are relocated are secured.
 - **Municipal Rezoning.** Municipal rezoning of the NSH campus would be required to accommodate the highest and best use as identified in this study. The NSH campus is currently zoned Institutional in Norristown and Rural Residence in West Norriton Township. The highest and best use is currently not a permitted use in either municipality.

CONSIDERATION OF STAKEHOLDER INPUT

In addition to economic and legal feasibility, the analysis of alternatives also considers the large amount of stakeholder input received throughout the preparation of this study and the commitments made in the Commonwealth’s letter to the Municipality of Norristown dated December 2017.

As noted in the Stakeholder Engagement section, nearly 500 people provided input between June and August 2018 and over 110 people attended the public meeting held in October 2018. Considering varying stakeholder viewpoints was an essential component of the alternatives analysis.

Alternatives Analysis

Four alternatives were developed for the Commonwealth's consideration and are described below. Each alternative is detailed in Table 5, which provides a detailed side-by-side comparison including:

- **State and Local Cost Implications.** A summary of the overall cost impacts associated with each alternative;
- **Areas Conveyed.** The total estimated acreage of conveyance for the specified alternative;
- **Key Assumptions/Considerations.** Further details and assumptions about the alternative;
- **Highest & Best Use of Commonwealth Real Estate.** The highest and best use of the NSH campus as identified in Section 4;
- **Land Use Considerations.** Existing municipal zoning and infrastructure considerations identified for the alternative;
- **Current As Is Value.** The current value of the 198.8-acre NSH campus property as identified in Section 4 of this study. A Market Value Appraisal would need to be completed for any potential property conveyance;
- **Economic Impact/Costs.** The detailed economic impact and associated costs associated with implementing the alternative as described above under Economic Feasibility; and,
- **Legal Implications.** The legal feasibility of the alternative as discussed above under Legal Feasibility.



ALTERNATIVE 1 - FULL PROPERTY CONVEYANCE

This alternative considers conveyance of the entire 198.8-acre NSH campus to an entity that would be to be determined. The alternative would require relocation of all NSH campus operations in Norristown and West Norriton Township. The alternative includes options to convey the property 'as is' or post demolition and environmental cleanup by the Commonwealth. The conveyance would not include the approximately 5-acre parcel owned by the Pennsylvania State Police.

- **Economic Feasibility**
Full Property Conveyance Alternative 1 is the costliest alternative ranging between \$175,752,103 (as is) to \$214,104,179 (post demolition and cleanup) in direct costs to the Commonwealth. The alternative would also result in lost local employment wages, an estimated \$140,500,000 annually, generated by the 1,907 people working at the campus, and foregone annual sewer utility fees of approximately \$172,103.

The benefits associated with this alternative assume the highest and best use (a 122-unit senior care living facility) is constructed on the property. The future potential 124,000 square foot facility would require 61 staff members receiving an average annual salary of \$45,760 to operate.

- If the facility is constructed in Norristown, projected annual net fiscal impacts are estimated at \$710,866 including \$548,130 allocated to Norristown Area School District and \$162,736 to the Municipality. These fiscal impacts do not include inflation.
- If the facility is constructed in West Norriton Township, projected annual net fiscal impacts after construction are estimated at \$417,002 including \$274,442 allocated to Norristown Area School District and \$289,647 to West Norriton Township. These fiscal impacts do not include inflation.

Off-site transportation infrastructure improvements would be required to provide adequate site access and were frequently reported by stakeholders as a barrier to any future redevelopment at the NSH campus. These off-site transportation costs are not included in the cost estimates for Alternative 1.

The costs associated with implementing Alternative 1 are significantly greater than the economic benefit provided by the highest and best use when fully constructed.

- **Legal Feasibility**

From a federal perspective, all ACLU settlement requirements would need to be addressed. In addition, the provisions of Pennsylvania's Mental Health Procedures Act would need to be considered.

Legislative and gubernatorial approval would be required to authorize property conveyance as discussed under Legal Feasibility above. A state capital budget bill would be required to authorize appropriation of funds for construction of a new state hospital in a different community. Funds would also need to be released for building demolition, asbestos abatement, and utility separation if the post demolition and cleanup option is implemented.

Municipal rezoning would be required to permit construction of the highest and best use on the site. Property in the receiving community (where the NSH facility and operations would be relocated) would require land use approvals. Potential legal challenges associated with relocating NSH campus operations into the receiving municipality would also need to be addressed.

- **Timeframe**

Alternative 1 is the most time-consuming alternative, requiring an estimated 10 years to complete at minimum. This timeframe would include addressing legal considerations such as property conveyance, legal authorizations to approve and finance the relocations, and approvals required to site all operations in the receiving community. Refer to the Relocation Process section for further details.

• **Addressing Stakeholder Input**

Alternative 1 addresses the subset of stakeholders that wish to see a total relocation of all existing mental health and social services from the existing NSH campus. It also addresses the Municipality of Norristown’s concern of its limited land available for redevelopment and tax generation.

Alternative 1 does not address the many stakeholders seeking to at least maintain and possibly improve and expand upon services for citizens requiring mental health treatment.

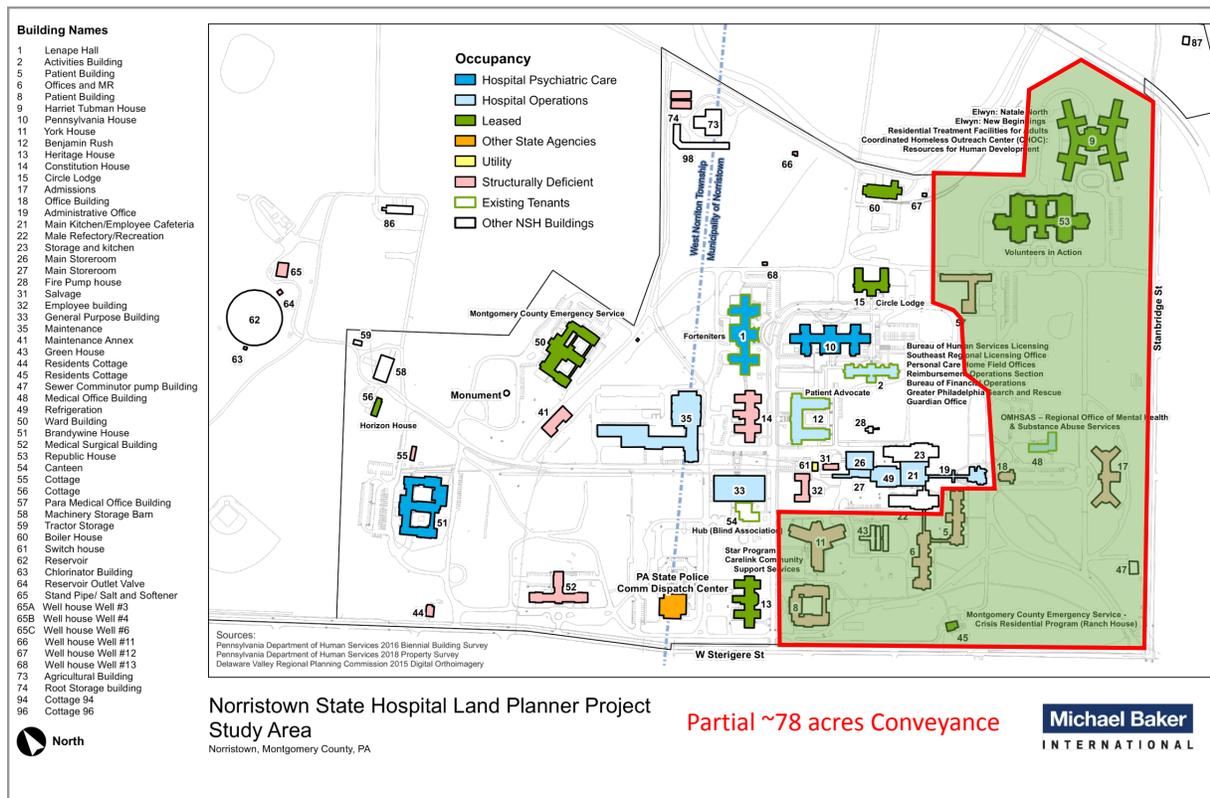
Depending on how the highest and best use is implemented on the 198.8-acre site, it may not address the large number of stakeholders that use the existing NSH campus for active and passive recreation.



ALTERNATIVE 2 - PARTIAL PROPERTY CONVEYANCE (APPROXIMATELY 78 ACRES)

Alternative 2 considers subdivision and conveyance of approximately 78 acres located in Norristown to the Municipality or a designated entity. Figure 14 depicts Alternative 2. The state hospital civil and forensic units and the county mental health providers would continue to operate on the approximately 120 remaining acres of land located in Norristown and West Norriton Township. A total of 98 employees would be relocated from the 78 acres that would be subdivided/conveyed to the remaining 120 acres. The Commonwealth would evaluate opportunities to consolidate operations on the remaining campus.

Figure 14: Alternative 2, Partial Conveyance (~78 Acres)



It should be noted that the existing lease for Building 9, which currently houses Montgomery County's homeless shelter and two county mental health service programs, is in place until 2022. This lease would need to be addressed by a future property owner if this alternative is selected by the Commonwealth.

As part of Alternative 2, the Commonwealth would invest in on-campus improvements including an accelerated schedule to demolish blighted buildings, prioritizing buildings which currently impact surrounding neighborhoods. Deteriorated buildings were identified frequently by stakeholders as both a safety and community image concern.

While not included in the cost estimates developed for Alternative 2, the Commonwealth would also commit to constructing new bicycle and pedestrian connections from the remaining campus to connect with Norristown Farm Park.

This alternative also would include the reestablishment of the NSH Community Advisory Board to inform the community of NSH campus operations. As part of this alternative, the Commonwealth would expand upon services and amenities to support ongoing NSH operations, staff, patients, and their families. At the suggestion of stakeholders, the Commonwealth would also consider renaming the campus to more accurately reflect the state and regional services provided on the property.

- **Economic Feasibility**

Alternative 2 would provide the option of conveying the property as is or post utility separation, demolition, and cleanup by the Commonwealth. The estimated cost to relocate impacted operations post demolition and cleanup is approximately \$30,000,000.

The economic benefits associated with this alternative assume the highest and best use (a 122-unit senior care living facility) is constructed on the property. The future potential 124,000 square foot facility would require 61 staff members receiving an average annual salary of \$45,760 to operate. Projected annual net fiscal impacts are estimated at \$710,866 including \$548,130 allocated to Norristown Area School District and \$162,736 to Norristown. These costs do not include inflation.

Off-site transportation infrastructure improvements would be required to provide adequate site access and were frequently reported by stakeholders as a barrier to any future redevelopment at the NSH campus. These off-site transportation costs are not included in the cost estimates for Alternative 2.

By consolidating existing operations on 120 acres, Norristown and West Norriton Township would retain the economic benefit of local employment wages (an estimated \$140,500,000 annually) generated by the 1,199 people working at the NSH campus.

- **Legal Feasibility**

Legislative and gubernatorial approval would be required to authorize property conveyance. A state capital budget bill would be required to authorize appropriation of funds for building

demolition, asbestos abatement, and utility separation. Municipal rezoning would be required to accommodate the highest and best use on the site. The lease agreement for Building 9 is in place until 2022 and would need to be addressed as part of a potential property conveyance.

- **Timeframe**

Implementing Alternative 2 would require approximately three years to complete. During this timeframe, it is anticipated that authorization for property conveyance would be finalized, current state hospital and county mental health providers would be relocated to the remaining 120 acres in conjunction with oversight/approvals by West Norriton Township and Norristown. In addition, municipal rezoning would be finalized and activities such as building demolition would be completed.

- **Addressing Stakeholder Input**

Alternative 2 addresses stakeholders seeking opportunities for increased economic development and revenue generation in Norristown. It provides a balance in that it also addresses the many stakeholders seeking to maintain and possibly improve and expand upon services for citizens requiring mental health treatment. Depending on how the highest and best use is implemented on the 78-acre site, this alternative could potentially impact the stakeholders who currently use the NSH campus for active and passive recreation.



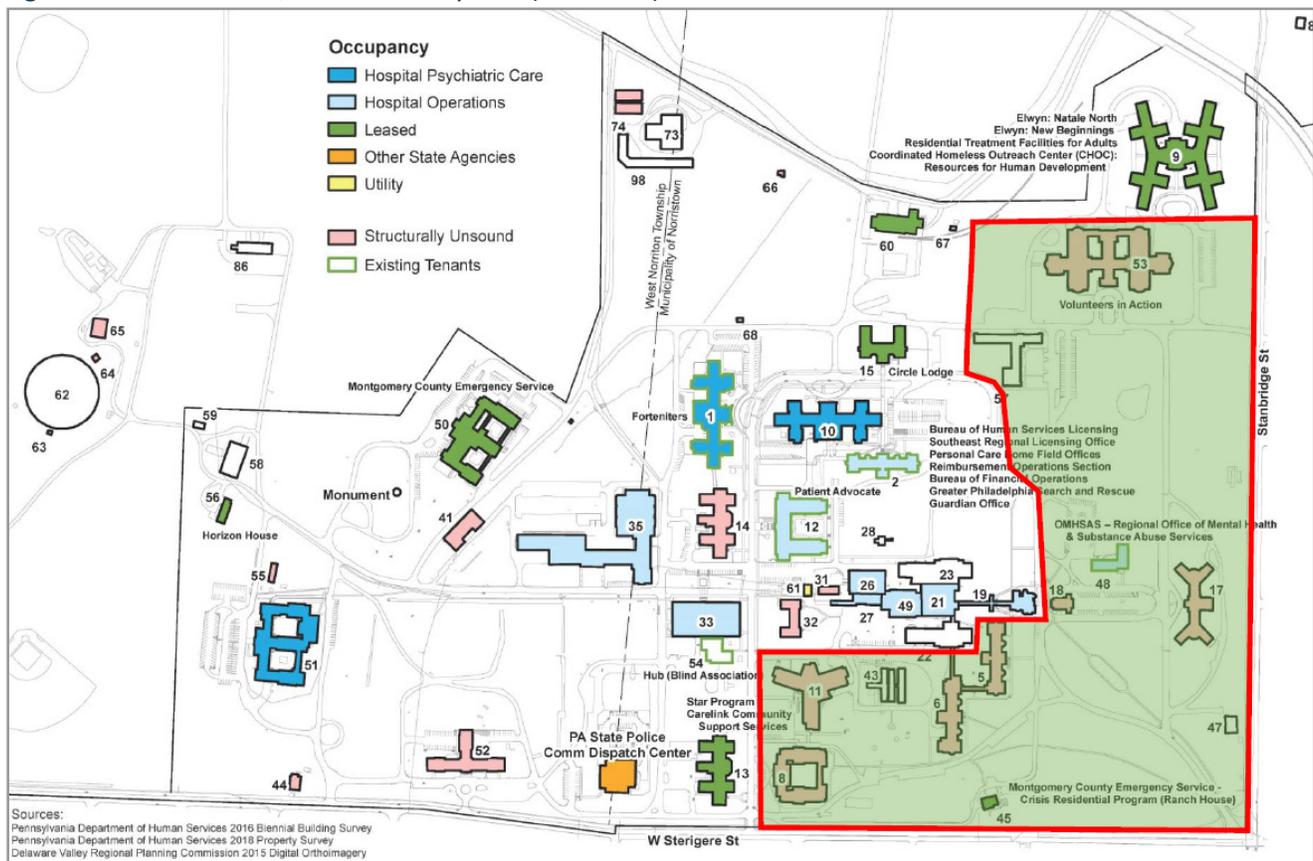
ALTERNATIVE 3 – PARTIAL PROPERTY CONVEYANCE (APPROXIMATELY 67 ACRES)

Alternative 3 considers subdivision and conveyance of approximately 67 acres located in Norristown to the Municipality or a designated entity. Alternative 3 differs from Alternative 2 in that Building 9 (and surrounding land) which currently serves as the Montgomery County homeless shelter and provides operational space for two county mental health service programs, remains in Commonwealth ownership. Refer to Figure 15. At the time this report was written, three and one-half years remain on the existing lease for Building 9.

As part of Alternative 3, the state hospital civil and forensic unit and county mental health providers would continue to operate on the approximately 140 remaining acres located in Norristown and West Norriton Township. A total of 33 employees would be relocated from the 67 acres subdivided/conveyed to the remaining 140 acres. The Commonwealth would evaluate opportunities to consolidate operations on the remaining campus.

The Commonwealth would also commit to invest in on-campus improvements including an accelerated schedule to demolish blighted buildings, prioritizing buildings which currently impact surrounding neighborhoods. Deteriorated buildings were identified frequently by stakeholders as both a safety and community image concern.

Figure 15: Alternative 3, Partial Conveyance (~67 Acres)



While not included in the cost estimates developed for Alternative 3, the Commonwealth would also commit to constructing new bicycle and pedestrian connections from the remaining campus to connect with Norristown Farm Park.

This alternative includes reestablishment of the NSH Community Advisory Board to inform the community of NSH campus operations. At the suggestion of stakeholders, the Commonwealth would also consider renaming the campus to more accurately reflect the state and regional services provided on the property.

- **Economic Feasibility**

Alternative 3 would provide the option of conveying the property as is or post utility separation, demolition, and cleanup by the Commonwealth. The cost to relocate impacted operations post demolition and cleanup is approximately \$25,394,288.

The benefits associated with this alternative assume the highest and best use (a 122-unit senior care living facility) is constructed on the property. The future potential 124,000 square foot facility would require 61 staff members receiving an average annual salary of \$45,760 to operate. Projected annual net fiscal impacts are estimated at \$710,866 including \$548,130 allocated to Norristown Area School District and \$162,736 to Norristown. These costs do not include inflation.

Off-site transportation infrastructure improvements would be required to provide adequate site access and were frequently reported by stakeholders as a barrier to any future redevelopment at the NSH campus. These off-site transportation costs are not included in the cost estimates for Alternative 3.

By consolidating existing operations on the remaining 140 acres, Norristown and West Norriton Township would retain the economic benefit of local employment wages (an estimated \$140,500,000 annually) generated by the 1,199 people working at the campus.

- **Legal Feasibility**

Legislative and gubernatorial approval would be required to authorize property conveyance. A state capital budget bill would be required to authorize appropriation of funds for building utility separation, demolition, and cleanup. Municipal rezoning would be required to accommodate the highest and best use on the site.

- **Timeframe**

Implementing Alternative 3 would require approximately three years to complete. During this timeframe, it is anticipated that authorization for property conveyance would be finalized, current state hospital and county mental health providers would be relocated to the remaining 140 acres in conjunction with oversight/approvals by West Norriton Township and Norristown, and municipal rezoning would be finalized.

- **Addressing Stakeholder Input**

Alternative 3 addresses stakeholders seeking opportunities for increased economic development and revenue generation in Norristown. It provides a balance in that it also addresses the many stakeholders seeking to improve and expand upon services for citizens requiring mental health treatment. Depending on how the highest and best use is implemented on the 67-acre site, it could potentially impact the stakeholders who currently use the NSH campus for active and passive recreation.

However, excluding Building 9 as part of the alternative reduces the amount of acreage available for conveyance which diminishes the opportunity to fully maximize open space and recreational opportunities adjacent to Norristown Farm Park and the expanding Elmwood Park Zoo. Maximizing open space and recreation was identified as a priority by many stakeholders.



ALTERNATIVE 4 – NO PROPERTY CONVEYANCE

Alternative 4 includes no property conveyance. Under this scenario, the Commonwealth would commit to evaluating opportunities to consolidate operations on the campus and investing in campus improvements, including an accelerated schedule to demolish blighted buildings and prioritizing buildings for demolition which currently impact surrounding neighborhoods.

While not included in cost estimates developed for Alternative 4, the Commonwealth would also commit to constructing new bicycle and pedestrian connections to connect with Norristown Farm Park.

This alternative includes reestablishment of the NSH Community Advisory Board to inform the community of NSH campus operations. At the suggestion of stakeholders, the Commonwealth would also consider renaming the campus to more accurately reflect the state and regional services provided on the property.

- **Economic Feasibility**

Alternative 4 costs are estimated at \$25,394,288 which would be used for utility separation, demolition, and cleanup. The Commonwealth would retain the economic benefit of local employment wages (an estimated \$140,500,000 annually) generated by the 1,199 people working at the campus.

Investing in on-site campus improvements would likely result in opportunities to create additional jobs at the campus, the impacts of which have not been included as part of this study.

- **Legal Feasibility**

Alternative 4 would require passage of a state capital budget bill to authorize appropriation of funds for utility separation, demolition, and cleanup.

- **Addressing Stakeholder Input**

Alternative 4 addresses stakeholders that wish to improve and expand upon services for citizens requiring mental health treatment. It would also preserve the NSH campus for active and passive recreation.

The alternative does not address the Municipality of Norristown's request for economic development and revenue generation on underutilized portions of the NSH campus.

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Table 5: NSH Feasibility Study Alternative Analysis

Norristown State Hospital – Land Planner Alternatives Analysis

	ALTERNATIVE 1 – FULL PROPERTY CONVEYANCE CONVEYANCE OF THE ENTIRE NORRISTOWN HOSPITAL CAMPUS (EXCLUDES THE ~5-ACRE PENNSYLVANIA STATE POLICE BUILDING AND ASSOCIATED GROUNDS)	ALTERNATIVE 2 – PARTIAL PROPERTY CONVEYANCE SUBDIVISION AND CONVEYANCE OF A PORTION OF THE CAMPUS LOCATED IN NORRISTOWN MUNICIPALITY (SEE ATTACHED ALTERNATIVE 2 MAP)	ALTERNATIVE 3 – PARTIAL PROPERTY CONVEYANCE SUBDIVISION AND CONVEYANCE OF A PORTION OF THE CAMPUS LOCATED IN NORRISTOWN MUNICIPALITY (SEE ATTACHED ALTERNATIVE 3 MAP)	ALTERNATIVE 4 – NO PROPERTY CONVEYANCE NO CONVEYANCE, BUT THE PORTION OF THE CAMPUS LOCATED IN NORRISTOWN MUNICIPALITY WOULD BE DEDICATED FOR PUBLIC PARK AND RECREATION USE
State and Local Cost Implications	<ul style="list-style-type: none"> ~\$175,752,103 -- ~\$214,104,179 direct costs, plus ~\$140,500,000 in lost local employment wages and \$172,103 lost annual sewer utility fees 	<ul style="list-style-type: none"> ~\$30,000,000 direct costs to the Commonwealth (costs do not include post-conveyance property improvements) 	<ul style="list-style-type: none"> ~\$25,394,288 direct costs to the Commonwealth (costs do not include post-conveyance property improvements) 	<ul style="list-style-type: none"> ~\$25,394,288 direct costs to the Commonwealth (costs do not include post-conveyance property improvements)
Acres Conveyed	<ul style="list-style-type: none"> 198.8 acres (Based on the 2018 DGS Property Boundary Survey) 	<ul style="list-style-type: none"> ~78.0 acres (Does not represent a surveyed acreage and final conveyance boundary will ultimately be determined through a final subdivision plan) 	<ul style="list-style-type: none"> ~67.0 acres (Does not represent a surveyed acreage and final conveyance boundary will ultimately be determined through a final subdivision plan) 	<ul style="list-style-type: none"> 0 acres
Key Considerations / Assumptions	<ul style="list-style-type: none"> State Hospital, County and Regional Operations would be relocated entirely to an undetermined location(s) Entire campus property would be conveyed to a designated entity(ies) to be determined Separate conveyances would be made to Norristown Municipality and West Norriton Township Commonwealth conveys property as is; no demolition; no site improvements (see Option 1 below) or Commonwealth conveys property post-demolition (see Option 2 below) From a stakeholder perspective, this alternative would directly impact the over 4,000 patients (and their families) who are dependent upon the existing services provided by the DHS Office of Mental Health and Substance Abuse Services (OMHSAS) and the Counties' Departments of Mental Health Contracted Services (Contracted Services) operations. Relocation of both OMHSAS and the Contracted Services will be a significant and complicated issue to address <ul style="list-style-type: none"> Site acquisition and site readiness are intensive and complicated land use and land development processes to address given the nature of the population and specialty of programs, local land use approvals required, receptiveness of local communities to serve as the host for the programs, etc. Relocation and construction of OMHSAS operations would at a minimum exceed \$100 million, which is the estimated cost of a new 250,000 sq. ft., 200-bed forensic facility Relocation of Contracted Services is estimated at \$75,580,000 	<ul style="list-style-type: none"> OMHSAS civil and forensic unit and Contracted Services operations would continue in the residual (~120.8 acres) portion of the campus located in both Norristown Municipality and West Norriton Township Relocate current OMHSAS and Contracted Services operations (total 98 employees) from the following buildings to locations in the residual portion of the campus <ul style="list-style-type: none"> #5 – Structurally Deficient #6 – Structurally Deficient #8 – Structurally Deficient #9 – Tenant Occupied #11 – Structurally Deficient #17 – Structurally Deficient #18 – Hospital Operations #43 – Vacant #45 – Tenant Occupied #47 – Vacant #48 – Hospital Operations #53 – Vacant #57 – Vacant Subdivision and conveyance of ~78.0 acres to a designated entity(ies) to be determined Tenant lease for Building 9 is in place until 2022. Commonwealth invests in on-campus improvements <ul style="list-style-type: none"> Establishing accelerated schedule for demolition of blighted buildings prioritizing buildings which currently impact perimeter neighbors Constructing new bicycle and pedestrian connections 	<ul style="list-style-type: none"> OMHSAS civil and forensic unit and Contracted Services operations would continue in the residual (~140 acres) portion of the campus located in both the Norristown Municipality and West Norriton Township Relocate current OMHSAS and Contracted Services operations (total 33 employees) from the following buildings to locations in the residual portion of the campus <ul style="list-style-type: none"> #5 – Structurally Deficient #6 – Structurally Deficient #8 – Structurally Deficient #11 – Structurally Deficient #17 – Structurally Deficient #18 – Hospital Operations #43 – Vacant #45 – Tenant Occupied #47 – Vacant #48 – Hospital Operations #53 – Vacant #57 – Vacant Subdivision and conveyance of ~67.0 acres to a designated entity(ies) to be determined Commonwealth invests in on-campus improvements <ul style="list-style-type: none"> Establishing accelerated schedule for demolition of blighted buildings prioritizing buildings which currently impact perimeter neighbors. Constructing new bicycle and pedestrian connections within the campus to connect with existing recreational trails within the Norristown Farm Park (and possibly the Elmwood Park Zoo). Such connections should align 	<ul style="list-style-type: none"> No portion of the campus is conveyed; campus remains in Commonwealth ownership, but public use and enjoyment of the campus is bolstered Commonwealth invests in on-campus improvements such as: <ul style="list-style-type: none"> Establishing accelerated schedule for demolition of blighted buildings prioritizing buildings which currently impact perimeter neighbors. This would result in additional green space and sports fields for community use. Constructing new bicycle and pedestrian connections within the campus to connect with existing recreational trails within the Norristown Farm Park (and possibly the Elmwood Park Zoo). Such connections should align with the Stony Creek/Saw Mill Run Greenway Plan <i>Note scope and costs of these improvements are not included in the above direct costs to the Commonwealth estimate and would need to be determined).</i> Commonwealth evaluates options to consolidate Commonwealth operations and tenant operations into fewer, but adequate buildings as appropriate Commonwealth actively recruits additional services and amenities to the campus to support ongoing operations, staff, patients and families Commonwealth actively re-establishes Community Advisory Board and holds routine stakeholder meetings to inform the Community of Campus operations and to promote Community activities on appropriate areas of campus especially greenspace and trails Commonwealth works with Montgomery County to consider renaming/rebranding campus to more

Table 5: NSH Feasibility Study Alternative Analysis

Norristown State Hospital – Land Planner Alternatives Analysis

	ALTERNATIVE 1 – FULL PROPERTY CONVEYANCE CONVEYANCE OF THE ENTIRE NORRISTOWN HOSPITAL CAMPUS (EXCLUDES THE ~5-ACRE PENNSYLVANIA STATE POLICE BUILDING AND ASSOCIATED GROUNDS)	ALTERNATIVE 2 – PARTIAL PROPERTY CONVEYANCE SUBDIVISION AND CONVEYANCE OF A PORTION OF THE CAMPUS LOCATED IN NORRISTOWN MUNICIPALITY (SEE ATTACHED ALTERNATIVE 2 MAP)	ALTERNATIVE 3 – PARTIAL PROPERTY CONVEYANCE SUBDIVISION AND CONVEYANCE OF A PORTION OF THE CAMPUS LOCATED IN NORRISTOWN MUNICIPALITY (SEE ATTACHED ALTERNATIVE 3 MAP)	ALTERNATIVE 4 – NO PROPERTY CONVEYANCE NO CONVEYANCE, BUT THE PORTION OF THE CAMPUS LOCATED IN NORRISTOWN MUNICIPALITY WOULD BE DEDICATED FOR PUBLIC PARK AND RECREATION USE
	<ul style="list-style-type: none"> ○ A minimum of 10 years would be required for relocation, which must consider state and local legal authorizations to approve and finance the relocations, zoning and land development approvals, site acquisition, building engineering, design, and construction (including procurement requirements) and physical relocation of patients 	<ul style="list-style-type: none"> ○ within the campus to connect with existing recreational trails within the Norristown Farm Park (and possibly the Elmwood Park Zoo). Such connections should align with the Stony Creek/Saw Mill Run Greenway Plan (Note scope and costs of these improvements are not included in the above direct costs to the Commonwealth estimate and would need to be determined). ○ Expanding arrangement with Montgomery County to improve and manage additional green space, trails, sports fields, etc. to complement Norristown Farm Park ● Commonwealth evaluates options to consolidate OMHSAS and Contracted Services operations into fewer, but adequate buildings as appropriate ● Commonwealth actively recruits additional services and amenities to the campus to support ongoing operations, staff, patients and families ● Commonwealth actively re-establishes Community Advisory Board and holds routine stakeholder meetings to inform the Community of Campus operations and to promote Community activities on appropriate areas of campus especially greenspace and trails ● Commonwealth works with Montgomery County to consider renaming/rebranding campus to more accurately reflect operations occurring on campus 	<ul style="list-style-type: none"> ○ with the Stony Creek/Saw Mill Run Greenway Plan (Note scope and costs of these improvements are not included in the above direct costs to the Commonwealth estimate and would need to be determined). ○ Expanding arrangement with Montgomery County to improve and manage additional green space, trails, sports fields, etc. to complement Norristown Farm Park ● Commonwealth evaluates options to consolidate OMHSAS and Contracted Services operations into fewer, but adequate buildings as appropriate ● Commonwealth actively recruits additional services and amenities to the campus to support ongoing operations, staff, patients and families ● Commonwealth actively re-establishes Community Advisory Board and holds routine stakeholder meetings to inform the Community of Campus operations and to promote Community activities on appropriate areas of campus especially greenspace and trails ● Commonwealth works with Montgomery County to consider renaming/rebranding campus to more accurately reflect operations occurring on campus 	<ul style="list-style-type: none"> ○ accurately reflect operations occurring on campus
Highest & Best Use of Commonwealth Real Estate	<ul style="list-style-type: none"> ● 122-unit senior care living facility (124,000 sq. ft. supporting 61 FTEs) ● Projected First Year Net Fiscal Impacts (if constructed in Norristown) <ul style="list-style-type: none"> ○ Norristown Area School District = \$548,130 ○ Norristown Municipality = \$162,736 ● Projected First Year Net Fiscal Impacts (if constructed in West Norriton Township) <ul style="list-style-type: none"> ○ Norristown Area School District = \$274,422 ○ West Norriton Township = \$289,647 	<ul style="list-style-type: none"> ● Commonwealth Retained Portion (~120.8 acres) <ul style="list-style-type: none"> ○ Continued OMHSAS and Contracted Services operations ○ Continued public access use and enjoyment of the campus property, to include bicycle, pedestrian and public transit access and connectivity improvements ● Conveyed Portion to Norristown (~78 acres or ~39% of total campus acreage) <ul style="list-style-type: none"> ○ 122-unit senior care living facility (124,000 sq. ft. supporting 61 FTEs) 	<ul style="list-style-type: none"> ● Commonwealth Retained Portion (~131.8 acres) <ul style="list-style-type: none"> ○ Continued OMHSAS and Contracted Services operations ○ Continued public access use and enjoyment of the campus property, to include bicycle, pedestrian and public transit access and connectivity improvements ● Conveyed Portion to Norristown (~67 acres or ~34% of total campus acreage) <ul style="list-style-type: none"> ○ 122-unit senior care living facility (124,000 sq. ft. supporting 61 FTEs) 	<ul style="list-style-type: none"> ● Commonwealth Retained Portion (198.8 acres, 100% of total campus acreage) <ul style="list-style-type: none"> ○ Continued OMHSAS and Contracted Services operations ○ Continued public access use and enjoyment of the campus property, to include bicycle, pedestrian and public transit access and connectivity improvements

Norristown State Hospital – Land Planner Alternatives Analysis

	ALTERNATIVE 1 – FULL PROPERTY CONVEYANCE CONVEYANCE OF THE ENTIRE NORRISTOWN HOSPITAL CAMPUS (EXCLUDES THE ~5-ACRE PENNSYLVANIA STATE POLICE BUILDING AND ASSOCIATED GROUNDS)	ALTERNATIVE 2 – PARTIAL PROPERTY CONVEYANCE SUBDIVISION AND CONVEYANCE OF A PORTION OF THE CAMPUS LOCATED IN NORRISTOWN MUNICIPALITY (SEE ATTACHED ALTERNATIVE 2 MAP)	ALTERNATIVE 3 – PARTIAL PROPERTY CONVEYANCE SUBDIVISION AND CONVEYANCE OF A PORTION OF THE CAMPUS LOCATED IN NORRISTOWN MUNICIPALITY (SEE ATTACHED ALTERNATIVE 3 MAP)	ALTERNATIVE 4 – NO PROPERTY CONVEYANCE NO CONVEYANCE, BUT THE PORTION OF THE CAMPUS LOCATED IN NORRISTOWN MUNICIPALITY WOULD BE DEDICATED FOR PUBLIC PARK AND RECREATION USE
		<ul style="list-style-type: none"> ▪ Projected First Year Net Fiscal Impacts: <ul style="list-style-type: none"> • Norristown Area School District = \$548,130 • Norristown Municipality = \$162,736 • Retention and enhancements to greenspace areas for public use and recreation enjoyment 	<ul style="list-style-type: none"> ▪ Projected First Year Net Fiscal Impacts: <ul style="list-style-type: none"> • Norristown Area School District = \$548,130 • Norristown Municipality = \$162,736 • Retention and enhancements to greenspace areas for public use and recreation enjoyment 	
Land Use Considerations	<ul style="list-style-type: none"> • Existing Zoning <ul style="list-style-type: none"> ○ Norristown Municipality <ul style="list-style-type: none"> ▪ 133 acres (67% of total campus acreage) ▪ Zoned Institutional – Highest & Best Use not permitted ▪ Municipal Uses permitted by right ○ West Norriton Township <ul style="list-style-type: none"> ▪ 65.4 acres (33% of total campus acreage) ▪ Zoned Rural Residence <ul style="list-style-type: none"> • Total possible residential units = ~71 at full build-out • Total possible senior units = Highest & Best Use not permitted ▪ Municipal Uses permitted by right • Off-site transportation infrastructure improvements would be necessary to provide adequate site access and to address PennDOT Highway Occupancy Permit requirements 	<ul style="list-style-type: none"> • Existing Zoning <ul style="list-style-type: none"> ○ Norristown Municipality <ul style="list-style-type: none"> ▪ ~78 acres (~39% of total campus acreage) ▪ Zoned Institutional – Highest & Best Use not permitted ▪ Municipal Uses permitted by right • Off-site transportation infrastructure improvements would be necessary to provide adequate site access and to address PennDOT Highway Occupancy Permit requirements 	<ul style="list-style-type: none"> • Existing Zoning <ul style="list-style-type: none"> ○ Norristown Municipality <ul style="list-style-type: none"> ▪ ~67 acres (~34% of total campus acreage) ▪ Zoned Institutional – Highest & Best Use not permitted ▪ Municipal Uses permitted by right • Off-site transportation infrastructure improvements would be necessary to provide adequate site access and to address PennDOT Highway Occupancy Permit requirements 	<ul style="list-style-type: none"> • N/A
Current As-Is Value	<ul style="list-style-type: none"> • \$600,000 	<ul style="list-style-type: none"> • Market Value Appraisal will need to be determined for subdivided tract 	<ul style="list-style-type: none"> • Market Value Appraisal will need to be determined for subdivided tract 	<ul style="list-style-type: none"> • N/A

Norristown State Hospital – Land Planner Alternatives Analysis

	ALTERNATIVE 1 – FULL PROPERTY CONVEYANCE CONVEYANCE OF THE ENTIRE NORRISTOWN HOSPITAL CAMPUS (EXCLUDES THE ~5-ACRE PENNSYLVANIA STATE POLICE BUILDING AND ASSOCIATED GROUNDS)	ALTERNATIVE 2 – PARTIAL PROPERTY CONVEYANCE SUBDIVISION AND CONVEYANCE OF A PORTION OF THE CAMPUS LOCATED IN NORRISTOWN MUNICIPALITY (SEE ATTACHED ALTERNATIVE 2 MAP)	ALTERNATIVE 3 – PARTIAL PROPERTY CONVEYANCE SUBDIVISION AND CONVEYANCE OF A PORTION OF THE CAMPUS LOCATED IN NORRISTOWN MUNICIPALITY (SEE ATTACHED ALTERNATIVE 3 MAP)	ALTERNATIVE 4 – NO PROPERTY CONVEYANCE NO CONVEYANCE, BUT THE PORTION OF THE CAMPUS LOCATED IN NORRISTOWN MUNICIPALITY WOULD BE DEDICATED FOR PUBLIC PARK AND RECREATION USE
Economic Impacts / Costs	<ul style="list-style-type: none"> • Option 1: Conveyance of property “as-is” condition (~\$175,752,103 direct costs, plus ~\$140,500,000 in lost wages) <ul style="list-style-type: none"> ○ Relocation and construction of NSH civil and forensic unit operations = >\$100 million (250,000 sq. ft., 200 bed facility), plus associated prevailing wage costs ○ Estimated relocation of County Contracted Service Providers costs = \$75,580,000 ○ Projected Job, Wage, and Income Tax Losses <ul style="list-style-type: none"> ▪ 2,053 jobs (direct and indirect/induced) ▪ \$140.5 million in employee wage compensation annually ▪ \$2.67 million in state and local income taxes annually ○ Municipal sewer utility fee loss – ~\$172,103 annually • Option 2: Conveyance of property post demolition and clean-up by Commonwealth (~\$214,104,179 direct costs, plus ~\$140,500,000 in lost wages and \$172,103 lost annual sewer utility fees) <ul style="list-style-type: none"> ○ Estimated building demolition cost = \$20,109,602 ○ Estimated asbestos abatement cost = \$12,939,258 ○ Estimated Phase 2 Environmental Assessment = \$60,000 ○ Estimated utility separation costs = ~\$5,415,319 ○ Relocation and construction of NSH civil and forensic unit operations = >\$100 million (250,000 sq. ft., 200 bed facility) ○ Relocation of County Contracted Service Providers = \$75,580,000 	<ul style="list-style-type: none"> • Option 1: Conveyance of subdivided portion in “as-is” condition (minimal direct costs) <ul style="list-style-type: none"> ○ Associated legal and administrative fees for subdivision and conveyance ○ Assumes receiving entity will incur costs of renovation, demolition, environmental, etc. • Option 2: Conveyance of property post utility separation, demolition and clean-up by Commonwealth (~\$10,914,068–~\$30,000,000 direct costs) <ul style="list-style-type: none"> ○ Estimated building renovation cost = \$9,055,000 ○ Estimated asbestos replacement cost = \$1,834,068 ○ Estimated Phase 2 Environmental Assessment = ~\$20,000 - \$25,000 OR ○ Estimated building demolition cost = \$25,268,209 ○ Estimated asbestos abatement cost = \$2,606,791 ○ Estimated Phase 2 Environmental Assessment = ~\$20,000 - \$25,000 ○ Estimated utility separation costs = \$2,100,000 	<ul style="list-style-type: none"> • Option 1: Conveyance of subdivided portion in “as-is” condition (minimal direct costs) <ul style="list-style-type: none"> ○ Associated legal and administrative fees for subdivision and conveyance ○ Assumes receiving entity will incur costs of renovation, demolition, environmental, etc. • Option 2: Conveyance of property post utility separation, demolition and clean-up by Commonwealth (~\$9,862,784–~\$25,394,288 direct costs) <ul style="list-style-type: none"> ○ Estimated building renovation cost = \$9,060,000 ○ Estimated asbestos replacement cost = \$782,784 ○ Estimated Phase 2 Environmental Assessment = ~\$15,000 - \$20,000 OR ○ Estimated building demolition cost = \$21,109,448 ○ Estimated asbestos abatement cost = \$2,297,133 ○ Estimated Phase 2 Environmental Assessment = ~\$15,000 - \$20,000 ○ Estimated utility separation costs = \$2,025,752 	<ul style="list-style-type: none"> • Utility separation, demolition and clean-up by Commonwealth (~\$25,394,288 direct costs) <ul style="list-style-type: none"> ○ Estimated building demolition cost = \$21,109,448 ○ Estimated asbestos abatement cost = \$2,297,133 ○ Estimated Phase 2 Environmental Assessment = ~\$15,000 - \$20,000 ○ Estimated utility separation costs = \$2,025,752

Norristown State Hospital – Land Planner Alternatives Analysis

	ALTERNATIVE 1 – FULL PROPERTY CONVEYANCE CONVEYANCE OF THE ENTIRE NORRISTOWN HOSPITAL CAMPUS (EXCLUDES THE ~5-ACRE PENNSYLVANIA STATE POLICE BUILDING AND ASSOCIATED GROUNDS)	ALTERNATIVE 2 – PARTIAL PROPERTY CONVEYANCE SUBDIVISION AND CONVEYANCE OF A PORTION OF THE CAMPUS LOCATED IN NORRISTOWN MUNICIPALITY (SEE ATTACHED ALTERNATIVE 2 MAP)	ALTERNATIVE 3 – PARTIAL PROPERTY CONVEYANCE SUBDIVISION AND CONVEYANCE OF A PORTION OF THE CAMPUS LOCATED IN NORRISTOWN MUNICIPALITY (SEE ATTACHED ALTERNATIVE 3 MAP)	ALTERNATIVE 4 – NO PROPERTY CONVEYANCE NO CONVEYANCE, BUT THE PORTION OF THE CAMPUS LOCATED IN NORRISTOWN MUNICIPALITY WOULD BE DEDICATED FOR PUBLIC PARK AND RECREATION USE
	<ul style="list-style-type: none"> ○ Job, Wage, and Income Tax Losses <ul style="list-style-type: none"> ▪ 2,053 jobs (direct and indirect/induced) ▪ \$140.5 million in employee wage compensation annually ▪ \$2.67 million in income taxes annually ○ Municipal sewer utility fee loss - ~\$172,103 annually 			
Legal Implications	<ul style="list-style-type: none"> • State Legislature and Governor would be required to pass legislation authorizing the conveyance of the property to the respective municipalities (Norristown and West Norriton Township) • State Legislature and Governor would be required to pass a Capital Budget Bill appropriating the necessary funds supporting the associated costs of the above option • Commonwealth has a legal obligation to provide services (i.e., forensic beds, ACLU, etc.) • Federal court approval would need to be obtained to waive requirements of the ACLU settlement • Legal challenges and associated costs for relocating county mental health service providers to another municipality(ies) would need to be addressed • Municipal rezoning would need to occur to accommodate Highest & Best Uses 	<ul style="list-style-type: none"> • State Legislature and Governor would be required to pass legislation authorizing the conveyance of the property • State Legislature and Governor would be required to pass legislation authorizing the renaming of the NSH campus • Municipal rezoning would need to occur to accommodate Highest & Best Uses 	<ul style="list-style-type: none"> • State Legislature and Governor would be required to pass legislation authorizing the conveyance of the property • State Legislature and Governor would be required to pass legislation authorizing the renaming of the NSH campus • Municipal rezoning would need to occur to accommodate Highest & Best Uses 	<ul style="list-style-type: none"> • N/A

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Recommendations

Alternative 2 - Partial Property Conveyance

Based on the review and analysis of each of the alternatives presented in the Feasibility Analysis section, the Consultant Team recommends Alternative 2 for implementation. The reasons for this recommendation are provided below.

- **Balanced Approach.** Alternative 2 provides a balanced approach that meets both Commonwealth and local needs. Under the alternative, a significant portion of the campus (approximately 78 acres) would be made available for redevelopment and state hospital and county mental health providers could continue to operate on the remaining 120 acres of the property. This addresses concerns of both Norristown officials seeking an additional location in the Municipality for tax generating development and stakeholders representing the interests of individuals receiving mental health services on campus.
- **Preserves Existing Economic Benefits.** Alternative 2 maintains existing operations on the remaining 120 acres of the NSH campus. This retains the economic benefit of local employment wages (an estimated \$140,500,000 annually) generated by the 1,199 people working at the campus.
- **Creates New Economic Benefits.** Alternative 2 provides an annual economic benefit to Norristown and the Norristown Area School District estimated at \$710,866 based on the highest and best use as identified in this study.
- **Provides a Cost-Effective Solution.** Alternative 2 at \$30,000,000 is more cost effective for the Commonwealth than the other alternatives analyzed.
 - Alternative 1 would require an estimated expenditure to the Commonwealth and southeastern counties of between \$175,752,103 (as is) and \$214,104,179 (utility separation, demolition, and cleanup). It would also result, on an annual basis, in lost

local employment wages of approximately \$140,500,000 and sewer utility fees of \$172,103.

- While Alternative 3 at \$25,394,288 is less expensive to implement than Alternative 2, it does not fully maximize land planning efficiency. Alternative 3 does not include the conveyance of property which currently houses Building 9. The location of Building 9 provides more acreage for cohesive, master planned future development. Its location provides further opportunities to improve green space adjacent to Stony Creek and Norristown Farm Park or the potential opportunity to provide increased synergy with Elmwood Park Zoo which is nearby and expanding. It is also in proximity to SEPTA's rail line which currently does not provide access to the site but could potentially in the future, dependent on approvals and cost effectiveness.
 - As discussed in the Feasibility Analysis section, Building 9 serves not only as Montgomery County's homeless shelter but houses two residential treatment programs for citizens from the southeastern region. The lease for Building 9 is in place for until 2022 and would need to be addressed as part of any future property conveyance.
 - Alternative 4 at \$25,394,288 is less expensive than Alternative 2. Alternative 4 does not, however, address Norristown's concerns of identifying additional property for tax generating development or the Commonwealth's 2017 offer to find a solution that addresses local economic development needs.
 - Alternative 2 as proposed does not include conveyance of the portion of the property which includes Buildings 1 and 10. While the Commonwealth's letter to Norristown dated December 2017 states that, *"DHS can commit to developing a long-term plan for the use of the Norristown State Hospital property that includes vacating Buildings #1 and #10 on the hospital's campus in 2022"*, that alternative is neither economically nor legally viable for the Commonwealth.
- **Addresses Deteriorated Property Conditions.** Investment in utility separation, demolition, and cleanup of vacant, dilapidated buildings improves the appearance and safety of the campus for surrounding property owners and the general public using the site.
 - **Minimizes Impacts to Patients, Families, and Employees.** Alternative 2 maintains existing operations on the remaining 120 acres of the NSH campus, minimizing disruption to patients, their families, and employees. While this alternative would disrupt those individuals (98 employees) who work in or those individuals (100 patients) provided services at Buildings 9, 18, 45, and 48, the disruption would be minimal compared to relocating building operations to another community.
 - **Reactivates Community Partnerships.** Reestablishing the NSH Community Advisory Board ensures that the general public, particularly residents of Norristown and West Norriton Township that live in neighborhoods surrounding the state hospital campus, is aware of campus operations. As stressed by many stakeholders, this effort could be beneficial

in helping to diminish the stigma associated with mental illness. In addition, potentially renaming the campus to more accurately reflect the state and regional services provided on the property could also improve community partnerships.

ADDITIONAL CONSIDERATIONS AND COSTS

Implementing Alternative 2 assumes the Commonwealth, Montgomery County, and Norristown officials would identify costs for the following post-conveyance property improvements. These costs were not included in the cost estimates prepared for Alternative 2.

- **Relocation and Consolidation Costs.** Costs to relocate operations in Buildings 9, 18, 45, and 48 would be required. While due diligence obtained during the study identified costs to completely relocate operations to another community, costs to relocate and consolidate operations on another portion of campus were not quantified.
- **Infrastructure Improvements.** Both off-site and on-site transportation and infrastructure improvements would be required as part of any future redevelopment on the property.
 - **On-Site Improvements.** On-site improvements including roads, utilities, and pedestrian walkways would need to be addressed in future site master planning to provide adequate site access.
 - **Off-Site Improvements.** Off-site improvements such as transportation would require state, county, and local review/approval and a strategy to finance improvements. Off-site improvements would need to be considered independent Alternative 2.
- **Fair Market Value Appraisal.** The current as is value of the entire 198.8-acre state hospital campus was determined and presented to DGS. Implementing Alternative 2 would require completion of a Fair Market Value Appraisal for the remaining parcels as part of property title transfer.
- **Historic Resources.** Any property conveyance will require review by the Pennsylvania Historical and Museum Commission (PHMC). The time required for the review and any subsequent historic resource mitigation should be factored into the property disposition process.

Property Disposition Process

Implementing Alternative 2 and divesting of approximately 78 acres of property would require the Commonwealth to complete the following steps. Further details such as timelines and definitive costs would be developed as these steps are implemented.

- Request proposals from contractors to prepare a scope of work and cost estimates for the following:
 - Property survey;
 - Fair market value appraisal;
 - Historic resource analysis;
 - Building demolition;
 - Asbestos abatement;
 - Utility separation;
 - Consolidation/relocation of state hospital and county mental health service operations (from Buildings 9, 18, 45, and 48 to the remaining 120 acres); and
 - On-site infrastructure improvements including utilities, roads, and pedestrian/bicycle walkways.
- Initiate legislative steps to convey property
- Initiate rezoning and subdivision of property
- Once contractors have been selected and agreements are in place, complete the following:
 - Property appraisal;
 - Historic resource analysis;
 - Building demolition;
 - Environmental remediation and asbestos abatement;
 - Utility separation; and
 - On-site infrastructure improvements including utilities, roads, and pedestrian/bicycle walkways.

- Consolidation/relocation of state hospital and county mental health service operations (from Buildings 9, 18, 45, and 48 to the remaining 120 acres); and
- Transfer real estate upon completion of the above noted tasks
 - Finalize rezoning and subdivision of property
 - Finalize conveyance of property

Conclusions

The Commonwealth and the county mental health providers provide critical mental health services to not only southeastern Pennsylvania, but to the Commonwealth as a whole. Most, if not all, of these services could not be provided elsewhere at the same high standard of care as provided at the NSH campus. The need to preserve and enhance mental health services at NSH was made abundantly clear during the outreach activities of the Land Planning Study.

The desire to expand the economic development opportunities for the community of Norristown was also strongly conveyed during the Land Planning Study. Decades of discussions regarding potential closure of the hospital operations and conveyance of the campus for redevelopment have sparked both excitement and frustration. Stakeholders frequently expressed that the time to determine a realistic solution is now.

The Consultant Team was tasked with two main goals as part of the Land Planning Study. First, to determine if any portion of the NSH property could economically and legally be subdivided while retaining portions of the property in Commonwealth use and ownership for ongoing mental health treatment. This study concludes that discontinuing Commonwealth services on the NSH campus and locating them to another site is neither economically nor legally feasible for the Commonwealth.

The second goal of the Land Planning Study was to determine the highest and best use of the NSH property based on a market study. The highest and best use analysis prepared for this study concludes that the current operations on the campus yield significantly more economic benefits than could be recouped or generated by the limited redevelopment potential of the property given physical, market, and other constraints of the property.

The recommended Alternative 2 is a balanced approach in that a significant portion (approximately 78 acres) of the NSH campus in Norristown is made available for redevelopment and state hospital and county mental health providers can continue to operate on the remaining 120 acres. Alternative 2 addresses concerns of both Norristown officials seeking an additional location for tax generating development as well as stakeholders representing the interests of individuals receiving health services on campus.

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Appendices



Appendix A: Commonwealth Letter to the Municipality of Norristown

Appendix B: Stakeholder Engagement

Appendix C: MAI Certified Real Estate Appraisal Report

Appendix D: Highest and Best Use Market Analysis

Appendix E: Phase I Environmental Site Assessment

Appendix F: Cost Analysis for the Removal and Replacement of Existing Asbestos Containing Materials



NORRISTOWN STATE HOSPITAL
Land Planner Feasibility Study
MARCH 2019