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**INLET COMMUNITY REDEVELOPMENT
A BALANCED RESIDENTIAL COMMUNITY
CONCEPT
AND
STRATEGY
FOR
REINVESTMENT**

ATLANTIC CITY, NEW JERSEY

OCTOBER 1983

**Prepared for
NEW JERSEY
CASINO CONTROL COMMISSION**

**By
AMERICAN CITY CORPORATION
COLUMBIA, MARYLAND**

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THE APPENDICES ARE BOUND IN A SEPARATE VOLUME.

NOTE

North, south, east and west in this report do not coincide with the magnetic compass points. North-south directions follow Maine Avenue and east-west directions follow Atlantic and Melrose Avenues.

Chapter 1: THE ASSIGNMENT

PURPOSES AND RATIONALE

In November 1976, the people of the State of New Jersey passed a constitutional referendum legalizing casino gaming in Atlantic City. Legalized gaming was to be a stimulus for overall economic revitalization of Atlantic City and the South Jersey regional economy. In June 1977, when the New Jersey Legislature passed the Casino Control Act, it declared that "...legalized casino gaming has been approved by the citizens of New Jersey as a unique tool of urban redevelopment for Atlantic City." The legislative intent of the Act was to provide for "...the introduction of a limited number of casino rooms in major hotel convention complexes ..."and to"...facilitate the redevelopment of existing blighted areas and the refurbishing and expansion of existing hotel, convention, tourist, and entertainment facilities, ..."as well as to"...attract new investment capital to New Jersey in general and Atlantic City in particular." N.J.S.A. 5:12-1(b)(4).

The first casino approved under the new law opened in May, 1978. By June 1981, a total of seven new casino hotels were operating in Atlantic City, with two more to open by the end of the year. During this period, little new investment or development occurred outside of the casino districts.

In July, 1981, the Atlantic City Congress of Community Organizations initiated action through the Public Advocate of the State of New Jersey to take appropriate steps to see that the promise of overall community revitalization be carried out. The Public Advocate, on behalf of the Congress, petitioned the Casino Control Commission to take appropriate actions necessary to formulate rules and regulations for the participation of the casino industry in funding low- and moderate-income housing in the Atlantic City area. The petition cited a "...severe housing crisis in the Atlantic City region, particularly in Atlantic City's Inlet area (and) the lack of affordable housing being produced in the City and region...".

In considering the Advocate's petition, the Casino Control Commission resolved to, "...contract with the appropriate professionals to conduct a study of the housing issues facing Atlantic City and its region and to analyze the overall housing need and demand stimulated by the Casino industry." After reviewing the qualifications and proposals of 18 consulting firms, the Commission selected the American City Corporation (ACC) to conduct the study and entered into a contract with ACC in April 1982. The ACC contract calls for the preparation of "...an action strategy that is both development-oriented and program-oriented, defining housing needs by type, location, income requirements and financial prospects, designed to permit implementation by the responsible institutions, and to prepare a profile of physical, economic, and social conditions precedent to the creation of a housing development program and related support systems including transportation, retail, employment and associated community needs."

METHODOLOGY AND PROCESS

In carrying out the assignment, ACC employed four basic work steps: 1) analysis of existing studies; 2) interviews with public officials, professional specialists and community leaders; 3) primary research; and 4) consultation and review with the community. The following describes each step:

1. Analysis of Existing Studies

Approximately 50 studies were assembled with the assistance of the Casino Control Commission, and several City, County, and other State agencies. A partial list is contained in the document prepared for the Commission in July 1982, entitled Atlantic City, New Jersey Resource File (Appendix 1.1). The Atlantic City Master Plan, completed and adopted by City Council in 1978, was given especially thorough review, as were the City's Zoning Ordinance and the State's Coastal Area Facility Review Act (CAFRA). Throughout the study period, ACC continued to seek out the results of major studies underway. Of special importance have been the

Market Analysis and Project Evaluation for Market Rate Rental Projects, Atlantic City, New Jersey (a 1982 rental housing market study) commissioned by the Atlantic County Improvement Authority (ACIA), Casino Hotel Employee Housing Needs Survey (1981) prepared by the Atlantic County Division of Planning and the Casino-Hotel and Public Employees Housing Needs Survey - 1982 coordinated by the New Jersey Casino Control Commission and the Atlantic County Division of Planning. Special attention was given to the review of numerous previously completed housing studies and redevelopment proposals.

2. Interviews with Public Officials, Professional Specialists and Community Leaders

From the outset, ACC conducted interviews with individuals selected for their experience, position, and special knowledge in public policy, housing, and local community issues. A list of those individuals interviewed can be found in Appendix 1.2. Within the first 100 work days, ACC completed more than 100 such interviews, producing a cross section of views and sources of information on current and emerging issues related to housing in Atlantic City and County. In addition, these interviews gave ACC insights into the dynamics of social, economic, and political groups and actions which could directly impact housing programs in Atlantic City. Further interviews were conducted throughout the study period, primarily to validate data received, identify information gaps, and test, informally and unofficially, emerging findings and preliminary development concepts.

3. Primary Research

ACC conducted research in the following four areas: site evaluation and selection; market analysis; land use and development analysis; and financial analysis. The following describes each research area:

- Site Evaluation and Selection

ACC used a two-step process to identify the site to target residential development and redevelopment. The first step involved identifying potential sites; then several evaluation criteria were applied to those sites. Using City records on land conditions, ownership patterns and transactions, zoning, and topographical conditions, along with information obtained through the interview process, the following five locations were selected for on-site analysis for their residential development potential:

- . Great Island: A large site on Route 40 that has a vacant retail center. In 1983, a casino hotel was proposed for this location.
- . Bader Field: A 142-acre peninsula bounded by Inside Thoroughfare, Beach Thoroughfare and Route 40 (Albany Avenue), that currently serves as the City's airport. The Atlantic City Board of Education maintains athletic fields on a 23-acre southern portion of this site.
- . Landfill Site: An intensive area of mostly filled land, containing some municipal uses such as a garage and storage area, bounded by Penrose Canal, Clam Thoroughfare and Maryland and Huron Avenues.
- . Uptown Urban Renewal Site: 56 acres of cleared land, adjacent to Resorts International Hotel and Casino. Resorts has entered into an agreement with the Atlantic City Housing Authority and Urban Redevelopment Agency to develop the area for hotel, entertainment and housing uses. Most recently, a new convention facility has been proposed for this site.
- . The Inlet: A 310-acre, older but blighted residential area, at the City's easternmost end. For purposes of this study, the Inlet was defined as being bounded by Clam Creek, Absecon Inlet, the Atlantic Ocean, Connecticut Avenue to Melrose Avenue, Melrose to Absecon Boulevard, Absecon to Maryland Avenue and Maryland to Clam Creek.

The following guidelines were used in evaluating each specific site:

- . Need - The area must clearly have serious housing needs;
- . Feasibility - Housing development must be viewed as a feasible use for the area;
- . Acceptability - Given a clear need and rational plan, there should be a constituency available to review and react to the proposed strategy;
- . Marketability - The site must be attractive to developers and investors; and
- . Land Acquisition - There must be a reasonable expectation that the site could be acquired for development.

In analyzing each of the five sites against the six evaluation criteria just described, it was found that each location met each of the evaluation criteria to a greater or lesser extent. Recognizing that each area carried certain advantages and disadvantages for residential development, the Inlet Community, the only area which contained any significant residential development at the time of evaluation, was selected in the summer of 1982 as the best area for residential development and redevelopment.

- **Market Analysis**

The extent and elements of market support for housing in the Inlet area were analyzed by techniques currently accepted by the housing development industry. The market area was defined and described. Demographic and household trends and characteristics were identified, measured and analyzed. Such trends included: population and employment trends; household formation and size; household incomes; existing housing inventory;

and demolitions. Eighteen housing developments in Atlantic City and County were analyzed on-site for housing types, units sold and pace of sales, bedroom mix, unit size and other relevant factors. Fifteen housing development proposals were analyzed for similar categories of data. Population projections from City, County and State sources were compared. Employment and other economic conditions and projections were analyzed. The 1981 and 1982 housing preference surveys were analyzed and compared to County-wide demographic characteristics. The 1982 survey was used to refine housing demand projections and to develop the Inlet housing program.

- Land Use and Development Analysis

This work step entailed the greatest allocation of time and effort. Seven categories of community land use and development actions were analyzed. They are:

- (1) Property Conditions: Color photographs of block faces for 130 blocks of housing and other land uses were taken by staff of the Commission and assembled for analysis. This constitutes the most complete pictorial record of structural facades and open land areas available for any area in the city. On-site analysis of every block has supplemented the pictorial analysis. Historical photos were also reviewed.
- (2) Property Ownership: Major landholders in every block have been analyzed and recorded. Price patterns also have been analyzed. Results of house-by-house surveys have been obtained from the City.
- (3) Infrastructure: Existing conditions and problems were reviewed with the City Engineer, the Director of the Municipal Utilities Authority and the Chairman of the Board and President of the Atlantic City Sewerage Co. for current conditions and impacts on proposed development.
- (4) Rehabilitation Potential: Opportunities and constraints for the renovation of existing housing has been made with the involvement of local owners and residents. The City

Building Inspector and several rehabilitation developers and contractors were consulted.

(5) Ancillary Land Uses: Non-housing uses were located, described, and evaluated as prospective components to be retained, eliminated or revised. Major non-housing uses examined were:

- . Commercial and recreational fishing activities, sites and related structures and infrastructures;
- . Boat repairs, storage and other boating related uses currently located in the study area;
- . Existing retail uses, especially along Atlantic, Maine and Melrose Avenues;
- . Public Structures such as Melrose Avenue Firehouse and Massachusetts Avenue School; and
- . Community Facilities such as Absecon Lighthouse and Lighthouse Park, the Boardwalk along Maine Avenue, Maritime Park, Uptown Park and Altman Field.

(6) Special Environmental Features: The obvious focus of attention in this category of analysis are those features related directly to waterfront development -- Absecon Inlet and the edges of Delta Basin, Gardener's Basin, Snug Harbor and Clam Creek. Tidal and storm flooding was reviewed with the City Engineer, residents and real estate specialists. The New Jersey State Department of Environmental Protection was consulted, especially CAFRA, to evaluate constraints to be observed in preparing a housing strategy.

(7) Special Community Factors: Community organizational activities, crime incidence, employment patterns, the role of the Uptown School Complex and other characteristics indigenous to the study area were analyzed for their relevance to a future housing strategy.

- Financial Analysis

ACC analyzed both the public and private investment responsibilities needed to realize the Inlet Community Redevelopment Plan. First, ACC established land costs by analyzing recent sales in the Inlet and construction costs for Atlantic City, by reviewing national cost estimating sources and, where feasible, by checking these assumptions locally. Then, ACC tested the feasibility of building/renovating and selling 16 housing choices covering a variety of types and all price ranges in the Atlantic City market. In some instances, the cost of building a unit was more than a buyer could afford and the amount of a sales price gap was identified. Analysis of eliminating the sales price gap, and thus making the units affordable, included reducing land costs and construction interest rates. Other residential investments such as renovation of occupied units and relocation of residents that are displaced were also analyzed.

Community facilities and services, parks and recreation, commercial development and public improvements to support the housing component of the plan were costed separately by project. Finally, possible local, State, federal and private funding sources were identified for the public sector costs.

4. Community Consultation and Review

ACC conducted a community consultation and review process throughout the duration of the assignment. The major constituent sectors of the community include the incumbent residential community, the business community, the casino industry, public agencies and officials and the public at large. During the initial stages of ACC's work, this process took the form of interviews with leaders and professionals from each interest group as described previously. As the results of the first nine months of ACC's research began to

take shape, participation of the constituent sectors of the community emerged into the form of the Atlantic City Task Force on Housing and Community Development.

Through the Task Force, an extensive review was conducted by presentations of the development concept outlined in this report. Every reasonable effort was made to inform all sectors of the community about, and solicit responses to, the development concept. More than 1,000 individuals attended these presentations. Individual reaction forms were distributed and tabulated as shown in Appendix 1.3. Suggestions were received and evaluated, some of which resulted in revisions of specific elements in land use and strategy proposals. ACC is deeply indebted to all who participated in this process, but assumes full responsibility for the specific proposals, findings and recommendations contained in this report.

Community interests in Atlantic City can be examined in the following major categories: 1) the incumbent residential community; 2) the business community; 3) the casino industry; 4) public agencies and officials; and 5) the general public. Relevant characteristics of each of these constituent sectors of the community include:

- (1) The Incumbent Residential Community. The interests of local residents, particularly neighborhood interests are largely represented by the Atlantic City Congress of Community Organizations and its 32-member organizations. The Congress was largely responsible for creating the initiative which led to the preparation of the development program contained in this report. Through the efforts of the Congress, the development concept was presented to the following local groups:

The Board of the Congress
Bungalow Park Civic Association
Chelsea Neighborhood Association
First Ward Civic Association

Latin Organization of Atlantic City
NAACP - Atlantic City Chapter
Uptown Action Council
Venice Park Civic Association

Residential and neighborhood interests not represented by the Congress also contributed to the community consultation and review process. These include the Inlet Homeowners Association, the Eastern Service Workers Association and various unaffiliated community residents.

- (2) The Business Community. Business interests have been consulted and informed through group presentations and interviews with selected individuals. Among those groups to whom presentations were made are the:

Atlantic City Chamber of Commerce
Atlantic City Women's Chamber of Commerce
Atlantic City Merchants Association
Atlantic City Board of Realtors
Atlantic City Jaycees

- (3) The Casino Industry. In addition to the several meetings with the staff of the Casino Hotel Association held early in the interview stage of the consultation and review process, presentations have been made to the executives of all nine of the currently operating casinos.

- (4) The Public Agencies and Officials. This sector has been at the heart of the consultation and review process. Among the public agencies with whom ACC has consulted are:

City Council of Atlantic City
City of Atlantic City Departments and Officials
(particularly Building, Public Works, Planning and
Community Development and Revenue and Finance)
Atlantic City Board of Education
Atlantic City Convention and Visitors Bureau

Atlantic City Housing Authority and Urban Redevelopment
Agency
Atlantic City Municipal Utilities Authority
Atlantic City Sewerage Company
Atlantic County Improvement Authority (ACIA)
New Jersey Department of Community Affairs
New Jersey Department of Environmental Protection
New Jersey Department of the Public Advocate

- (5) The General Public. The public has been informed through news articles appearing in The Press, Atlantic City Magazine, The Sun, three local radio stations, who gave substantial air time to interviews and call-in question periods; a state TV program; and articles in the New York Times, the Newark Star-Ledger, the Philadelphia Inquirer, the Wall Street Journal as well as various other newspapers around the State.

The Atlantic City Task Force on Housing and Community Development was convened by the Casino Control Commission and the City and chaired by Commissioner Don Thomas and Mayor Michael Matthews. The twenty-member Task Force included leaders and officials representing all constituent sectors of the community with interest and expertise in housing, community development, the environment, law, education, labor, banking, media and government. The full list of Task Force members can be found in Appendix 1.4.

The Task Force was convened on December 3, 1982. An in-depth orientation was held in Columbia, Maryland, December 20-21, 1982. Additional briefings for State representatives were held in Trenton on January 5, 1983. Meetings to review and monitor the community consultation process and substantive work sessions always drew greater than 80 percent attendance, and were held on:

January 27, 1983
February 25, 1983
March 24, 1983
April 28, 1983
May 23, 1983
August 30, 1983

The Task Force was divided into four subcommittees for the purpose of conducting an in-depth review of the four major components on Finance, Land Use and Zoning, Relocation and the Development Entity. Each subcommittee received and reviewed ACC's proposals relating to their respective areas. From these materials, findings and recommendations were prepared and presented by each subcommittee to the full Task Force for review and action.

On March 24, 1983, after thorough review, the Task Force adopted the Findings and Recommendations which became the basis for completing the consultation and review process (Appendix 1.5). Subsequently, at its meeting on May 23, the Task Force appointed four incorporators to establish the proposed Inlet Community Development Corporation. At the time of this writing, the development corporation is being formed.

Chapter 2: REGIONAL AND GREATER COMMUNITY CONTEXT

PHYSICAL ATTRIBUTES

Always An Island

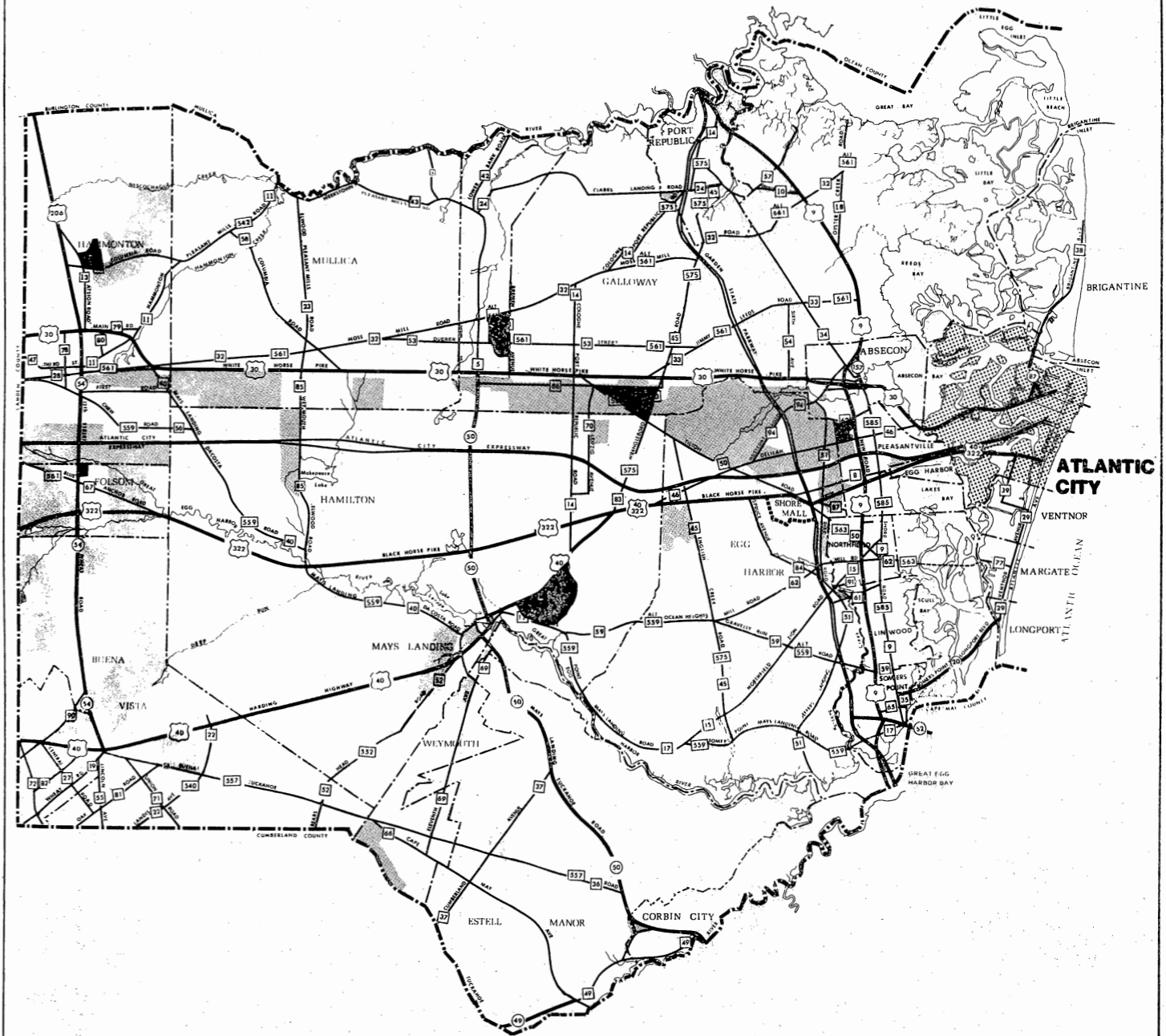
Atlantic City along with her smaller sister communities of Ventnor, Margate and Longport is situated on Absecon Island, a barrier island faced with a superb beach on the Atlantic Ocean side. "Absecon" was derived from the Algonquin Indian words "abse" and "gami" which means "little water" and was first applied to the bay separating the island and the mainland. Today, although there is an Absecon Bay, much of the area to the north between the island and the mainland is tidal wetlands. The island is seven miles long and at its widest point is 1.70 miles (see Figure 2.1). At the east end of the island is the Absecon Inlet and on the west is the Great Egg Harbor Inlet. The island's topography is flat and virtually all areas are below the 100-year flood level of ten feet mean sea level (MSL).

Atlantic City covers almost four miles of the eastern section of the island. The City, within its corporate limits, encompasses 7,640 acres or 11.94 square miles. Approximately one-third of the City or about 2,500 acres is buildable land with the remainder covered by waterways and tidal wetlands. By contrast, Atlantic County is 609.97 square miles in area of which 44.78 square miles are under water.

Atlantic City's beach is 4.31 miles long. Approximately 3.41 miles of it are sandy, and 0.83 miles at the Absecon Inlet have eroded, some of which has eroded so severely that no beach remains. There are approximately 11.25 miles of inland waterways around Atlantic City's urbanized area, and mooring basins comprise 3.33 miles.*

The area's continental climate is made more temperate by the ocean. The prevailing winds are from the east-southeast during the winter months and from the south-southwest during the summer months. Sea breezes

* Atlantic City Master Plan, Section II, page 3.



ATLANTIC CITY, NEW JERSEY
FIGURE 2.1
ATLANTIC CITY AND COUNTY



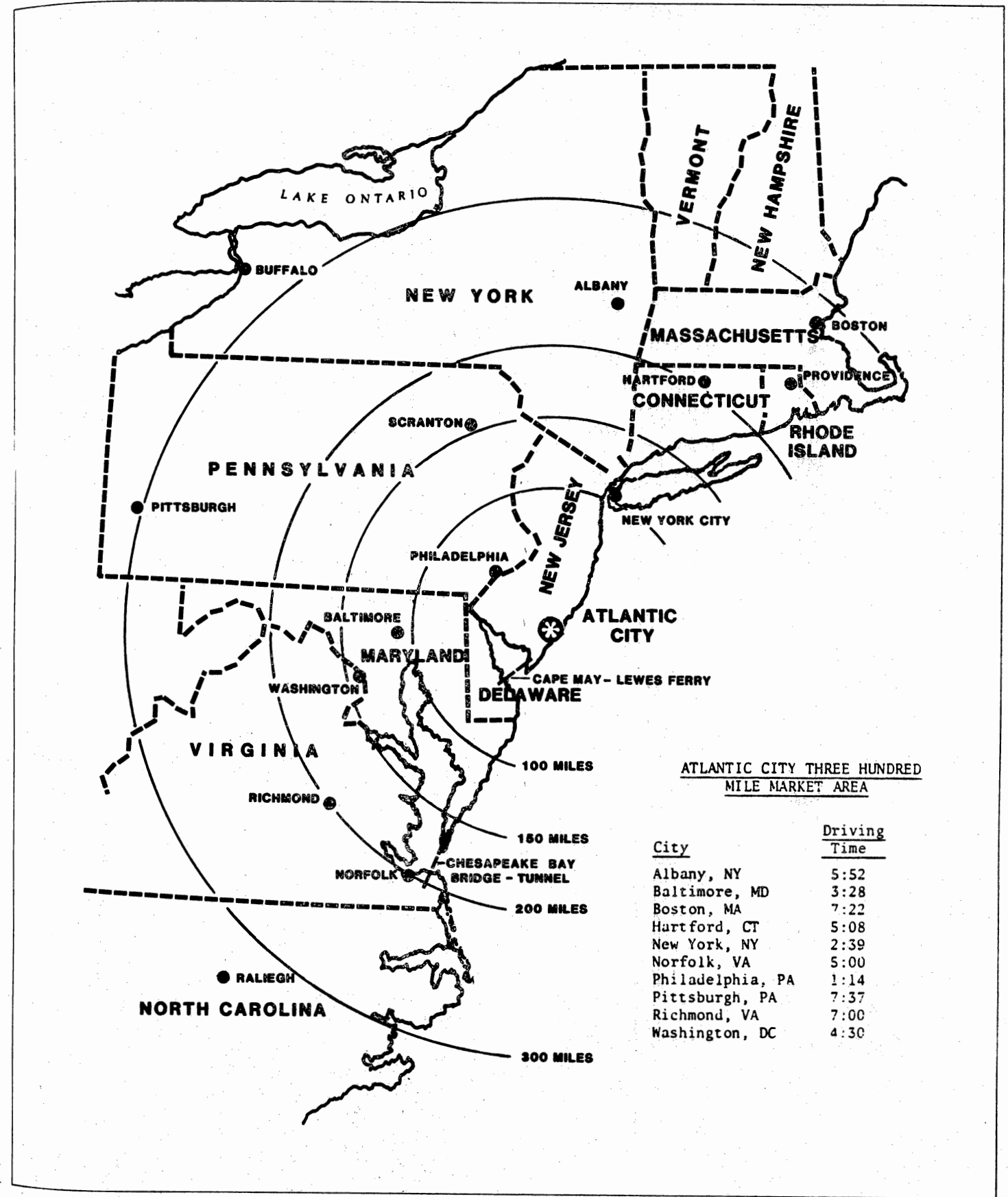
usually prevail keeping the summer weather mild and preventing excessive heat. Temperatures of 90°F. or higher normally occur only three or four times a year. Winter coastal temperatures, though considerably more moderate than those of inland areas, are cold. The weather remains comparatively mild late into autumn and, conversely, stays cool well into summer. Normal ocean temperatures range from 37°F. in January to 78°F. in August.

It should not be forgotten that Atlantic City is an island community. Planning and development should take advantage of the island's assets -- beach and more temperate climate -- and must deal with the island's inherent problems -- high water table and flooding.

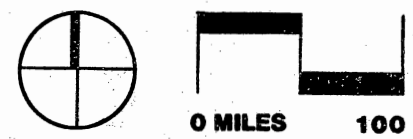
Location and Access

Atlantic City is near many densely populated metropolitan areas, extending from Washington D.C., on the south, to New York City on the north (see Figure 2.2). The City's close-in market support comes from within 100 miles, and this area has a population of more than 13 million people. The primary area from which Atlantic City draws visitors extends for roughly 300 miles and encompasses a population of more than 50 million people. Visitors are also attracted to Atlantic City from other parts of the country. However, in this secondary visitor market, Atlantic City is competing with other destination resorts, particularly with Las Vegas.

Within the primary visitation area, Atlantic City is easily reached by automobile or bus. From the north, major Interstate highways (I-95, I-87, and I-84) and throughways connect with the Garden State Parkway southbound. U.S. 30, U.S. 40/322 and the Atlantic City Expressway are the connecting roads from the Parkway to Atlantic City. From the west, via Philadelphia, the Atlantic City Expressway is the best route. And from points south, I-95 and U.S. 40 from the Baltimore/Washington area or U.S. 13 and U.S. 9 via the Cape May-Lewes Ferry from the Norfolk area bring visitors to Atlantic City. By car or bus, Atlantic City is 2.5 hours from New York City and 4.5 hours from Washington, D.C.



ATLANTIC CITY, NEW JERSEY
FIGURE 2.2
ATLANTIC CITY LOCATION MAP



By air, most major carriers have flights to Philadelphia International Airport with connections to Atlantic City via flights, limousine, bus or rental car. There are also direct daily flights from Atlantic City to Washington, D.C. (National), New York (JFK), Trenton/Princeton and Wildwood/Cape May. Additional carriers are anticipating commuter and non-stop jet service to Atlantic City's Bader Field. Although Pomona Airport has not until recently been used for commercial air service other than charters, the facility, a large FAA technical center only 13 miles northwest of the City off U.S. 30, represents a potentially very valuable City asset. Rail service operated until recently between Atlantic City and Philadelphia, and although resumption of that service has been proposed, no rail service is currently available to Atlantic City.

HISTORICAL PERSPECTIVE

A Planned Resort

The countless thousands of Philadelphians and New Yorkers were not the first to summer along the New Jersey Shore. Indians from the interior river and creek areas from the Delaware River and the northern New Jersey river watersheds visited the New Jersey Shore and Absecon Island generations before them.* The Indians gave up all title to the island by a deed in 1667 to the "Proprietors of West Jersey." Thomas Budd was the first individual land owner on the island by a deed executed in 1695, and Jeremiah Leeds was the first to permanently reside on the island in 1783.

Dr. Jonathan Pitney, an Absecon Village doctor, dreamed of the nearby Absecon Island as a resort as early as 1820, but he also believed that a key ingredient for its success was rail transportation to it. In 1852, he and a partner obtained a charter from the New Jersey Legislature for

* Harold F. Wilson, The Jersey Shore, pages 41-43

a new rail line from Camden to Absecon Island. Their dream was to create a resort catering to Philadelphia's working people.

On July 1, 1854, the first train arrived in Atlantic City, which then had a population of 100 and a building inventory of 25 houses, two hotels and two more hotels nearing completion. The community, which was incorporated on March 3, 1854, was staked out according to a grid street plan for maximum profit from land sales.* Pitney and his partner were able to acquire through various entities 1,000 acres of land at an average price of \$10 per acre. Soon after completion of the railroad, the same land was worth \$100 to \$300 per acre, and by 1900, when Atlantic City was a premier resort, it was selling for \$500 to \$800 per front foot.

For its first ten years, Atlantic City was still essentially a village. Its competition came from Cape May before the Civil War (which principally catered to wealthy Philadelphians and Southerners), and from Long Branch after the Civil War. In 1864, the City's permanent population was 500, and its summer population was just short of 10,000. High tides flooded the streets, cattle roamed at large and mosquitoes abounded. The Absecon Lighthouse, which was erected in 1856, was the only building

* Eventually, almost all main streets, running the length of the City were named for oceans and seas: Pacific, Atlantic, Arctic, Baltic and Mediterranean. The cross streets were, with some minor exceptions, named for states. In general, because the state of Maine is at the northeast section of the map of the United States, Maine Avenue can be found at the northeast section of Atlantic City, as the first street. Similarly, at the opposite end of the City, such states as Florida and California can be found. Logically, mid-town has such streets as the Carolinas, Pennsylvania, New York and Arkansas. All streets were numbered in blocks of hundreds. Maine Avenue is the 100-block and progresses for 48 blocks to 4800 at Jackson Avenue. Cross streets, too, are in blocks of hundreds, with Atlantic Avenue being the dividing street between designating a street north or south.

on the Island over four stories. There were no permanent structures on the beach, not even bath houses, until 1870.

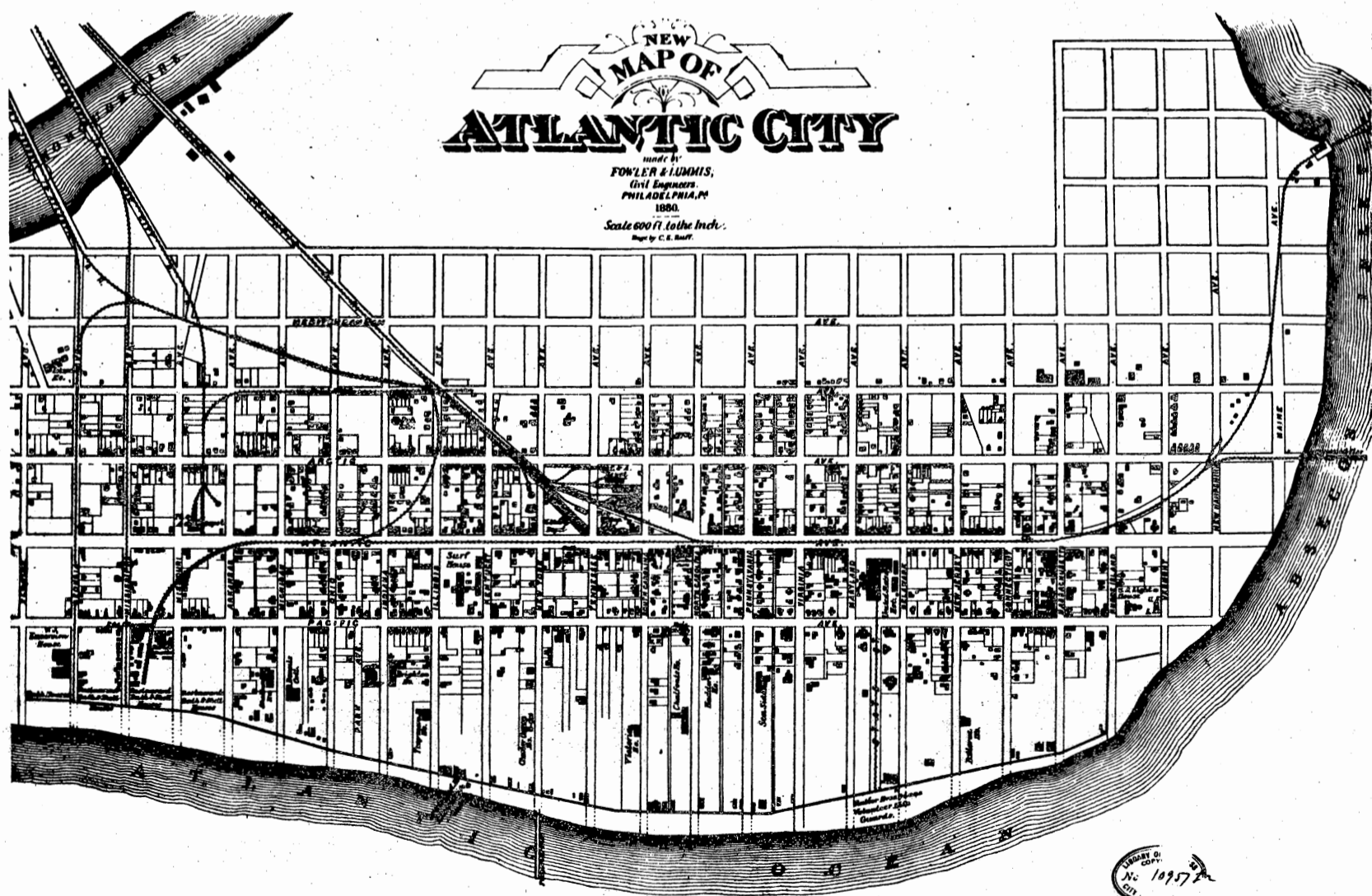
The Queen of Resorts

The growth of Atlantic City accelerated after 1870 based on the railroad with the most intense development taking place between 1875 and 1910. The first direct rail connection to New York City was completed in 1880 (Figure 2.3). Travel time between Philadelphia and Atlantic City was reduced to 1-1/2 hours in 1880 and to 68 minutes in 1890. Each reduction greatly increased the transient population. The hotel industry prospered.

The first Boardwalk, constructed in 1870, was assembled in portable 8-foot sections, served mainly as a walkway over areas of mosquito marsh and soft sand, and prevented strollers from tracking sand back with them from their walks on the beach. It was an immediate success and was heralded as a great attraction. At this time, there were no thoughts of using the Boardwalk as a business thoroughfare. In fact, buildings at first were prohibited within 30 feet of it.

Patronage of the Boardwalk grew rapidly, and a larger and wider Boardwalk was constructed in 1880. By 1883, it had become the principal commercial street, the most prestigious hotel location, and the amusement, entertainment and exhibit center for the City. Promotion and wide-spread publicity of the Boardwalk attractions and "firsts" brought more and more residents, visitors and investors into the City. The first public amusement pier was constructed in 1882, and every few years until 1912 a new ocean pier provided more space for amusement and new attractions. Atlantic City was a monument to the pursuit of pleasure in America; it was the Queen of Resorts.

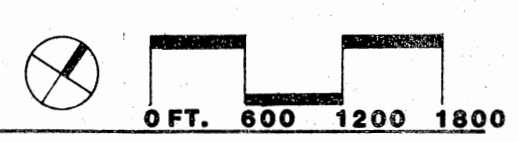
By 1910, the years of accelerated expansion were over. Other modes of transportation started infringing on the railroad's monopoly. Atlantic City was no longer the terminus of a unique rail system. As travel by



ATLANTIC CITY, NEW JERSEY

FIGURE 2.3
 ATLANTIC CITY AROUND 1880

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air and automobile increased, new leisure time possibilities and resort areas opened elsewhere in the country.

Beginning in 1900, Atlantic City's convention industry started to take on more importance in the local economy. To remain competitive, Atlantic City completed its Convention Hall on the Boardwalk in 1929. As it turned out, the hall was built at the City's zenith. Then the Great Depression hit, and the City faltered, only to be revived briefly during and shortly after World War II. As with many other Eastern cities in the 1950s and 1960s, middle and upper income families moved out, lower income families moved in and population declined (Figure 2.4). Attempts were made at revival such as with the large West Hall addition in 1971 to the original Convention Hall, but the City, the beach, the Boardwalk and hotels were not competitive with new facilities being developed elsewhere.

Figure 2.4
ATLANTIC CITY POPULATION

1920	50,682
1930	66,198
1940	64,094
1950	61,642
1960	59,544
1970	47,859
1980	40,199

SOURCE: U.S. Bureau of the Census.

Advent of Casino Gambling

In 1974, the voters of New Jersey rejected by more than 400,000 votes, a referendum to allow privately-run casinos anywhere in the State. Casino proponents then rewrote the referendum to permit casinos only in Atlantic City. The New Jersey voters approved the revised referendum on November 2, 1976, and the Legislature followed with the Casino Control Act of 1977, which established the Casino Control Commission and defined standards for casino development and operation.

On May 26, 1978, the first casino opened on the Boardwalk. Since then, seven other casinos have opened along the Boardwalk. A ninth casino is located near the Farley State Marina along Brigantine Boulevard, where three others are now planned.

Figure 2.5
ATLANTIC CITY CASINO OPENINGS

1. Resorts International - May 26, 1978
2. Casesar's Boardwalk Regency - June 26, 1979
3. Bally's Park Place - December 29, 1979
4. The Sands
(formerly The Brighton) - August 11, 1980
5. Harrah's Marina - November 23, 1980
6. Golden Nugget - December 12, 1980
7. Playboy - Elsinore - April 14, 1981
8. Claridge - July 23, 1981
9. Tropicana - November 26, 1981

SOURCE: Casino Control Commission.

Despite these new and other planned developments, large areas of the City still contain many underutilized and substandard structures. Most of the City's housing is more than 40 years old. Infrastructure improvements are needed. For example, the Missouri Avenue water main adjacent to the Atlantic City Expressway is unlined cast iron installed in the early 1900's.* Conditions in the Inlet are more specifically discussed in Chapter 4.

* Kupper Associates, Comprehensive Water Supply Plan, 1980, p. 3.6.

ATLANTIC CITY ECONOMY

Population Trends

The population of Atlantic City compared to Atlantic County has declined between 1960 and 1980 in both absolute and relative terms.

Figure 2.6
POPULATION TRENDS
ATLANTIC CITY AND COUNTY

	1960	1970	1980	Percent Change 1970-1980
Atlantic City	59,544	47,859	40,199	-16.0%
Balance of County	101,336	127,184	153,920	21.0%
Atlantic County Total	160,880	175,043	194,119	10.9%
Percentage of County in City	37%	27%	21%	-

SOURCE: U.S. Bureau of the Census.

The overall population of Atlantic County grew by 8.8 percent between 1960 and 1970, and by 10.9 percent between 1970 and 1980. The population in Atlantic City declined by 19.6 percent in the 1960's, and by another 16 percent in the 1970's. As a result, the share of the County's population in the City decreased from 37 percent in 1960 to 21 percent in 1980. During the 1970's, the balance of the County grew by 21 percent, fed by both City residents and a increase of births over deaths. By comparison in the 1970's, U. S. cities overall grew by 11.9 percent and New Jersey cities grew by 2.9 percent.

Populations in both the City and the County became younger during the 1970's. The median age in the County dropped from 34.8 years in 1970 to 33.1 years in 1980, while the median age in the City dropped from 43.3 to 38.9 years. The drop in the City's median age was due primarily to a decrease in the number of elderly. The decline in the County was at

least partially the result of the relatively younger casino-hotel employees who have recently moved there.

Figure 2.7
PERCENTAGE AGE DISTRIBUTION
1970-1980

Age Group	1970		1980	
	County	City	County	City
Under 25	40%	34%	38%	36%
25-34	10%	8%	15%	12%
35-44	11%	9%	10%	8%
45-64	23%	24%	21%	21%
65 and Over	16%	25%	16%	23%

SOURCE: U.S. Bureau of the Census.

The population between 25-34 years in age increased from 10 percent to 15 percent of the County, and 8 percent to 12 percent of the City. The 25-34 age group is typically the most active in household formation and first home purchases.

Evidence that casino-hotel employees tend to be more concentrated in the 25-34 age bracket than the overall County labor force, can be seen in the 1981 and 1982 surveys of casino-hotel employees, both of which are summarized in Figure 2.8.

Figure 2.8
AGE DISTRIBUTION OF CASINO-HOTEL
EMPLOYEES AND COUNTY LABOR FORCE

Age Group	1980 County Labor Force	Casino-Hotel Employees	
		1981 Survey	1982 Survey
Under 25	21.6%	20.3%	18.9%
25-34	18.5%	38.2%	41.1%
35-44	18.5%	18.7%	20.7%
45-64	32.0%	21.2%	15.8%
64 and Above	9.4%	1.6%	3.5%
	100.0%	100.0%	100.0%

SOURCE: Casino-Hotel Employee Housing Needs Surveys, 1981, 1982.

As Atlantic City population declined, there was a shift in the racial composition of the City's population. Minorities comprised 36 percent of the 1960 permanent population; 45 percent of the 1970 population; and 53 percent of the 1980 population.

Employment Trends

Changes in the employment structure of the County are presented in Figure 2.9 for the periods immediately preceding (1975) and following (1978, 1981 and 1982) the introduction of the casino industry to Atlantic City.

Figure 2.9
ATLANTIC COUNTY
NON-FARM WAGE AND SALARY EMPLOYMENT
1975-1982

	1975	1978*	1981	1982	Average Annual Change 1975-78	Average Annual Change 1978-81	Average Annual Change 1981-82
Manufacturing	8,500	8,500	8,200	7,300	0.0%	-1.2%	-11.0%
Construction	2,800	3,400	5,500	4,000	6.7%	17.4%	-27.3%
Transportation/Utilities	3,300	3,500	4,000	4,500	2.0%	4.6%	12.5%
Trades	17,400	19,300	19,500	19,200	3.5%	.3%	-1.5%
Finc./Ins./Real Estate	4,100	4,400	5,000	4,800	2.4%	4.4%	-4.0%
Services	14,900	17,100	41,100	44,800	4.7%	34.0%	9.0%
Government	13,300	15,500	16,200	16,600	5.2%	1.5%	2.5%
Total	64,300	71,700	99,500	101,200	3.7%	11.5%	1.7%

* First casino opens.

SOURCE: New Jersey Department of Labor.

Employment in Atlantic County has increased since the advent of casino gambling in Atlantic City in 1978. Total employment increased annually by 3.7 percent between 1975 and 1978. The annual growth rate increased to 11.5 percent between 1978 and 1981. During this same period, New Jersey employment decreased by 0.7 percent and total U. S. employment

increased by 5.2 percent.* Employment growth in Atlantic County subsided by 1982, reflecting general economic conditions both in the State and the nation.

The service sector, which includes casino hotel employees, has seen the largest increases in both the number and percentage of new jobs since 1978. Service employees grew annually by about 5 percent prior to the legalization of casino gambling. The rate increased to 34 percent between 1978 and 1981. In spite of the recession of 1982, County service sector employment grew by 9 percent last year.

Employment in the construction category also increased rapidly after 1978. The sudden decrease in construction employment in 1982 was clearly due to the slowdown in casino construction.

Moderate increases occurred in the average annual growth of the Transportation/Utilities and Finance/Insurance/Real Estate categories prior to 1981. The annual rate of growth of the government sector fell during the same period. Employment in the trades categories has remained essentially constant since 1978. Manufacturing, which was stable between 1975 and 1978, began declining between 1978 and 1981, with a significant loss between 1981 and 1982. Thus, while there have been losses in other industrial sectors, the casino industry has produced an overall positive growth in employment which exceeds State and national levels.

Other Trends

In 1977, Atlantic City drew fewer than 5 million visitors. Last year, four years after the first casino opened, it registered 23 million

* SOURCE: N. J. Department of Labor and U. S. Bureau of Census.

visitors, more than any other U.S. resort. Most of these visitors were day-trippers arriving by auto or chartered bus.* Over \$2.5 billion in new casino/convention hotel construction has been invested in Atlantic City since 1978. Below are recent development highlights that have added or will add to Atlantic City's commercial investment:

- Harrah's Boardwalk Hotel-Casino At Trump Plaza, estimated at \$200 million, is under construction next to Convention Hall and is expected to employ between 3000 and 3500 when completed in the Spring of 1984.
- Sands Hotel-Casino has proposed \$26 million in renovations which were scheduled to begin in September 1983 and be completed by Memorial Day weekend 1984. The renovations include increasing the size of the casino floor, several new fast food eateries, two new restaurants, several gift shops, a bus lounge and a new 21st floor to the hotel.
- Ocean One Mall has completed \$40 million worth of construction at the site of the former Million Dollar Pier, Arkansas and the Boardwalk. The 240,000 sq. ft. complex, containing 130 retail shops and restaurants, is projected to create 750 new full-time jobs when fully leased.
- Hilton Hotels Corporation began construction in June 1983 of a \$250-\$270 million casino-hotel in the Marina District. The project is expected to be completed by the summer of 1985.
- Caesar's Boardwalk Regency is presently undergoing \$10-\$13 million of facade renovations. Expansion plans call for \$70 million of construction which will increase the size of the casino floor and add a multi-purpose room and two new restaurants.
- Resorts International, Inc. plans to move forward with its new development on the uptown urban renewal tract, now that title problems have been resolved. Due to start by October 1983, is a proposed \$200 million, 1,000-room hotel with a casino.
- Golden Nugget has recently purchased the MGM tract in the Marina District and has announced plans to build a casino there.

* Atlantic County Division of Economic Development Growth Trends Report, First Quarter 1983, and The Washington Post, June 16 1983, p. C-15.

- Bally's proposed \$8.5 million expansion plan is expected to be constructed by Memorial Day weekend 1984. The work is to include a new health club, new and renovated retail space, a food arcade, game area and the renovation of 200 hotel rooms.

Since casino gaming, Atlantic City's tax base has increased from \$306.4 million to \$1,528.1 million in 1982. Total luxury tax receipts, a major portion of which are dedicated to redevelopment programs in Atlantic City, have progressively risen since 1978 from \$3,668,200 to \$8,216,700 in 1982.

The seasonal unemployment swings that have always plagued the local economy have not gone away, but since casino gambling, the seasonal swings in unemployment claims have become less severe.*

* Thomas P. Hamer, Business Review Federal Reserve Bank of Philadelphia, January-February, 1982, page 12.

Chapter 3: MARKET ANALYSIS

INTRODUCTION

A market analysis only defines the needs of certain groups of people. It is not a road map for development. With it, both public and private decision makers are better able to gauge the kind, size, scope and timing of a project. Hopefully, Inlet developers will then be able to build a more competitive product, and Atlantic City and the Inlet Community will be able to redevelop more readily.

The previous chapter, which outlined the general characteristics of the area such as population, income and economic climate, set the stage for this market analysis. Although the Inlet will contain residential, retail, office and public uses, the primary focus of this chapter is on the housing market to define its key demand and supply factors as well as to project future demand for the housing development program. The full market analysis is included as Appendix 3.1 of this report.

HOUSING MARKET AREAS

The first step in a market analysis is to define an approximate area within which housing choices are made. The primary market area for this study is the County of Atlantic (Figure 2.1). Over three-quarters of all casino employees live in the County and a similar percent who moved to the area recently have moved into the County. Housing opportunities outside Atlantic County are less competitive because of the longer commute to Atlantic City. Furthermore, good road access to Atlantic City within the County will continue to attract casino employees. Finally, Atlantic County investment, more than that of surrounding jurisdictions, has been affected directly by the introduction of casino gambling in Atlantic City, particularly in the area of housing.

Because of the area's broader appeal to the gambler and resort visitor, housing projects will have investment, second-home and retirement buyers. The secondary market area is not as clearly defined as the primary market. Within a one- to two-hour drive from Atlantic City

(Philadelphia, Wilmington), is where most of these buyers live. Projects in Atlantic City have had buyers from other areas along the Northeast Corridor, the Midwest, West Coast and even from abroad. This analysis, however, focuses primarily on the housing needs of the market closest to Atlantic City.

HOUSEHOLD TRENDS AND CHARACTERISTICS

Household Formation and Size.

The last two decades, particularly since 1970, have seen a shift in the U.S. from the "traditional" family households (a married couple with children) to more non-family households (single persons and unrelated adults). The growth in non-family households has been caused by more young adults who have delayed marriage but are living independently until they form their own family unit and by the increased divorce rate. This resulted generally in more household formations and a smaller household size. These trends are also reflected in the Atlantic City and County household formations and sizes.

With the overall County population growth and a decrease in the average household size, the number of households in the County increased in the 1960-1980 period (see Figure 3.1). In the City, population and the number of households decreased during the same period. However, the smaller household size in the City has allowed Atlantic City to maintain a higher percentage of the County's total households than its share of total population. By comparison, the average size of the American household in 1980 was 2.8 persons.

Figure 3.1
HOUSEHOLD FORMATION AND SIZE
ATLANTIC COUNTY AND ATLANTIC CITY
1960-1980

<u>County</u>	<u>1960</u>	<u>1970</u>	<u>1980</u>
Population in Households	157,757	172,458	191,312
Number of Households	52,193	60,715	71,806
Population per Household	3.02	2.84	2.66
 <u>City</u>			
Population in Households	57,723	46,442	38,828
Number of Households	21,021	19,561	16,736
Population per Household	2.75	2.37	2.32
Percentage of County Total Population	37%	27%	21%
Percentage of County Total Households	40%	32%	23%

SOURCE: U.S. Bureau of the Census.

Most of the household growth in Atlantic City occurred among singles and three to four person households. Fifty-seven percent of all households in 1980 were composed of one or two persons.

Household Incomes

Although average household income in Atlantic County decreased in constant dollar terms between 1970 and 1982 (\$21,820 and \$21,317), it did so at a much slower pace than the rest of the State (\$28,966 and \$24,879). At the same time, income in the County rose from 75.3 percent to 85.7 percent of the State average.

The income categories of \$10,000-\$14,999 and over \$35,000, increased more rapidly during the last decade than the overall rate of household growth (18.3 percent) and as a percent of the total households (Appendix 3.1, Table 7). The larger portion of non-family households with one wage earner caused the increase in the number of households earning \$10,000-\$14,999. The increase in households earning \$35,000 or more was

caused by the trend of second members of households joining the work force and the formation of new households by more than one working person.

EXISTING HOUSING STOCK

General Trends

During the 1970's, owner occupancy became more prevalent, increasing from 62 percent of the occupied units to 64 percent (Appendix 3.1, Table 8). A large increase in the number of units held for occasional use accounted for over 60 percent of the additional vacant units. The effective vacancy rate for year-round housing units (eliminating units held for occasional use and other vacant units not on the market) increased from 5.2 percent in 1970 to 6.5 percent in 1980. This is attributable to an increase in the percentage of units vacant for sale from 1.5 percent in 1970 to 4.2 percent in 1980. At the same time, the vacancy rate in rental units decreased from 10.6 percent to 10.2 percent. There was also a loss of 4,622 seasonal housing units, dropping from 9 percent of the total housing stock to 2 percent, primarily because seasonal units were converted to year-round dwellings in the late 1970's. In sum, an overall net 15,494 units were added to the total housing stock of the County, representing a 21 percent increase over the 1970 total. In 1980, the total housing units in Atlantic City was 89,342.

Demolitions

A total of 4,483 residential units were demolished in Atlantic County between 1970 and 1980; 87 percent of the lost units occurred within the City (Appendix 3.1, Table 9).^{*} After the opening of the first casino hotels in Atlantic City, residential demolitions peaked in 1979 at just

^{*} When combined with the total increase of 15,494 housing units reported by the U. S. Census for the same period, this indicates that just under 20,000 new housing units were added to the County's housing stock during the 1970's.

over 1,000 units. Since then, 2,352 demolitions have occurred in the County, and 91 percent of them occurred within the City. The rate of demolitions has increased from 448 per year during the 1970's to 784 per year during the early 1980's. The City estimates that over 75 percent of the units demolished were in multi-family structures, indicating that demolitions were heavily weighted to rental units. The number of demolitions has decreased annually from 1979 peak, as fewer substandard residential structures remain in the inventory, residential land values in the City deflate and maintenance of residential income producing property recaptures its economic justification.

1982 Housing Stock

The total number of housing units in the County had grown to an estimated 91,098 units by the beginning of 1982, a net addition of 1,756 new units since 1980 (see Figure 3.2). Over the same period, however, 2,333 new households are estimated to have been formed in the County.*

Therefore, the effective vacancy rate for year-round housing units has decreased from the 6.5 percent reported by the 1980 Census. A study of market rate rental projects, prepared for the Atlantic County Improvement Authority in January 1983, indicated an overall rental vacancy rates of less than one percent in Atlantic County.

Rental Housing

Based on the 1980 Census figure of 25,924 occupied rental units and 2,932 vacant rental units (Appendix 3.1, Table 8), plus the 446 new rental units constructed since 1980 (see Figure 3.2, note 2), an estimated 29,302 rental units were in Atlantic County in 1982. Of the total, 5,344 units are subsidized, and 4,954 or 93 percent are located in Atlantic City. This leaves 23,958 as market rate rental units.

* 1982 ACC Estimate of 74,139 (Figure 3.8) minus 1980 Census of 71,806 (Figure 3.1).

Figure 3.2
1982 HOUSING STOCK
ATLANTIC COUNTY

1980 Census Total Housing Units	89,342
<u>Subtract Demolitions (1980 - 1981)¹</u>	<u>-1,741</u>
Remainder	87,601
Add New Units Constructed (1980 - 1981) ²	2,441
<u>Add Motel Conversions to Condominiums (1980 - 1981)³</u>	<u>1,056</u>
Total 1982 Housing Stock	<u>91,098</u>

SOURCES AND NOTES:

1. N.J. Dept. of Labor, Division of Planning and Research.
2. The Atlantic County New Housing Stock Survey, completed in July 1982 by the Atlantic County Division of Planning, which included residential developments in the County with over 25 units approved for development, revealed that a total of 2,219 units (1,773 for sale, 446 for rent) have been constructed since 1980. Allowing an additional 10 percent for infill development and projects smaller than 25 units suggests that an estimated total of 2,441 units have been constructed in the County between 1980 and mid-1982.
3. According to Status of Condominium Growth in Atlantic County, conducted by the Atlantic County Division of Planning in 1981, 1,361 motel units in the County have been converted to condominiums since 1970. Of that total, 1,056 units were converted since 1980. Since 2,441 new units have been built in the County since 1980, motel conversions represented a significant resource for meeting County-wide housing demand in the two-year period.

The average occupancy cost in 1982 (rent plus utilities) for a one bedroom apartment in Atlantic County was \$409 per month and \$486 per month for a two-bedroom apartment.* The island communities of Ventnor, Margate, Longport and Brigantine have had the highest rents (\$500 to \$750 per month). The exception is Galloway Township where new units are being constructed in the Smithville development. These prices indicate the relative desirability of an island location and the willingness of households to pay higher rents for one. At the same time, members of the Atlantic County Board of Realtors reported an inability on the mainland to rent large, single-family, detached dwellings for more than \$600, because there is an oversupply of large, detached rental units in those communities. Units on the islands appear to have less trouble renting at higher rents. Virtually little or no vacancies exist in rental units, and many projects have substantial waiting lists at least six months long.**

Resale Housing

The average purchase price for a resale home in the County rose by 87 percent between 1978 and 1981 (\$44,576 to \$83,260). During 1982, however, the average price decreased, falling to \$74,728 by June and to \$71,549 by December. The average resale price escalated to \$75,892 by

* The Atlantic County Area Rental Schedule for Apartments which surveyed all projects, consisting of over 15 units in the County, was conducted by the Atlantic County Division of Planning in March, 1982. The survey reached almost 100 percent of rental projects with more than 15 units outside the City, and over 50 percent within the Atlantic City limits.

** A number of major rental complexes in Atlantic County were surveyed by American City Corporation both in August 1982 and May 1983, including Brighton Towers in Atlantic City, Absecon Townhouses in Absecon, Woodcrest Park Apartments in Egg Harbor Township, Deer Hollow Woods in Pleasantville and Colonial Court Apartments in Hammonton.

June 1983, apparently in response to an increase in market demand brought on by lower interest rates.*

The approximate income required to afford the principal and interest payments on a resale house at the average price increased by almost 350 percent between 1978 and 1981 (\$15,504 to \$53,760). However, the recent drop in interest rates has made home ownership much more of a reality to a larger segment of the market. Currently, the average income necessary to carry such a home is approximately \$34,000.*

New Housing For Sale

According to the Atlantic County New Housing Stock Survey (July, 1982), a total of 1,773 new residential units had been constructed for sale in the County since the start of 1981. Only 994 of those units (56 percent) had been sold at the time of the survey, leaving 779 new units on the market. A total 8,142 units had been built, were under construction or were likely to be completed by 1984.

The Inland communities (Buena Vista, Egg Harbor Township, Galloway Township, Hamilton Township, Hammonton, and Weymouth) had the highest percentages and numbers of units proposed, built and sold. These communities have the most available vacant land, lower development costs, and larger projects. Atlantic City had the next highest percentages. Almost all the multi-family condominiums built and sold are luxury or higher-priced (\$100,000+) high-rise units in Atlantic City. Galloway Township had a large number of sales in a broad range of price categories, dominated by the \$50,000 to \$80,000 range. In terms of unit type, multi-family condominiums are the most common, and single-family detached homes are the least common unit types being built for sale. The prices of the various types of new housing in Atlantic County (excluding Atlantic City) by size and price ranges are as follows:

* Atlantic County Board of Realtors, Multiple Listing Service; American City Corporation.

Figure 3.3
HOUSING PRICE BY TYPE
ATLANTIC COUNTY
(Excluding Atlantic City)

	<u>Price Range</u>	<u>Size Range</u>	<u>Sales Price Per Sq. Ft.</u>
Townhouses:	\$49,900-\$189,000	750-2150 sq.ft.	\$58-\$67
Single Family:	\$58,000-\$300,000	1020-3330 sq.ft.	\$57-\$90
Condominium Apartments:	\$38,900-\$73,000	575-1750 sq.ft.	\$42-\$68

SOURCE: American City Corporation.

One Atlantic City project useful for comparison purposes is Tannen Towers. Units are selling for between \$110,000-\$400,000. Units range in size from 610 to 2,850 sq.ft. (\$140 to \$185 per sq.ft.). For more information about current projects in the Atlantic City market, see Appendix 3.1, pages 20-28.

Overall, the new units for sale placed on the market in Atlantic County since 1980 have been absorbed at a relatively slow pace. This has been due to at least the following two factors. High mortgage rates dampened housing demand over the last two years nationwide to its lowest level in 40 years. Rates have begun to moderate recently and demand is already picking up. Also, the early over-estimates of the number of Casino employees and development pace of additional casinos stimulated over-building. Overall demand should now begin to catch up to the supply, although some projects, built based on poor information, may simply be the wrong product for today's market.

PROPOSED PROJECTS

Building Permit Trends

The recession of 1974 had a significant impact on dwelling unit authorizations in Atlantic County (Appendix 3.1, Table 17). The County had averaged more than 2,400 permit authorizations per year from 1970-73, then dropped to an average of 1,125 permits per year from 1974-77. An annual fluctuation in the number of permits authorized has occurred since 1974, although the overall trend showed an increase in the number of annual permits, particularly in 1981 when 2,071 permits were issued.

The percentage of total county permits issued for residential construction in Atlantic City has increased significantly in the last three years. However, based on the number of approved projects awaiting financing and the demographic and housing stock characteristics and trends, at least 14 percent (the 1974-1981 average) of the permits authorized over the 1982-1990 period in Atlantic County will be in Atlantic City.

Also, significant in permit authorizations is the trend away from the historic predominance of the single-family home. The proportion of detached houses dropped from a high of 83 percent of all permits in 1976-77 to 44 percent in 1980-81.

Proposed Projects in Atlantic City

In Atlantic City since 1978, between 9,000 and 10,000 new housing units have been proposed but are not yet developed. Approximately 3,000 of these units have the necessary City and State coastal zone approvals and/or are currently being pursued by their sponsors. Most of the projects are reportedly stopped by an inability to secure financing. Figure 3.4 identifies those projects which were most "active" in the City as of May, 1983. The Atlantic County Improvement Authority is

Figure 3.4
 PROPOSED RESIDENTIAL
 DEVELOPMENT PROJECTS
 ATLANTIC CITY
 May, 1983

Project & Location	Type	Number of Units	Mix	Size	Price	Approval Status		Notes
						Planning Board	CAFRA	
ARIZONA AVENUE TOWNHOUSES Arizona Avenue & the Bay	Townhouse Condo	10				6/03/81		
ISLAND CITY ESTATES CONDO Harrisburg & the Bay		78				5/02/79	9/21/81	Construction due pending financing.
KENTUCKY PLACE Kentucky & Illinois Avenues	Condo	190				9/08/82	9/29/81	Land assembled, now being marketed to developers.
CORINTHIAN CONDOMINIUMS 3950 Boardwalk	Condo Highrise	232	Efficiency 1 br 2 br	400 SF 1,030 SF	\$125,000 250,000	10/07/81 1/05/82	12/02/81	Construction to begin pending pre-selling. Pre-selling to begin in 6 months; occupancy for fall, 1985.
TENNESSEE SQUARE Tennessee & Ocean	Condo	240	1 br 2 br		\$ 85,000 120,000		1/29/81	Pending financing
GREENHOUSE Michigan, Fleming Atlantic & Arctic	Rental	900	1 br 2 br			Zoning Board 1/08/82		Pending UDAG application; CAFRA application not yet submitted.
1045 ATLANTIC	Rental Highrise	197	Efficiency 1 br 2 br			Planning Board 2/08/80	10/27/80	Project on hold, awaiting financing.
MARINA COVE Huron, North Carolina & Maryland Avenues	Condo Highrise	603					Appl. not yet submitted.	Also referred to as "Landfill project", Marina Cove is being considered for UDAG financing; local & CAFRA approvals have not yet been submitted.
MARINA TOWERS Brigantine Blvd. & North Carolina Avenues	Luxury Condo Highrise	402				Planning Board 5/02/79	Conditional Approval 4/02/81	Project temporarily on hold, developer waiting to see how the condo market unfolds before proceeding.
JACOBS FAMILY TERRACE New York & Baltic Avenues	Rental	60	1 br			Planning Board 1/16/80		Construction possible, Fall 1983. Sponsored by Bally's Park Place

Figure 3.4 (continued)

Project & Location	Type	Number of Units	Mix	Size	Price	Approval Status		Notes
						Planning Board	CAFRA	
HARBOUR HOUSE Maine Avenue & Grammercy Place	Condo	253	Efficiency 2 br		\$ 90,000 \$130,000		Conditional Approval 12/2/81	Currently trying to arrange financing
LIGHTHOUSE PLAZA Atlantic & Vermont Avenues	Rental	314	1 br 2 br	550 SF 900 SF	\$ 334 \$ 750 depending on subsidy	Planning Board 7/21/82	10/05/82	Construction to begin July, 1983 or sooner depending on sale of bonds. Occupancy expected within 1 year.
MCKINLEY AVENUE APARTMENTS McKinley & New York Avenues	Rental	17	1 br 2 br	550 SF 900 SF	\$ 340 \$ 635 (estimate)	Zoning Board 7/09/82	Conditional Approval 9/17/82	Temporarily on hold, developer involved with Lighthouse Plaza; awaiting ACIA funding.
GREENWOOD GARDENS Absecon Boulevard & Tennessee Avenue	Rental	214	2 br			Zoning Board	Conditional Approval 10/18/82	Waiting HUD insurance approval. Construction expected to begin October, 1983.
8-10 S. CHELSEA	Rental	24	1 br		\$ 500			Construction to begin October, 1983.

SOURCE: Atlantic City Department of Planning; Atlantic City Housing Authority; Atlantic County Improvement Authority; American City Corporation.

expected to play a role in financing virtually every rental housing project proposed for development in Atlantic City.

HOUSING PREFERENCE SURVEY

Since the first casino-hotel employee housing survey conducted in May 1981 with four casinos operating, five additional casino hotels were opened, adding approximately 17,000 workers to the casino-hotel labor force. This raised several questions about possible changes in housing needs and trends and prompted a second survey in late fall of 1982. However, the second survey was expanded to obtain more detailed and specific information about housing preferences with particular interest in demand for Atlantic City. The sample of the second survey also was expanded to include public sector employees, the largest segment of Atlantic City's labor force readily accessible to surveyors.

Response rates to both the casino-hotel and public employee segments of the survey were unusually high (48 percent and 46 percent respectively). Ten percent or 3,060 employees were selected randomly from the payrolls of the nine casino hotels. They received and returned the survey by mail. All employees of the City, Board of Education, Housing and Redevelopment Agency and the County, or approximately 3,160 individuals, also received the survey. With a couple of exceptions, most of the surveys for government employees were distributed at work and were returned by mail. Given these sampling methods and the high response rate, the survey is statistically unbiased and reliable.

The results of this survey will be used to project housing demand by income and preference to own or rent. Later, the results will be used to develop the housing program for the Inlet according to bedroom mix and dwelling unit type.

Figure 3.5 highlights casino-hotel and public employee housing preferences. When compared to casino-hotel employees, public employees are less likely to be looking to move and are more likely to consider living in Atlantic City. In preferences for dwelling unit type, ownership, willingness to share a unit, number of bedrooms, housing costs and commuting, both groups indicated relatively similar choices.

Figure 3.5
HOUSING PREFERENCE HIGHLIGHTS
CASINO-HOTEL AND PUBLIC EMPLOYEES
MAY 1983

	<u>Casino-Hotel Employees</u>	<u>Public Employees</u>
Interested in moving, whether looking or not (Question 17)	53%	43%
Consider very desirable --		
● Single family detached house	73%	80%
● Townhouse	19%	18%
● Duplex	13%	12%
● Garden Apartment	11%	9%
● Mid-or High-Rise Apartment (Question 18)	8%	6%
Wish to own (Question 19)	59%	64%
Willing to share --		
● A rental	30%	24%
● Ownership (Question 20)	22%	23%
Looking for --		
● 2 bedrooms	34%	32%
● 3 bedrooms (Question 21)	38%	37%
Wish to Spend over \$500/Month (Question 23)	30%	27%
Desire to Commute 30 minutes or less (Question 26)	73%	77%
Would live in Atlantic City (Question 30)	25%	51%

HOUSING DEMAND PROJECTIONS IN ATLANTIC COUNTY

Population and Employment Projections

Any useful demographic projections must be based on past trends and certain assumptions about the future -- whether past trends will continue or change in the future and at what rate. Figure 3.6 shows the past trends in Atlantic County population and employment.

Figure 3.6
ATLANTIC COUNTY POPULATION AND EMPLOYMENT DATA
 1970 - 1982
 (In Thousands)

Year	Population ¹	Non-Farm ² Employment	Farm ³ Employment	Total Employment	Population Employment Ratio
1970	175.9	63.4	1.3	64.7	2.72
1971	179.8	62.5	1.3	63.8	2.82
1972	185.0	64.0	1.3	65.7	2.82
1973	187.2	65.7	1.3	66.8	2.80
1974	189.1	66.0	1.3	67.3	2.81
1975	189.5	64.2	1.4	65.6	2.89
1976	189.6	65.9	1.4	67.3	2.82
1977	189.3	68.2	1.5	69.7	2.72
1978*	191.1	71.9	1.5	73.4	2.60
1979	193.1	81.9	1.4	83.3	2.32
1980	194.6	90.6	1.4	92.0	2.12
1981	196.6	99.5	1.4	100.9	1.95
1982	198.6	101.2	1.4	102.6	1.94

SOURCES:

- 1 N. J. Department of Labor, 1970-1980; American City Corporation, 1981 and 1982
- 2 N. J. Department of Labor.
- 3 N. J. Department of Labor (1971 and 1977-1980); American City Corporation (1972-76).

* First Casino opens

The County's population and total employment increased slowly over the 1970-1977 period. Large increases in the number of jobs in the County created by casino gambling in Atlantic City began to appear in 1978 with

the opening of the Resorts International Casino Hotel. Population increases, however, have not kept pace with the increase in the number of jobs, because: 1) many unemployed or not previously seeking employment in the pre-casino labor force took jobs; and 2) many casino employees commute from outside Atlantic County.

The assumptions about the 1983-1990 period are as follows:

- General economic conditions will improve thereby
 - inducing increased levels of employee movement into Atlantic County among those currently commuting long distances and
 - qualifying more households for mortgages at lower interest rates.
- More jobs will be created by the opening of the Trump Casino Hotel in 1984.
- A further rise in employment will be generated by the projected opening of four additional casino-hotels by 1990, bringing the total to 14 operating casino-hotels. (This estimate may be conservative, since four casino operators have already announced plans for new or expansion projects in Atlantic City.)
- The casino-hotel work force will gradually mature, resulting in a somewhat higher percentage of employee households with children, and a slight decline in the average number of workers per household as compared to the profile of casino-hotel employees seen today.
- As supporting retail, service and other industries gradually evolve, the area-wide averages of wage-earners per household will likely reverse the trend of a shrinking population-employment ratio, although this ratio will probably never become as high as seen before the development of casino-hotels.

Based on these assumptions, the population-employment ratio is forecasted to rise to 2.00 by 1985 and to 2.20 by 1990 (see Figure 3.7). This will result in 107,400 jobs by 1985 and 121,600 jobs by 1990 -- a net increase of 14,200 jobs from 1982. Projected populations are 215,000 by 1985 and 267,500 by 1990.

Figure 3.7
ATLANTIC COUNTY POPULATION AND EMPLOYMENT PROJECTIONS
1985 AND 1990
(In Thousands)

<u>Year</u>	<u>Non-Farm Employment</u>	<u>Farm Employment</u>	<u>Total Employment</u>	<u>Population Employment Ratio</u>	<u>Population</u>
1985	106.1	1.3	107.4	2.00	214.8
1990	120.5	1.1	121.6	2.20	267.5

SOURCE: American City Corporation.

Household Size and Formation Projections

Average household size in Atlantic County decreased from 2.84 in 1970 to 2.66 persons in 1980 (Figure 3.1). American City Corporation projects that this trend towards smaller households will continue through the 1980's, although at a slower rate. Continuation of this trend will be influenced by:

- the relatively small size of "recent migrant" casino employee households (2.41);
- improvement of earnings and savings;
- continuation of the rates of household formation caused by persons separated, divorced, widowed and unmarried singles;
- uncertainty over the future of national economic conditions; and
- the continuing increase in housing costs.

Household sizes of 2.64 in 1982, 2.62 in 1985 and 2.57 in 1990 are assumed. Based on this assumption, the total number of households in Atlantic County 1982, 1985 and 1990 is shown in Figure 3.8. This results in a net increase of 28,782 households in Atlantic County by 1990.

Figure 3.8
ATLANTIC COUNTY HOUSEHOLD SIZE AND FORMATION
1982, 1985, 1990

	<u>1982</u>	<u>1985</u>	<u>1990</u>	<u>Change 1982-1990</u>
Population	198,587	214,800	267,520	68,933
Population in Group Quarters	(2,861)	(2,861)	(3,014)	(153)
Population in Households	195,726	211,939	264,506	68,780
Household Size	2.64	2.62	2.57	-.07
Number of Households	74,139	80,893	102,921	28,782*

* Net increase after household dissolutions and relocations out of the county.

SOURCE: American City Corporation.

Total Demand for Atlantic County

Demand for housing may be assessed by projecting the net changes in the number of households, stratified by personal income and preference to own or rent. In making such assessments in the fast-changing economic context of Atlantic County, guidance comes from both historical trends and from 1982 survey data which has profiled the characteristics of the high-growth casino industry and government employees.

The method used followed four steps which is summarized below:

- Step 1. The number of households is projected for 1985 and 1990 by income levels. Particular weight was given to the income distribution of the casino-hotel employees, which is higher for every income bracket \$17,500 to \$24,999 and above than the Atlantic County average.

Figure 3.9
PERCENTAGE DISTRIBUTION
OF HOUSEHOLDS BY INCOME
ATLANTIC COUNTY
(In Percents)

<u>Income Bracket*</u>	<u>1970⁽¹⁾</u> <u>Census</u>	<u>1980⁽¹⁾</u> <u>Census</u>	<u>1982⁽²⁾</u> <u>Estimate</u>	<u>1985⁽²⁾</u> <u>Projection</u>	<u>1990⁽²⁾</u> <u>Projection</u>
Less than \$12,500	32.8	28.9	28.0	27.0	25.0
\$12,500 - \$17,499	12.7	13.1	13.1	13.0	12.9
\$17,500 - \$24,999	17.7	16.1	16.0	16.0	16.0
\$25,000 - \$34,999	17.7	17.5	17.6	17.7	17.8
\$35,000 - \$49,999	11.0	14.2	14.8	15.3	16.1
\$50,000 and more	8.1	10.2	10.5	11.0	12.2
All Income Brackets:	100.0	100.0	100.0	100.0	100.0

* Income brackets expressed in 1982 constant dollars

SOURCES: (1) U.S. Census Bureau
(2) American City Corporation

Step 2. Also important are preferences for owning or renting (tenure), which will vary according to a person's income and familiarity with an area. From reviewing profile data of the 1982 employee survey, it was concluded that tenure preferences as expressed by the casino employee respondents represent new and immigrating households, and public sector employees represent existing households. Figure 3.10 shows these tenure preferences by income bracket.

Step 3. For each income bracket, both existing households moving within Atlantic County and newly formed and arriving households were projected for each period. The proportion of existing area households moving within Atlantic County has been estimated at 20 percent for 1982-1985 and at 25 percent for 1985-1990. Multiplying these percentages by the total number of households at the beginning of each respective period yields the number of existing households likely to move (i.e., 1982-1985: 74,139 (.20) = 14,828; and 1985-1990: 80,893 (.25) = 20,223). The number of new households is calculated by the difference in households in 1982, 1985, and 1990 (i.e., 1982-1985: 80,893-74,139 = 6,754; and 1985-1990: 102,921-80,893 = 22,028). All of these figures are shown in the first numerical column of Figure 3.11.

Figure 3.10
 ATLANTIC COUNTY HOUSING MARKET
 TENURE PREFERENCES
 (In Percents)

Household Type and Tenure:	Household Income Brackets					
	\$12,499 or Less	\$12,500- 17,499	\$17,500- 24,999	\$25,000- 34,999	\$35,000- 49,999	\$50,000 or More
<u>Existing HH's Likely to Move</u>						
Prefer Rent	72.00	55.00	28.00	20.00	15.00	10.00
Prefer Own	28.00	45.00	72.00	80.00	85.00	90.00
<u>New Additional HH's</u>						
Prefer Rent	72.00	64.00	37.00	40.00	35.00	30.00
Prefer Own	28.00	36.00	63.00	60.00	65.00	70.00

SOURCES: Casino-Hotel and Public Employees Housing Needs Survey - 1982;
 American City Corporation

Step 4. The final step is to allocate the demand projections calculated in Step 3 by the income distribution projects calculated in Step 1 and by the preferences for owning or renting calculated in Step 2 (Figure 3.11).

The categories of household income seen in Figure 3.11 have been converted in Figure 3.12 to rental and housing price ranges by use of the following factors. First, 28 percent has been taken as the average proportion of household income typically allocated to the basic housing cost (rent or total principal, interest, taxes and insurance payment). For rental units, this figure was then simply divided by 12 to arrive at a corresponding rent level. For purchase units, the total housing payment was factored by an annual constant of 13 percent, reflecting currently prevailing financing terms (12 percent) and then again by a factor of 85 percent, reflecting typical down payments of approximately 15 percent of a unit's sales value. In Figure 3.13, demand is totalled for existing/moving and new households, first for rental units and then for owner units by market segment.

Figure 3.11
 ATLANTIC COUNTY HOUSING MARKET
 DISTRIBUTION OF DEMAND
 BY TENURE AND INCOME

Household Type and Tenure:	Number of HH's	Household Income Brackets					
		\$12,499 or Less	\$12,500-\$17,499	\$17,500-\$24,999	\$25,000-\$34,999	\$35,000-\$49,999	\$50,000- or More
<u>1982-1985 Market</u>							
Existing HH's Likely to Move	14,828	4,003	1,928	2,372	2,625	2,269	1,631
Prefer Rent		2,882	1,060	664	525	340	163
Prefer Own		1,121	868	1,708	2,100	1,928	1,468
New Additional HH's 1982-1985	6,754	1,824	878	1,081	1,195	1,033	743
Prefer Rent		1,313	562	400	478	362	223
Prefer Own		511	316	681	717	671	520

<u>1985-1990 Market</u>							
Existing HH's Likely to Move	20,223	5,056	2,609	3,236	3,600	3,255	2,467
Prefer Rent		3,640	1,435	906	720	488	247
Prefer Own		1,416	1,174	2,330	2,880	2,767	2,220
New Additional HH's 1985-1990	22,028	5,507	2,842	3,524	3,921	3,546	2,687
Prefer Rent		3,965	1,819	1,304	1,568	1,241	806
Prefer Own		1,542	1,023	2,220	2,353	2,305	1,881

SOURCES: Casino-Hotel and Public Employees Housing Needs Survey - 1982;
 American City Corporation

Figure 3.12
HOUSEHOLD INCOME AND HOUSING VALUE CATEGORIES

Tenure Type	Household Income Brackets					
	\$12,499 or Less	\$12,500-17,499	\$17,500-24,999	\$25,000-34,999	\$35,000-49,999	\$50,000 or More
Rent	\$299 or Less	\$300-399	\$400-599	\$600-799	\$800-1,199	\$1,200 or More
Own	\$26,999 or Less	\$27,500-37,999	\$38,000-54,999	\$55,000-76,999	\$77,000-109,999	\$110,000 or More
Market Segment	Lower Below Market		Low Price	Lower Moderate Price		Upper High Price

Figure 3.13
TOTAL ATLANTIC COUNTY DEMAND
BY
MARKET SEGMENT

	Below Market		Low Price	Moderate Price		High Price	Sub-Total	Total
	Lower	Upper		Lower	Upper			
<u>1982-1985</u>								
Rent	4,195	1,622	1,064	1,003	702	386	8,973	
Own	1,632	1,184	2,389	2,817	2,600	1,988	12,609	
								21,582
<u>1985-1990</u>								
Rent	7,605	3,253	2,210	2,288	1,729	1,053	18,138	
Own	2,958	2,197	4,550	5,232	5,074	4,102	24,113	
								42,251
Grand Totals	16,390	8,256	10,213	11,340	10,105	7,529		63,833

SOURCE: American City Corporation.

THE INLET COMMUNITY'S DEMAND

Allocation/Capture Rates

The next step of the analysis is to estimate the proportion of the total county-wide demand which may be attracted to the Inlet Community. This proportion is expressed as an allocation or capture rate, and different rates apply for each market segment.

Providing below-market rate housing is not a factor of market supply and demand per se, but rather is a policy commitment to be adopted as part of the development program. The "market" for lower income housing in the Inlet is being regarded as the portion of area residents who would prefer to have moved in any event. A special purpose survey of Inlet residents conducted in 1982 by the Atlantic City Planning Department was used to estimate this number at approximately 260 from 1983 to 1985, and 481 from 1985 to 1990. These numbers are equivalent to three percent of the total county-wide market demand in this market segment. Figure 3.14 adopts an allocation rate of three percent for the below market housing segment. The market demand for lower value units should be considered in addition to the replacement need as may be warranted by the final development program.

The following factors were considered for capture rates of the market rate housing--those units not requiring a direct public subsidy:

- Employee Preferences --
 - The 1982 employee survey indicated that of the respondents interested in moving, one third of all casino employees, and over half of the public sector employees would consider living in Atlantic City.
 - Another finding is that 40 percent of casino employee respondents cited proximity to work as the most important factor in selecting an area. This proportion was as high as 68 percent for those indicating a willingness to live in Atlantic City.

and

- Quality Development --

- The development program itself is a factor. The Atlantic County housing market has not, until just recently, responded to the emerging demand. Expanded offerings will tend to draw on demand which has not been satisfied in the past. Also inherent in the development program for the Inlet Community is the concept of a balanced residential community with a spectrum of development opportunities at a range of income and housing value levels.

As one of the most comprehensive projects operating a community-wide scale, the Inlet Community could reasonably satisfy housing preferences and capture a major portion of the Atlantic City market. Accordingly, the strongest potential for the Inlet Community will be in the low- and moderate-price categories, with significant demand also available in the high category. Capture rates have been estimated between 5 and 12 percent with the low- and moderate-price segments, having higher rates (8-10 percent) than the upper segment (5 percent). Once the Inlet establishes itself, capture rates will run in all categories. Figure 3.14 shows the Inlet Community's share of Atlantic County demand.

Figure 3.14
THE INLET COMMUNITY SHARE OF
ATLANTIC COUNTY DEMAND

	<u>Below Market</u>		<u>Low</u>	<u>Moderate Price</u>		<u>High</u>	<u>Sub-</u>	<u>Total</u>
	<u>Lower</u>	<u>Upper</u>	<u>Price</u>	<u>Lower</u>	<u>Upper</u>	<u>Price</u>	<u>Total</u>	<u>_____</u>
<u>1982-1985</u>								
Rent	4,195	1,622	1,064	1,003	702	386	8,973	
Capture %	<u>3</u>	<u>3</u>	<u>10</u>	<u>8</u>	<u>8</u>	<u>5</u>	<u>4.9</u>	
	126	49	106	80	56	19	437	
Own	1,632	1,184	2,389	2,817	2,600	1,988	12,609	
Capture %	<u>3</u>	<u>3</u>	<u>10</u>	<u>8</u>	<u>8</u>	<u>5</u>	<u>6.8</u>	
	49	36	239	225	208	99	856	1,293
<u>1985-1990</u>								
Rent	7,605	3,253	2,210	2,288	1,729	1,053	18,138	
Capture %	<u>3</u>	<u>3</u>	<u>12</u>	<u>10</u>	<u>10</u>	<u>8</u>	<u>5.9</u>	
	228	98	265	229	173	84	1,077	
Own	2,958	2,197	4,550	5,232	5,074	4,102	24,113	
Capture %	<u>3</u>	<u>3</u>	<u>12</u>	<u>10</u>	<u>10</u>	<u>8</u>	<u>8.5</u>	
	89	66	546	523	507	328	2,059	3,136
Grand Totals	<u>492</u>	<u>249</u>	<u>1,156</u>	<u>1,057</u>	<u>940</u>	<u>530</u>		<u>4,429</u>

SOURCE: American City Corporation

Second-Home and Investment Demand

Another potential market for condominium units priced over \$130,000 in the Inlet Community of Atlantic City is the investor, second-home, retirement-home buyers who live outside Atlantic County. Tannen Towers, for example, has had 50 percent of its sales to investor owners, while Coquille Beach has had close to 90 percent of its sales to investors. Foreign buyers are reportedly very active in the purchase of units in the Ocean Club project.

The demand from this market segment will depend on the design and marketing of the project itself, rather than a potential capture rate of the overall demand from the primary market area. Based on experience in

comparable projects and the potential appeal of a new project as part of a comprehensively redeveloped Inlet Community, at least 75 percent of the demand for higher-priced condominium units could come from investors, second home buyers or retirees.

Total Demand for the Inlet

Many of the proposed developments reviewed earlier in this report will be drawing on the market support identified in Figure 3.13 for 1982 to 1985. Projects which are now in the planning stage are not likely to come on the market until 1985. Thus, market support for a new redevelopment initiative in the Inlet Community is expected to come from housing decisions made from 1985 to 1990. A total of 2,655 new market-rate housing units could be supported by the demand generated within Atlantic County and an additional 984 (328 x 3) units from outside the market area. Market rate in this context is being defined as units which rent for \$400 per month or more, or with purchase prices of \$38,000 or more.

In sum, residential redevelopment in Atlantic City's Inlet Community can draw upon support for up to 4,120 units. These would be distributed as follows:

Figure 3.15
INLET COMMUNITY TOTAL DEMAND
(1985-1990)

Market Segment	Renters	Owners	Total
Below-Market			
Market-Rate	326	155	481
Low Price	265	546	811
Moderate Price	402	1,030	1,432
High Price	84	1,312	1,396
	<u>751</u>	<u>2,888</u>	<u>3,639</u>
TOTAL	1,077	3,043	4,120

SOURCE: American City Corporation.

INLET CONVENIENCE RETAIL DEMAND

Another indispensable element in the marketing of new housing units in the Inlet will be the availability of nearby convenience shopping opportunities for residents of the area. Although there are a limited number of small, individually owned and operated grocery stores scattered throughout the area, there is no modern, attractive, concentrated neighborhood retail center in the Inlet Community. Therefore, a summary-level market analysis was undertaken to determine whether sufficient demand would exist to justify development of new convenience retailing as part of the development program to service the Inlet and other nearby neighborhoods.

Market Characteristics

The market area for this retail study includes all the neighborhoods within one mile of the Inlet -- a reasonable distance to travel for convenience goods. The market area has an estimated population of 13,100 in 1982, consisting of approximately 4,676 households, with an average household income of \$14,940. Together these households have a total disposable income of \$58.4 million.* Assuming that approximately 19.6 percent of disposable income is expended on convenience goods and services, a total of \$11.4 million is available for convenience expenditures from the existing market area population.**

The residential market study indicates that a total of 3,639 new market rate housing units could be developed between 1985 and 1990 in the Inlet Community.*** Based on the distribution of incomes determined as part

* Disposable income equals 83.6 percent of total income.

** SOURCES: Urban Decision Systems, Inc.; American City Corporation.

*** Below market-rate households moving within the area are already recognized in the estimate of existing resident incomes.

of the earlier analyses, households moving into the Inlet from the local market area will have a combined disposable income of \$93.8 million. An additional \$13.8 million of disposable income can be available from out-of-area households (purchasers of units for investment or occasional use), assuming that 20 percent of their average income will be available for expenditures in the Atlantic City area. This results in a total aggregate income from new households of \$107.6 million, of which \$21.1 million would be available for convenience retail expenditures in the Inlet Community.

Capture Rate

There is no significant competitive neighborhood shopping area offering a variety of convenience goods and services serving the Inlet Community. The only supermarket in the City is an old, small (10,000 square feet) Shop N Save, located on Absecon Boulevard at South Carolina Avenue. Given this lack of significant competitive retail development, it is not unreasonable to assume high capture rates of both the existing and projected future populations in the area. A new convenience retail center in the Inlet, then could capture 45 percent of the convenience expenditures of market area residents.

Retail Demand

The proposed neighborhood retail center would capture approximately \$5.13 million in sales from existing residents and \$9.5 million from new residents of the trade area, totalling \$14.63 million in annual sales (in constant 1982 dollars). Given a desirable sales per square foot productivity for convenience retail stores in a community center of \$180 per square foot, a total of 81,200 square feet of convenience goods and services would be supportable by 1990. This community center should include a mix of goods and services including stores such as: a full-line supermarket, convenience food store, specialty food stores (fresh fish, butcher, bakery, etc.), prepared foods (a delicatessen, ice cream or pizza parlor, etc.), a pharmacy, hardware store, and services such as a dry cleaners, beauty parlor, and bank.

Chapter 4: THE INLET COMMUNITY CONTEXT

THE DEVELOPMENT SETTING

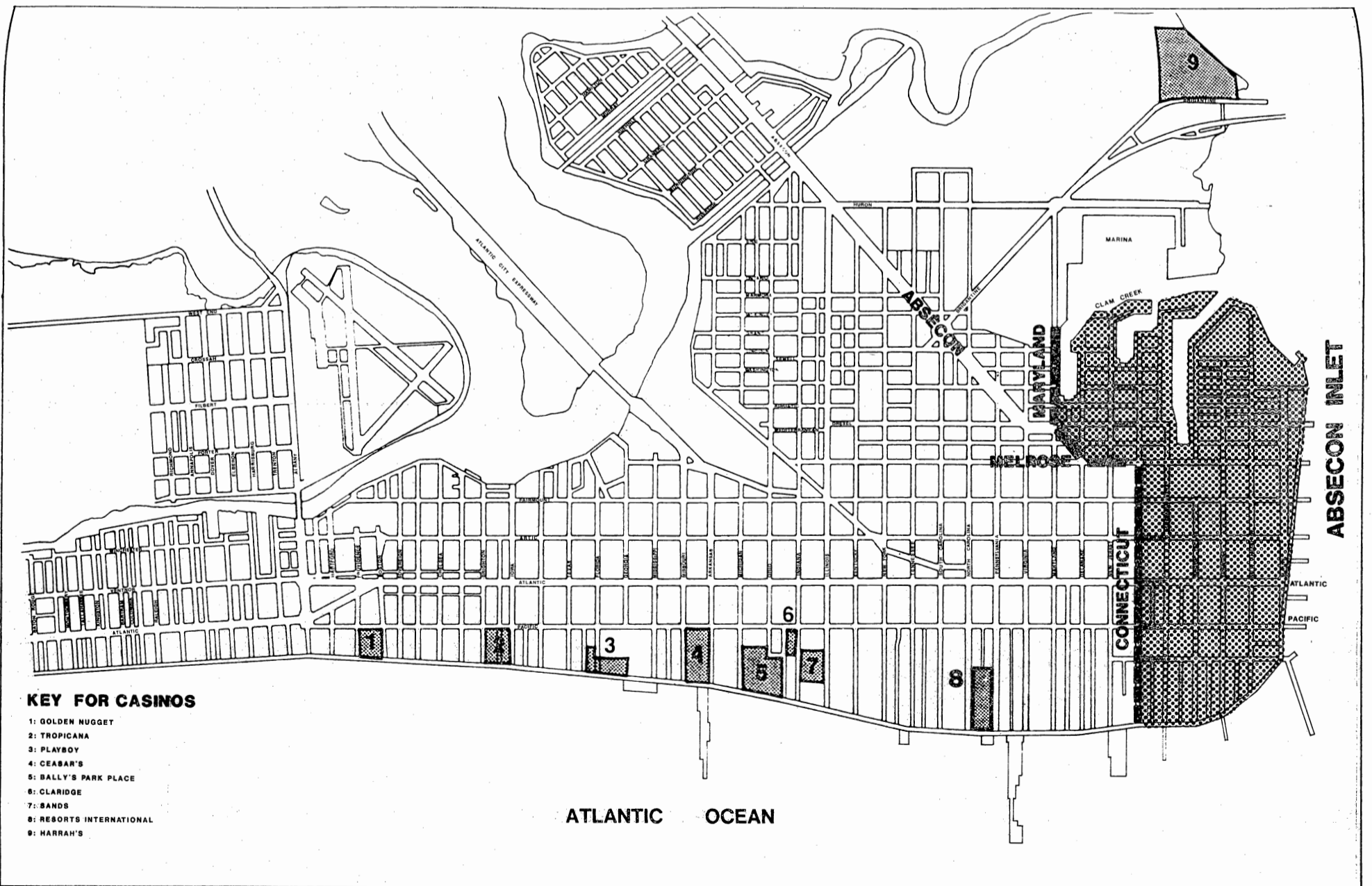
Part Of An Island

The 309-acre Inlet Community is located at the east end of Absecon Island, surrounded on three sides by water, making it the area in Atlantic City with the most waterfront real estate. On the north, the community is bounded by Clam Creek and a series of finger-like coves--Delta Basin, Snug Harbor and Gardner's Basin--and on the south by the Atlantic Ocean. On the east, it is bounded by Absecon Inlet, where the bay meets the Ocean and the source of the area's name. Maryland Avenue, Absecon Boulevard, Melrose Avenue and Connecticut Avenue comprise the community's western boundary (Figure 4.1).

Four neighborhoods have been identified in the Inlet Community redevelopment plan (Figure 4.2):

- Bungalow Park is located in the northwestern part of the community. Delta Basin, Clam Creek, Gardner's Basin, Melrose Avenue, Absecon Boulevard and North Maryland Avenue are its boundaries.
- Gardner's Basin is situated in the northeast part of the community and is bounded by Clam Creek, Absecon Inlet, Melrose Avenue and Gardner's Basin.
- North Inlet Village is at the heart of the Inlet Community. Its boundaries are Melrose Avenue, Absecon Inlet, Atlantic Avenue, and North Connecticut Avenue.
- South Inlet Village has Atlantic Avenue, Absecon Inlet, Atlantic Ocean, and South Connecticut Avenue as its boundaries.

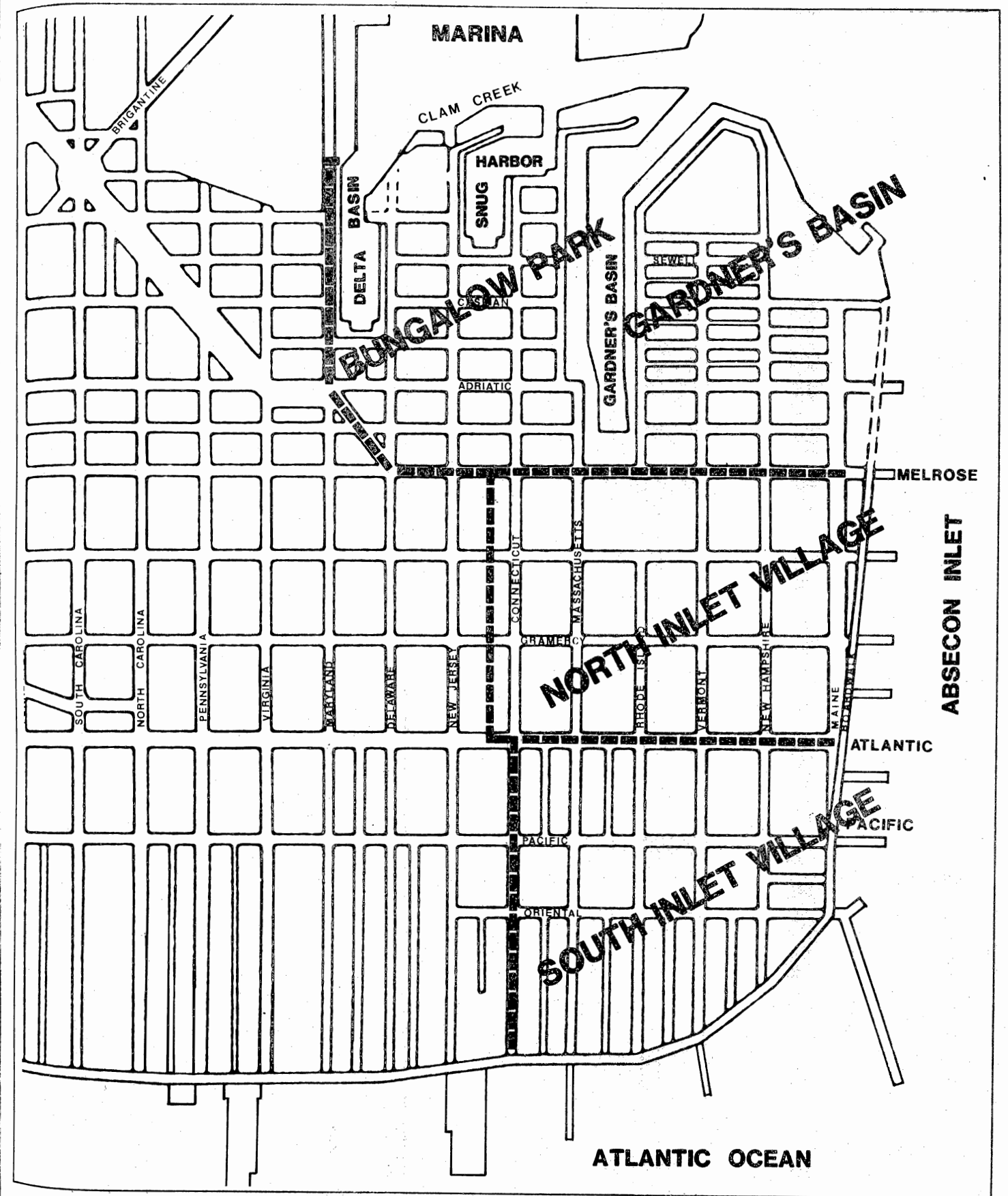
Given that it is situated in a unique part of an island community, the Inlet Community has many assets to take advantage of but also must overcome the island's inherent problems. These existing conditions are described in the sections below, first for the overall Inlet Community and then for each of the neighborhoods. The Inlet Community, which represents 12 percent of the buildable land in the City, provides the



ATLANTIC CITY, NEW JERSEY

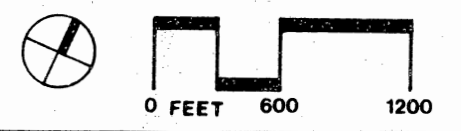
FIGURE 4.1
THE INLET COMMUNITY LOCATION





ATLANTIC CITY, NEW JERSEY

FIGURE 4.2
INLET NEIGHBORHOODS



best opportunity to assemble the components of a balanced community and to demonstrate the economic feasibility of reinvestment in Atlantic City.

Historical Perspective

Early development of Atlantic City centered around the train station, which is now in the Central Business District. The Inlet neighborhood was forming on the eastern edge of town. The 159-foot Lighthouse, which was erected in 1854 near the ocean shoreline, served as a landmark not only for the neighborhood but for mariners 19 miles at sea. By 1877, parcels were developed mostly north (as far as Madison) and west of the Lighthouse. As the shoreline shifted and areas were filled, land east, north and south of the Lighthouse were developed (Figure 2.3).

At the turn of the century, the Inlet had numerous summer homes, rooming houses, popular hotels and restaurants, all set on tranquil streets. The Inlet Pier, near what is now the site of the former Captain Starn's restaurant, was known as the place where yachts were moored and from which seagoing excursions departed and the ferry was taken to Brigantine Beach. The Boardwalk was extended in 1907 east of Connecticut Avenue to the Inlet Pier. In general terms, most of the visitor lodging and activities occurred on blocks adjacent to the water, and the year-round residents generally lived on the more inland and northern blocks. The Inlet was an affordable seaside escape and retirement village, predominately for Philadelphians, and a neighborhood for many Atlantic City residents.

After World War II, the Inlet, with the rest of Atlantic City, slid into decline. The more affluent population moved downbeach to Ventnor and beyond. Absentee landlords became prevalent in the Inlet. The large summer single-family homes were converted into lower cost, year-round apartments. Some of the housing stock was not maintained and eventually deteriorated. Arson became a problem. As outlined earlier in Chapter 2, the reasons for the neighborhood's decline were largely attributable to economic forces outside the Inlet and even Atlantic City.

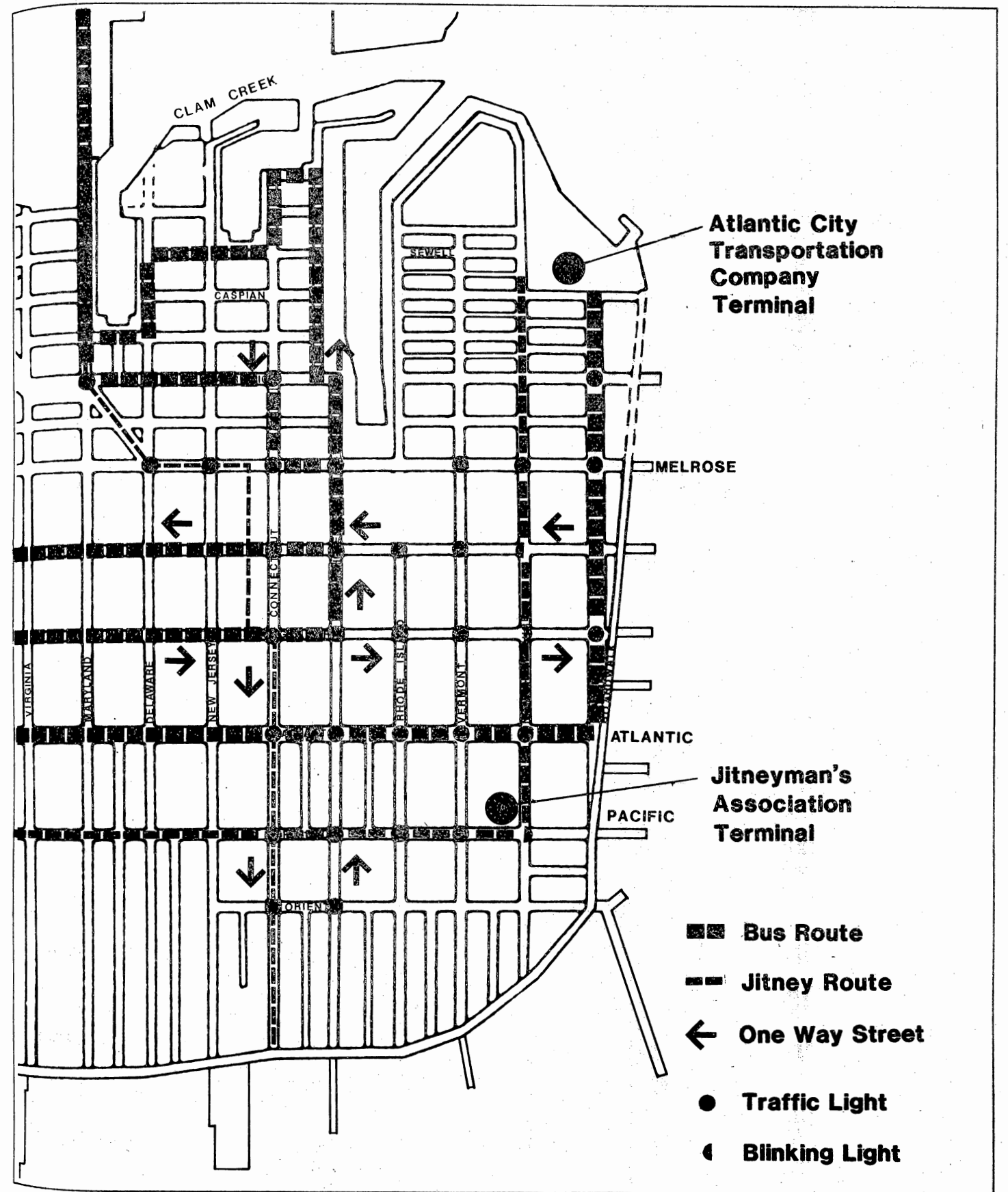
Circulation and Access

The Inlet streets follow the Atlantic City pattern: they have been laid out in a rectangular grid system with the east-west streets running parallel to the Atlantic Ocean and the north-south streets running perpendicular to it (Figure 4.3). The major east-west, crosstown streets of Madison (Baltic), Grammercy (Arctic), Atlantic and Pacific extend into the Inlet Community and all terminate at Maine Avenue or the Absecon Inlet. The traffic volumes on these streets, especially east of Maryland Avenue and in the Inlet, are only a fraction of the volumes on these streets in the busier more western sections of the City. These streets have 70- to 100-foot rights-of-way. Madison (west) and Grammercy (east) are a one-way street pairing.

Maine Avenue is a major north-south street running along the Absecon Inlet from Atlantic Avenue to Caspian Avenue and has a 100-foot right-of-way. The other north-south major streets of New Hampshire, Vermont, Rhode Island, Massachusetts and Connecticut have 50-foot rights-of-way, and with the exception of Rhode Island and Vermont, they all run from the ocean to Clam Creek. (Rhode Island Avenue has been vacated between Melrose and Madison for a recreation/school complex. Vermont stops just south of Maritime Park.) Only Massachusetts (north) and Connecticut (south) are a major one-way street pairing. New Hampshire provides the only access to Maritime Park through the Gardner's Basin neighborhood. Maryland Avenue and Absecon Boulevard are important because they directly connect to Brigantine Boulevard (N.J. 87/38) and the White Horse Pike (U.S. 30). All other streets are local streets and neighborhood collectors, having rights-of-way of 40 to 60 feet.

Even in Inlet blocks with garages and off-street parking, most parking in the Inlet Community occurs along the street. Some off-street parking occurs in vacant lots or along abandoned rights-of-way like Bader Avenue.

The Atlantic City Transportation Company which operates local bus service in Atlantic City and to neighboring communities both on and



ATLANTIC CITY, NEW JERSEY

FIGURE 4.3

THE INLET COMMUNITY

EXISTING CIRCULATION & ACCESS

AMERICAN CITY CORPORATION
 A subsidiary of The Rouse Company

off Absecon Island, has its terminal in the Inlet Community at Caspian and Maine Avenues. All bus routes begin and end at this terminal (Figure 4.3). Passenger, step-van jitneys operate in Atlantic City twenty-four hours a day, every day of the year. The jitneys are individually-owned and operated in accordance with an agreement between the City and the Jitneyman's Association of Atlantic City. The association has its terminal in the Inlet Community at New Hampshire and Pacific Avenues.

Besides sidewalks, the major pedestrian access to downtown Atlantic City is via the Boardwalk which starts at Caspian Avenue and runs along the Absecon Inlet and the ocean. The Boardwalk between Caspian and Melrose Avenues (over 1,100 feet) is currently closed because of unsafe structural conditions. The remainder of the Boardwalk is in fair to good condition and its width varies from 20 feet at Melrose Avenue to 60 feet at South Connecticut Avenue. Depending upon where one enters the Boardwalk, it takes from 20 to 30 minutes to walk to Convention Hall at the center of town. The trip would take less than 10 minutes by jitney or taxi.

Existing Land Use

The predominant land use is residential, and at 157 acres, it accounts for 51 percent of the land in the Inlet Community (Figure 4.4). Although multi-family units are scattered throughout the neighborhoods, single-family attached and detached units are more prevalent in the Bungalow Park and Gardner's Basin neighborhoods. Multi-family dwellings tend to be clustered in blocks near or fronting the Inlet and Ocean. Clusters of multi-family units also exist along Atlantic Avenue. Generally, there are more multi-family dwellings in North and South Inlet Villages than in Bungalow Park and Gardner's Basin.

Street rights-of-way are the next largest land use, covering over 84 acres or 27 percent of the Inlet's land. The streets form blocks that vary from 0.2 to over 4.0 acres in size.

Figure 4.4*
 INLET COMMUNITY
 EXISTING LAND USE SUMMARY
 (in acres)

	<u>Res.</u>	<u>Comm.</u>	<u>Inst./ Rec.</u>	<u>Rights of Way</u>	<u>Total</u>
Bungalow Park	32.63	11.69	0.54	20.51	65.37
Gardner's Basin**	28.03	10.67	12.29	19.04	70.03
North Inlet Village	46.19	3.58	10.28	24.13	84.18
South Inlet Village	<u>50.51</u>	<u>29.24</u>	<u>14.62</u>	<u>20.71</u>	<u>89.14</u>
Total	157.36	29.24	37.73	84.39	308.72
Percent	50.97%	9.47%	12.22%	27.34%	100.00%

*For block-by-block statistics, see Appendix 4.1.

**Includes the area bordering Gardner's Basin for the Uptown Center proposed activities.

The largest concentration of commercial use (about 4.5 acres) is found along Atlantic Avenue between Connecticut and Rhode Island Avenues, connecting the Inlet Community with the Central Business District. Most of the retail uses are small and neighborhood-oriented, such as gas stations, dry cleaners, liquor stores, groceries and food carry-outs. Offices also occur along Atlantic Avenue and include such tenants as realtors and The Latin Organization of Atlantic City (LOAC). A few small neighborhood corner groceries, convenience stores, bars and restaurants are scattered throughout all the neighborhoods. Also scattered throughout the Inlet are warehouses and storage yards. Maritime uses such as boating slips, rentals, sales and repairs as well as fishing and clamming docks with unloading facilities rim the shoreline of Gardner's Basin, Clam Creek, and Snug Harbor and at points in Delta Basin and the Absecon Inlet. Visitor commercial uses are located along the Absecon Inlet and include the vacant Starn's and Hackney's restaurants. Total commercial uses represent 9.5 percent of the Inlet's land or 29 acres.

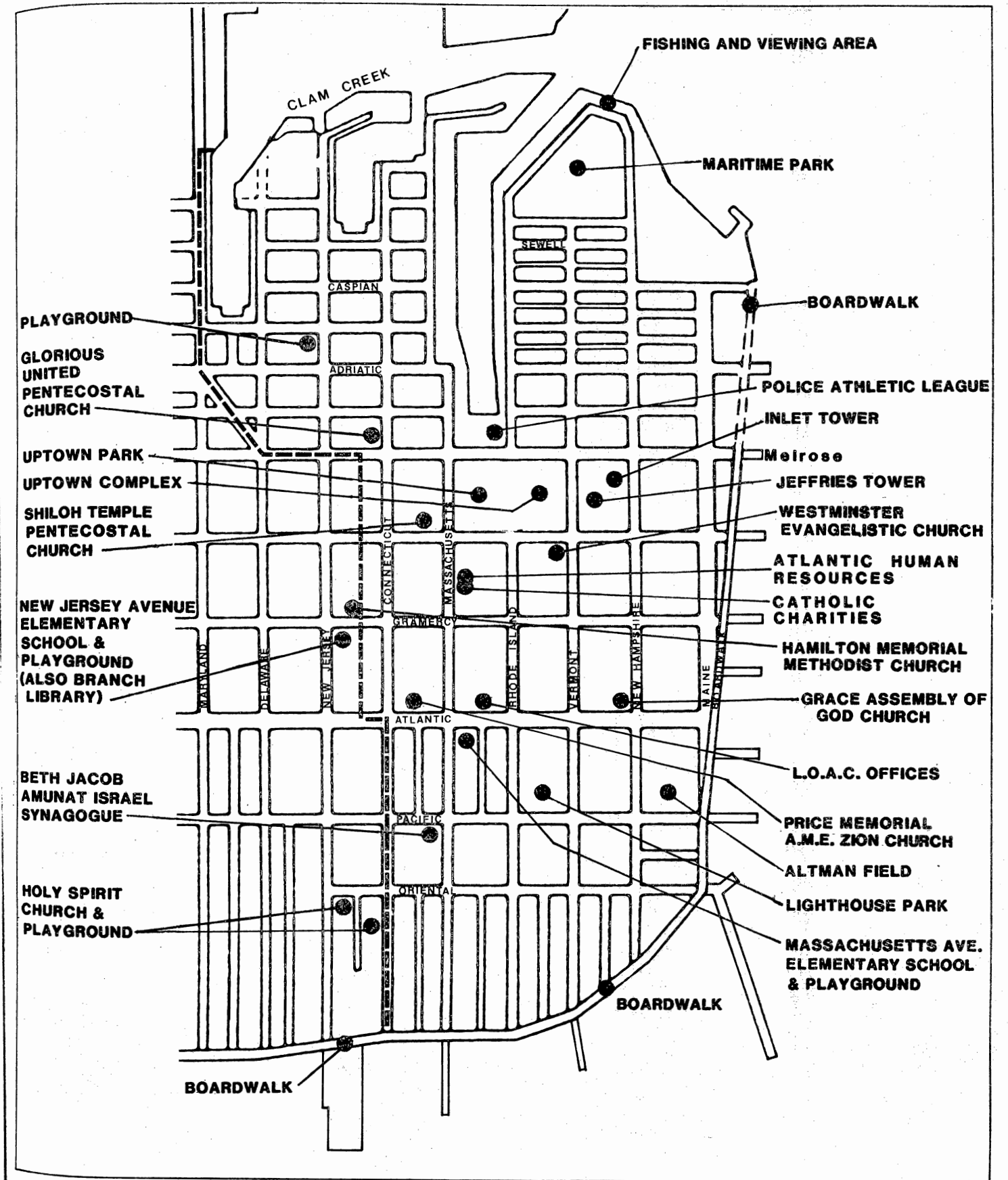
Recreational and open space uses are concentrated at a few locations. The most noted is the 6.89-acre Uptown School Complex located between Melrose and Madison Avenues at Rhode Island Avenue. Other major uses include Maritime Park (9.34 acres), Lighthouse Park (2.03 acres) and Altman Field (2.14 acres). The Boardwalk and the Atlantic Ocean beach cover 8.67 acres. Churches, nursing homes, schools and other institutional and community uses are located mostly in the North and South Inlet Villages. These recreational and institutional uses represent 12.2 percent of the land in the Inlet Community or 37.73 acres. More information about these uses will be given in the next section on Community Facilities.

Along the Inlet Community's western boundary land use patterns in adjacent blocks are similar. The only notable exception is the 56-acre, mostly vacant urban renewal tract which runs along South Connecticut Avenue from Atlantic Avenue to the Boardwalk. Although the 75-unit Beachgate housing project and the Holy Spirit Catholic Church are located within the urban renewal tract, the use of the remainder of the tract is unsettled. The site had been designated originally for housing and some commercial uses along the Boardwalk, but more recently a convention center and casino and non-casino hotels have been proposed for the site.

Community Facilities

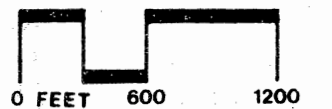
The Uptown Complex:

If there is a heart to the area known as the Inlet Community, it is presently embodied in the Uptown Complex. The Complex is located on a 7-acre site bounded by Melrose Avenue, Vermont Avenue, Madison Avenue and Massachusetts Avenue (Figure 4.5). It is owned and operated by the Atlantic City Board of Education as a true community school/neighborhood facility. The two-story, 55,000-square-foot building which was built in 1977, is equipped to service everyone in the community from the pre-school child to the senior citizen.



ATLANTIC CITY, NEW JERSEY

FIGURE 4.5
THE INLET COMMUNITY FACILITIES



The Uptown School, run by the Board of Education, is an open concept school, housing grades K-6. During the 1982-1983 school year there were 533 students enrolled in the school which has a functional capacity of 595 students. Enrollment is down slightly from 1978-1979 when there were 563 students attending the school. Students from other schools are transported to Uptown to take advantage of the up-to-date facilities--gyms, shops, indoor pool and library. The Uptown Complex and the Westside Complex (built on the same concept) are hailed as "...setting the educational pace with much of what they are doing rubbing off on the other schools. The hope of education in Atlantic City presently lies in the concept embodied in these schools."*

The community at large utilizes the Uptown Center extensively. The building is available for community meetings, social events and recreational activities. Atlantic Human Resources, Inc. offers a variety of social and health services from a 5,000-square-foot service suite. The Board of Education runs consumer education classes and senior citizen activities, and the State Division of Youth and Family Services runs a pre-kindergarten program for 3 and 4 year olds.

Due to the Board of Education's decision to consolidate the grade distribution of the schools throughout the system from K-6, 7-8, 9-12, to K-8, 9-12, the Uptown Complex is scheduled for a 29,000-square-foot expansion within the next two years. A new 12,000-square-foot open-space instructional area will raise the enrollment capacity from 595 to 850 students. There will be additional educational facilities such as a science room and special education area; a kitchen will be added; and certain special facilities such as a ballet studio and Nautilus equipment room will be included as well.

* Falzetta Associates, Atlantic City Public Schools - Educational Facilities - Master Plan Study, June 1979, p. 6.6.

Other Neighborhood Schools:

The Massachusetts Avenue Elementary School is located on a 1-acre site at the corner of Massachusetts and Atlantic Avenues. This four-level, 50,000-square-foot building was constructed in 1914. It has a maximum functional capacity of 733 students; 370 were enrolled there during the 1982-1983 year.

The building is considered "...aged and functionally inadequate to provide a quality [educational] program."* It would require a major investment to improve its structural and mechanical systems and a complete reconfiguration and expansion to meet modern instructional standards. At this writing, the Massachusetts Avenue School is scheduled to be closed upon the completion of the expansion of the Uptown Complex.

The New Jersey Avenue Elementary School is located on a 1-acre site at the corner of New Jersey Avenue and Grammercy Place, immediately adjacent to the western boundary of the Inlet Community study area. It is a three-level structure of approximately 45,000 square feet (37,235 square feet of functional space), built in 1925. It has a maximum functional capacity of 756 students; 528 were enrolled in 1982-1983. Although numerous problems regarding the site, structure, systems and instructional facilities were reported in the 1979 Educational Facilities Master Plan, the New Jersey Avenue School is scheduled to remain open and be renovated to provide specialized instructional facilities and a kindergarten. The conversion of classrooms to specialized space will reduce the functional capacity of the school as a K-8 facility to 631 students.

* Falzetta Associates, Report on the School Improvement Study for the Public Schools of Atlantic City, New Jersey, December, 1982, p.36.

Recreational Facilities:

There are both indoor and outdoor recreational facilities at the Uptown Complex. A 9,450-square-foot gymnasium and 4,800-square-foot pool area are open to the public from 4:00-10:00 p.m. all year. The City Department of Recreation runs basketball leagues, swimming, roller skating, family nights and men's and women's conditioning programs. The Uptown Park, constructed in 1981 with funding from the Greenacres Program is 4.18 acres in size and is developed with two basketball courts, two tennis courts, a baseball field (with cut-out diamond and backstop), a quarter-mile running track and a children's play area.

The Police Athletic League (PAL), headquartered in the old Melrose Avenue Firehouse at the corner of Melrose and Rhode Island Avenues, offers the only other year-round, indoor/outdoor recreation program in the Inlet Community. With two paid employees, 10 CETA workers and other volunteers, PAL runs basketball and quiet games on the first floor and has a boxing ring and training equipment, including a Universal weight system, on the second floor. PAL also runs Little League Baseball, track, wrestling, trips and a summer lunch program (provided through the City). Approximately 500 members from around the City utilize the facilities in the old firehouse from 11:00 a.m. to 9:00 p.m. in the summer and from 2:30 p.m. to 9:00 p.m. the remainder of the year.

The City owns and staffs (in the summer) two active parks in the Inlet Community. Altman Field at the Boardwalk between Pacific, New Hampshire and Euclid Avenues is a neighborhood playground on 2.14 acres. It includes 2 basketball courts, a children's play area and open space. The Department of Recreation stations 5 counselors and 1 aide there for eight weeks each summer. The second city-owned park in the Inlet is a 0.16-acre neighborhood playground in Bungalow Park, located at Wabash and New Jersey Avenues. It contains one basketball court, a shelter, swings and children's play area and is lighted for night use. The City has 3 counselors and 2 aides there each summer. Additional locations where active recreational pursuits might be enjoyed are limited to the paved school yards, each one-third acre in size with no equipment, at

Massachusetts Avenue and New Jersey Avenue schools and a 0.44-acre playground in very poor condition at the Holy Spirit Church at Oriental and Connecticut Avenues, which is just outside the study area.

Passive recreational pursuits can be enjoyed at the 2.04-acre, State-owned Lighthouse Park at Pacific, Vermont and Rhode Island Avenues. This park is presently being improved by the State, which is repainting the Lighthouse, and the developer of Lighthouse Plaza apartments, who is providing new sodding and landscaping. Walking, jogging and sitting can be enjoyed along the entire length of the Boardwalk which borders the Inlet Community for 1.2 miles along its southern and eastern edges. Fishing, boat watching and sitting are enjoyed from an unimproved City right-of-way at the northern end of New Hampshire Avenue.

Finally, the Historic Gardner's Basin Maritime Park, located on New Hampshire Avenue at Parkside Avenue, is a unique park of regional significance which provides both education and entertainment relating to the maritime history of Atlantic City. The park is enjoyed by local residents as well as visitors to the City. The park includes a small Ocean Life Aquarium, a Marine Mammal Artifact Exhibit, the Pilot House, the Atlantic City Coastal Museum, The Flying Cloud Restaurant, the Basin Theater and a boat restoration facility as well as an ice cream shop, gift shop, an amphitheater, outdoor sculptures and five boat exhibits. The park land is owned by the City and leased to a private, non-profit entity--the Atlantic City Historical Waterfront Foundation--for \$1.00 per year.

Public Housing:

There are two public housing projects within the Inlet Community for eligible senior citizens. The Inlet Tower, located along New Hampshire Avenue between Melrose and Madison, contains 156 units on 14 floors. It opened in 1971, constructed for \$5.7 million under the Section 236 program of the U.S. Department of Housing and Urban Development.

Jeffries Tower, located in the same block as Inlet Tower but facing onto Vermont Avenue, contains 300 units on 17 floors, and it opened for occupancy in late 1982. The Atlantic City Housing Authority and Urban Redevelopment Agency provided \$17 million in construction financing to the builder/developer.

The Housing Authority provides various support services to residents of the two buildings through its Social Services Program. A Senior Citizen Outreach Program provides in-home visits and assistance with paperwork, applications and Social Security problems and makes referrals. Housekeeping and meal preparation assistance is available in both buildings. A meal program offering dinners to all Housing Authority residents for \$2.75 serves an average of 50 people per evening (utilization is limited by a lack of transportation). Transportation to the Shop-Rite in Ventnor Heights (5 days a week) and the Shore Mall (twice a month) is provided on a reservation basis. Finally, the Housing Authority leases space in Jeffries Tower to Caring, Inc., a private, non-profit provider of medical day care for the elderly and disabled. A variety of health services, physical activities and social programs are offered. Thirty clients from around the County, including about a dozen from the Inlet Community, utilize the services of Caring, Inc.

Library Services:

One of the two branch locations of the Atlantic City Free Library has been located in the New Jersey Avenue School. It contains 5,000 volumes out of the total 76,851 owned by the library system. The following number of book loans were made from the New Jersey Avenue Branch over the last few years:

Figure 4.6
INLET COMMUNITY
NEW JERSEY AVENUE BRANCH LIBRARY
BOOK CIRCULATION

	<u>Total</u>	<u>Adult Books</u>	<u>Juvenile Books</u>	<u>Magazine</u>
1980	23,927	4,071	19,856	N/A
1981	16,058	2,580	13,478	N/A
1982	6,322	1,423	4,899	N/A
1983 (to 6/30)	2,625	587	1,659	379

Due to budget cuts, library hours were reduced during 1981 at New Jersey Avenue from 8 hours per day, 5 days per week to 8 hours per day, 2 days per week. In August 1983, the Library Board closed this branch. A new central public library is being constructed at Atlantic and Tennessee Avenues. The New Jersey Avenue facility became a school library and media center.

Religious Facilities:

There are a total of eight religious institutions located in the Inlet Community, seven churches of various Christian denominations and one synagogue. They are listed with their location below:

- Beth Jacob Amunat Israel Synagogue
506 Pacific Avenue
- Glorious United Pentecostal Church
302 North Connecticut Avenue
- Grace Assembly of God Church
201 Atlantic Avenue
- Holy Spirit Roman Catholic Church
626 Oriental Avenue
- Price Memorial A.M.E. Zion Church
525 Atlantic Avenue
- Shiloh Temple Pentecostal Assembly
505 Madison Avenue

- Westminister Evangelistic Church
Vermont and Madison Avenues
- Hamilton Memorial Methodist Church
611 Grammercy Place

Existing Housing Stock*

A compilation of block-by-block data from the 1980 Census indicated a total of 2,581 year-round housing units existed in the Inlet Community, of which 2,091 were occupied. The 88 percent occupancy rate for housing units in the Inlet was slightly higher than the 78 percent rate reported for the City as a whole. Of the 2,091 occupied units in the Inlet, 32.8 percent were owner-occupied, and 67.2 percent were renter-occupied. These percentages compare with city-wide rates of 30.6 percent owner-occupied and 69.4 percent renter-occupied.

The only significantly sized, easily identifiable addition to the Inlet's housing inventory since 1980 has been the construction and occupancy of Jeffries Tower, a 300-unit senior citizen housing project. However, there has been an incremental reduction in the number of housing units in the Inlet since 1980 as the result of arson and demolitions. An updated estimate of the housing stock in the Inlet was prepared for this report based upon the results of a field survey in March 1983 and confirmed by a review of the photographic survey of all buildings in the Inlet as well as on-site examinations by American City Corporation and Casino Control Commission staff members.**

The American City Corporation estimates that in 1983 there are a total of 2,484 residential units in the Inlet Community, of which 2,174 (87.5

* These figures are calculated for the area within which development planning could be completed at this time and exclude all areas in the South Inlet Village West of Rhode Island Avenue and south of Pacific Avenue and west of South New Hampshire Avenue and south of Oriental Avenue (see Chapter 5).

**For a more complete discussion of these estimates, see Appendix 4.2.

percent) are occupied.* Assuming the same percentage distribution between owners and renters as reported in the 1980 Census, there are presently 629 owner-occupied and 1,545 renter-occupied residential units in the Inlet Community.

Figure 4.7 presents a comparison of the 1980 Census data and the 1983 ACC estimate. Note that excluding Jeffries Tower just under 400 year-round units have been lost to fire/demolition in the last three years, and The Inlet Community lost units in all categories.

Figure 4.7
INLET COMMUNITY HOUSING STOCK CHARACTERISTICS
1980-1983

	1980 Census	1983 Estimate	Change with Jeffries Tower	Change without Jeffries Tower
Total Year-Round Housing Units	2,581	2,484	- 97	-397
Total Occupied Housing Units	2,091	2,174	+ 83	-217
Owner Occupied	686	629	- 57	- 57
Renter Occupied	1,405	1,545	+140	-160

SOURCES: U.S. Bureau of the Census; American City Corporation

Demographic Characteristics**

The 1980 Census reported a total of 5,583 persons living in the 2,091 households in the Inlet Community (Appendix 4.2B). This indicates an

* For a more complete discussion of these estimates, see Appendix 4.2.

** These figures are calculated for the area within which development planning could be completed at this time and exclude all areas in the South Inlet Village west of Rhode Island Avenue and south of Pacific Avenue and west of South New Hampshire Avenue and south of Oriental Avenue (see Chapter 5).

average household size of 2.67 persons per household, compared with a City-wide average of 2.32 persons per households.

The 1983 ACC population estimate based upon the previously updated estimate of occupied housing units is 5,385 (Appendix 4.2A)*. Based on the most recently released population estimate for Atlantic City of 38,277,** the Inlet contains approximately 14 percent of the City's population. The size of households residing in the Inlet in 1983 is still slightly larger than average for Atlantic City. Inlet households have an average of 2.48 persons, while the 1980 Census reported a city-wide average of 2.32 persons per household.

The age distribution of the population residing in the Inlet compared with the age distribution of the City as a whole is shown in Figure 4.8. The population residing in the Inlet is significantly younger than the remainder of the City.

Figure 4.8
COMPARISON OF AGE DISTRIBUTION
INLET COMMUNITY AND ATLANTIC CITY

	1980	
	<u>Inlet Community</u>	<u>Atlantic City</u>
Under 5	7.5%	6.3%
5-17	23.5%	17.8%
18-64	50.4%	52.4%
65 and Over	18.6%	23.5%
	<u>100.0%</u>	<u>100.0%</u>

SOURCE: U.S. Bureau of the Census, 1980; American City Corporation.

* This estimate is supported by a report from the Atlantic County Board of Elections that there were 3,484 registered voters in the Inlet Community (Atlantic City First Ward - 2,880; plus second Ward, District 3 - 604) as of May 9, 1983. As of May 9, 1983, there were 25,111 registered voters in Atlantic City out of a population of 38,277 (latest estimate by New Jersey Department of Labor). If the same 65.6 percent of the population of the Inlet were registered voters, the population of the Inlet would be 5,311.

**New Jersey Department of Labor, as of July 1, 1981.

Building Conditions

Based on a photo survey of building exteriors, almost two-thirds of the 1,776 structures in the Inlet Community are in good or excellent condition (Figure 4.9). The American City Corporation made this preliminary evaluation based on the following categories:

- Excellent -- no improvements, only routine maintenance is needed.
- Good -- minor repairs of exterior components such as porches, stairs, masonry repointing and repainting as well as possible interior modernization are needed.
- Fair -- major repairs of the above elements to include structural repairs/changes and/or replacement of a mechanical system are needed.
- Poor -- the building is basically structurally sound, but due to neglect or abandonment, most, if not all, walls and mechanical systems should be replaced.
- Dilapidated -- demolition is required because the structure is unsound and/or its reuse for housing is incompatible or uneconomical.

Almost two-thirds of the good and excellent buildings are in Bungalow Park and Gardner's Basin, and a similar proportion of the fair and poor buildings are found in the North and South Inlet Villages.

Figure 4.9*
INLET COMMUNITY
EXISTING BUILDING CONDITION SUMMARY

	<u>Excellent</u>	<u>Good</u>	<u>Fair</u>	<u>Poor</u>	<u>Dilapidated</u>	<u>Total Structures</u>
Bungalow Park	366	121	22	2	12	523
Gardner's Basin**	74	173	70	85	9	411
North Inlet Village	61	203	92	112	10	478
South Inlet Village	<u>23</u>	<u>127</u>	<u>113</u>	<u>98</u>	<u>3</u>	<u>364</u>
Total	524	624	297	297	34	1,776
Percent	29.50%	35.14%	16.72%	16.72%	1.92%	100.00%

* For block-by-block statistics, see Appendix 4.3.

**Includes buildings in the area bordering Gardner's Basin for the Uptown Center proposed activities.

In addition to several residential and commercial structures with distinctive architectural interest, the following buildings have significant architectural interest:

- Absecon Lighthouse, standing 167 feet high at Rhode Island and Pacific Avenues, is listed as a national landmark on the National Register of Historic Places, is the oldest structure on the island (built in 1856), was in operation until 1933, and is open to the public as a small museum.
- Neptune Hose Company (Truck Company 1, Engine Company 7), an operating firehouse at 519 Atlantic Avenue, was built in 1896 in a Victorian Italianate style and altered in 1913.
- Price Memorial A.M.E. Zion Church is a Neo-Gothic stone structure, located at 525 Atlantic Avenue and built in 1906.
- Massachusetts Avenue School, located on Atlantic Avenue at Massachusetts, dates from 1914. The four-story brick, Beaux Arts building is still currently used as an elementary school but is scheduled for closing in 1984.
- Melrose Avenue Fire Station is a Romanesque/Classical Revival masonry building at Melrose and Rhode Island Avenues. Constructed in 1926, it is currently used as an athletic facility operated by the Police Athletic League.

Although not a building per se, the Boardwalk, described in earlier sections in this chapter, should also be viewed as a significant structure and a resource to the Inlet Community and Atlantic City that should be preserved and even enhanced.

Vacant Land and Ownership

Approximately 87 acres (or 28 percent) of the Inlet Community, are vacant, two-thirds of which are located in the North and South Inlet Villages (Figure 4.10). Vacant land areas range from 0.1 to 4.0 acres in size and are typically comprised of a variety of parcels under different owners. Private landowners control 80 percent of the Inlet's vacant land. Atlantic City controls most of the remainder through land dedicated to use as community facilities and private property acquired through tax foreclosures.

Figure 4.10*
INLET COMMUNITY
BUILDINGS AND VACANT LAND BY GENERAL OWNERSHIP SUMMARY
(in acres)

Neighborhood	Private		Public			Total
	Vacant Land	Land with Buildings	Vacant Land	Land with Improvements	Rights-of-Way	
Bungalow Park	7.46	34.56	2.30	0.54	20.51	65.37
Gardner's Basin**	11.36	19.52	7.19	12.92	19.04	70.03
North Inlet Village	18.20	24.18	6.22	11.45	24.13	84.18
South Inlet Village	32.71	19.54	1.28	14.90	20.71	89.14
Total	69.75	97.80	16.99	39.81	84.39	308.72
		167.55		141.19		
Percent	22.59%	31.68%	5.50%	12.90%	27.33%	100.00%
		54.27%		45.73%		

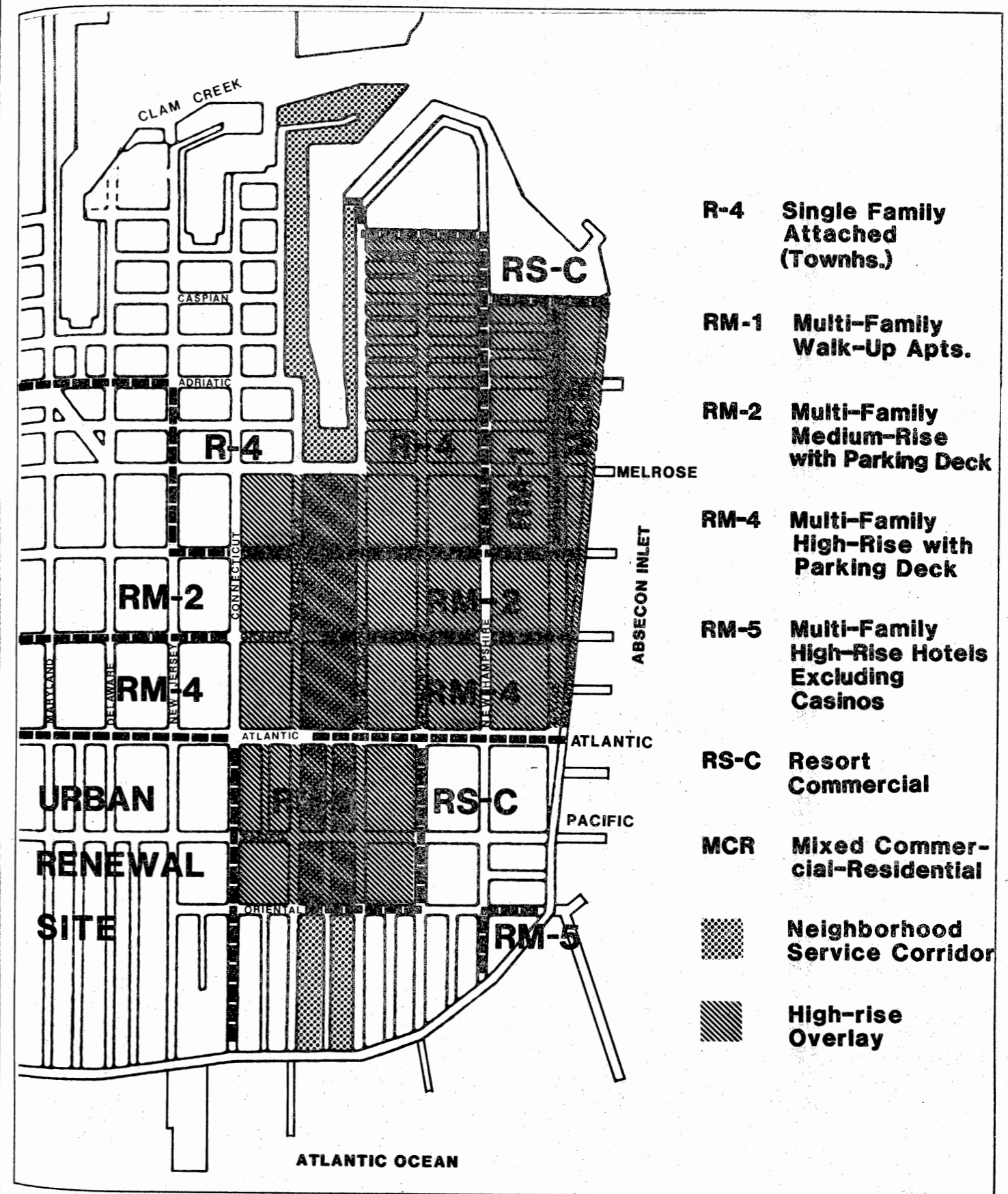
* For block-by-block statistics, see Appendix 4.4.

**Includes land in the area bordering Gardner's Basin for the Uptown Center proposed activities.

When streets (27.3 percent) are included, individuals and corporations still own 54.3 percent of the land in the Inlet Community. There are a dozen owners that hold 10 properties or more. Usually ownership of these landholders is concentrated in one of the four neighborhoods but includes parcels on more than one block. Public lands accounts for 18.4 percent of the total Inlet and is concentrated in Gardner's Basin and North Inlet Village.

Zoning

The Inlet Community contains seven of the 18 basic zoning districts which were adopted in Atlantic City's 1979 Zoning Ordinance (Figure 4.11). Over 25 percent of the area is zoned for casinos (RS-C), which occurs in two areas--one in Gardner's Basin around Maritime Park and the Starn's property and the other in the South Inlet Village fronting the Inlet and the Ocean. Over one-third of the community is zoned for townhouses which is contained in Bungalow Park and Gardner's Basin. The remainder of the Inlet is mostly a variety of multi-family zones and one mixed commercial-residential zone. Below is a brief description of these districts:



ATLANTIC CITY, NEW JERSEY
FIGURE 4.11
THE INLET COMMUNITY ZONING



Figure 4.12*
INLET COMMUNITY
ZONING DISTRICTS

<u>District</u>	<u>Land Use/Building Type</u>	<u>Density (in DU/acre)</u>	<u>Maximum Height (in feet)</u>
R-4	Single Family Attached (Townhouses)	24.2	35
RM-1	Multi-Family Walk-Up Apartments	22.0	40
RM-2	Multi-Family Medium-Rise with Parking Deck	45.0	40
RM-4	Multi-Family High-Rise with Parking Deck	60.0	100
RM-5	Multi-Family High-Rise Hotels excluding Casinos	N.A.	220
MCR	Mixed Commercial Residential	N.A.	110
RS-C	Resort Commercial	N.A.	385

*For acreages by neighborhood for each zoning district, see Appendix 4.5.

The 1979 Zoning Ordinance contained a Neighborhood Service Corridor overlay district, which extends from Clam Creek to the Boardwalk between Massachusetts and Rhode Island Avenues (Ordinance, pp. 146-148a). The district is intended to accommodate community facilities and major components of the social service system, including housing for senior citizens. The 1979 Zoning Ordinance also contained provisions for Planned Unit Developments (PUD). If developers meet the larger lot and other requirements, the Planning Board is permitted to allow the developer to follow the more flexible controls of the PUD sections.

In 1981, several overlay districts for high-rise residential, affecting the Inlet Community, were incorporated into the Atlantic City Zoning Ordinance. These districts permit all uses allowed in the baseline district and increase heights to 160 feet in all areas and in certain areas to 250 (along Atlantic Avenue) and 385 feet (along the Inlet and in South Inlet Village). However, the minimum lots sizes are 20,000-

30,000 square feet and developers must meet other conditions for traffic, building scale and orientation and provide sufficient open space before the overlay controls would apply. As with the PUD provisions, these high-rise overlay provisions are governed by the Planning Board. High-rise overlay districts apply to almost 50 percent of the land in the Inlet Community (Appendix 4.6).

Property Prices

The price of real property in the Inlet Community increased significantly after the legalization of casino gambling for Atlantic City in 1976. Since 1981, land prices have moderated slightly. This trend is apparent in Figure 4.13 below, which displays the change in the average price per square foot of property in selected neighborhoods around the City.

Figure 4.13
AVERAGE PRICE PER SQUARE FOOT OF PROPERTY BY YEAR
SELECTED NEIGHBORHOODS, 1976-1981

<u>Neighborhoods</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
<u>South Inlet</u>						
Improved Property	\$ 4.45	\$ 6.45	\$10.22	\$24.85	\$39.15	\$29.58
Unimproved Property	2.49*	3.00	5.26	15.95	23.08	16.95
<u>North Inlet/ Gardner's Basin</u>						
Improved Property	2.03	2.29	4.49	15.19	11.12	14.19
Unimproved Property	0.47*	0.59	0.62	8.11	11.71	9.90
<u>Lower Chelsea</u>						
Improved Property	7.62	12.50	18.60	26.30	42.17	38.65
Unimproved Property	2.22*	12.69*	14.64	33.27	97.11*	61.88
<u>Venice Park</u>						
Improved Property	3.12	4.43	4.25	8.46	8.05	4.96
Unimproved Property	6.83*	0.57	1.37	1.50	2.48	8.31*

* Average based upon less than five (5) sales transactions; therefore, it is a less reliable figure.

SOURCE: Atlantic City Housing Authority and Urban Redevelopment Agency, June 1982.

The price for unimproved property rose over 200 percent in the South Inlet, and over 1,200 percent in the North Inlet/Gardner's Basin between 1978 and 1979. These increases were the greatest in the entire City, with lesser increases of 127 percent in Lower Chelsea and 9 percent in Venice Park, for comparable unimproved property during the same period. Between 1979 and 1980, property prices in the Inlet neighborhoods continued to rise but showed a much slower increase of about 45 percent, while the increase in property prices accelerated in the other two neighborhoods. However, the price of real estate in Atlantic City showed the first signs of moderation in 1981.

A number of factors contributed to the initial increase in property prices. The first casino recorded high profits in its initial two years of operation after opening in 1978. Early projections were for twenty to forty casino hotels to be built in the City in a short period of time. The Atlantic City Zoning Ordinance, adopted by the City Commission in May 1979, zoned 600 acres of developable land for Resort-Commercial (Casino) development. In addition, early projections of labor force levels and housing needs suggested the probability of a severe housing shortage.

However, by the end of 1981, when nine casino hotels were in operation, the realities of the Atlantic City gaming industry began to emerge. Not all of the casinos were as profitable as the first casino was in its first few years; some casinos reported losses. Although nine casinos were opened in the first four years, there was at that time only one additional casino project on the horizon for the next three years. The nine casino hotels had been built on a total of approximately 50 acres, indicating that there may be an oversupply of casino-zoned land in the City (total of 600 acres). Finally the expected housing shortage failed to materialize, because more of the available jobs were filled by existing Atlantic County residents than originally expected. These Atlantic City realities, along with the national economic recession, have most likely caused the decrease in the prices of Atlantic City real estate over the last few years.

The staff of the Casino Control Commission and the American City Corporation have reviewed all property transactions recorded in the four Inlet Community neighborhoods since January 1980. In order to investigate the impact of the pause in casino development since late 1981 and the effects of the national recession on local real estate values, the transactions were analyzed in two periods--January 1980 to December 1981, and January 1982 to June 1983. The results of this analysis are shown in Figure 4.14.

Figure 4.14
INLET COMMUNITY REAL ESTATE TRANSACTIONS

	1980-81		1982-June 1983	
	Number of Transactions	Avg. Price Per Sq.Ft.	Number of Transactions	Avg. Price Per Sq.Ft.
Bungalow Park	46	\$12.47	17	\$ 8.79
Gardner's Basin	84	14.51	9	12.67
North Inlet	72	14.95	18	11.90
South Inlet	97	26.17	35	24.44
Inlet Community	299	\$17.03	79	\$14.45

During the period since the beginning of 1982, the volume of property transactions has decreased along with the average price per square foot. The average number of transactions per month has dropped from 12.46 during 1980 and 1981 to 4.39 since the start of 1982. As the demand for property in the Inlet has decreased, the average price per square foot has also decreased by \$2.58 or just over 15 percent. The decrease has been most pronounced in Bungalow Park and the North Inlet where there is no casino-zoned property.

Topography and Soils

The topography in the study area is generally flat. The land rises gradually from the Boardwalk to Pacific Avenue and falls just as gradually to Gardner's Basin. The lowest elevation of approximately 5.0 feet above Mean Sea Level (MSL) is at Melrose and Rhode Island Avenues. The difference between the lowest and highest elevation is

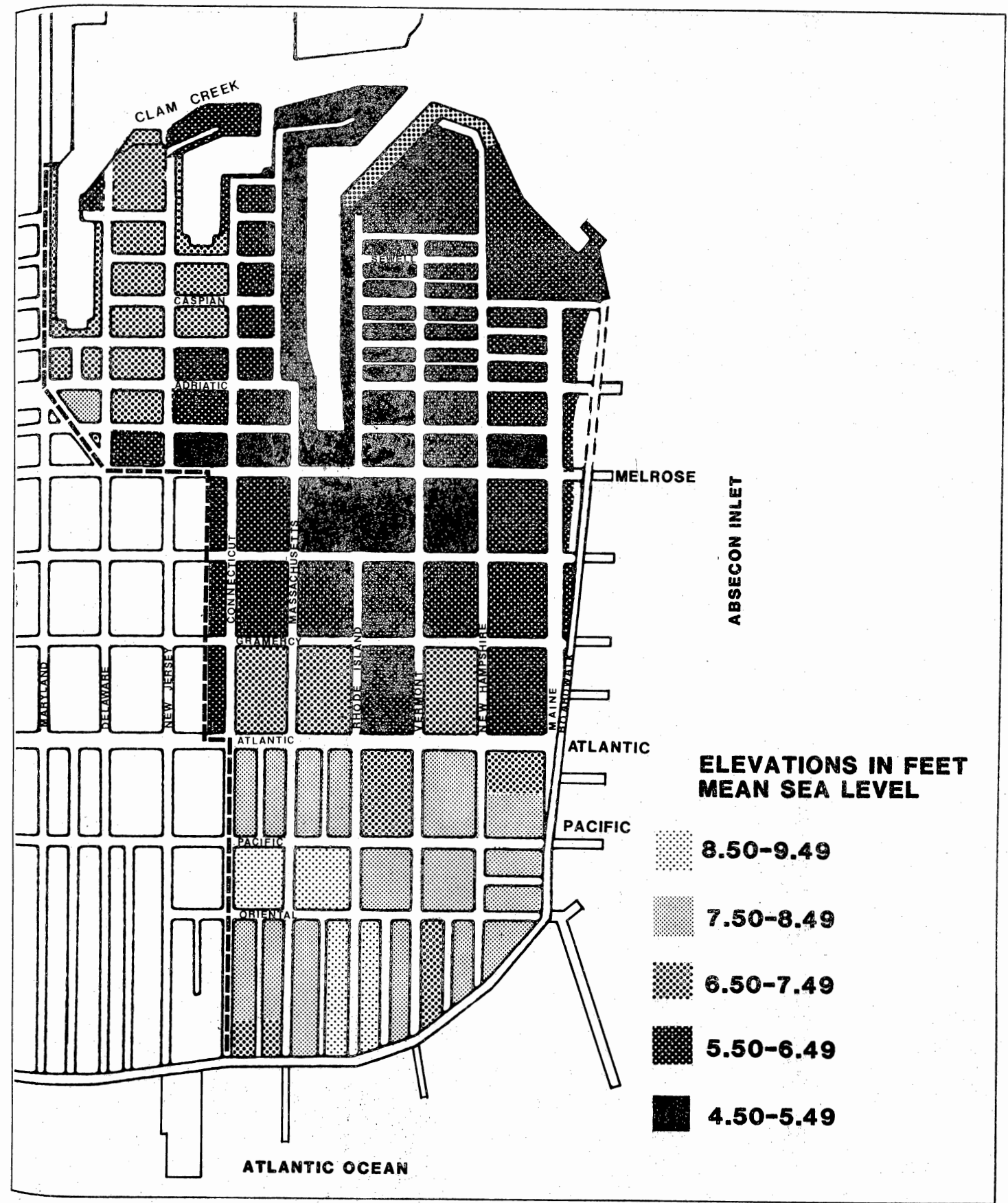
less than 5.0 feet. Figure 4.15 shows an average elevation for each block in the Inlet Community based on curb elevations provided by the Atlantic City Engineer's office.

The Federal Flood Insurance Agency has set the base flood level for the Inlet Community at 10 feet MSL and 12 feet MSL for properties on the westerly side of Maine Avenue. To obtain flood insurance, then, all new construction and substantial improvements to structures within the area must have the lowest floor elevated to or above the base flood level. Substantial improvements are defined as a repair, reconstruction or improvement in which the cost to make the upgrade equals or exceeds 50 percent of the market value of the structure. On Absecon Island only a few areas are above the 100-year flood level and many are subject to periodic flooding (Figure 4.16). Areas in Gardner's Basin are subject to flooding 3 to 4 times per year particularly at high tides and a full moon. Developers have overcome the insurance requirement by siting the first floor above the 100-year flood elevation (10 feet MSL) and then grading down from the structure to meet adjacent parking areas and existing streets. Jeffries Tower and the Uptown Complex have been sited this way. Another method creates a crawl space or parking space beneath the structure.

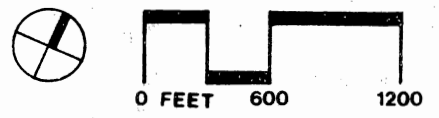
Two general soil types can be found in the Inlet community. They are:

CM -- Fill Land, Sandy represents man-made land which was originally either sand bars or mudflats that have received several feet of fill. The fill material is usually quite sandy, and this soil type possesses low fertility, low organic content and low water-holding capacity and is subject to wind and water erosion. Vegetation on this land is sparse and drainage is usually adequate. Engineering limitations for buildings are generally few.

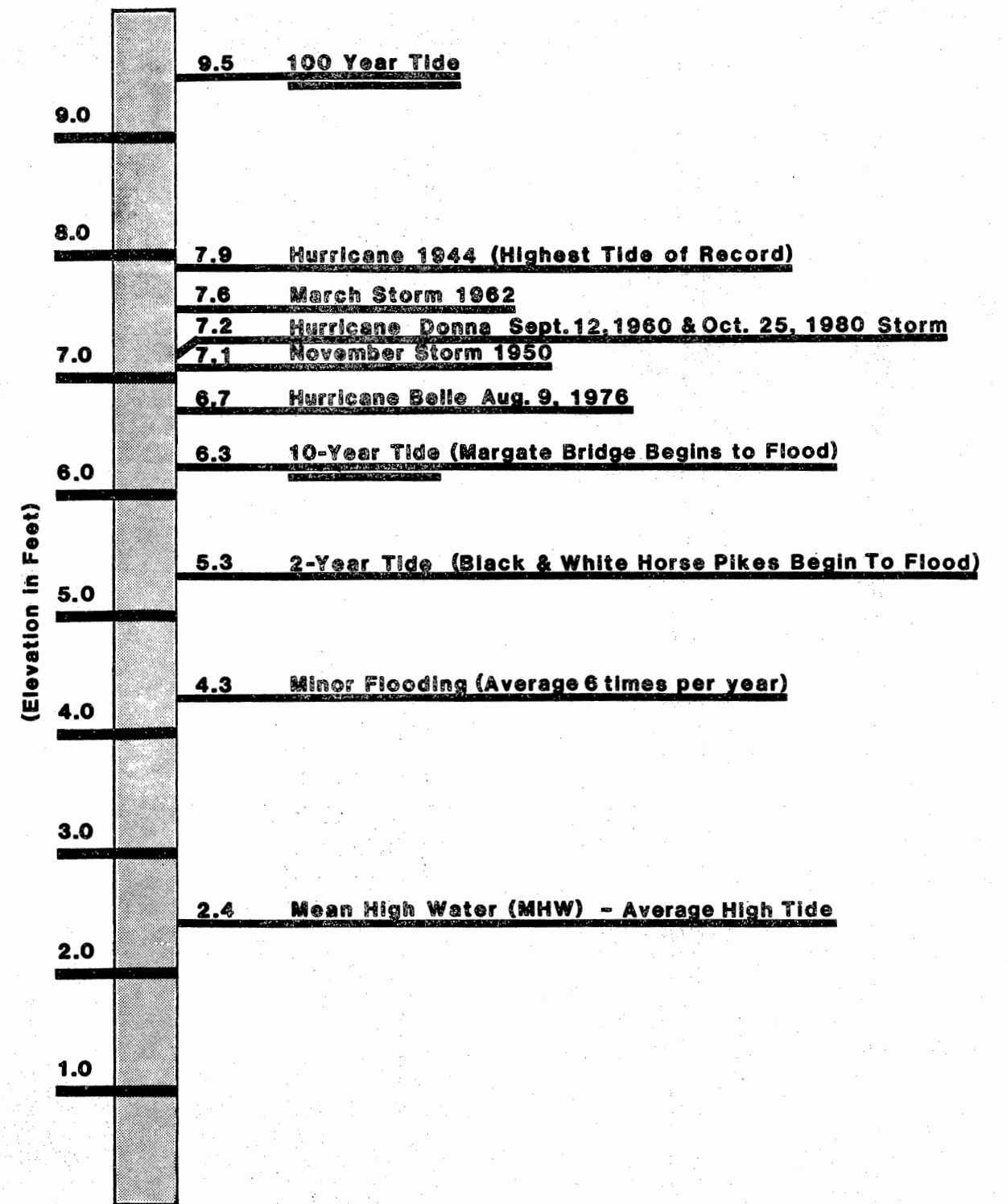
CMH -- Fill Land over Tidal Marsh represents areas that have received several feet of fill material. Organic content and natural fertility are low, and drainage is excessive except over shallow fill and wet soils. This land has slight engineering problems for structures



ATLANTIC CITY, NEW JERSEY
FIGURE 4.15
THE INLET COMMUNITY TOPOGRAPHY



M.S.L. (Mean Sea Level)



SOURCE: National Weather Service Data, compiled by the City of Atlantic City, October 1982.

ATLANTIC CITY, NEW JERSEY
FIGURE 4.16
TIDAL FLOOD LEVELS

where fill is greater than 5 feet and more severe where fill is less than 5 feet.

Prior to any actual construction, detailed soil tests should be made relative to the proposed structure. If a mud stratum is indicated from the core boring samples, pilings will be necessary. Nonetheless, the Atlantic City Building Code requires pilings to a depth of at least 10 feet below MSL for all structures erected within 100 feet of the inland side of the Boardwalk. Furthermore, given these soils, a high water table and low elevations, any uses below grade such as parking and service must be thoroughly analyzed physically and financially.

A third soil type, CB -- Coastal Beach, can be found between the Atlantic Ocean and the Boardwalk. Its surface is unstable and supports little vegetation. The organic content and water-holding capacity are very low. The water table varies with the tides and ranges from 0-5 feet. The fine sands are affected by wave and wind action, producing a continuous transport of sand along the beach known as "littoral drift." The Absecon Inlet acts as a sand trap for a portion of the littoral drift moving westward from the Brigantine Beach. The net supply of sand reaching the Atlantic City beach is then reduced resulting in erosion to the beach. The Inlet also fills, reducing its usefulness as a navigable channel. The U.S. Corps of Engineers has built jetties along the beaches at the Inlet in an attempt to restore the beach sands.

Infrastructure and Utilities

The street and storm sewerage systems are provided and maintained by the City government. Sanitary sewer, water, electric, gas and telephone services are provided by independent utility companies. Generally, the infrastructure and utility systems in the Inlet Community, and particularly the Gardner's Basin area, are the oldest in the City. Certain systems including gas, water, sanitary sewer and storm sewerage are in need of capital investments, some of which are already planned and will be made regardless of the extent of private redevelopment in the area. On the whole, the condition of the infrastructure in the Inlet Community

is similar to that encountered throughout the City, according to local utility spokesmen.

A brief description of the existing condition of each system is presented below. The opinions expressed are those of the responsible municipal or company officials and should be considered preliminary until site specific engineering studies are completed.

Roads: Most of the Inlet streets, curbs and gutters are in need of restoration or replacement. Streets requiring a complete reconstruction would include rebuilding the base, new paving, new gutters and reinstallation of curbs.

Storm Sewer System: The existing system of storm sewers was designed to handle the maximum amount of run off caused by full development of the area. The system should be capable of handling run off from new development in the study area with only cleaning and minor repair of several catch basins. The repair of the floodgate at the intersection of Melrose and Rhode Island Avenue would help relieve flooding but is not regarded by the City Department of Public Works to be necessary to accommodate new development at previous development densities.

Sanitary Sewer System: The Atlantic City Sewerage Company reports a great deal of infiltration and inflow which it believes originates mostly in the North Inlet Village Gardner's Basin area, the oldest section of the system. The company is about to begin a long range, system-wide series of improvements to reduce inflow. The first improvements will be made in the area just mentioned. The overall capacity of the system will not be a development constraint once infiltration is eliminated. In certain areas, however, sewer grades are insufficient and may require new lines to meet environmental requirements. Furthermore, individual development projects of high density or intensive use may be required to upgrade the diameter of pipe between the proposed project and a trunk line of sufficient capacity.

Water Service: The Municipal Utilities Authority (MUA) provides water service to Atlantic City. The existing water mains have sufficient capacity to accommodate new development. Insufficient water pressure is presently a problem in parts of the Inlet Community. The Authority is currently preparing to finance and construct a new water tank in the area to improve water pressure. Community service (one meter servicing four or five houses) is another problem. Bills must be divided proportionally no matter what a household's actual use may be. With community service, lines many times run under the houses, not in the street rights-of-way, making repairs costly. With

any redevelopment, new services would allow for individual metering and better location of these lines. The Authority collects a connection fee from new developments to create a fund to finance future infrastructure improvements.

Gas: The South Jersey Gas Company presently serves much of the Inlet Community with an old, low pressure gas system. This system could service redevelopment in the area at densities slightly higher than previously existed. High density development, however, would require installation of a new high pressure gas line. One high pressure line exists in the Inlet along Melrose Avenue. This and other high pressure lines would allow for outside metering, as most gas meters are currently indoors.

Electric: The Atlantic City Electric Company indicates that there are no problems with servicing existing or potential new development in the redevelopment areas. If massive development occurs in the Inlet, an additional substation may be needed.

Telephone: The New Jersey Bell Telephone Company indicates that they have adequate capacity to handle any development which might occur in the Inlet Community.

Health and Social Services

Residents of the Inlet Community can obtain health and social services from any of five entities: The Atlantic County Department of Social Services; the Atlantic City Welfare Department; Atlantic Human Resources Inc.; the Latin Organization of Atlantic City; and Catholic Social Services. Information regarding the type of service available, and (wherever possible) the extent of utilization by Inlet residents is presented below as reported by each entity.

Atlantic County Department of Social Services:

The Atlantic County Department of Social Services is divided into four divisions. Three of those divisions reported on the utilization of their services by Inlet residents:

- Division of Aging and Disabled provides the following services to 45,000 senior citizens around Atlantic County: Information and Referral, Transportation, Protective, Nutrition, Fix-It, Homemaker, Chores, and Employment. A total of 74 Inlet residents participate in

the Nutrition Program at two locations - the H.G. Rosin Center at 901 Pacific Avenue and the Stanley Holmes Village site at Kentucky and Adriatic Avenues. Four residents of Ocean Manor and four residents of Jeffries Tower were receiving Homemaker Services as of August 1983. Only three requests for the Fix-It Program were received from Inlet residents in the first half of 1983, while more than twenty houses were worked on in the South Inlet alone during 1982. Twenty-two clients from the Inlet were served by the Office for Disabled.

- Division of Welfare administers Federal and State Welfare Programs including Aid to Families with Dependent Children (AFDC), Food Stamps and Supplemental Social Security. This division reports that there were 103 applicants for AFDC assistance from the Inlet Community from January 1 to July 1, 1983.
- Division of Youth Services runs three programs for problem youths. Youths who have committed a serious offense are incarcerated at the Harborfields Detention Unit. Ten of the 134 admissions from January to August 1983 resided in the Inlet Community. The Harborfield Rehab Unit is for youths found guilty but given a suspended sentence in exchange for spending six months at the rehab unit. Four of 54 total admissions between January and August 1983 resided in the Inlet Community. The Youth Shelter houses status offenders, incorrigibles, truants, runaways and abandoned and abused children. Nine of 157 total admissions came from the Inlet Community.

Atlantic City Welfare Department:

The Atlantic City Welfare Department is a legislatively-mandated, general assistance agency for the indigent population. Through direct payment arrangements with vendors they provide shelter, food and medical services for their clientele. Seventy-five percent of their \$1.0 million annual budget comes from the State Department of Human Resources. Between January and August 1983 the Director of the Department reported that one-third of the total City case load of 400 resided in the Inlet Community.

Atlantic Human Resources, Inc. (AHR):

Atlantic Human Resources, Inc., a private, non-profit charitable agency is the designated Community Action Program, anti-poverty agency for Atlantic County. The agency administers the following programs throughout Atlantic and Cape May Counties: Project Head Start, Ambulatory

Health Care, Foster Grandparent Program, Retired Senior Volunteer Program, HUD-Homeownership Counseling Services, Low-Income Energy Conservation Program and Youth Services. The administrative office of the agency, which spent over \$4.4 million on services in 1982, is located in the Inlet Community at 27 North Massachusetts Avenue. AHR operates four neighborhood centers, including one at the Uptown Complex. A total of 1,601 clients received social services at the Uptown Complex during 1982. Housing related problems, including overcrowding and the need for financial assistance with utility bills, are reported most frequently. One hundred and one children participated in a day camp program in 1983, as compared with an approximate 150 who attended in past summers. Employment training program is also reported to be necessary.

Latin Organization of Atlantic City (L.O.A.C):

The Latin Organization of Atlantic City, a private, non-profit community organization serving the needs of Hispanic residents, helped a total of 1,570 clients during the period between August 1982 and July 1983. The offices of L.O.A.C. are located in the Inlet Community at 417 Atlantic Avenue. Although the Hispanic community is dispersed in various parts of the City, the Executive Director reports that approximately 80 percent of the agency's clientele still reside in the Inlet. Over 40 percent of the clients received Companionship Services, which means that L.O.A.C. staff served as interpreters and/or advocates in a problem situation for the Spanish-speaking client. Another 33 percent of the clients received employment-related counseling, and 175 (11 percent) received assistance with housing-related matters. Other client services offered include general counseling by a social worker, information and referral, health-related services, transportation, protective services, job education and training and family planning.

Catholic Social Services:

Catholic Social Services is a 13-year-old social service agency, located in the Inlet Community at 25 N. Massachusetts Avenue and funded by the

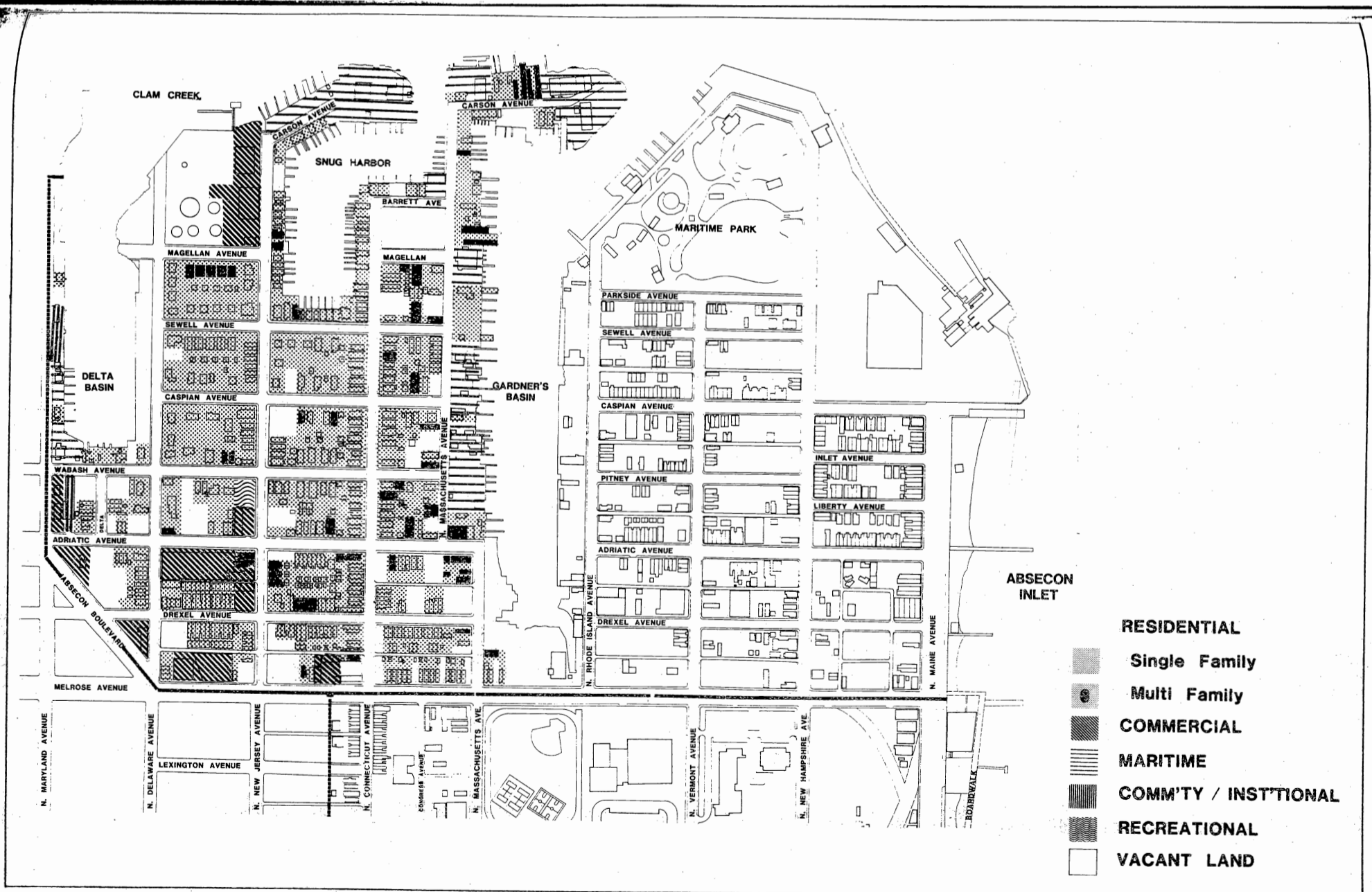
Diocese of Camden. With a staff of eight, plus volunteers and a budget of \$153,000, the agency provides emergency assistance, information and referrals, drug and alcohol abuse counseling, social casework, adoption information, visitation, protective services, a volunteer program and a thrift shop. The number of walk-in cases has dwindled in the last few years, and most services today are offered in clients' homes around the City, stemming from referrals from the Information-Atlantic Hotline, the hospitals and other social services. The agency served 1,153 emergency assistance cases between December 1981 and November 1982. By far the largest demand was for emergency food assistance people--2,448, followed by 228 people needing clothing, 87 people needing rent assistance, 93 needing furniture and smaller numbers requiring assistance with transportation and prescriptions. Two hundred fifty-six counseling sessions were held with 268 clients and 140 unwed mothers were served. All the emergency assistance was provided with a \$10,000 state grant plus \$3,300 in church donations.

THE INLET NEIGHBORHOODS

Below are profiles of the four neighborhoods being used as the basis of the analysis in this report. The profiles outline physical as well as social characteristics.

Bungalow Park

The 65-acre Bungalow Park is a mature, generally well-maintained neighborhood with a number of tree-lined streets located in the northwest sector of the study area. It includes one-fifth of the Inlet land area (Figure 4.17). The edges of the neighborhood contain a mix of residential, retail, warehousing and maritime uses. With its northern and western boundaries of Clam Creek and the harbors and basins, it has the largest area of the four neighborhoods devoted to such maritime activities as boat slips, storage, repair and maintenance. The core of the neighborhood is comprised of up to 3-story, attached and detached single-family homes. Some apartment units are scattered throughout the



ATLANTIC CITY, NEW JERSEY
FIGURE 4.17
BUNGALOW PARK EXISTING USES



neighborhood. There is only one park in the area, a small (0.16 acre) playground at the corner of Wabash and New Jersey Avenues.

Many of the neighborhood's 475 homes were built after World War II--the only concentration of housing from this period in the Inlet. Currently almost 95 percent of these units are occupied, and 60 percent are owner-occupied--the highest rates of occupancy and ownership in the Inlet. It is estimated that the neighborhood has lost about 4 percent of its population since the 1980 Census, resulting in a current population of 1230. Its 2.74 persons per household average is slightly higher than the Inlet's average of 2.48 persons per household.

Bungalow Park's 523 structures are in the best condition of all units within the Inlet neighborhoods. Seventy percent of these units need no repairs and 23 percent need only minor repairs. The structures needing major renovation or demolition are located mostly at the neighborhood's edges. As of June 1983, 12 structures warranted demolition.

Approximately 9.8 acres of land (15 percent) are vacant in Bungalow Park. Most of the vacant property is scattered throughout the neighborhood in parcels less than one-half acre in size. There are several parcels three-quarters of an acre in size and one three-acre parcel at the end of Delaware Avenue at Clam Creek. Almost 25 percent of the vacant land is owned by the City and is concentrated on blocks near Melrose Avenue and surrounding Delta Basin. In Bungalow Park, as with the other Inlet Community neighborhoods, the average price of property has recently decreased. Bungalow Park's average price of property decreased from \$12.47 per square foot in 1981 to \$8.79 per square foot in the last 18 months, a 30 percent drop, which is the largest drop in all of the Inlet neighborhoods. The entire neighborhood is within an R-4 zoning district, which permits low-rise housing up to a density of 24 units per acre and a building height of 35 feet.

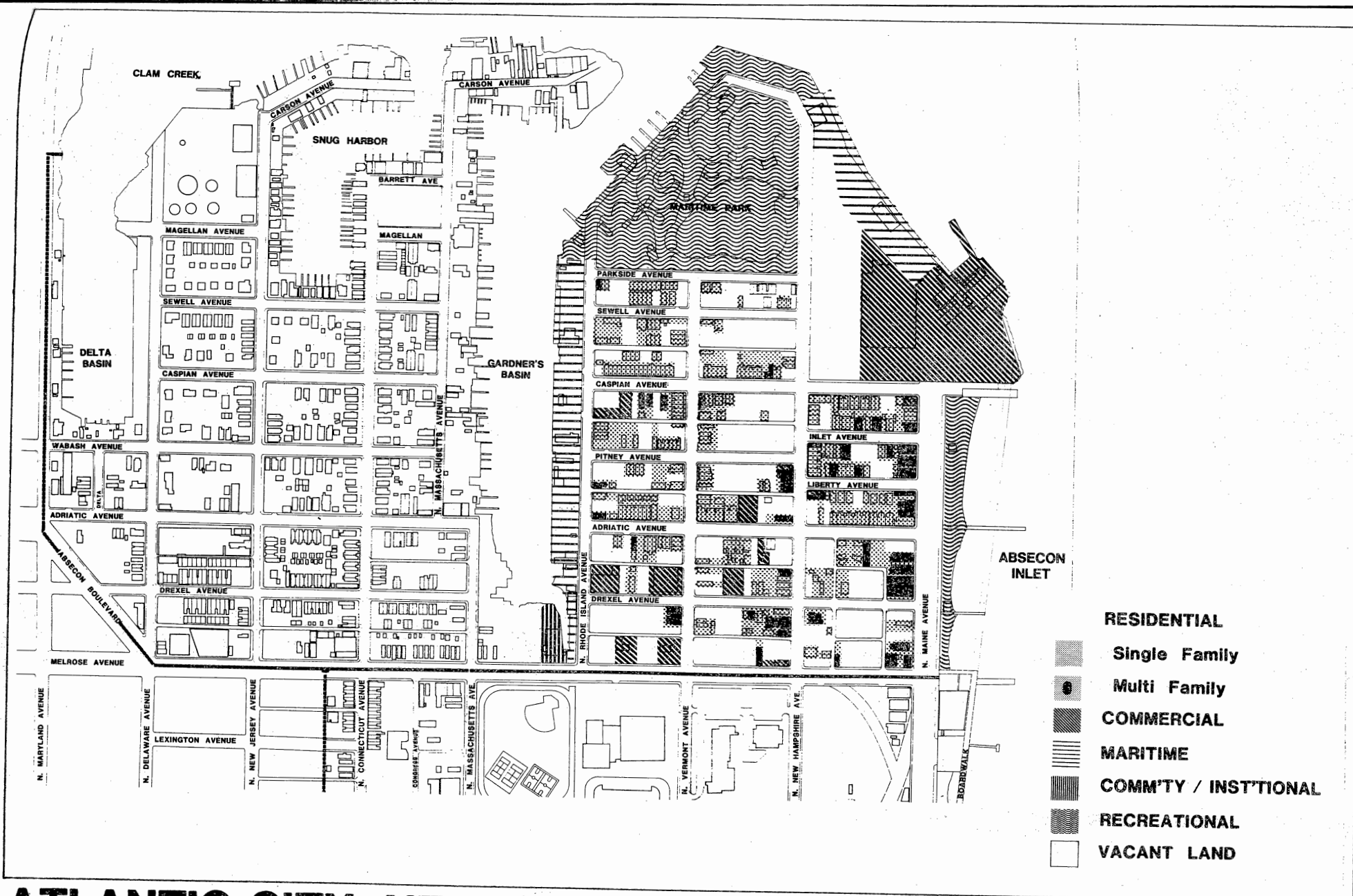
Gardner's Basin

Gardner's Basin includes 67 acres of the Inlet Community on a peninsula in the northeast part of the Inlet Community (Figure 4.18). This neighborhood's shore lines comprise active and abandoned fishboat docks, the 9-acre Maritime Park, fishing/viewing areas, beaches, 2 vacant restaurants and an active bus garage and bus parking area. Interior blocks of Gardner's Basin are mostly residential with some active and inactive warehousing, offices and small retail shops. The residential uses are largely single-family rowhouses and townhouses. Small apartment buildings are located on Maine Avenue blocks fronting on the Absecon Inlet. The beach along Maine Avenue, the fishing/viewing area at Clam Creek and Maritime Park provide the open space in this neighborhood.

Gardner's Basin has a current estimated population of 800. The neighborhood has about 340 dwelling units of which 74 percent are occupied. Owners occupy 140 units. Its average household occupancy is the highest in the Inlet Community at 3.20 persons per household. Analysis of the 1980 U.S. Census shows that Gardner's Basin had proportionally more children under 5 years old and school-aged children (5 to 17 years old) than the Inlet Community did as a whole. Since the 1980 Census, the neighborhood has lost an estimated 14 percent of its population.

Most of the 398 structures in Gardner's Basin, which include both residential and commercial uses, were built around the turn of the century. Over two-fifths of the structures need only minor repairs and only one-fifth need no repairs. Although these structures tend to be clustered on parts of blocks, they are also interspersed with structures needing major or complete renovations, which account for the remaining two-fifths for the total structures. As of June 1983, eight structures were in very poor condition that warranted demolition.

Vacant land comprises almost 24 percent of the neighborhood or a total of 16 acres. Almost 6 acres of the vacant land is owned by the City.



ATLANTIC CITY, NEW JERSEY
FIGURE 4.18
GARDNER'S BASIN EXISTING USES

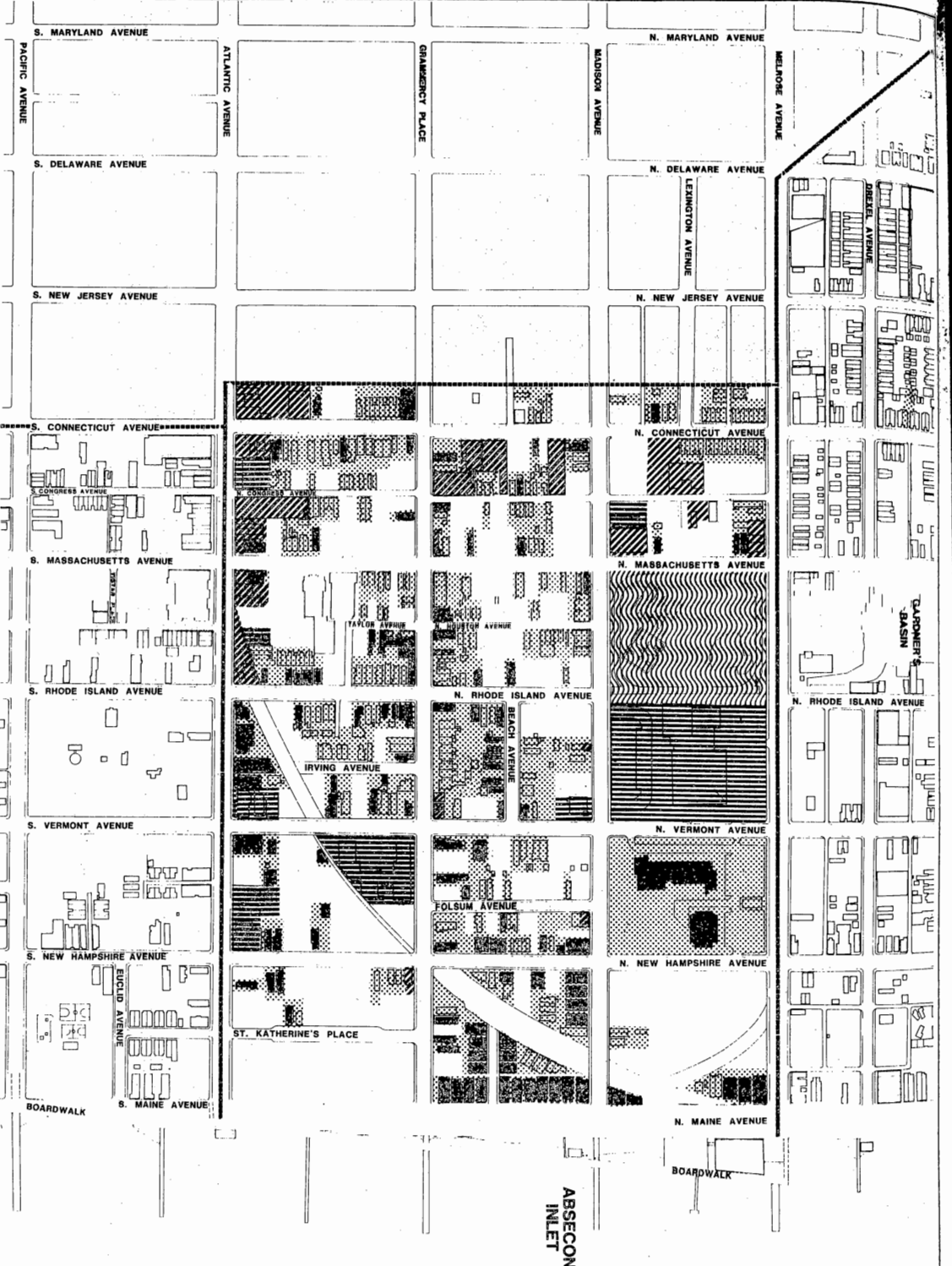


The large areas of vacant land, ranging from 0.5 to 1.0 acre in size, are mostly located on blocks near Melrose Avenue. The largest vacant tract is the 4-acre Garwood Mills site at New Hampshire and Caspian Avenues. Vacant parcels less than one-half acre in size are scattered throughout all the blocks, creating many single or small clusters of free-standing buildings. The blocks between Maine and New Hampshire Avenues from Caspian to Adriatic Avenues remain largely intact. In the last 18 months, the average real estate prices in Gardner's Basin have dropped 13 percent to \$12.67 per square foot. Forty percent of the neighborhood is zoned resort-commercial, which permits casinos. The remainder of the neighborhood includes residential and a mixed commercial zones, almost all of which can have more intense development under the high-rise overlay district provisions of the Atlantic City Zoning Ordinance.

North Inlet Village

North Inlet Village, located at the center of the Inlet, contains 84 acres or 27 percent of the total community area (Figure 4.19). Blocks are typically 1.75 to 2.5 acres in size. Dwelling unit types in the neighborhood vary from the new high-rise Jeffries Tower to one-story detached houses. Most of the units are 2- to 3-story attached and detached rowhouses built between 1890 and the 1930's. Walkup apartments are found along the major thoroughfares of Atlantic and Maine Avenues. Some apartment units are also located above corner stores throughout the neighborhood and Atlantic Avenue. The largest concentration of commercial uses is found along Atlantic Avenue, connecting this area with the Central Business District. Churches and institutional uses are located throughout the community. Recreational facilities are concentrated at the 7.0-acre Uptown School site at Melrose and Vermont Avenues. A quarter mile of the Boardwalk runs along Maine Avenue.

North Inlet Village's current population is the largest of all the Inlet neighborhoods and is estimated to be 2,380 or 44 percent of the total Inlet Community's 1983 population. About 86 percent of its 1121 dwelling units are occupied but only 168 are owner-occupied, a sharp



ATLANTIC CITY, NEW JERSEY
FIGURE 4.19
NORTH INLET VILLAGE EXISTING USES

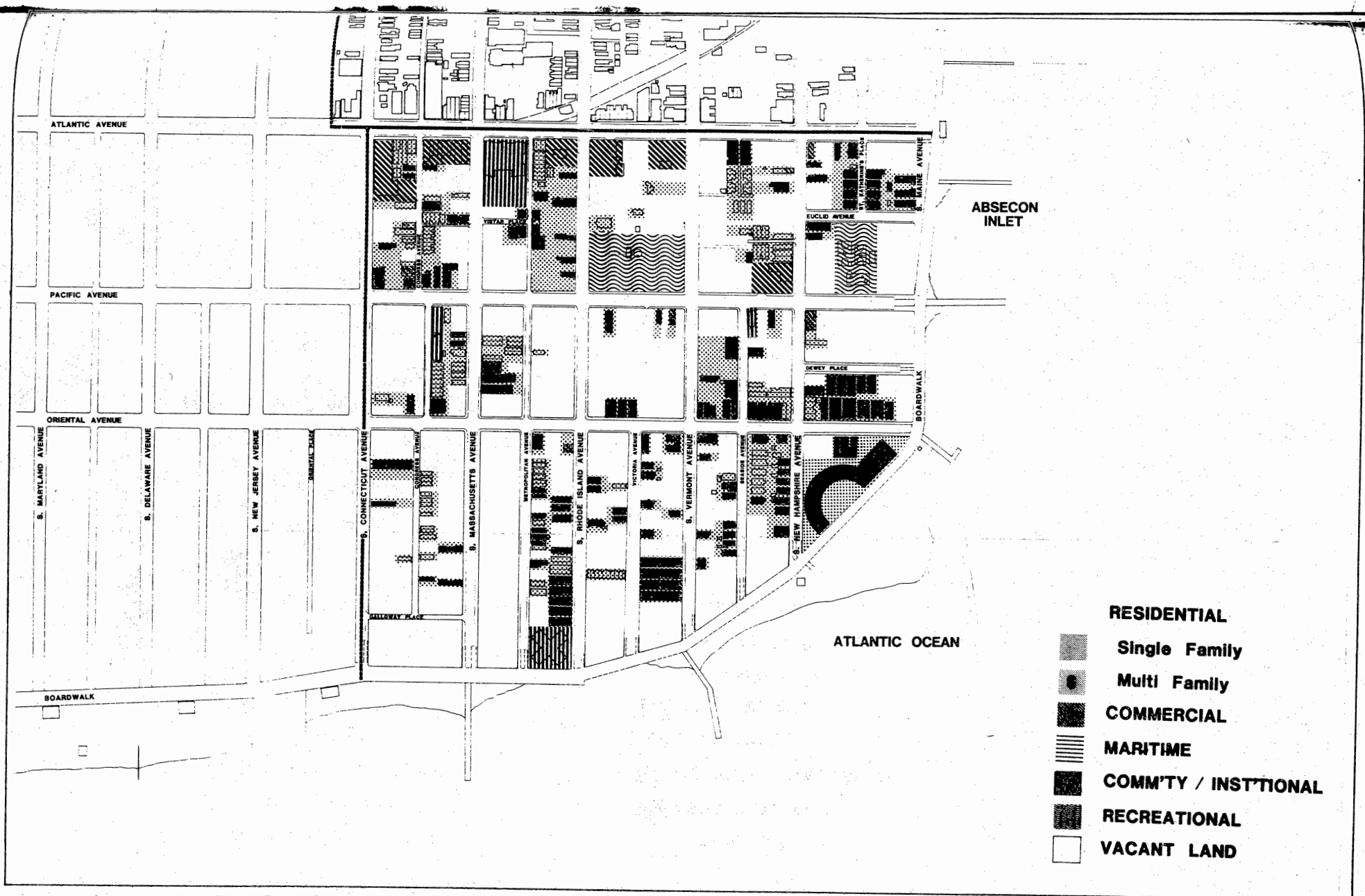
contrast in ownership with the Bungalow Park and Gardner's Basin neighborhoods. North Inlet Village's average household occupancy is equal to the Inlet Community's average of 2.48 persons per household. However, with housing for the elderly contained in Jeffries and Inlet Towers, the neighborhood has the highest percentage of people 65 years old and older than any other neighborhood. The opening of Jeffries Tower has increased the neighborhood's population by 10 percent since the 1980 Census, the only neighborhood to have an increase in this period.

Fifty-five percent of the 478 existing buildings are in excellent or good condition, needing routine maintenance or minor repair. The remainder of the structures (45 percent) are in fair to poor condition and would require major or complete renovations to be brought to a condition commensurate with the projected overall environment. As of June 1983, ten structures were judged dilapidated requiring demolition.

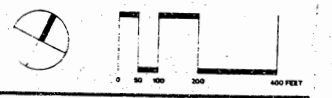
Over 24 acres (about 29 percent) of the North Inlet Village are vacant land. These areas are typically 0.1 to 0.3 acres in size. Two 4- to 5-acre blocks along Maine Avenue at the corners of Melrose and Atlantic Avenues are almost entirely cleared. The average price of real estate in North Inlet Village has decreased by 20 percent in the last 18 months from \$14.95 to \$11.90 per square foot. The neighborhood's zoning is almost entirely residential and also permits more intense development in residential areas zoned for the high-rises.

South Inlet Village

With over 89 acres, South Inlet Village is the largest neighborhood in the Inlet Community (Figure 4.20). Block sizes range from 1.50 to over 4 acres, and those between the Boardwalk and Oriental are long and narrow. Although there are single-family homes (both attached and detached), low-rise walk-up apartments are prevalent. Although sizes vary, residential structures in South Inlet Village tend to be larger and more substantial than in the other neighborhoods. Many of these larger homes were guest houses and second homes built in the Inlet's



ATLANTIC CITY, NEW JERSEY
FIGURE 4.20
SOUTH INLET VILLAGE EXISTING USES



heyday. Although there are several neighborhood grocery stores in South Inlet, the major concentration of commercial activity in the neighborhood is along Atlantic Avenue. At Massachusetts and Atlantic is the Massachusetts Avenue School. Churches and a synagogue and other institutional uses are located throughout the community. Ocean Manor (subsidized housing) and Beachview Nursing Home are located along the Boardwalk. South Inlet Village has two of the Inlet Community's largest parks--the 2-acre Lighthouse Park at Rhode Island and Pacific and the 2-acre Altman Field at the Boardwalk and Pacific. Running on its eastern and southern boundaries is 0.66 mile of the Boardwalk.

South Inlet Village has experienced the largest population decline in recent years of all the Inlet neighborhoods. Since the 1980 Census, South Inlet's population has decreased 20 percent to an estimated 1983 population of 970. The South Inlet Village has the lowest owner occupancy rate in the Inlet Community: 8 percent of the 548 units are owner-occupied. There are 508 households in the neighborhood with an average household size of 1.91, much below the Inlet 2.48 average size.*

Even though it is the largest Inlet neighborhood in area, South Inlet Village has the fewest structures--364. It also has the fewest that need no repairs--only 23 or 6 percent of the neighborhood's total. Just over one-third of the South Inlet's buildings need minor repairs; 55 percent need major or complete renovation; and 3 structures are sufficiently dilapidated to warrant demolition.

Approximately 34 acres or 38 percent of South Inlet Village is vacant land--the largest concentration in the Inlet Community. Four percent of this land is owned by the City. Although there are small scattered clusters of vacant land, typical blocks are cleared or almost entirely clear with up to 3 acres of vacant land. The average price of property

*These figures are calculated for the area within which development planning could be completed at this time and exclude all areas in the South Inlet Village west of Rhode Island Avenue and south of Pacific Avenue and west of South New Hampshire Avenue and south of Oriental Avenue (see Chapter 5).

in South Inlet Village has decreased 7 percent from \$26.17 per square foot in 1981 to \$24.44 in the last 18 months. These average prices are the highest in the Inlet, approximately twice those currently in North Inlet and Gardner's Basin and almost three times those currently in Bungalow Park. Over 60 percent of the land is zoned Resort-Commercial which permits casinos. Almost all of the remaining residential land can have more intense development through the City zoning ordinance's overlay district for high-rises.

Chapter 5: THE DEVELOPMENT PROGRAM

To carry out an effective housing development strategy in Atlantic City, three conditions must be met:

1. The basic development concept must be comprehensive enough to include a wide range of housing opportunities in a residential environment which is second to none in the region.
2. Opportunities for action must produce visible housing results in a reasonably short-term period. (Residents, elected officials and business people are united in their impatience with delays and controversies over implementation.)
3. There must be a development mechanism whose sole mission is to foster the implementation of the development plan according to an orderly strategy where public and private actions build upon and reinforce each other.

Each of these conditions for a housing development strategy is addressed in the following chapters of this report. The next three chapters focus on the first two requirements. They describe a comprehensive concept which is compelling enough to convene the essential parties both public and private and realistic enough to begin at once and to be followed through to completion. This chapter outlines specific recommendations on the number and types of housing units and support facilities required for optimal development of the Inlet Community. The pacing of these developments is also addressed here. The next chapter locates these program elements in the context of the Inlet Community just described in Chapters 2, 3 and particularly 4. Chapter 7 analyzes the costs associated with implementing the plan. The final chapter on the housing development strategy focuses on the third condition -- how the concept can be realized.

The numbers presented in this report represent the recommendations of the American City Corporation (ACC) based on the level and quality of information available at the time of this writing. Given the scope and

complexity of planning for the comprehensive redevelopment of 309 acres of land in a deteriorated urban setting, it is likely that some of the specifics of this plan will be modified as unknown conditions and opportunities arise during the implementation period. The numbers presented here are intended to be suggestive of what could be achieved under a given set of circumstances. Although circumstances might change and require revisions in the development arithmetic, the overall concept and the development objectives are essential to producing a balanced residential community.

The development program does not include a 35-acre area in South Inlet Village because of uncertainty related to the final disposition of the Uptown Urban Renewal Site at the time of this writing. The area includes six blocks west of Rhode Island Avenue and south of Pacific Avenue and west of south New Hampshire Avenue and south of Oriental Avenue. Depending on the City's resolution of the various proposals, the six blocks could be all or partly related to housing, non-casino hotels, casino hotels and visitor retail. Unlike the development program, the Inlet Community Development Plan does include these blocks in terms of circulation and access and a visual easement. More is described about these aspects in Chapter 6.

THE CONCEPT: A BALANCED RESIDENTIAL COMMUNITY

After a nine-month process of community consultation and review, residents, government officials and local business people generally agree that the Inlet should be redeveloped as a "balanced residential community" to start housing redevelopment and reinvestment in Atlantic City.

Each of the words -- "balanced", "residential" and "community" -- contribute to the overall redevelopment program and need further amplification in order to more fully define and implement the concept.

Balance

Balance is achieved through choices in housing types, ownership/rental and price. These choices will foster the free play of natural, social and economic forces which will create an exciting, heterogeneous community. A balanced offering of housing choices allows the community to appeal to a broad spectrum of market segments. The provision of housing choices allows families and individuals of a variety of ages, races and incomes to interact and share in the advantages of living in the Inlet Community.

Housing Types

Balanced residential development calls for a variety of architectural styles and densities of housing types. The juxtaposition of differing styles and densities creates a more stimulating environment while offering a variety of living spaces, vistas and settings to potential residents. A mixture of housing types brings various age groups and family styles together which helps support a wider range of services and facilities for the community at large. In an older community such as the Inlet, the mix of housing types available is enhanced by the wide variety of characteristics of the existing housing stock which can be preserved.

The Inlet Community Development Program calls for the following mix of housing types:

- Existing occupied units to be preserved:*

A total of 2,350 residential units would be occupied after relocations and when Lighthouse Plaza, which is under construction, is complete. These units range from single-family detached units in Bungalow Park to high-rise units built especially for senior citizens in the North and South Inlet Villages. It is anticipated

that most of the occupants would remain to enjoy the benefits of a redeveloped community.

- Existing vacant units to be rehabilitated:*

There are 255 vacant units in single- and multi-family structures suitable for renovation. These units offer opportunities for owner occupants and investors to imaginatively renovate and restore older buildings, which often provide a greater amount of living space at a lower cost than new construction.

- New single-family detached units:

A maximum of 60 new single-family detached units could be located in the Inlet Community on scattered vacant lots where the remainder of the block is intended for renovation. Due to their complete structural independence from other units, single-detached homes occupy the most land per unit (eight units per acre). They can be one or two stories and can be built on-site or manufactured in a nearby factory and transported to the site. Single-family detached homes are usually owner-occupied and appeal to mature households with children.

- New Townhouse/Rowhouse units:

Three hundred and forty (340) new townhouse units could be developed in the Inlet Community. Numerous sites exist where rows of 2 to 10 units could be built on small sites among renovated homes or on larger parcels where a comprehensive cluster could be built. The utilization of common walls and a narrow and deep-unit shape permit development density of 14 to 16 dwelling units per

* The Atlantic City Task Force on Housing and Community Development recommended the preservation of sound residential structures wherever possible and economically feasible.

acre and reduce construction costs per unit. These units are usually 2 or 3 stories and owner-occupied by family households. Nationally, they have been found to be particularly attractive to first-time home buyers.

- New Multi-Plex units (quadplex, eightplex or garden apartments in walk-up structures):

The development program calls for the construction of 900 new multi-plex units in the Inlet Community. The majority of these units would be in two- to three-story garden apartment structures which are generally developed in a series of buildings consisting of 8 to 12 units on a larger site where parking, amenities and landscaping are provided as part of the complex. The remaining units in this category would be built in multi-family buildings ranging in size from 4 to 24 units. Recently, developers have found that building a mix of units in one "great house" can provide for interior and exterior architectural imagination while being cost efficient to build and manage. All of the multi-plex apartment units should be developed at a density of approximately 32 dwelling units per acre. These units generally appeal to smaller households including singles, mingles, newlyweds and single-parent families and can be marketed as both rental and condominium or cooperative units.

- New Units in Mid- and High-Rise buildings:

A total of 1,195 residential units could be contained in newly constructed mid- and high-rise structures in the Inlet Community. (This does not include 314 new units in Lighthouse Plaza.) Building heights could range from 4 to 12 stories. These units are more expensive to construct due to the necessity for elevators, large common areas and often structured or covered parking. However, land costs per unit are less due to the greater densities which can be achieved. (A maximum density of 60 dwelling units per

acre is recommended.) Mid- or high-rise buildings in the Inlet would provide the added advantages of excellent views and less responsibility for individual occupants for overall maintenance, security and other amenities. Mid- and high-rise living generally appeals to small households without children and can either be rented or sold for either year-round or seasonal use.

Ownership vs. Rental

Another element of choice which must be available in a balanced residential community is the option for the occupant to own or rent the dwelling unit. Ownership choices are sought by:

- residents who have sold homes elsewhere and wish to reinvest their equity;
- local residents who may find it desirable and affordable to move from rental units to a new ownership unit;
- households that desire the investment and tax shelter advantages of owning over renting; and
- people who can afford and desire a second home for leisure, retirement and/or as an investment.

Rental choices are favored by:

- new residents who would like to learn more about the community before they decide to buy;
- elderly or others on limited incomes who can not meet equity requirements;
- young individuals employed nearby who find it possible to afford a higher level of housing by sharing costs with another person but do not want to share ownership with an unrelated individual; and
- people who prefer to rent and do not want the responsibilities of ownership.

Evidence regarding the relative desirability of ownership versus rental is found in a number of sources. The Casino-Hotel and Public Employees Housing Needs Survey - 1982 reported that 58.7 percent of the casino-

hotel employees and 63.8 percent of the public employees interviewed preferred to own rather than rent. The market analysis completed for this report in 1983 reveals that 57.6 percent of the total residential demand from the Atlantic County primary market area would be for ownership during the period between 1982 and 1990, while the overwhelming demand to own higher-priced leisure, retirement and investment units would bring the total demand for ownership units in the Inlet Community to 74 percent.

In order to accommodate the preference for ownership units expressed by the market, the Inlet Community Development Program recommends that 2,000 (72.7 percent) of the 2,750 residential units to be constructed or renovated (those units currently vacant) be marketed as ownership units. The remaining 750 rental units should be developed and maintained (without conversion to condominium status) as rental units to accommodate those who favor rental choices. A high proportion of new ownership units would help balance out the total community, since only 28.9 percent of the existing occupied housing units in the Inlet Community are owner-occupied (see Appendix 4.2A). Upon full development of this program, the Inlet Community would have 50.2 percent ownership units and 49.8 percent rental units.

Price:

Perhaps the most important element of a balanced residential community is the wide range of prices at which housing is made available. Residential developments are typically designed to meet the income levels of one segment of the market population. While this can be achievable and may be desirable on a typical undeveloped suburban tract, it cannot be achieved in an urban context such as the Inlet Community where an indigenous population of mixed economic means already resides and where public financial and policy support will be required to achieve any redevelopment objective. In a community redevelopment project, economic

mix can be achieved through the development of a variety of projects, at different prices, in carefully planned neighborhoods.

The goal of providing choices in housing prices can be achieved in the Inlet Community. To begin with, there are 2,350 presently occupied residential units (including Lighthouse Plaza) in the Inlet Community which could be preserved for their current occupants at affordable prices with the appropriate conservation/renovation techniques and public support. Current needs range from ongoing maintenance to comprehensive renovations. These units should remain affordable when they are sold.

The price mix of the 2,750 new units to be developed as part of this program can be defined more specifically. Based on the results of the market research, which indicate the relative level of demand at various price levels, it is recommended that:

- 450 new or currently vacant units could be developed at below-market price levels (\$399 or less rent per month, \$37,999 or less sales price). This number of units should be sufficient to house all those households who would need to be relocated from their present home in the Inlet Community, as well as other members of the Inlet Community who might wish to move to a new unit of their own choice. These units would be affordable to households earning less than \$17,500 per year.

- 715 new or currently vacant units should be developed in the low-price levels (\$400-\$599 rent per month, \$38,000-\$54,999 sales price). These units would be attractive to younger people just entering the casino-hotel industry and other semi-skilled employees wanting to live close to work. Households earning between \$17,500 and \$25,000 per year would be able to afford to live in these units.

- 1,040 new or currently vacant units should be developed at moderate prices (\$600-\$799 rent per month, \$55,000-\$109,999 sales price). These units would be affordable to and desired by skilled and professional casino-hotel employees who wish to live close to work as well as other households, earning between \$25,000 and \$50,000 per year who want to live in an urban environment with the diverse amenities and the vast waterfront, available in the Inlet.
- 545 new units should be developed at higher-price ranges (all for sale at more than \$110,000 per unit). These units would be geared to local professionals and executives, as well as retirees, second home buyers, and investors from beyond the local market area. Household incomes of greater than \$50,000 per year would be required to afford these units with extraordinary access to waterfront views, the Boardwalk, the beach and other special features available to a residential environment in the Inlet.

Through these choices in type, ownership/rental and price, a balance is more likely to be achieved. This community would include:

- new and current residents;
- single people of all ages and household configurations;
- young married couples;
- young families with children;
- older families without children;
- elderly with special needs; and
- retirees, second home buyers, visitors and vacationers.

There would be room for movement in and out of the neighborhoods and up and down in price levels. Ties with friends, service providers, community and school would not need be broken each time a move is made.

Figure 5.1 shows the recommended balance of choices by housing type, ownership/rental and price.

Figure 5.1
 INLET COMMUNITY
 HOUSING PROGRAM
 (in dwelling units)

	Market Segment				Total
	<u>Below Market</u>	<u>Low Price</u>	<u>Moderate Price</u>	<u>High Price</u>	
Monthly Rent	<u>\$399 or less</u>	<u>\$400-599</u>	<u>\$600-1,199</u>	<u>\$1,200 or more</u>	
Vacant Renovations	15	20	30		65
Single-family Detached					
Townhouse/Rowhouse	45				45
Multi-plex	185	170	65		420
Mid/High-rise	<u>20</u>	<u>100</u>	<u>100</u>		<u>220</u>
Subtotal Rentals	265	290	195		750
Sales Price	<u>\$37,999 or less</u>	<u>\$38,000-54,999</u>	<u>\$55,000-109,999</u>	<u>\$110,000 or more</u>	
Vacant Renovations	85	60	45		190
Single-family Detached	35	10	15		60
Townhouse/Rowhouse	65	10	155	65	295
Multi-plex		175	175	130	480
Mid/High-rise		<u>170</u>	<u>455</u>	<u>350</u>	<u>975</u>
Subtotal Ownership	<u>185</u>	<u>425</u>	<u>845</u>	<u>545</u>	<u>2,000</u>
TOTAL	450	715	1,040	545	2,750

Residential

The residential focus in the balanced residential community is of pivotal importance in Atlantic City -- and especially in the Inlet Community. Currently, almost 600 acres in the City and 56 acres in the Inlet Community are zoned to permit casino development. Along with casino development, demand for land for ancillary uses such as commercial, entertainment and parking uses should increase. Waterfront areas, especially in the Inlet, could experience strong demand for casino-related development.

If strong residential areas are to be preserved or developed in Atlantic City, the Inlet Community appears to offer the greatest opportunity to establish a significant residential environment at a critical juncture in the redevelopment of Atlantic City. By clearly staking out the Inlet Community as a residential community, current and prospective residents would have some hope of being housed within the City and retain the choice of being close to employment and supporting community facilities.

Realization of the residential potential of the Inlet Community will require a series of decisions regarding public investments, programs and policies. Basic community infrastructure systems such as roads, sewers and utilities must be improved. Environmental enhancements such as street trees and landscaping, repaired sidewalks, clean and safe waterfronts and underground utility lines will establish a quality residential setting. The provision of adequate police and fire protection, sanitation services and building code inspection and enforcement are essential to insuring the health and safety of residents and securing the value of real estate investments. Changes in zoning designations, the allowance of special exceptions and variances, the use of public powers to acquire private property and the handling of necessary relocations of existing residents must be sensitively administered within the framework of the law. These types of commitments made by the Atlantic

City government establishes a standard for prospective developers, investors and residents and is a basis for confidence in the future of the Inlet as a residential community.

The construction of new residential units in the Inlet will be perceived as a risky business decision until there is proof of a strong public commitment. Once that commitment is evidenced, market demand, availability of development opportunity sites and the prime location of the Inlet Community will combine to attract new residential development. Recent nationwide increases in housing starts and local increases in building permits are evidence that new construction of housing retains its appeal as a residential choice. Excluding renovated units (255), a total of 2,495 new housing units could be developed in the Inlet.

Nationwide trends indicate that renovated housing is becoming increasingly attractive. In 1960, 20 percent of all housing expenditures in the country went into maintenance and improvement of existing residences; by 1982, over 45 percent of all housing expenditures went into existing homes (\$45.3 billion) as compared to new ones (\$52 billion).* In total, housing preservation and renovation absorbed 30 percent of the 16 million households that were formed nationwide between 1970 and 1980.**

The Inlet Community has 255 existing vacant units that could be renovated to create immediate housing opportunities for new households. Concurrently, some 750 existing occupied units could be repaired and renovated to meet the standard of the Inlet Community for long-term preservation and be compatible with nearby new housing. Additionally, a total of approximately 1,600 existing dwelling units (1,118 in four

* "Facts and Figures About Rehab," Urban Conservation Report-Special Report, (Preservation Reports, Inc., Washington, D.C., August 24, 1983) p.3.

** "Preservation is Housing America -- And That's a Fact," (National Trust for Historic Preservation, Washington, D.C., May 1983), p.1.

apartment complexes -- Jeffries Tower, Inlet Tower, Ocean Manor and Lighthouse Plaza, and 500 in smaller structures) could be preserved with ongoing maintenance and in an enhanced community environment, projected for a balanced residential community.

Upon full redevelopment, a total of 5,100 residential units would be located in the Inlet Community (existing, new and completed Lighthouse Plaza). They would be situated in one of four neighborhoods offering the occupant a choice of residential environments:

- Bungalow Park would consist of 700 dwelling units upon full development, 450 of which are already existing and occupied. An additional 250 units could be developed on small, scattered sites around the neighborhood. All new development would be compatible in housing type and design with the existing low-density character of the neighborhood. Housing renovation could be encouraged by providing technical advice and financial assistance to homeowners in the neighborhood. At the same time, a program of public improvements and the enforcement of building code regulations would reassure owners that the City is committed to the conservation of this neighborhood. These actions should strengthen the neighborhood as an environment which is attractive to mature families of varied incomes, most of whom own their homes.
- Gardner's Basin would contain 1,000 units upon full redevelopment. 200 existing homes which are occupied could be preserved. The character of the neighborhood would be redefined by the construction of 760 new and the renovation of 40 presently vacant units. The 760 new units would be predominately of the townhouse, multiplex and mid/high-rise housing types in the moderate price ranges. A comprehensive public improvement program replacing and repairing storm and sanitary sewer systems, utility systems, roads and walkways would be necessary to accommodate new development in this neighborhood.

- North Inlet Village would have a total of 2,030 units upon full redevelopment; 900 of those units are currently occupied, including 456 in the two senior citizen high-rise buildings (Jeffries and Inlet Towers); and 1,130 new residential opportunities would be available in the North Inlet Village. One hundred and fifty-five vacant units currently exist in sound buildings which could be renovated. Up to 25 opportunities exist for the introduction of low-priced, single-family detached units on scattered vacant (mostly City-owned) lots in blocks where the existing housing could be renovated. The majority of the new units would be developed in higher density housing types -- 120 in townhouses, 295 in multiplex structures, and 535 in two mid/high-rise structures. Each block would require public improvements related to its specific development program objectives. Prices of new units in the North Inlet Village would be distributed through the full spectrum of prices, ranging from 305 units at below-market prices to 270 units at the highest prices. The North Inlet Village neighborhood would be a microcosm of the concept of a balanced residential community.

- South Inlet Village would contain a total of 1,370 dwelling units in the area bounded by Atlantic Avenue, the Boardwalk, South New Hampshire, Oriental and South Rhode Island Avenues. This figure includes the 348 units in the Ocean Manor Apartments as well as the 314 units under construction in the Lighthouse Plaza project. The remaining units would be comprised of 135-plus existing occupied units to be preserved, 35 existing vacant units to be renovated, 80 new units in multi-plex structures and 455 new units in three new mid/high-rise structures. High land costs necessitate higher-density housing types and the predominance of new units in the moderate- and higher-price ranges in order for any residential development to be economically viable in this area. Street and sidewalk improvements as well as major community facilities such as parks and shopping should be developed within this neighborhood to support the relatively high-density development which could occur.

Community

The shared experiences of living in a common geographic area is the basis for community. Balanced residential development in this area could reinforce the sense of community in the Inlet area.

Existing resources in the Inlet Community could be used to reinforce and define a sense of community. The Inlet historically included strong neighborhoods. Only Bungalow Park has retained a clearly defined character. Waterfront uses and facilities have been ignored and have fallen into disrepair. The identity of the area with waterfront uses and features is less clearly defined. Churches, stores, parks and other community dependent activities need reinforcement, as soon as possible, to provide expanded community services. There are several active local organizations, listed elsewhere in this report, anxious to cooperate in establishing a strong residential base to carry out their community functions. Strong institutions and organizations are essential to the ongoing maintenance and improvement of the community.

The most important component in establishing the quality of life in a balanced residential community is the range of facilities, services, institutions and activities available to its residents. These elements together foster an identity and sense of community. Community centers -- buildings or areas where these elements are clustered together -- become important places where residents interact, communicate and share experiences. For example, the Uptown Complex provides a strong community anchor and focal point but needs more residential uses and neighborhood spirit to operate to its full potential. Day care, education, health services, religious institutions, recreational facilities, a public library, local cultural activities, festivals, special events and convenience retail goods and services -- all add to the appeal of a residential community environment.

In order to determine the range of desirable and available community facilities and services, an analysis was made of existing facilities and

services. Based on these existing resources and the residential population projected in a completely redeveloped Inlet by 1990, the following fundings and recommendations are presented:

- Population Projections

Using standard population projections for the region, it is estimated that the 2,750 new units proposed for the Inlet would be occupied by 6,117 persons (Appendix 5.1). As explained in Chapter 4 and Appendix 4.2, 1983 estimated population of the Inlet is 5,385 persons. After making adjustments for current residents moving into improved units within the Inlet, a grand total of 11,600 persons in 5,100 units is projected for the completely redeveloped Inlet area in 1990.*

- Community Facilities and Services

- Education: Based on regional demographic multipliers and the 1980 Census Atlantic City age distributions, it is estimated that approximately 1,050 additional school age children (ages 5-17) would reside in the 2,750 new housing units in the Inlet (Appendix 5.1). Even after expansion, the Uptown School and New Jersey Avenue School should be filled to capacity with students already residing in the community due to the grade reorganization and school closings (including Massachusetts Avenue School) proposed by the Board of Education. Therefore, a new K-8 community school facility (similar to the Uptown and Westside complexes) with capacity for 700-800 students should be programmed for location in the Inlet Community to accommodate this new student population.

* These figures are calculated for the area within which development planning could be completed at this time and exclude all areas in the South Inlet Village west of Rhode Island Avenue and south of Pacific Avenue and west of South New Hampshire Avenue and south of Oriental Avenue.

The New Jersey Department of Education suggests that at a minimum a primary school "...be provided a minimum site of 10 acres plus an additional acre for each 100 pupils of predicted ultimate maximum enrollment."* This would suggest the need for a 17- to 18-acre school site (including playfields), which is a large site for any use in Atlantic City. The State Board of Education has been very lenient in applying its standards to Atlantic City in the past. However, as large a site as possible, preferably in the South Inlet Village, near the Lighthouse Park and Altman Field (which could be used for physical education and count as playfields) should be set aside for a new school. The Atlantic City Board of Education should retain ownership of the Massachusetts Avenue School site until a determination is made on whether to try to renovate and expand the existing building for school purposes, tear down the existing building and build a new school on the same site or sell/swap the existing site, utilizing its value to secure an appropriately-sized and located site elsewhere in the community.

◦ Day-care Facilities: The availability of day-care facilities for pre-school children is an important service in a community with working parents. Based on the findings of the Casino-Hotel And Public Employees Housing Needs Survey - 1982 (Question 12), it is estimated that there should be 620 per-school children residing in the Inlet in 1990.** The survey also found that 65 percent of casino employee households and 57 percent of public employee households have two or more wage

* Guide for Schoolhouse Planning and Construction, State of New Jersey Department of Education, 1969, Item 302.1.

** Derived by multiplying 3,064 new households (2,750 ACC program plus 314 Lighthouse Plaza) by 14.2 percent (percentage of Casino employee households with pre-school children) added to 1,220 existing households (2,174 ACC estimate minus 150 relocations minus 804 senior citizen households) multiplied by 15 percent (percentage of public employee households with pre-school children).

earners (Question 13), while 10.4 percent of casino employee households and 12.9 percent of public employee households are single-parent households (Question 33). Using the casino employee and public employee household characteristics as representative of new and existing Inlet community households (respectively), it is estimated that approximately 50 percent, or 310 pre-school children residing in the Inlet would be candidates for day-care services.

The State of New Jersey Division of Youth and Family Services, (Bureau of Licensing) requires a minimum of 30 square feet of indoor space and 30 square feet of outdoor space per child. This suggests a need for at least 9,300 square feet of interior space, and an equivalent amount of outdoor play space should be required for day-care facilities in the Inlet Community. The State has no maximum limitations on the size of classrooms or of the center, but does have minimum staff-to-child and toilet-child requirements (which are more stringent the younger the child served).

Day-care facilities can be successfully located in community center buildings, in or near commercial center buildings, in or near commercial districts, as part of a large housing development or on the premises of a major employer. The facilities should be easily accessible to parents on their way to and from work. In the Inlet Community, a prime location for a day-care center would be in the Inlet Center along Atlantic Avenue, possibly as part of a new community school to be built in the South Inlet area or simply in an appropriately-sized renovated storefront.

- ° Library Services: The Inlet Community should have a branch of the Atlantic City Library as part of its community facility offerings. According to accepted community planning criteria, a community as small as 6,000 population can support a sub-branch of a library system. A community of 11,600 population

should have a library of 23,400 volumes with total floor space of 8,150 square feet.*

The library should be located in a centrally located, easily accessible area, preferably on a main thoroughfare. The placement of a library in a community business district such as the proposed Inlet Center has been found to be a compatible and mutually-supportive use. It could be housed in a leased store front along Atlantic Avenue or as part of the new community school complex to be developed in the South Inlet Village.

- Recreation and Leisure

- Childrens' Playlots: The Inlet Community should have small, conveniently-located recreation areas designed for the safe play of young children. These playgrounds should range in size from 2,500 square feet to one acre in size. They generally include play equipment and apparatus such as swings, slides and imaginative play sculptures (e.g., simulated trains, playhouses and animals).

The National Recreation and Parks Association (NRPA) has established standards for all types of recreational facilities. They recommend that there be one acre of children's playlots per 2,500 population. This suggests that there should be approximately 4.7 acres of land set aside for children's playlots to service the Inlet Community. Not all of these facilities, however, need be provided by the public sector. Playlots should be incorporated into site plans for large residential development projects, constructed and maintained by the

* Joseph DeChiara and Lee Koppelman, Urban Planning and Design Criteria - Second Edition, (1975, Van Nostrand Reinhold Company, New York), pp. 349-350.

private sector. Alternatively, playlots could be located as a vital feature of a larger public recreation area, such as in the case of the Uptown Park.

- Neighborhood Playfields: Neighborhood playfield areas should be developed to fulfill a wide variety of recreational uses and needs for differing age groups within the community. They are most often developed in conjunction with the neighborhood elementary school in order to fulfill the dual purpose of instruction and recreation. They generally service an area of one-half mile radius.

The NRPA recommends 1.5 acres of playfields per 1,000 population. This suggests the need for 17.5 acres of playfields to service the fully redeveloped Inlet Community. The following facilities should be available in the Inlet Community as part of the playfields according to planning standards promulgated by the NRPA:

- 2 baseball diamonds at 1 per 6,000 population
- 4 softball diamonds at 1 per 3,000 population
- 6 tennis courts at 1 per 2,000 population
- 24 basketball courts at 1 per 500 population
- 1 swimming pool (25 meter) at 1 per 10,000 population

To some extent, these standards have already been fully or partially achieved in the Uptown Complex and Park (e.g., swimming pool) and Altman Field, which are 9.0 acres combined. Additional acreage and facilities will have to be developed as neighborhood playfields to fully service the redeveloped Inlet Community.

- Neighborhood Parks: The neighborhood park is land set aside primarily for passive recreation. It is primarily a natural environment with shade trees, landscaping and lawn areas.

It is particularly important in densely developed areas such as the Inlet Community where most residential units do not have private outdoor yards. NPRA recommends that 1.0 acre of land be set aside per 1,000 population for these types of passive recreational uses. This would call for the development of a total of 11.6 acres of park land in the Inlet Community. The Maritime Park in Gardner's Basin is 9.3 acres, and Lighthouse Park is 2.0 acres, so much of this requirement has already been fulfilled.

- Community Center: A community center where services and activities are clustered and neighborhood residents meet is an essential ingredient for a successful balanced residential community. The Uptown Complex fulfills many of these functions for the existing residents of the Inlet Community. The expansion of the center currently being planned will add space for facilities utilized by the community at large such as a senior citizen meeting room (2,000 square feet), a food preparation area (2,430 square feet), a Nautilus exercise room (1,600 square feet) and a ballet studio (1,500 square feet).

However, additional community needs remain unfilled. There are expressed needs for a large meeting room to accommodate 200 people and a youth center offering alternative experiences and activities to standard recreational pursuits such as basketball and boxing. There is also active interest in the creation of a community cultural arts center.

Finally, NRPA standards call for two neighborhood recreation centers per 10,000 population. This suggests that the Uptown Center will not be sufficient to handle indoor recreation and leisure needs (basketball, floor hockey, roller skating, dancing, etc.) of the fully developed Inlet Community. Therefore, serious consideration should be given to the development of a second community center in coordination with the recommended K-8 school proposed for the South Inlet. This community center

could serve as a second indoor recreation center and also house the proposed day-care center and branch library.

- Commercial Development

- Convenience Shopping and Service: The provision of conveniently located retail shops offering goods and services required for day-to-day living is an ingredient in a balanced residential community.

Market analysis for convenience retail reveals support for 81,300 square feet of convenience retail space in the Inlet Community by 1990. The following types of stores are most likely to be of importance and appeal to the residential support area: a full-line supermarket; convenience food store; specialty food stores (fresh fish, butcher, bakery, etc.); prepared foods (a delicatessen, ice cream or pizza parlor, etc.); pharmacy; hardware store; and services such as a dry cleaners, beauty parlor and bank.

Atlantic City currently has only one small, outdated supermarket in the entire City. A new, full-size supermarket, located in or adjacent to the Inlet Community, would draw business from the redeveloped Inlet while providing an important service to the entire City population. A full-service supermarket in the Inlet would require approximately 25,000 square feet of building (depending on the operator) to be efficient. It should be located on Atlantic Avenue, within or adjacent to the Inlet Center, in order to help draw shoppers to the retail district and to be most easily accessible from all neighborhoods. Adequate parking should also be provided (see Chapter 6).

Within the boundaries of the Inlet Center (along Atlantic Avenue, between Connecticut and Vermont Avenues), there is

presently approximately 20,000 square feet of leased first floor commercial space, while approximately 25,000 square feet of similar space is vacant. In addition, plans for Lighthouse Plaza call for the inclusion of 10,000 square feet of retail space. Existing vacant space and proposed new space must be leased to the mixture of convenience shops and services listed above, if it is to serve the Inlet Community.

In addition, the Inlet Community should support limited office space for doctors, dentists, attorneys, real estate brokers and insurance agents. There are presently few private physician or dentist offices located within the Inlet. These professionals should be attracted to provide services in a community of 2,750 new households. However, there does not appear to be enough demand for space in this category to justify a free-standing office development project. It would seem more efficient to locate them in ground level storefronts or second floor space above the shops on Atlantic Avenue.

- Community/Visitor Retail: There are two opportunity sites in the Inlet Community which have historically appealed to residents and visitors from throughout the region as attractive retail locations. The Hackney's Restaurant operated along Maine Avenue at the end of Melrose Avenue, and the Starns Restaurant (with a variety of retail stands and exhibits) operated for many years at the northern end of Maine Avenue at Caspian Avenue. These retail establishments were able to succeed due to excellent waterfront locations and ease of vehicular and pedestrian access along Maine Avenue at the eastern end of both Atlantic Avenue and the Boardwalk.

Both sites could flourish again as retail (particularly eating and drinking) establishments in the redeveloped Inlet community. These sites could be developed without disturbing the residential character of the community. People coming from outside the community would help reinforce the image of the new Inlet Community.

DEVELOPMENT PACE

In order to achieve the goal of a balanced residential community in the Inlet, development should occur in a systematic manner where one project builds on another, and public improvements reinforce private development. It is particularly important that new residential development proceed at a pace consistent with the market's ability to absorb new units.

The provision of community facilities and services and the availability of recreation and leisure activities will be especially important in the successful marketing of the Inlet Community. For example, the Uptown Complex and Park in the North Inlet Village are essential in creating an attractive, new environment that will attract new residents. New community services and new recreational facilities should be developed in locations and on schedule which best stimulate desired new private development in the surrounding area. In a project of this magnitude, it is especially important not to flood the market nor starve it. The recommended pace is outlined in Figure 5.2 by tenure and price category.

This recommended development pace is based on the following objectives:

- Provide below-market and low-price units early in the schedule to meet relocation requirements and goals;
- Develop rental units as early as possible to attract younger households and newcomers who want to test the area before deciding to buy; and
- Accelerate the pace of development over the seven-year development period to meet increased demand as the overall community environment improves and the gaming industry expands.

A balanced residential community should provide as many of the components described above as can be supported economically (see Chapter 7.) Achieving such a community in the Inlet section of Atlantic City would

Figure 5.2
THE INLET COMMUNITY
DEVELOPMENT PACE
FOR
NEW DWELLING UNITS

	Development Year							Total
	1	2	3	4	5	6	7	
<u>Rentals</u>								
\$399 or less (below market)	15	105	40	85		20		265
\$400-599 (low price)	10	10	100	20	85	65		290
\$600-1,199 (moderate price)			15		100			195
\$1,200 or more (high)								
Subtotal Rentals	25	115	155	105	265	85	0	750
<u>Ownership</u>								
\$ 37,999 or less (below market)	65	90	30					185
\$ 38,000- 54,999 (low price)	35	35	25		55	170	120	440
\$ 55,000-109,999 (moderate price)		20	55	255	65	280	155	830
\$110,000 or more (high price)		105	80	45	50		265	545
Subtotal Ownership	100	250	190	300	170	450	540	2,000
TOTAL	125	365	345	405	435	535	540	2,750

have other beneficial results. It would provide a new standard and model for residential living for all of Atlantic City. It could be cited by the City, County and State Economic Development officials in soliciting new jobs and businesses. The Department of Environmental Protection could find strong evidence for environmental planning that works. The casino operators could offer a superior residential environment to their employees.

Chapter 6: THE HOUSING DEVELOPMENT PLAN

PLAN OBJECTIVES

The objectives listed below have been presented in a variety of ways and discussed in various forums with residents, community leaders, business people and public officials. These objectives should be viewed as a means to achieve a balanced residential community for the Inlet -- a way to unify and focus discussion and ultimate development decisions.

• General:

- Create a balanced residential community that is functional and safe, allows for privacy and social interaction and has a positive community/neighborhood identity and residential character.
- Create economic value based on existing assets for Inlet Community residents, developers, business people and the City of Atlantic City.
- Conserve and enhance the Inlet's natural features and landscape, particularly its basins, beaches and shorelines.
- Encourage conservation and efficient use of energy without sacrificing comfort through appropriate land use planning and building design and construction techniques.
- Support adjacent improvements and projects that enhance entry and community image.
- Implement adequate prevention and protection techniques to control flooding in the Inlet.
- Preserve sound residential and historically significant structures wherever possible and economically feasible.

• Circulation:

- Eliminate through vehicular traffic within a residential neighborhood to decrease disruptive traffic effects.
- Create pedestrian walkways and bikeways that link residential areas with community facilities and amenities, thereby eliminating the need for the automobile as the primary means of travel for convenience shopping, recreation and work trips.
- Improve public access to the Inlet's waterfronts.

- Keep streets and parking areas in scale with residential dimensions and features.
 - Provide off-street parking wherever possible and consistent with residential and visitor needs.
 - Accommodate elderly and handicapped persons.
- Residential:
 - Create neighborhoods that offer a full range of housing choices.
 - Design a variety of housing types to maximize market appeal and developer flexibility.
 - Scale neighborhoods to the size and density to support commercial services and community facilities.
 - Foster a strong sense of identity within neighborhoods as well as throughout the community by signs, landscape features and organizational activities.
 - Community:
 - Locate new convenience commercial facilities to reinforce existing facilities in areas of high population concentrations, near community services and with good accessibility.
 - Locate new community facilities for maximum day, night, weekend and year-round use and reinforcement of existing facilities and community/neighborhood identity.
 - Locate visitor and community-wide commercial uses on major streets easily accessible to residents and non-residents.
 - Preserve and assist the maritime industries in the area (i.e., boat storage and maintenance, and commercial clamming) consistent with physical and economic realities.

PLAN COMPONENTS

Circulation and Access

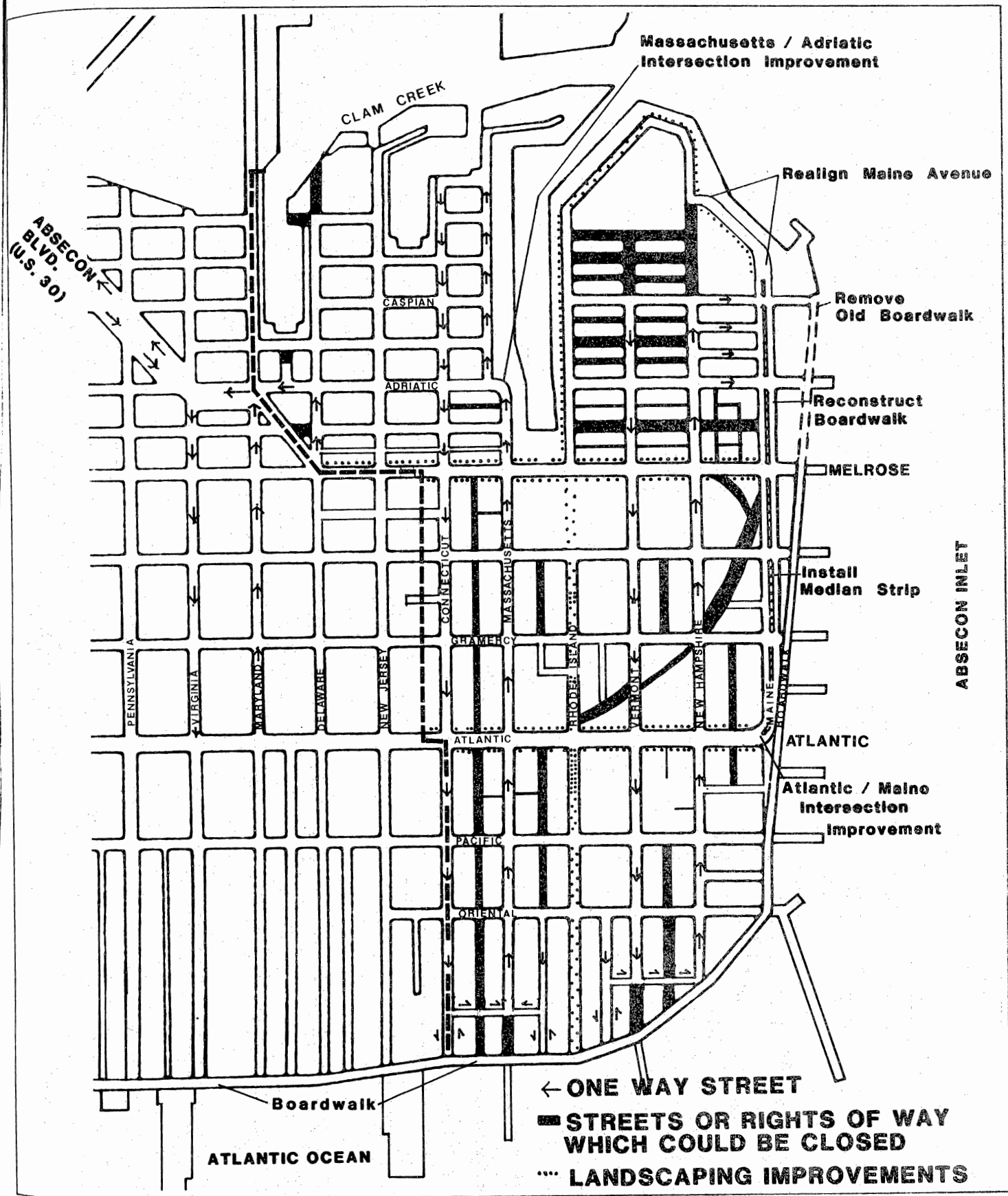
The circulation component of the Inlet Community Development Plan accommodates local traffic within the neighborhoods as well as visitors

coming to the Inlet waterfront, the Boardwalk and beach. Atlantic and Melrose Avenues are the major through streets, connecting the Inlet Community with other sections of Atlantic City (Figure 6.1). Atlantic Avenue essentially runs the entire length of Absecon Island connecting the Inlet to Atlantic City's Central Business District and the other downbeach communities of Ventor, Margate and Longport. Melrose Avenue connects directly to Absecon Boulevard (U.S. 30, The White Horse Pike) and Maryland Avenue and the Brigantine Bridge (N.J. 87).

Entries to the Inlet Community and each of its neighborhoods are along Atlantic and Melrose Avenues. Landscaping should be used along these streets to let visitors know they have entered a special residential environment. Trees act as a noise and pollution buffer for the adjacent residential neighborhoods and community activities. Signs, banners, entry posts, special paving, landscaped medians or other similar elements could further define the main entries into the Inlet Community. This treatment could occur on Atlantic and Melrose Avenues at their intersections with Connecticut Avenue, just before the traveler passes by the Inlet or Uptown Centers.

Maine Avenue, another major street, connects Atlantic and Melrose Avenues with Maritime Park, a visitor destination which could enjoy greater visitation with better access. At its north and south ends, Maine Avenue should be realigned to facilitate a smoother flow of traffic. Maine Avenue should also have a tree-lined median to enhance and identify this important edge of the Inlet Community.

Atlantic, Melrose and Maine Avenues could serve two important functions for the entire Inlet Community: 1) as major collector streets keeping visitor and local through traffic destined for Maritime Park, the Boardwalk, retail areas and community centers; and 2) as boundary streets to help define the neighborhoods by creating edges with distinct identities and functions.



ATLANTIC CITY, NEW JERSEY

FIGURE 6.1
 THE INLET COMMUNITY
 PROPOSED CIRCULATION AND ACCESS



Two sets of one-way paired streets, running north and south, should collect neighborhood traffic and provide access to the major arterial streets of Melrose and Atlantic Avenues. Connecticut (south) and Massachusetts (north) currently comprise one set of the one-way paired collectors. The new set should be Vermont (south) and New Hampshire (north). These streets are intended only for locally destined traffic, with the exception of the segments in North Inlet Village, where some through traffic may use these streets to go between Atlantic and Melrose Avenues.

The other major existing north-south street in the study area, Rhode Island Avenue, is designated in the Development Plan as a walkway and bikeway. Further description of Rhode Island Avenue is found in the section on Recreation and Leisure. It is sufficient to say here, however, that segments of Rhode Island Avenue should be closed to through vehicular traffic. Emergency and service vehicles and residents living in homes facing the street would continue to have access to Rhode Island Avenue at the ends of each block.

Madison Avenue (west) and Grammercy Place (east), currently a pair of one-way streets, should become two-way local streets, serving as east-west feeders in the North Inlet Village. Other local streets which are currently two-way should become one-way (Figure 6.1). Caspian, Inlet, Liberty and Adriatic Avenues between New Hampshire and Maine Avenues should become one-way streets in an easterly direction to prohibit any non-local traffic on Maine Avenue from taking a short-cut through the Gardner's Basin neighborhood. Delaware Avenue from Melrose to Adriatic Avenues should become one-way north and Adriatic Avenue between Delaware and Maryland Avenue should become one-way west to simplify the complex intersections made by Absecon Boulevard cutting across the Atlantic City street grid. In the South Inlet Village, new one-way streets should connect the major north-south collector streets as shown in Figure 6.1 so that these streets do not dead-end abruptly at the Boardwalk. The segments of the north-south collectors between the Boardwalk and the one-way east/west connectors just mentioned should be kept open and remain two-way. Public parking should be provided at these areas and

others adjacent to the Boardwalk for the convenience of Boardwalk and beach users. All of the other local neighborhood streets should remain two-way.

Some of the local neighborhood streets, alleyways and public rights of way may become unnecessary for vehicular circulation and access and could be closed, vacated and made available by the City as part of contiguous parcels for new development. Final determination on what streets and rights of way should ultimately be vacated will require more detailed physical and financial analysis at the time specific development proposals for the adjacent properties are made. For example, it may be too costly to create an attractive development parcel by moving the utilities in some of the rights of way. In other cases, a few remaining existing homes may require access, precluding the street closing.

The streets and rights-of-way which could be considered for closing are listed below by neighborhood:

• Bungalow Park--

- Drexel Avenue between Delaware Avenue and Absecon Boulevard;
- Delta (northern 75 feet) to Wabash Avenue;
- Magellan Avenue between Delaware Avenue and Delta Basin;
- Delaware Avenue between Magellan Avenue and Clam Creek; and
- Spring Lane between Connecticut and Massachusetts Avenues.

• Gardner's Basin--

- Parkside Avenue;
- Sewell Avenue;
- Stroudsburg Avenue;
- Penn Street
- Pitney Avenue;
- Tomlin Place;
- Canal Street;
- Drexel Avenue;
- Independence Avenue;
- Mullock Terrace;
- Willie Avenue;
- Vermont Avenue between Caspian and Parkside Avenues; and
- New Hampshire Avenue between Caspian and Maine (realigned) Avenues.

o North Inlet Village--

- Congress Avenue;
- Olive Lane;
- Houston Avenue;
- Taylor Avenue;
- Beach Avenue
- Irving Avenue;
- Esmond Place;
- Bader Avenue;
- Folsom Avenue;
- Adelpia Avenue; and
- Saint Katherine's Place.

o South Inlet Village--

- Congress Avenue;
- Galloway Place;
- Metropolitan Avenue;
- Wistar Place;
- Victoria Avenue;
- Seaside Avenue;
- Grafton Avenue;
- Belle Haven Court;
- Vermont Terrace;
- Lawn Place;
- Saint Katherine's Place; and
- Maine Avenue.

The circulation and access component of the Inlet Community Development Plan should improve the existing street system by organizing traffic in the Inlet into a more rational system of streets according to function. It should provide for resident and visitor vehicular access to the waterfronts and beach and should reduce through traffic in neighborhoods. The proposed street system would allow vacating certain non-essential streets and rights of way to create larger, more attractive blocks for residential reinvestment and development, thereby reinforcing the balanced residential community concept. These recommendations should be reviewed thoroughly with the City and coordinated with the housing development strategy before the strategy is implemented.

Specifics about parking are treated in the following sections by land use component. Specifics about bus and jitney service have to be reviewed with the respective operating companies to make certain that transit routes also serve and reinforce the planned Inlet community centers.

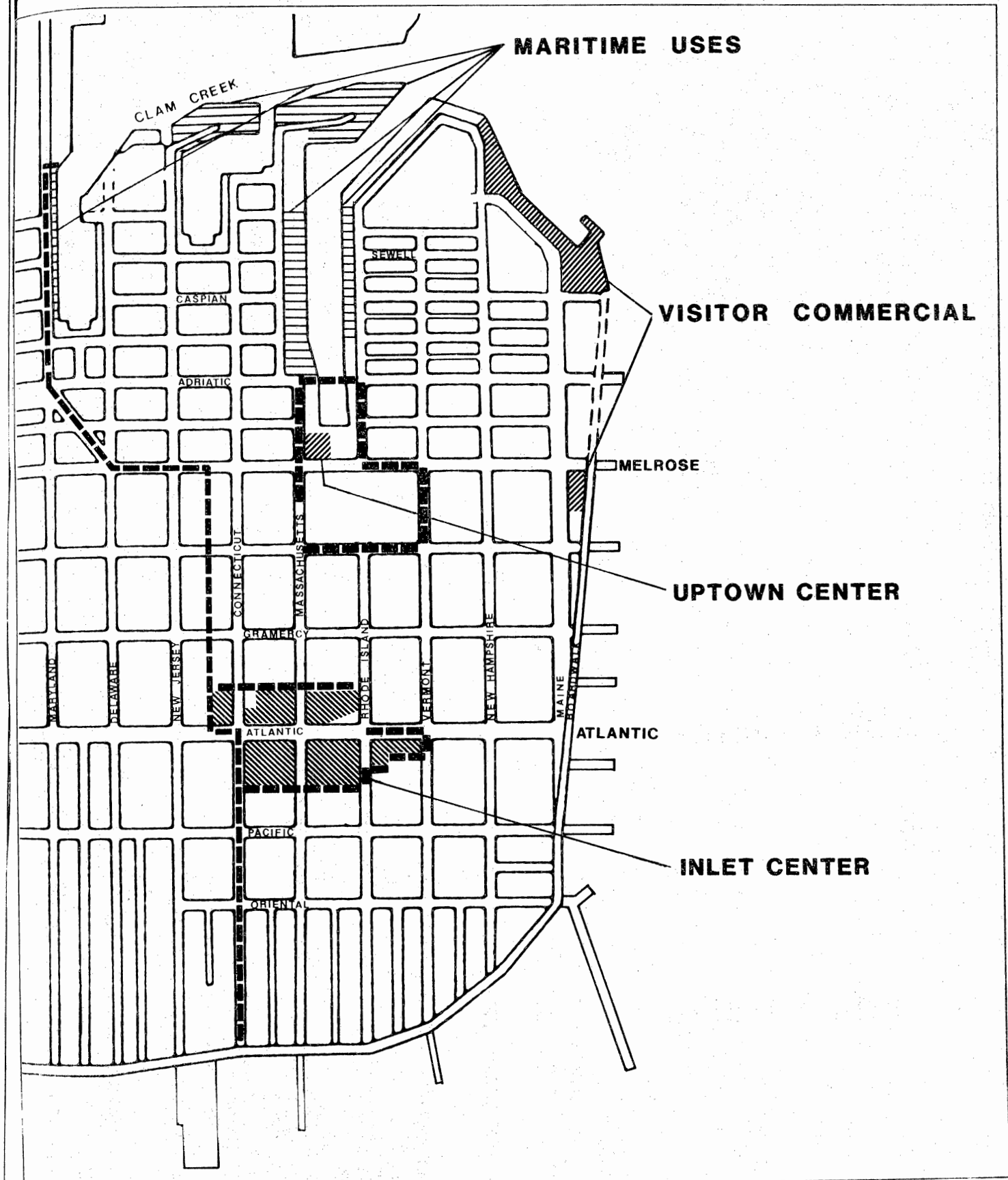
Commercial and Service

The hub and focus of activity in balanced residential communities are the community centers. The Inlet Community should have two such centers--the Inlet Center located on both sides of Atlantic Avenue between Connecticut and Vermont Avenues, and the Uptown Center located on the north side of Melrose Avenue between Massachusetts and Rhode Island Avenues (Figure 6.2). Together, these centers should have a full range of community facilities and services, required to support the quality of life for residents of a balanced residential community. Many of the needed facilities are already in place and could, with certain changes, fit into the overall new environment. Specifics about each of the centers are as follows:

• Inlet Center --

The area now contains:

- 45,000 square feet of street-level retail and office space;
- three automobile service stations;
- Atlantic City Fire Company No. 1 stationhouse;
- the First A.M.E. Church;
- the Massachusetts Avenue School;
- the offices of the Latin Organization of Atlantic City;
- 314-unit Lighthouse Plaza Apartments (under construction);
- Ocean View Nursing Home; and
- approximately 75 existing residential units.



ATLANTIC CITY, NEW JERSEY

FIGURE 6.2
 THE INLET COMMUNITY
 PROPOSED COMMERCIAL



This existing concentration of shopping, service, office and residential activity, with relatively slight changes, could become the commercial center of the Inlet Community and the connecting link to the Atlantic City Central Business District.

In the Inlet Center, convenience shopping and services should be expanded and improved to offer a more complete range of goods and services required for everyday living (Figure 6.3). There is presently 20,000 square feet of occupied first floor commercial space; 25,000 more square feet of similar space is vacant. In addition, plans for Lighthouse Plaza call for the inclusion of 10,000 square feet of retail space on its ground floor facing Atlantic Avenue, and a 25,000 square foot supermarket is proposed. All together there could be 80,000 square feet of convenience retailing and services that will be indispensable to the new Inlet Community. Included in the vacant and new space could be:

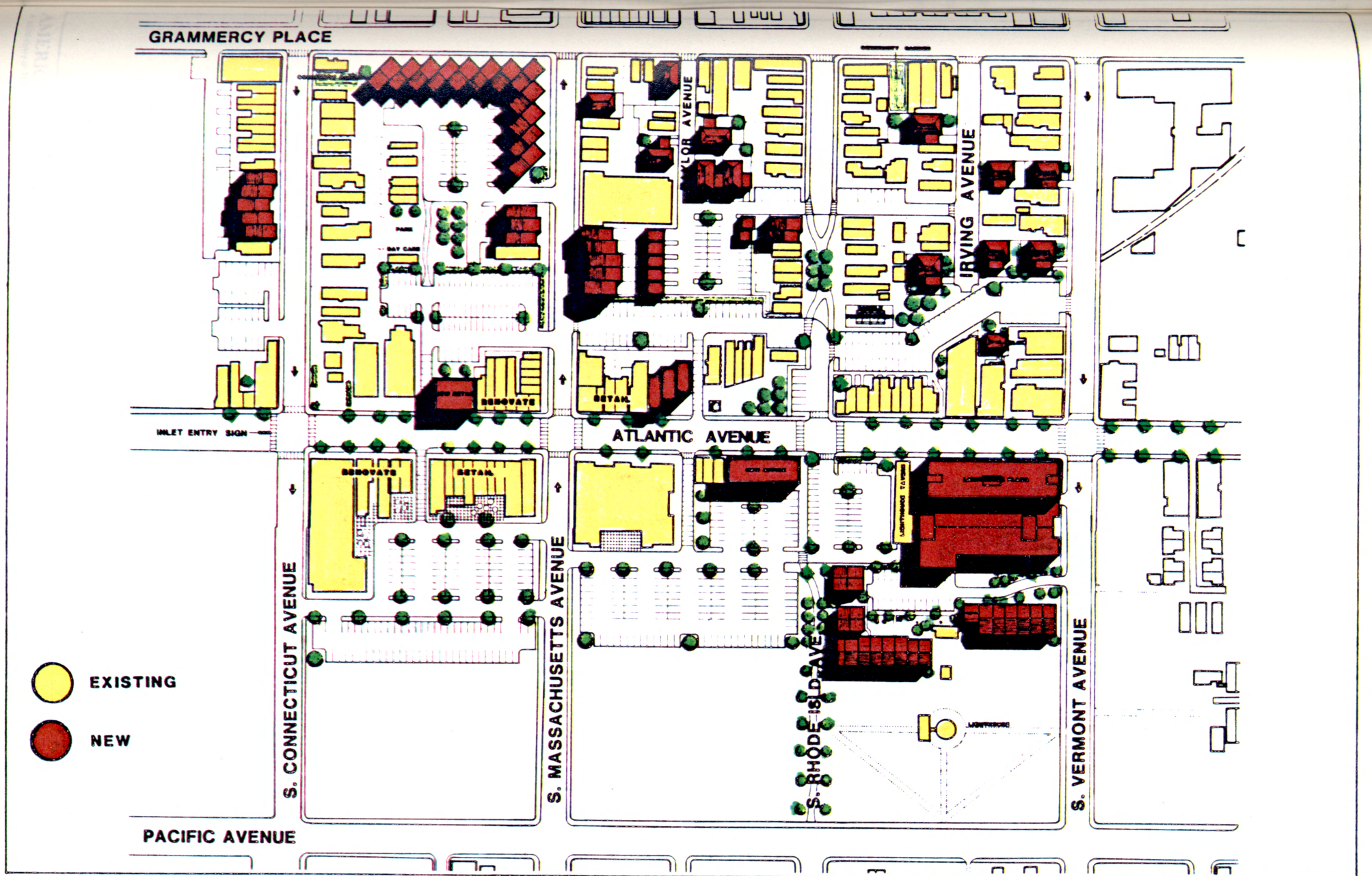
- ° a full service supermarket;
- ° a complete mix of convenience goods and services as well as a variety of eating and drinking establishments;
- ° housing on the floors above commercial uses;

and possibly

- ° selected community, City, County, and State offices related to the neighborhoods;
- ° a community performing arts center; and
- ° incubator space for new small businesses

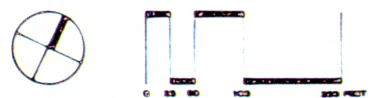
Preliminary analysis suggests that the Massachusetts Avenue School could be used to enroll children expected to reside in the Inlet at full redevelopment. Further analysis and review with the School Board is needed before a decision can be made.

Whatever use goes on that site there should be more parking which is free (or low-cost), easily accessible, well-managed and



ATLANTIC CITY, NEW JERSEY

FIGURE 6.3
THE INLET CENTER ILLUSTRATIVE PLAN



well-lighted. It is recommended that these parking spaces be provided in surface lots behind the stores that front Atlantic Avenue. The Urban Land Institute (ULI), a nationally recognized professional real estate organization, recommends 4.0 spaces per 1,000 square feet of gross leasable area (GLA) is required for a center of this size.* However, ULI also recommends that when more than 25 percent of all persons arrive by modes other than private vehicles, the number of required parking spaces should be less than the recommended standard.** Assuming that 50 percent of all persons arriving at the Inlet Center are using a private vehicle, then 3.0 spaces per 1,000 square feet of GLA or 160 would suffice. Approximately 30 households would have to be relocated to accommodate the new parking. Furthermore, a comfortable and attractive pedestrian environment should be created along Atlantic Avenue and extend out into the neighborhoods. Atlantic Avenue improvements should include the replacement of deteriorated sidewalks, planting of trees, trash receptacles, pedestrian scale lighting, delineation of crosswalks and design control over signage and storefronts (Figure 6.4).

• Uptown Center (Figure 6.5 and 6.6)--

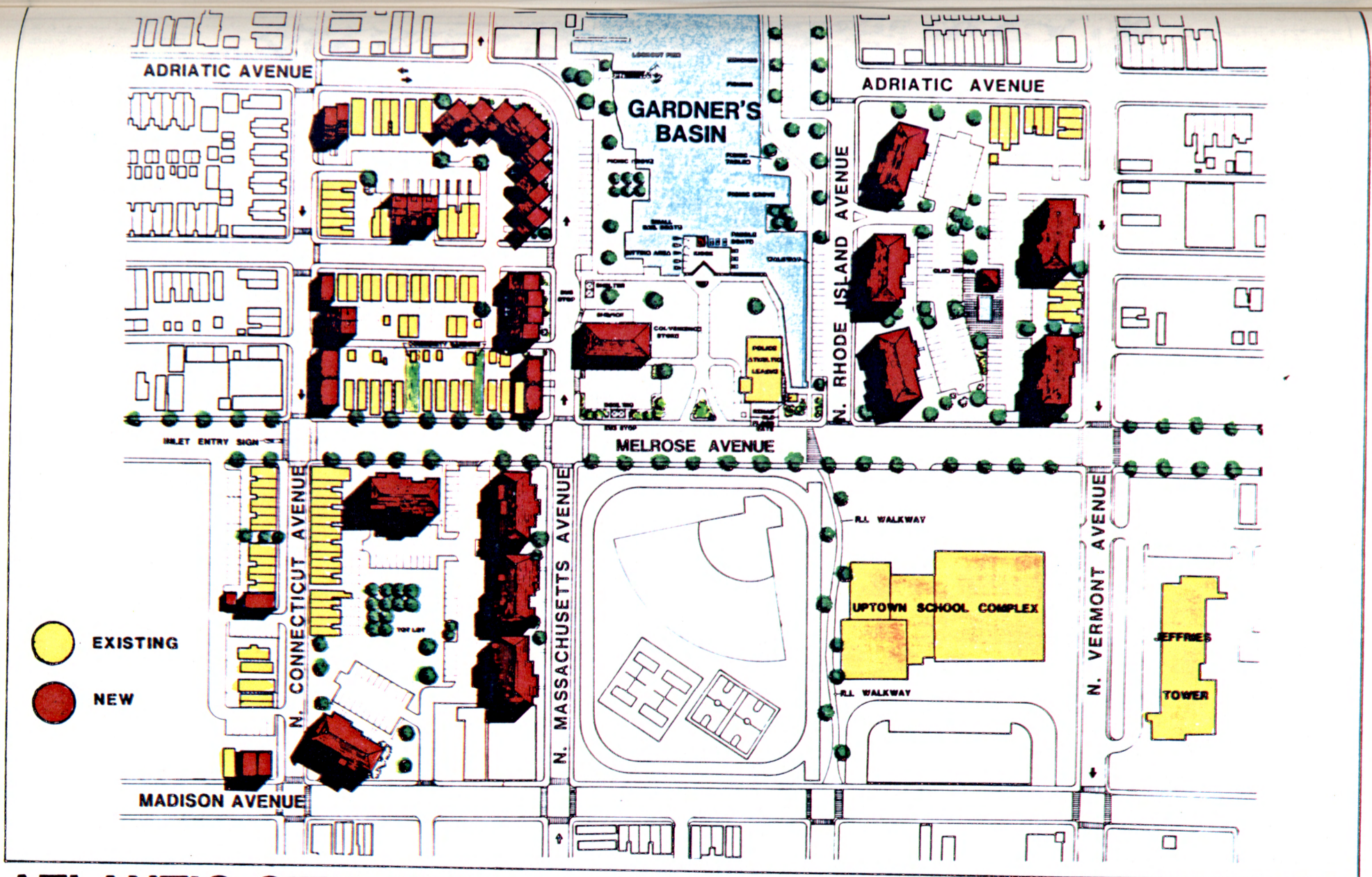
Located at the southern tip of Gardner's Basin and facing the Uptown Complex, there could be commercial facilities, serving adjacent residential areas. Up to 10,000 square feet of GLA could be accommodated on this site. Therefore, assuming that the requirement of 3.0 parking spaces per 1,000 square feet of GLA is appropriate, up to 30 parking spaces would be required for the

* ULI, Parking Requirements for Shopping Centers, page 2.

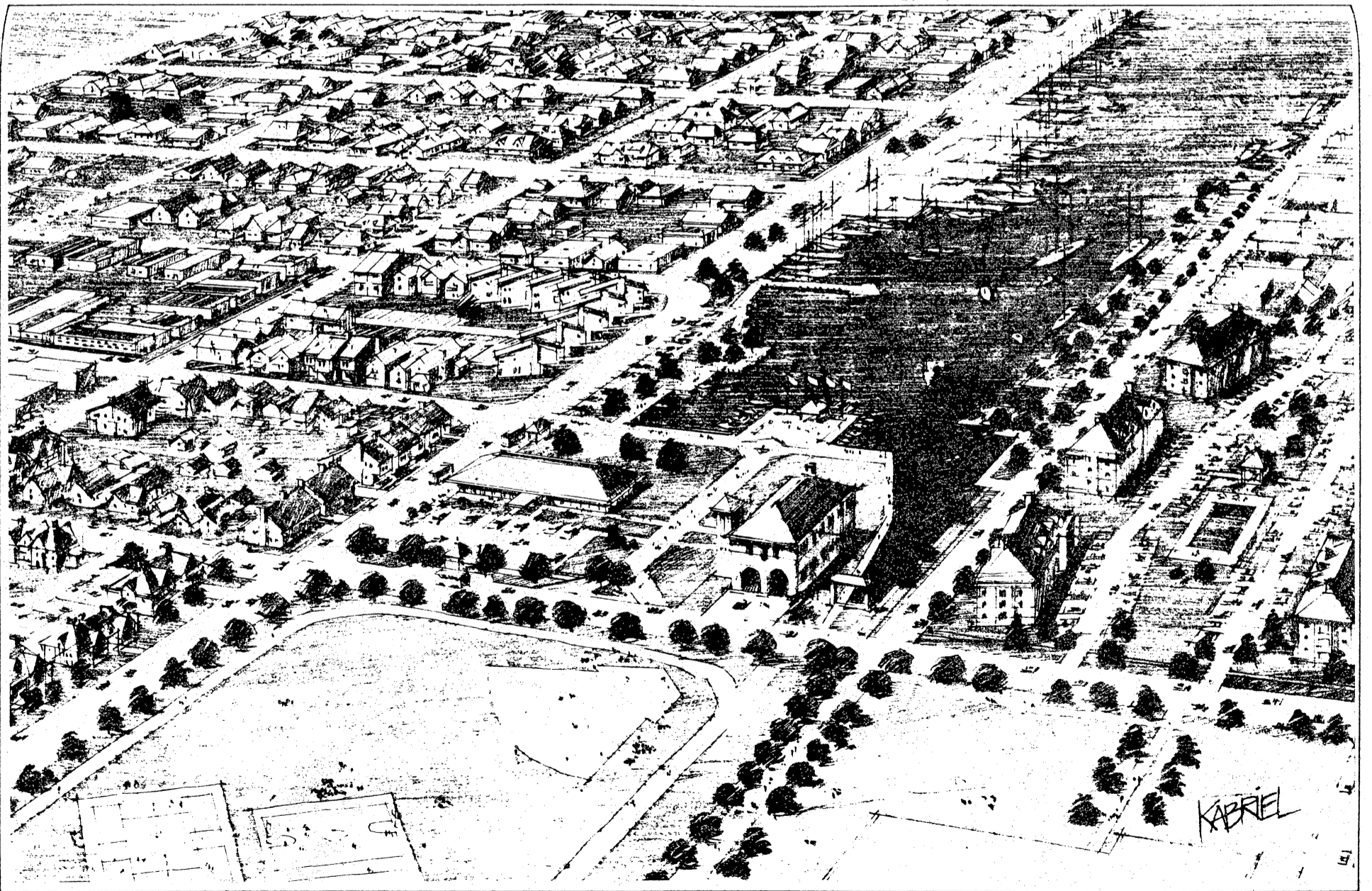
**ibid, page 19.



ATLANTIC CITY, NEW JERSEY
FIGURE 6.4
ATLANTIC AVENUE AT MASSACHUSETTS AVENUE



ATLANTIC CITY, NEW JERSEY
FIGURE 6.5
THE UPTOWN CENTER ILLUSTRATIVE PLAN



ATLANTIC CITY, NEW JERSEY
FIGURE 6.6
A VIEW OF THE UPTOWN CENTER

retail activities alone. Complementing this retail space could be other nearby social, recreational and educational activities.

Expansion of the Uptown Complex by 22,000 square feet is scheduled to begin in Spring of 1984, which should add to the current activities at the facility. The recreational aspects of the Uptown Center is covered in the next section on Recreation and Leisure.

Two areas along Absecon Inlet have been designated in the Inlet Community Development Plan for community/visitor commercial. This use would be a waterfront destination and could include restaurants, shops, boat docks, a ferry terminal, a small inn or even a fish market. Further detailed analysis is required before specific development decisions can be made for these sites. Community/visitor commercial sites in these areas could become highlights and destinations of the pedestrian walkway system as well as be readily accessible by car.

Commercial maritime uses (boat sales, storage and maintenance and commercial clamming) should remain. These special uses will require further analysis to determine what State and federal financial assistance might be required and how commercial clamming could be accommodated in Gardner's Basin and in Delta Basin (west side) where operations could be expanded. The boat sales, storage and maintenance should remain along Clam Creek and Carson Avenue. The question of how to avoid creating nuisances for nearby residential areas because of noise, odors and increased traffic needs to be addressed. With proper controls, these nuisances can be avoided and the maritime activities can become assets by adding color and life to the waterfront.

The commercial and service component of the Development Plan should provide for both the resident and visitor. Neighborhood commercial uses should be located within safe walking distances of residential areas. These uses also complement existing commercial uses and community facilities and assets. All commercial uses should be at the edges of neighborhoods to keep traffic within and through a neighborhood to a minimum. Maritime businesses should be preserved in historic locations which can accommodate them.

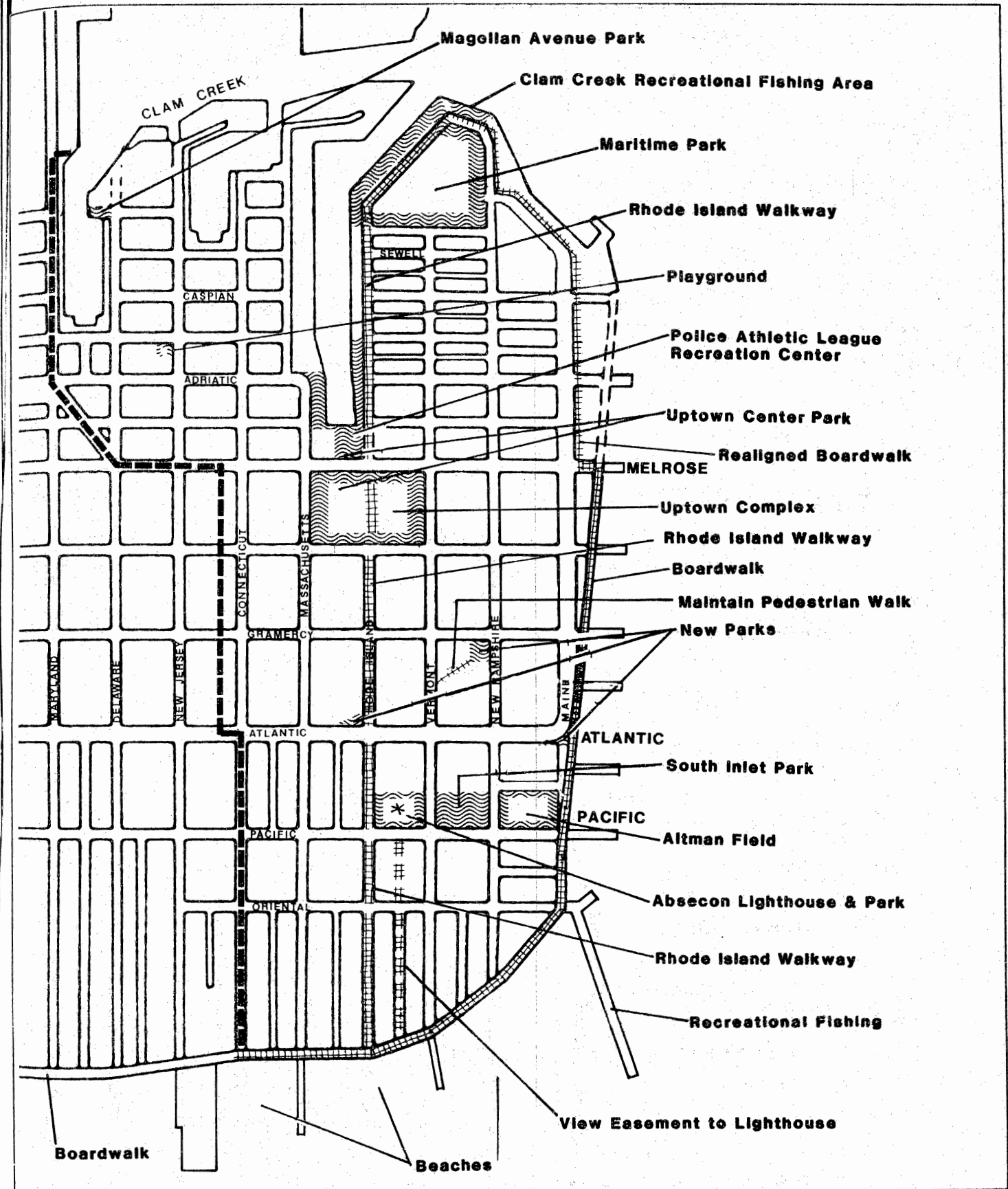
Recreation and Leisure

In a balanced residential community, parks, open spaces and walkways are meeting points and places for social interaction (Figure 6.7). Existing major parks, the activities and assumptions upon which the Development Plan builds, are:

- Maritime Park as tourist-oriented theme park -- its present use. (The proposed realignment of Maine Avenue would lead visitors to the park's front gate.)
- Police Athletic League Club in the Melrose Avenue Firehouse at the foot of Gardner's Basin.
- Uptown Complex as the centerpiece of the Inlet Community's recreation and leisure component, having a full range of active and passive recreational activities.
- Absecon Lighthouse and Park as improved with the development of Lighthouse Plaza and as a passive recreational area.
- Altman Field with its ball courts and play equipment as an active recreation area.

The major new park areas recommended in the Development Plan are:

- Uptown Center Park is the area around the Melrose Avenue section of Gardner's Basin. It should be improved as public open space with direct public access to the water for recreational uses. Areas for jogging, walking, viewing and family activities should be developed on both sides of the Basin, along Massachusetts and Rhode Island Avenues. An area should be set aside for the rental and storage of small boats which should be available for hourly rental by local residents and visitors.



ATLANTIC CITY, NEW JERSEY

FIGURE 6.7
 THE INLET COMMUNITY
 PROPOSED RECREATION & LEISURE



- South Inlet Park is located between Lighthouse Park and Altman Field and should be a well-landscaped urban park for outdoor activities appropriate to the scale and desires of the residents. With the development of this park, the view of the Absecon Lighthouse to the Boardwalk would be established and preserved.

The Inlet Community has very manageable dimensions for a pedestrian-oriented, neighborhood quality of life. Residents should reasonably expect a pedestrian environment to walk to the beach, stores and other destinations, particularly along Atlantic, Melrose and Maine Avenues. Such an environment should be created by clearly established walkways with appropriate landscaping, lighting and signs, scaled to the sight lines and pace of pedestrians. There are excellent examples of this kind of environment in the renovated area of Society Hill in Philadelphia.

Rhode Island Avenue should become a major unifying element, tying together many of the proposed and existing recreational areas and two commercial centers. Rhode Island Avenue could be closed to through vehicular traffic to create a walkway from Clam Creek on the north to the Boardwalk and Ocean on the south. Such a north-south pedestrian way would introduce a new sense of connection from one end of the Inlet to the other and should help establish a special ambiance while connecting the activities of the Uptown Center and Complex to the Inlet Center. Shade trees and other appropriate landscaping and sidewalk and curb improvements along the walkway would create an environment for walkers, joggers and bicyclists. Areas for sitting, picnicking and playing at the middle of each block would create a new level of amenity for residents and should become self-policed by nearby residents. If the Boardwalk is extended to the Clam Creek fishing and viewing area along the improved and realigned Maine Avenue, a community-wide pedestrian system with tie-ins at Atlantic and Melrose Avenues would be complete.

There are also smaller parks proposed that would provide benefits to the Inlet Community. They are:

1. A park, located at the northwest corner of Rhode Island and Atlantic Avenues, would enhance commercial uses along Atlantic Avenue and separate them from adjacent residential areas. This improvement would require the relocation of an existing gas station.
2. A tot lot and playground for younger children could be located on part of a vacant lot at the southwest corner of Grammercy and New Hampshire. On the other part of the site, a sitting area could be provided for the elderly at the adjacent nursing home. The Bader Avenue right of way could be maintained to provide a connection to the park directly from Vermont Avenue.
3. At the east end of Atlantic Avenue where there is an existing pavilion on the Boardwalk level, a public area could be developed from the land remaining after the proposed realignment of Maine Avenue. This area could be for viewing and family picnicking. It also could be improved with flagpoles and wide, formal steps up to the Boardwalk to accent the end of Atlantic Avenue at this end of the island. The existing Boardwalk pavilion requires major repairs to fulfill this role.
4. The Clam Creek fishing area at New Hampshire Avenue could be improved by repairing or replacing the seawall, identifying clearly parking areas and installing appropriate landscaping, lighting, benches and trash receptacles.
5. At Magellan and Delaware Avenues, a park for fishing and viewing could be developed by vacating the road right of way. This area should complement, for Bungalow Park residents, the play area at Wabash and New Jersey Avenues.

In addition, the view of the Lighthouse should be maintained as much as possible from the Boardwalk. No matter what the final development of the South Inlet Village may be, building should be scaled to preserve views of the Lighthouse. At least a full view of the Lighthouse should

be maintained by an easement along what is now Victoria Avenue from the Boardwalk to the Lighthouse.

With modest additions of land for recreation and leisure, new and better parks, open spaces and walkways could be created, knitting together the various interests and areas of the Inlet Community. When specific new private developments are planned, additional recreation and open space should be incorporated to supplement that already provided by the community. Such recreational areas should require relatively small parcels of land but have value far beyond their size in creating a balanced residential community. Community events and activities are organized around such spaces. They become an integral part of neighborhood life, bringing together young and old and every other resident for special occasions.

Housing

If the other components of the Development Plan provide the focus of activities and connecting links for components, housing is the foundation of the plan. If the housing component is not successful, the fullest potential of the other components and the community as a whole will not be realized. The housing component of the plan locates the number of dwelling units by type and market sector for each block in the study area (Figures 6.8-6.11). In general, taller buildings would be located adjacent to Jeffries and Inlet Towers and the proposed Lighthouse Plaza, which represent the highest development in the Inlet at 17, 14 and 19 stories in height respectively. The highest new development at 8 and 12 stories maximum proposed would also be adjacent to and have views of the Inlet Community amenities such as the Uptown Complex and Center, Gardner's Basin, Clam Creek, the Inlet, the Ocean, Lighthouse Park, South Inlet Village Park and Altman Field, giving more Inlet residents the advantages of and proximity to these assets. All of these higher density residential areas should be off of or near major streets like Atlantic, Melrose and Maine Avenues to help keep traffic to a minimum within neighborhoods. The remainder of the blocks would

contain low-rise housing (3 stories maximum), which could be accommodated in new and renovated buildings.

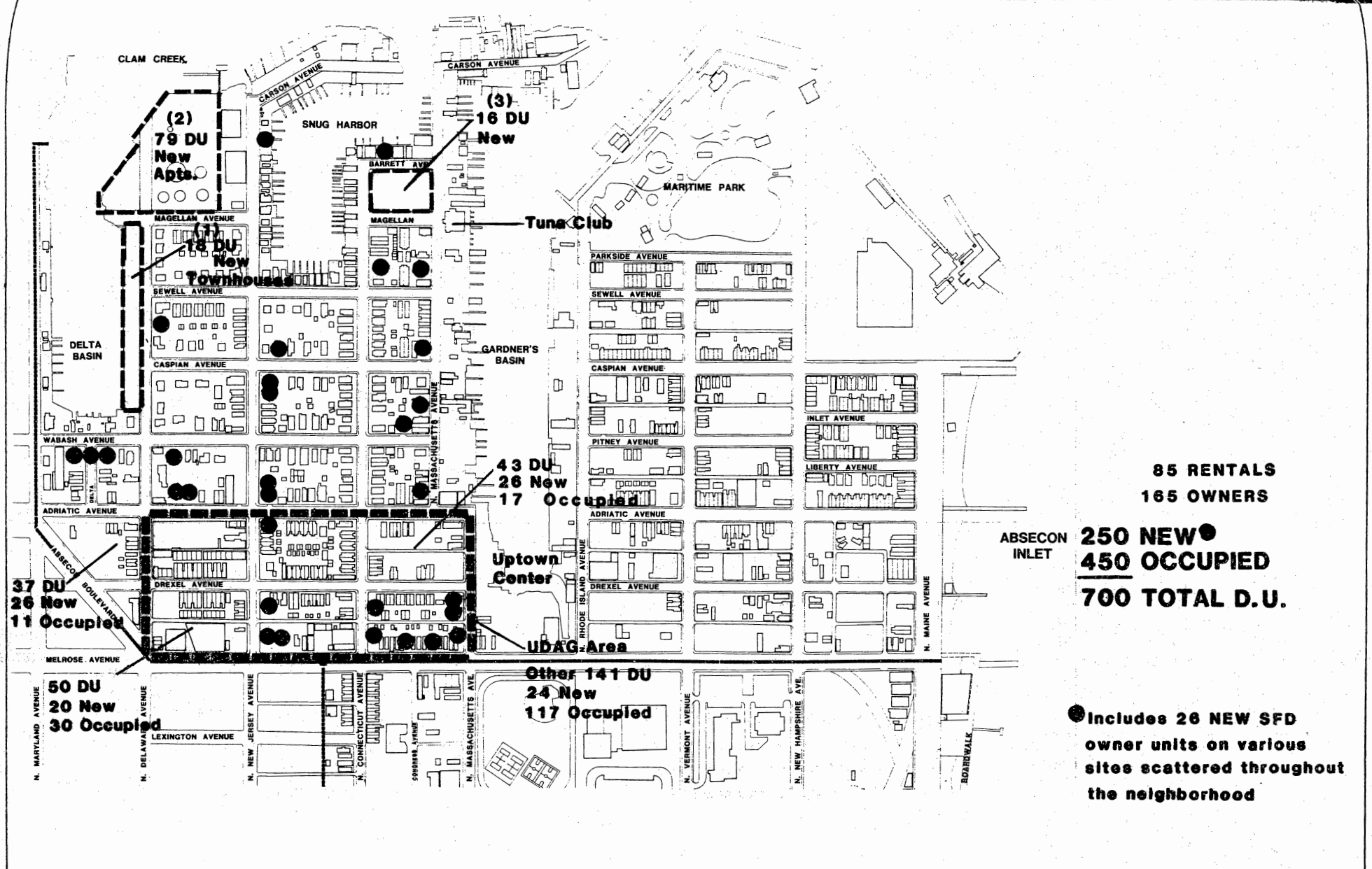
At full development, there would be 5,100 dwelling units in the Inlet Community. Just under half of these units or 2,495 dwelling units would be new units from new construction and 255 would be the renovation of vacant units. Relocation of 120 current households could occur to accommodate the new units according to this plan. Below is the description of the housing development plan for each Inlet neighborhood:

- Bungalow Park (Figure 6.8)

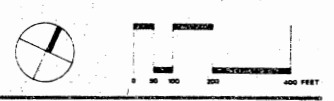
Housing conservation and preservation should be encouraged in Bungalow Park. One-third (250) of the total 700 dwelling units could be new and the majority of these units (165) could be for sale to reinforce the strong homeownership in the neighborhood. Most of these new for-sale units (113) could be developed on three sites, two adjacent to Delta Basin (#1 and 2 on Figure 6.8) and one across from the Tuna Club on Massachusetts Avenue at Magellan Avenue (#3), as townhouses and walk-up apartments. Most of the remainder of the for-sale units would be single-family homes and townhouses on scattered vacant sites throughout the neighborhood. The 85 new rental units would be concentrated in and adjacent to the Urban Development Action Grant (UDAG) area, which is bounded by Adriatic, Massachusetts, Melrose and Delaware Avenues. To reinforce the neighborhood's image, sidewalk and street repairs and the replacement and planting of shade trees should be made. It is anticipated that no residents would have to be relocated in Bungalow Park.

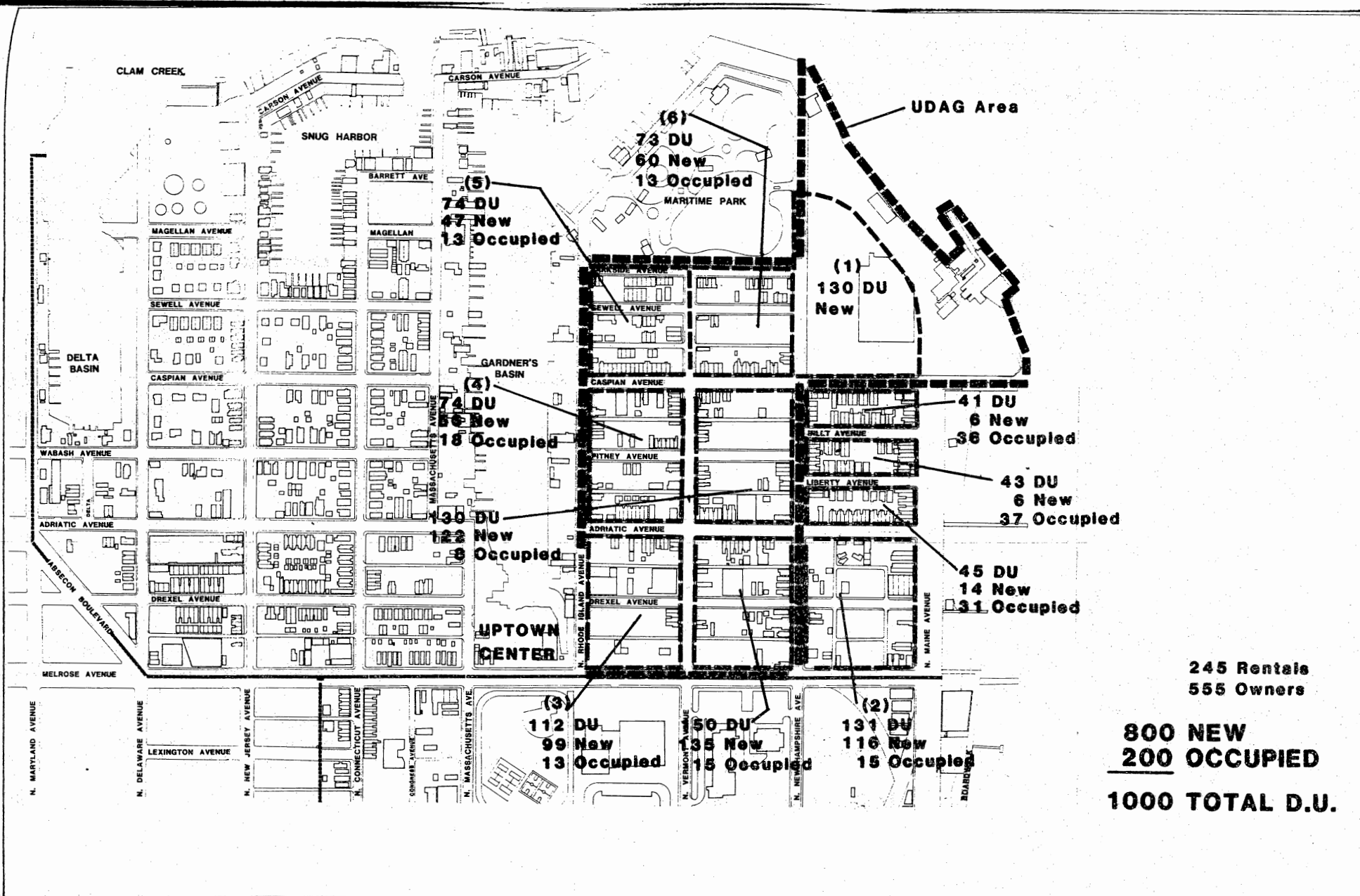
- Gardner's Basin (Figure 6.9)

Comprehensive new housing development including infrastructure and public improvements should occur in Gardner's Basin in townhouses, garden apartments and mid- to high-rise buildings. Eight hundred of the total 1,000 dwelling units projected would



ATLANTIC CITY, NEW JERSEY
FIGURE 6.8
BUNGALOW PARK PROPOSED HOUSING





ATLANTIC CITY, NEW JERSEY
FIGURE 6.9
GARDNER'S BASIN PROPOSED HOUSING



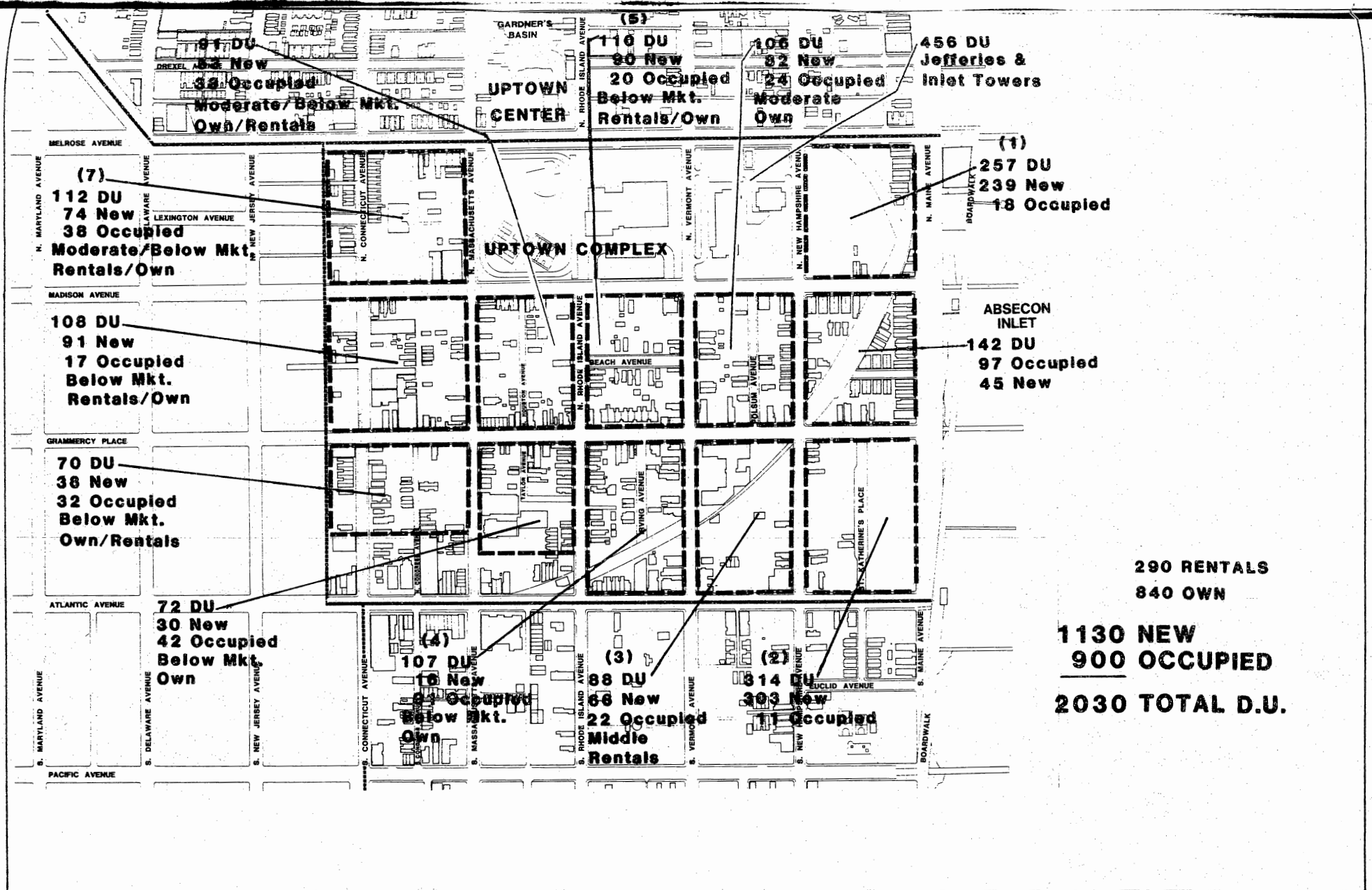
be new units. Since it is surrounded by water on three sides and no area is more than a few hundred feet from a waterfront, the entire neighborhood is prime for redevelopment. Sites #1-6 on Figure 6.9 are closest to the water. With proper design controls, sites on blocks between Vermont and New Hampshire could also have interesting views of the water. Renovation of 200 units in clusters of sound housing, consistent with the overall plan and financially feasible should be considered in the blocks bounded by Caspian, Maine, Adriatic and New Hampshire Avenues. Fifty households could be relocated to achieve the redevelopment of Gardner's Basin.

• North Inlet Village (Figure 6.10)

A combination of new housing on vacant land and renovation of existing sound units should be the program for revitalization of North Inlet Village. The neighborhood could have 1,130 new dwelling units of the 2,030 total units. Most of the new units (850) would be owner-occupied in townhouses, garden apartments and mid- and high-rise buildings. The prime sites for new development are those with vacant land near an amenity such as the waterfront and Boardwalk (#1, 2, and 3 on Figure 6.10), Rhode Island Walkway (#4, 5, and 6) and the Uptown Complex (#5, 6, and 7). Renovation could potentially occur to as many as 900 dwelling units in sound structures. Forty households could be relocated to achieve the plan.

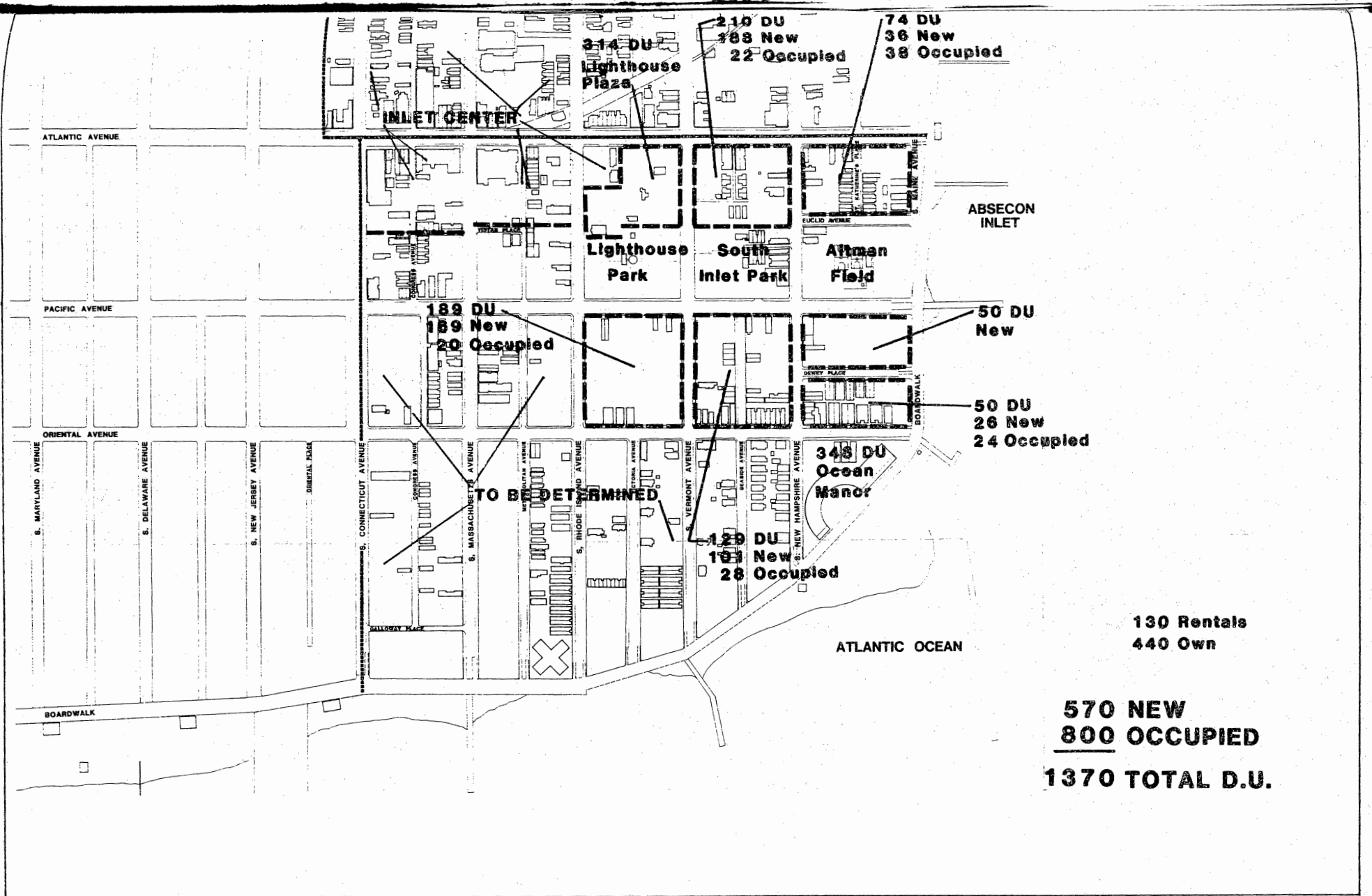
• South Inlet Village (Figure 6.11)

Major vacant areas in South Inlet Village provide excellent opportunities for new development. More than 60 percent of the land in South Inlet Village should not be planned until final disposition of the Urban Renewal Site is resolved. The remaining area could contain 1,370 dwelling units on sites which are adjacent to the series of parks from the Lighthouse to the Boardwalk; 570 new dwellings could be built in mid- to high-rise buildings of which 440 could be for sale and 120 for rent.

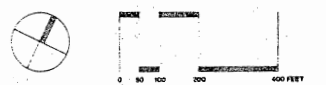


ATLANTIC CITY, NEW JERSEY
FIGURE 6.10
NORTH INLET VILLAGE PROPOSED HOUSING





ATLANTIC CITY, NEW JERSEY
FIGURE 6.11
SOUTH INLET VILLAGE PROPOSED HOUSING



Thirty households could be relocated with the new development in the South Inlet Village. Given the amount and configuration of vacant land in each, all blocks in the development area are choice, particularly on parts of the blocks which front the Boardwalk and the series of parks. As many as 800 dwelling units in sound structures could be renovated. Views and access to the water, parks and Boardwalk should be preserved.

The provision of an adequate amount of well-planned and attractive car parking could be a major problem in the Inlet Community. Physical, economic and social factors all will have an impact on determining how many spaces to provide, of what size and where. In the Inlet Community, parking ratios should average 1.0 space for every dwelling unit. However, with the variety of projects proposed for the Inlet Community, some projects would need ratios of 2 spaces per dwelling units while others would require only 1.0 space per 2 dwelling unit. For example, a mature family with teenage children living at home and recently retired active adults generally require more parking than young families with children and less active older adults. In any case, the ultimate solution should be determined by the competitive standard set by the Atlantic City housing market. Parking standards then should remain flexible and evaluated on a project-by-project basis.

LAND USE SUMMARY

Taking all the land use components together, the identity of Bungalow Park should be strengthened and the identities of Gardner's Basin, North Inlet Village and the South Inlet Village should be established with new housing, retail and service development and community improvements. Rhode Island Walkway would unite the neighborhoods and the Inlet and Uptown Centers. The other special places proposed throughout the neighborhoods would reinforce each neighborhood's identity and strengthen a sense of community.

Figure 6.12 is a summary of the proposed land uses of the Inlet Community Development Plan (Figure 6.13), which has eliminated incompatible commercial uses and unneeded streets to strengthen the Inlet's residential environment (compare Figure 6.12 to Figure 4.4)

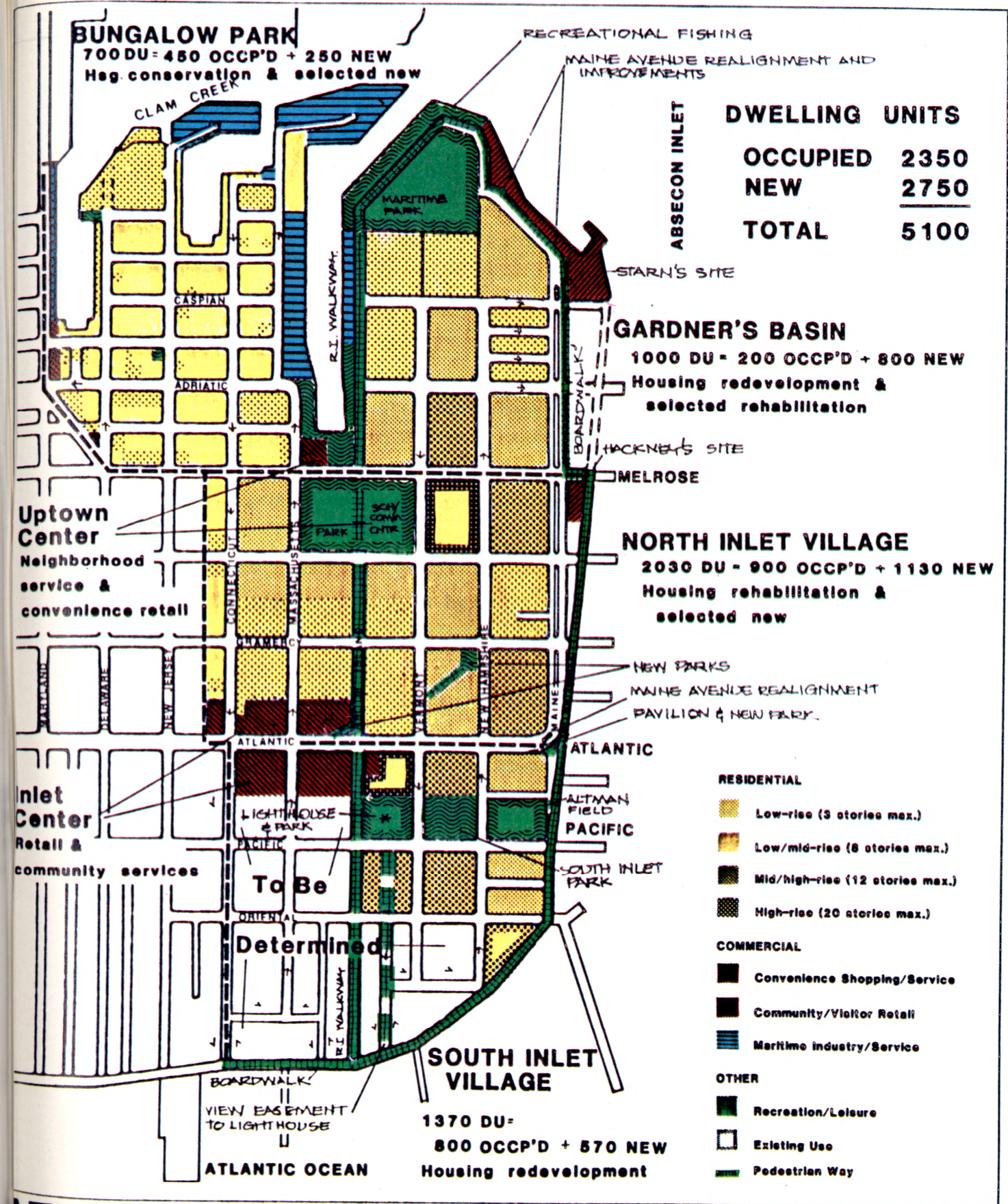
Figure 6.12*
INLET COMMUNITY
DEVELOPMENT PLAN SUMMARY
(in acres)

Neighborhood	Residential**				Commer- cial***	Institu- tional/ Recrea- tion	Rights of Way	To Be Deter- mined	Total
	L-R	L/M-R	M/H-R	H-R					
Bungalow Park	39.31	-	-	-	5.53	0.68	19.85	-	65.37
Gardner's Basin	13.90	17.01	3.75	-	7.05	11.81	13.01	-	66.53
Uptown Ctr.	-	-	-	-	1.63	1.87	-	-	3.50
North Inlet Village	23.00	15.43	9.23	3.74	3.18	11.48	18.12	-	84.18
South Inlet Village	-	5.64	10.33	1.30	5.31	15.19	16.23	35.14	89.14
Total	76.21	38.08	23.31	5.04	22.70	41.03	67.21	35.14	308.72
		142.64							
Percent	24.70%	12.33%	7.55%	1.63%	7.35%	13.29%	21.77%	11.38%	100.00%
		46.21%							

* For block-by-block statistics, see Appendix 6.1.

** L-R: low rise (3 stories maximum)
L/M-R: low/mid-rise (8 stories maximum)
M/H-R: mid/high-rise (12 stories maximum)
H-R: high-rise (20 stories maximum)

***Includes convenience shopping and service as well as community/visitor retail.



ATLANTIC CITY, NEW JERSEY

FIGURE 8.13
THE INLET COMMUNITY
PROPOSED DEVELOPMENT PLAN



RELATED ISSUES

Two important policy issues relating to the development plan need to be addressed--zoning and relocation of current residents and businesses. Both issues must be handled fairly and equitably for the development of the Inlet Community to be a success.

Zoning

Current zoning allows development according to the plan just described, except for the Inlet and Uptown Centers and maritime uses. The residential districts, R-2, RM-2 and RM-4, which encompass these centers and the maritime uses, would not permit the commercial uses called for by the plan, even as conditional uses except in Neighborhood Service Corridor Zone. While it might be possible to provide the necessary commercial uses in this area by treating certain existing commercial uses as "non-conforming," this would create uncertainty for the future, since if such businesses were to cease operations it is questionable whether they could be resumed. Also such "grandfathering" may not provide the flexibility needed to implement the plan. For these reasons, and in order to help implement the Inlet Community Development Plan as a balanced residential community, there is land in the Inlet Community which may need to be rezoned.

Zoning recommendations should be part of a comprehensive, site-specific plan, submitted to the Atlantic City Planning Board and City Council for action. In the meantime, legal issues involved in any rezoning should be explored to determine the limits within which the City can act on zoning changes.

Relocation

New development should require relocation of certain households and businesses. Carefully planned, relocation can provide opportunities for improving the quality of living quarters and businesses that have to be relocated. Both the Congress and the State of New Jersey have

programs for the relocation: The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, 42 U.S.C. §4601 and New Jersey Relocation Assistance Act, N.J.S.A. Ann. 20: 4-1 et seq. Because of concern about relocation issues, the Atlantic City Task Force on Housing and Community Development on March 24, 1983 made the following recommendations:

● Policy Principles and Guidelines --

- a. Residents of the Inlet Community, regardless of household size or income, have a right to decent, safe, affordable housing in a stable neighborhood environment.
- b. Wherever it is economically feasible and consistent with the overall plan adopted for the Inlet Community, available vacant housing units and vacant land should be used for rehousing residents who must be displaced from their existing home to achieve the goal of a balanced residential community.
- c. When displacement is found to be necessary to achieve the goals of the plan, rehousing should be provided within the neighborhood in which the resident now resides, or no more than six blocks from the resident's current address.
- d. Rehousing, when required to achieve the goals of the plan, must be provided prior to physical displacement.
- e. Rehousing costs must be included in site-specific/cost-specific budgets prepared for the overall Inlet Community Development Program.
- f. A housing counseling program should be instituted as early as possible in a location within the Inlet Community to disseminate information helpful to residents considering rehousing.
- g. In order to halt any further loss of housing units, anti-deterioration efforts including anti-arson, crime prevention and demolition control programs should be intensified. When the City acquires a unit and it has renovation potential, it should be secured as quickly as possible to prevent further deterioration.
- h. Rehousing policy must be consistent with the laws of New Jersey and the Mount Laurel II Supreme Court decision of January 20, 1983.

and

● Recommendations Concerning Compensation --

- a. Only those in legal residence within the stated boundaries of the Inlet Community as of January 1, 1983 should be considered eligible for rehousing under these guidelines.
- b. Homeowners with homes unencumbered by financial obligations should have the right to be rehoused in units comparably unencumbered.
- c. Homeowners with mortgage obligations should not be required to accept units with greater obligations, either in overall debt or monthly payments.
- d. Tenants who must be relocated will be provided replacement housing within the Inlet community which will be available for occupancy prior to relocation. This replacement housing will be at a comparable and affordable cost and at a size to meet the needs of the particular household.
- e. Homeowners and tenants who elect to accept rehousing outside the Inlet Community should be compensated and assisted under the provisions of the New Jersey Relocation Assistance Law.
- f. In order to prevent resales that might jeopardize the economic viability and stability of the Inlet Community, residents participating in the rehousing program should agree to live in their units for a period of five years. If individual circumstances arise requiring the sale of a rehousing unit, there should be a community development and management corporation to acquire the unit for a fair price and make it available for another owner or tenant at a comparable price. The intent is to keep maintaining an inventory of affordable, decent housing in the Inlet Community and to discourage any hope for profit through the quick resale of rehousing units.

Costs of relocation are discussed in the next chapter.

Chapter 7: FINANCIAL ANALYSIS

The purpose of this chapter is to present assumptions and conclusions regarding the development costs and financial feasibility associated with the implementation of the Inlet Community development program and plan. Both public and private investment responsibilities associated with the construction and renovation of the 2,750 new housing opportunities and other community improvements and facilities called for in this plan have been analyzed.

A number of basic assumptions which were used by the American City Corporation as basic guidelines in undertaking this financial analysis are as follows:

- Private development projects should offer a reasonable return on investment with reduced risk in order to be attractive to investors, particularly early in the redevelopment process.
- Sales and rental prices should be at or below comparable units being offered elsewhere in Atlantic County in order to attract residents to Atlantic City.
- A superior neighborhood environment should be created through the high quality of private development and public improvements. This is reflected in the assumed development costs.
- Financial resources controlled by the public sector, particularly Casino Reinvestment Funds, would be made available to help achieve the objectives of the development program.
- National and State economic conditions would not change in a manner dramatic enough to alter basic market and financing assumptions during the seven-year development period.

RESIDENTIAL DEVELOPMENT

Description of the Financial Model

A multi-faceted financial model was developed to test the effects of manipulating certain variables on housing affordability. By changing one, or sometimes two variables, housing choices with development costs that are too high for market acceptability can be brought into an

affordable range, and then the cost of these modifications can be calculated.

The financial model was run in two ways. The first run assumed normal, prevailing development conditions. Under these conditions, the model estimated what each unit type would cost to construct in the Inlet Community, including all hard and soft construction costs as well as actual land acquisition costs (in 1983 dollars). The result was the sales price necessary to provide a fair return on investment and be an attractive project for a developer to pursue. These prices, termed development sales price, were compared to what was determined to be affordable in the market study for each unit type. The difference in development sales price and market sales price (from the market study) is the sales price gap. A gap was found in most unit types tested, which is indicative of why such projects are not currently being developed on their own. This complete model is presented as Appendix 7.1A - Normal Development Conditions Model.

In order to close the sales price gap and make new units in the Inlet affordable and thus marketable, the second run of the model modified two variables -- construction loan interest rate and land cost per square foot -- while holding all other assumptions used in the first run constant. The construction loan interest rate was varied downward until the gap disappeared for that particular unit type or the interest rate reached zero, whichever came first. If the interest rate, even when dropped to zero, still did not completely eliminate the gap, then and only then was land cost varied to the extent necessary to bring the gap to zero. This complete model is presented as Appendix 7.1B - Modified Development Conditions Model.

Analysis of Sixteen Housing Choices

Sixteen housing choices which represent a compressed version of the complete set of housing choices in the development program (Figure 5.1),

were analyzed. All five of the unit types were investigated (vacant renovations, single-family detached, townhouse/rowhouse, multiplex and mid/high-rise) in the four price categories:

- below-market price: less than \$37,999 sales price or \$399 per month rent;
- low price: \$38,000-\$54,999 sales price; \$400-\$599 per month rent;
- moderate price: \$55,000-\$109,999 sales price, \$600-\$1,199 per month rent; and
- high price: more than \$110,000 sales price or \$1,200 per month rent.

Ownership and rental units were considered together based on the assumption that a unit built for sale within a price category could be affordable as a rental in that same price category. To facilitate the financial analysis, two housing choices were combined into the low-price category to include: 1) 15 moderate-price, for-sale, single-family detached units; and 2) 20 below-market rental units in a mid/high-rise structure (part of a larger, market-rate project).

Each of the 16 units choices was first investigated under normal development conditions in order to establish the development sales price. While many of the input variables to the Construction Cost model were by necessity different for each housing choice, a number of them remained constant for all housing choices tested under normal development conditions. These included:

- Average land cost at \$11.10 per square foot, based on a survey of recent transactions (Figure 4.13), excluding the South Inlet Village;
- Construction financing at 14 percent annual interest rate with an average outstanding balance of 60 percent (prevailing market conditions as of August 1983); and
- Assumed construction start in 1984, lasting a period of 24 months.

Each of the 16 housing choices is discussed below. Descriptive variables unique to that choice is presented as well as final development costs and variables which had to be modified in order to eliminate the sales price gap, where one existed. A gap was found in 11 of the 16 housing choices tested (noted below by a "+").

1. Moderate-Price, Vacant Renovations:

The development program calls for the renovation of 75 currently vacant dwelling units to be made available at moderate prices (\$55,000-\$109,999 sales price, \$600-\$799 per month rent*). A density of 20 units per acre and average unit size of 1,100 square feet were assumed. The total construction cost (which includes \$2.00 of upgrades but excludes property acquisition) was found to be \$35.12 per square foot.

The total development cost per unit including building and land acquisition was found to be \$62,810. After a 10 percent markup, the development sales price would be \$69,100. This compares very favorably with an average market sales price of \$69,500 per unit. Since these units can be provided within the market sales price under normal development conditions no further modifications to interest rates or land prices were necessary.

+2. Low-Price, Vacant Renovations:

The development program calls for the renovation of 80 vacant dwelling units to be offered in the low-price range (\$38,000-\$54,999 sales price, \$400-\$599 per month rent). A density of 24 units per acre and average size of 950 square feet was assumed for these units. Total construction costs per square foot (excluding property acquisition) were estimated at \$31.73.

* No rental units are programed for \$800-\$1,199 per month.

The total development cost per unit including the property acquisition was found to be \$50,292. After a 10 percent developer markup, the development sales price would be \$55,300 per unit. Since the average market sales price is only \$46,500, a sales price gap of \$8,800 per unit would exist under normal development conditions.

The total program sales gap of \$704,000 (80 units times \$8,800 gap per unit) could be eliminated through the provision of an interest-free construction loan (0 percent interest) and the utilization of properties available at slightly below average per square foot costs of \$10.25. These modifications allow the units to be sold for \$46,300 which is slightly less than the market sales price.

+3. Below-Market, Vacant Renovations:

The development program calls for the provision of 100 below-market dwelling units (sold for \$37,999 or less, rented for less than \$399 per month) in currently vacant structures. These units were assumed to be developed to the same size, density and construction cost as the low-price units, which already represent the least-cost opportunities in the Inlet at minimal acceptable development standards for a balanced residential community.

The development sales price per unit under normal development conditions would also be \$55,300. However, the upper limit of the below-market price range is \$37,999, which means there is a sales price gap of at least \$17,500 per unit. In order to get the costs down to a development sales price of \$37,200 per unit the construction interest rate would have to be reduced to zero and the property cost would have to be written down to \$5.75 per square foot (\$5.35 per square foot less than the community average).

+4. Low-Price, Single-Family Detached Units:

The development program calls for 10 low-price and 15 moderate-price, single-family detached units to be developed on primarily

scattered, single-lot sites (many city-owned) in blocks which would have predominately renovated units. The objective here is to reinforce stable, well-maintained sections of the Inlet Community by replacing vacant lots with new housing units. Due to the similarity of the design and basic development costs associated with the low- and moderate-price units, all 25 were reviewed as one unit type for this analysis.

It was assumed that manufactured housing units costing approximately \$25.00 per square foot hard construction costs would be used on these lots of approximately one-eighth of an acre (5,445 square feet). It was further assumed that these units would average 1,050 square feet per unit. The use of manufactured units provided the financial advantages of shared architecture, engineering and other soft costs as well as a reduced construction cost (due to the quantities produced) and reduced construction loan payments due to the short on-site construction period.

Under normal development conditions in the Inlet, these units would have to be offered at a development sales price (including mark up) of \$113,400. This price, which is \$68,400 higher than the market sales price, was caused primarily by the high cost of land in the Inlet. However, assuming that most of the properties used for these unit types are already city-owned, it would require a decision by the City to make these lots available at \$1.70 per square foot, combined with the provision of a construction loan (of very short term since manufactured units can be installed on their permanent site in a matter of days) at zero percent. This would make the units available at a sales price of \$44,900, which is under the market sales price of \$45,000.

+5. Below-Market, Single-Family Detached Units:

The development program calls for 35 below-market, single-family detached units. All of the cost assumptions used regarding development costs were the same as those for the low-price units

(described above in number 4), with the exception of the elimination of unit upgrades and the reduction of certain soft costs such as pre-marketing and administration.

Again land costs added over \$60,000 per unit to the development sales price of \$110,900 required under normal development conditions. However, the sales price could be reduced to \$34,900 by assuming the primarily city-owned land is provided virtually for free (\$.50 per square foot) and the construction loan is again made at a zero percent interest rate.

6. High-Price Townhouses:

The development program calls for a total of 65 high-price townhouse units to be developed at sales prices higher than \$110,000 per unit. These units should be developed at a relatively low density of 14 units per acre and a relatively high average unit size of 1,600 square feet and include approximately \$5,000 worth of upgrades per unit in order to be attractive to the high-price market. They would cost a total of \$64.67 per square foot to construct, exclusive of land.

The development sales price for these units would be approximately \$151,800. This is well within the range of competitive high-price offerings in the market area, so no modifications were required to make the units attractive to developers and investors.

+7. Moderate Price Townhouses:

The development program calls for 155 moderate-price townhouse units. These units were assumed to be built at an average of 1,100 square feet in size and developed at a density of 16 units per acre. The total construction cost per square foot was found to be \$53.38, excluding land.

The development sales price under normal market conditions was found to be \$97,800. This figure is \$21,800 per unit higher than the desired market sales price of \$76,000. The sales price gap could be eliminated by reducing land costs to \$8.00 per square foot and providing zero percent interest construction loans. Units then could be marketed for \$75,700.

+8. Low Price Townhouses:

The development program calls for a total of 10 low-price townhouse units. These units would be developed at a density of 16 units per acre and be built at an average size of 1,000 square feet. Total construction cost per square foot (excluding land cost) was estimated to be \$37.74.

The development sales price was found to be \$74,800 per unit. However, the market sales price is only \$46,500 leaving a sales gap of \$28,300 per unit. This gap could be eliminated by reducing the interest rate charged on construction loans to zero and by reducing land costs to \$5.00 per square foot. This would bring the ultimate sales price down to \$46,200.

+9. Below-Market Price Townhouses:

The development program calls for the development of 110 townhouse units at below-market prices. These units, built at the same size, density and hard construction cost as the low-price units, would save somewhat on pre-marketing expenses (due to their utilization as relocation units they would require less marketing efforts).

The development sales price for these units would be \$74,700, which is \$37,700 higher than the upper limit of the below-market category (\$37,999). In order to bring the sales price down to \$37,500 construction interest rates should be dropped to zero, and the average cost of land per square foot would be \$2.20.

10. High-Price, Multi-Plex Units:

The development program calls for 130 high-price, multi-plex units in the Inlet. These units would be an average size of 1,300 square feet, developed at an average density of 32 units per acre. Construction costs per square foot, including high quality finishes, appliances and landscaping would total \$65.33 (excluding land).

The development sales price per unit under normal development conditions in the Inlet was found to be \$110,000. No sales price gap exists, since this price is already at the low end of the high-price category (\$110,000). Therefore, no financial assistance would be required for these units.

11. Moderate-Price, Multi-Plex Units:

The development of 240 moderate-price, multi-plex units is called for in the program. These units would be developed at 32 to the acre and be built an average size of 900 square feet. Including a moderate budget for unit upgrades and above average landscaping, the total construction cost per square foot was estimated at \$53.07, excluding land.

The total development sales price per unit was found to be \$69,200. This price fell well below the desired average market sales price of \$87,500. Since no sales price gap existed, no modifications to the financial analysis would be required to allow this type of development to proceed.

+12. Low-Price, Multi-Plex Units:

A total of 345 of this unit type is called for in the development program. These units would be built an average size of 850 square feet and developed at 32 dwelling units per acre. The estimated total construction cost, excluding land, was \$36.02 per square foot.

The development sales price for these units was found to be \$50,300 per unit. This is \$3,800 per unit higher than the desired market sales price of \$46,500. A reduction of the construction interest rate from 14 percent to 5.5 percent would be sufficient to reduce the development sales price to \$46,300.

+13. Below-Market Price, Multi-Plex Units:

The provision of 185 new multi-plex units at below-market rates is called for in the development program. These units would be built to the same size and density as the low-price units, at a slightly less expensive cost of \$35.91 per square foot, exclusive of land, due to reduced pre-marketing expenses.

The total development sales price for these units would be \$50,200, while a maximum desired market sales price for below-market units is \$37,999. In order to reduce the development sales price of these units to \$37,500 the construction loan would have to be provided with no interest charge (0 percent), and the average cost of land per square foot would need to be reduced to \$7.00.

14. High-Price Units in Mid/High-Rise Structures:

The development program calls for the development of 350 units selling for over \$110,000 in mid- and high-rise structures in the Inlet. These units are assumed to be developed at a density of 50 units per acre and be built at an average size of 1,300 square feet. Construction costs, including budgets for high-grade finishes, amenities and two structured parking spaces per unit, were estimated at \$79.37 per unit (excluding land).

The development sales price per unit was found to be \$124,100. This is an acceptable average price, since the high-price market range is \$110,000 and above.

+15. Moderate-Price Units in Mid/High-Rise Buildings:

The greatest number of units of a single type called for in the development program are the 555 moderate-price units in mid- and high-rise structures. It was assumed that these units would be built at an average density of 50 units per acre and an average unit size of 850 square feet. A total construction cost of \$67.78 per square foot was assumed, which included a budget for 1.5 structured parking spaces per unit and a modest figure for above-average upgrades and landscaping.

The total development sales price per unit, calculated to be \$74,000, is only \$1,500 per unit higher than the desired market sales price of \$72,500 per unit. This slight sales price gap could be eliminated if the construction loan interest rate is reduced to 11.5 percent from the assumed actual rate of 14 percent. No adjustment in land cost would be required.

+16. Low-Price Units in Mid/High-Rise Buildings:

The development program calls for the construction of 270 low-price units in mid- and high-rise structures. Based on the assumption that 20 below-market rate units in mid- and high-rise buildings called for in the development program would be constructed as part of a larger low-price project (set aside at lower rents), they have been analyzed as part of this unit type category. The 290 total units would be built at an average size of 800 square feet and at a density of 50 dwelling units per acre. The actual development cost per square foot for this basic unit type, including a budget for one parking space per unit in a structured lot, was estimated to be \$45.99 per square foot, excluding land.

The development sales price for these units was found to be \$51,100 per unit, which is \$4,600 per unit higher than the desired market sales price of \$46,500. This sales price gap could be eliminated by reducing construction interest rates for the project to

4.5 percent. No reduction in the average cost of land would be required. The construction interest rate, however, would need to be even lower to allow for the reduction of rent levels to accommodate below-market occupants.

Other Residential Investments

Renovation of Occupied Housing Units

There are 750 existing housing units in the Inlet Community which are presently occupied but require some repair and renovation to be brought up to a standard necessary for long-term preservation and the quality necessary to complement nearby new development. These units require a wide range of improvements from simply aesthetic exterior improvements to major renovation of structural elements and service systems (i.e. plumbing, electric, heating, etc.)

There is no way to accurately estimate the cost of such improvements on a building by building basis until interior examinations can be made. However, the FY-1983 Annual Report of the Voluntary Improvement of Property Program of Atlantic City (dated May 16, 1983) reported that a total of 278 dwelling units (in single and multi-family structures) had received a total of \$1,487,853 in loans, deferred loans, and grants during the year. This would indicate that the average occupied dwelling unit in Atlantic City requires approximately \$5,350 per unit in repairs. Residential units in the Inlet should require more repairs than an average unit throughout the City. Assuming that units in the Inlet might require 25 percent more investment in renovation costs per unit, the average cost per unit would be \$6,650. In order to fully renovate the 750 candidates in the Inlet it is estimated that a total investment of \$4,988,000 would be required by the property owners. It is anticipated that current property owners, particularly owner occupants, would require technical advice and general encouragement to successfully renovate their property. An estimated budget of \$350,000 funded by the public sector would be adequate to retain appropriate professional

advisors and cover necessary operating expenses. The total cost of renovating occupied residential units therefore would be \$5,338,000.

Residential Relocation

A total of 150 residential households would have to be relocated in order to accommodate the complete redevelopment of the Inlet Community according to the proposed program and plan. One hundred twenty households would be relocated to accommodate new residential development, while the remaining thirty would have to be moved in order to implement various community facilities and public improvements. The Task Force on Housing and Community Development agreed to a set of recommendations concerning compensation of residents of the Inlet displaced as a result of this plan. They identified four categories of resident as follows:

1. Homeowners with homes unencumbered by financial obligations who wish to remain in the Inlet;
2. Homeowners with outstanding mortgage obligations who wish to remain in the Inlet;
3. Tenants who wish to remain in the Inlet; and
4. Tenants and homeowners who elect to accept rehousing outside the Inlet.

The intent of the guidelines was that relocated residents should be rehoused in a comparable unit in the Inlet, at no greater cost to the resident than they were previously carrying. The average value of an occupied residential unit in the Inlet has been found to be approximately \$27,000. The cost of compensating displaced owners is already included as a land acquisition cost in the construction cost estimates described in this chapter. The below-market housing units in the development program are intended to be occupied on a priority basis by displaced residents. Therefore, to a large extent the cost of achieving the Task Force's relocation compensation guidelines has been achieved by offering units at below-market rates to the displaced residents. Without knowing the exact housing cost and tenure of each of the 150 households it is impossible to calculate the actual relocation resources

necessary with the same degree of accuracy as other parts of the financial plan. However, based on preliminary estimates, it appears that an allocation of \$1,777,000 should be sufficient to cover all outstanding relocation obligations (for details see Appendix 7.2). Based upon the specific needs of households that may be relocated, additional expenditures may be required to honor the intent of the Task Force's relocation guidelines.

Summary of Residential Development Costs

The public and private costs involved in the development of the residential elements of this plan are summarized in Figure 7.1. The total cost to develop 2,750 new housing opportunities in the Inlet Community, and renovate 750 (of the 2,350) existing occupied units would be \$219,841,500. Almost 90 percent of these costs or \$196,973,000 would be carried by the private sector. However, the equivalent of \$22,868,500 in direct public incentives would be required to make the housing development program financially feasible.

COMMUNITY FACILITIES AND SERVICES

The development program calls for a new community school with the capacity for approximately 750 students, as well as 9,300 square feet of indoor space for day care services, and a branch library of 8,150 square feet. For purposes of this analysis it was assumed that all three of these services are to be jointly housed in a new community school/service center similar to the Uptown Complex.

According to the planning consultant to the Atlantic City Board of Education, a new community school should have 110 square feet per student. The estimated 1983 construction costs are \$60 per square foot. Allowing 12 percent of building costs for equipment, and a 10 percent contingency factor, a budget of \$6,098,000 (excluding site acquisition cost) should be allocated by the Board of Education for the construction of a new community school facility to service the redeveloped Inlet Community.

Figure 7.1
INLET COMMUNITY
RESIDENTIAL DEVELOPMENT COST SUMMARY
(1983 Dollars in Thousands)

Housing Choice	Distribution of Cost		Total Cost
	Private	Public	
Moderate-Price, Vacant Renovations	\$ 5,182.5	\$ -	\$ 5,182.5
Low-Price, Vacant Renovations	3,704	720	4,424
Below-Market, Vacant Renovations	3,720	1,820	5,540
Low-Price, Single-Family Detached	1,122.5	1,712.5	2,835
Below-Market, Single-Family Detached	1,221.5	2,660	3,881.5
High-Price Townhouses	9,867	-	9,867
Moderate-Price Townhouses	11,733.5	3,425.5	15,159
Low-Price Townhouses	462	286	748
Below-Market Townhouses	4,125	4,092	8,217
High-Price Multi-Plexes	14,300	-	14,300
Moderate-Price Multi-Plexes	16,608	-	16,608
Low-Priced Multi-Plexes	15,973.5	1,380	17,353.5
Below-Market Multi-Plexes	6,919	2,368	9,287
High-Price Mid/High-Rises	43,435	-	43,435
Moderate-Price Mid/High-Rises	40,126.5	943.5	41,070
Low-Price Mid/High-Rises	13,485	1,334	14,819
Renovation of Occupied Units	4,988	350	5,338
Relocation Assistance	-	1,777	1,777
Total	\$196,973	\$22,868.5	\$219,841.5

RECREATION AND LEISURE

The development plan calls for a variety of projects in the Inlet Community designed to enhance and diversify opportunities for recreation and leisure by community residents. This in turn should make the Inlet a more desirable place to live and help improve the marketability of newly developed units. Although these projects have not yet been subject to detailed programming and design, construction costs were estimated on an item-by-item basis for each project, based on design assumptions formulated by the American City Corporation. Square-foot and linear-foot assumptions were based upon the development plan. Property acquisition costs were included as appropriate, based upon the average price per square foot of recent transactions in each neighborhood as reported in Figure 4.14. A factor of 10 or 15 percent was included to cover contingencies and soft costs (design, engineering, legal) as appropriate.

The specific design elements and number of units vary with each project, but virtually all have an allowance for new paving, street trees, park benches, and trash receptacles. The South Inlet Park and New Hampshire and Grammercy Park include the cost of a set of childrens play equipment (merry-go-round, see-saws, monkey bars, slides, and swings). The South Inlet Park also includes the cost of preparation for a softball field. The cost of a new sea-wall is estimated in the budget for the Clam Creek Fishing area. The Uptown Center Park is budgeted to be a primary meeting area and focal point for three of the four neighborhoods. Passive and active recreational pursuits are programmed for the Uptown Park, and a sizeable budget is included for special features such as a lookout pier, paddleboat area, flags and sculpture. The corner of Atlantic and Rhode Island Avenues, the Atlantic Avenue Boardwalk Pavilion area and Magellan Avenue Park are intended to be primarily passive-use areas. An allowance was made for safety and maintenance improvements to the Boardwalk, including the demolition of the closed section from Melrose Avenue up to Caspian Avenue. The total budget for each project is shown in Figure 7.2. Public investment in improvements to the community

facilities for recreation and leisure in the Inlet Community should total just under \$8 million.

Figure 7.2
INLET COMMUNITY
RECREATION AND LEISURE IMPROVEMENT COST SUMMARY
(1983 Dollars)

<u>Project</u>	<u>Cost</u>
Rhode Island Avenue Walkway	\$ 577,000
Corner of Atlantic and Rhode Island Avenues	238,000
Atlantic Avenue Boardwalk Pavilion Area	66,000
Magellan Avenue Park	29,000
New Hampshire and Grammercy Park	325,000
Clam Creek Fishing Area (end of New Hampshire Ave.)	493,000
Uptown Center Park	2,472,000
South Inlet Park	3,422,000
Misc. Boardwalk Improvements	<u>275,000</u>
Total	\$7,897,000

COMMERCIAL DEVELOPMENT

The development program and plan call for the development of 80,000 to 85,000 square feet of convenience commercial space for retail stores and services. This includes the renovation of 45,000 square feet of first floor space, some second floor office space and construction of a new 25,000 square foot supermarket in the Inlet Center and a small 5,000-square-foot convenience store as part of the Uptown Center. Construction costs have been estimated for each of these projects, including parking spaces, sitework, soft costs and contingencies. Since the cost of land is more than can be justified economically for the supermarket, Uptown Center retail projects and the Inlet Center support parking, some of the land costs for these projects have been assumed to be covered by the public sector.

The plan also calls for the redevelopment of the old Starns and Hackneys restaurant sites for community/visitor retail projects. Due to the unique nature of these properties and the possibility the current owners might choose to undertake or participate in these projects themselves, no property acquisition cost was estimated. For the purposes of this

report, it was assumed that both old restaurant buildings would be renovated and a new building of 16,800 square feet would be constructed on the Starns property for retail uses. These are assumptions only, as final recommendations would require more detailed market, design and financial analysis.

A summary of the total cost of commercial development proposed for the Inlet Community is presented in Figure 7.3. An investment of \$1,244,000 by the public sector could stimulate almost 4.5 times that in private investments totalling \$5,536,000. The total development cost for commercial development in the Inlet Community would be \$6,780,000.

Figure 7.3
INLET COMMUNITY
COMMERCIAL DEVELOPMENT COST SUMMARY
(1983 Dollars)

<u>Project</u>	<u>Private</u>	<u>Public</u>	<u>Total</u>
Supermarket	\$1,849,000	\$ 609,000	\$2,458,000
Uptown Center Retail	355,000	138,000	493,000
Inlet Center Renovations	891,000	-	891,000
Inlet Center Support Parking	497,000	497,000	994,000
Hackneys Renovations	538,000	-	538,000
Starns Renovation and New	1,406,000	-	1,406,000
Total	\$5,536,000	\$1,244,000	\$6,780,000

PUBLIC IMPROVEMENTS

A variety of public improvements which would enhance the overall residential community environment or improve vehicular circulation and access around the community are called for in the development plan. As with the recreation and leisure projects, each public improvement was costed on a unit-by-unit, lineal-foot or square-foot basis as interpreted from the development plan by the American City Corporation without the preparation of detailed design documents. All cost estimates are based on data from the manuals of the Robert Snow Meads Company, the Marshalls Valuation Service or previous projects completed by the American City Corporation and/or The Rouse Company.

All of the "streetscape" projects include sidewalk replacement (brick paving in selected areas), street trees, street light replacement, trash receptacles and crosswalks. The median strip includes all pavement removal, construction and landscaping costs. The entry signs are assumed to be 10-foot-high pylons, internally illuminated, set in small median strips at the entryways to the Community.

All street realignments and improvements include private property acquisition and building demolition costs (where necessary), engineering, construction of a 2-inch road surface on 6-inch base, curb and gutter, storm drainage, lights, trees and sidewalks. A 15-percent factor is included in all the above projects to cover contingencies and soft costs.

General budget allocations have been estimated for utility and infrastructure improvements, street restorations, sidewalk repairs and street tree planting where necessary throughout the community. These basic public improvements are an important foundation of any community which should be repaired and maintained to attract new development and reinforce a superior quality community of life.

Figure 7.4 summarizes the construction costs of the public improvements called for to support the residential development program. The total \$5,836,000 are all public improvement costs which have been traditionally the responsibility of the local jurisdiction, in this case Atlantic City, to finance through their capital improvement budget.

Figure 7.4
INLET COMMUNITY
PUBLIC IMPROVEMENTS COST SUMMARY
 (1983 Dollars)

Project

Entry Sign on Atlantic Avenue	\$ 14,000
Entry Sign on Melrose Avenue	14,000
Atlantic Avenue Streetscape	260,000
Melrose Avenue Streetscape	232,000
Maine Avenue Streetscape	163,000
Maine Avenue Median	219,000
*Maine Avenue Realignment (Caspian to N.H. Ave.)	458,000
Atlantic/Maine Intersection Improvement	139,000
Massachusetts/Adriatic Intersection Improvement	100,000
Utility and Infrastructure Improvements	1,978,000
Street Restorations	1,430,000
Sidewalk Repairs	631,000
Street Tree Planting	<u>198,000</u>
Total	\$5,836,000

*Does not include cost of relocating the bus garage of the Atlantic City Transportation Company, estimated to cost up to \$16 million.

THE INLET COMMUNITY COST SUMMARY

The total investment on the part of the public and private sectors to implement the proposed residential development program and plan for the Inlet Community is \$246,452,500. A total of \$202,509,000 of this amount (82.2 percent) would be private investment capital. The public sector (at all levels of government from all sources) would have to spend a total of \$43,943,500 to prepare the Inlet for redevelopment in the form of public improvements and financial incentives. An investment ratio of private dollars to public dollars is 4.61 to 1.0, which is considered more than adequate. The total cost to redevelop the Inlet Community as a balanced residential community is displayed in Figure 7.5.

Figure 7.5
INLET COMMUNITY
DEVELOPMENT COST SUMMARY
(1983 Dollars)

Development Type	Distribution of Cost		Total
	Private	Public	
Residential	\$196,973,000	\$22,868,500	\$219,841,500
Community Facilities	-	6,098,000	6,098,000
Recreation and Leisure	-	7,897,000	7,897,000
Commercial	5,536,000	1,244,000	6,780,000
Public Improvements	-	5,836,000	5,836,000
Totals	\$202,509,000	\$43,943,500	\$246,452,500

POSSIBLE FUNDING SOURCES

There are a large number of public and private funding sources which could potentially be used to assist in carrying out various aspects of the Inlet Community Development Plan. A selection of the most relevant possibilities are briefly described below along with their potential use in this context.

Local Government Resources

- Atlantic City Bonding Capacity:

With over \$3 billion worth of tax ratables, Atlantic City has a \$90 million debt limit, against which there is presently \$26 million in outstanding debt. General Obligation Bonds could be used to finance the non-revenue producing community facilities, recreation and leisure and miscellaneous public improvements called for in the plan. For example, the City sold a General Obligation Bond in May 1983 at 7.95 percent to finance general public improvements (roads, boardwalk, etc.) throughout the City.

- Atlantic City Voluntary Improvement of Property (VIP) Program:

The VIP program, administered by the City's Department of Community Development, utilizes Community Development Block Grant and other funds to provide loans and grants for housing renovation grants for exterior paint, weatherstripping and caulking, and a rental renovation program for city-owned properties. A continued and focused utilization of these funds in the Inlet would contribute to the program goal of renovating 750 occupied housing units.

- Atlantic County Improvement Authority (ACIA):

The Atlantic County Improvement Authority was established by the State legislature with the ability to float tax-exempt bonds to finance multi-family housing projects in the County as well as public facilities such as a convention center, transportation facilities and government buildings. ACIA has exclusive rights to the proceeds from the Atlantic City luxury tax. The Authority is presently redefining its policies and guidelines for the use and allocation of its funding resources. Tax-exempt mortgage financing and debt service reduction payments (from luxury tax proceeds) for multi-family projects are possible methods for stimulating new housing development. A minimum 15 percent low-income and 10 percent moderate-income units in each project must be set aside for Section 8-eligible households.

- Atlantic County Supported Work Program:

The Supported Work Program, an agency of the Atlantic County Division of Training and Employment, is designed to improve the long-term employability of persons whose poor work records and personal characteristics make successful entry into the regular job market unlikely. Housing renovation work is one of the skills taught to program participants. Work crews have renovated three abandoned city-owned homes on Fisher Avenue and one on Delaware Avenue at a considerable labor and material cost savings to the

City. This program could assist in providing the below-market rate and low-price vacant renovations called for in the program.

State Programs and Resources

- New Jersey Mortgage Finance Agency:

This agency issues tax-exempt revenue bonds to finance below-market rate mortgage loans for home buyers in the State. The latest bond issue of \$150 million will be made available as of late October 1983 to provide mortgages for resales throughout the State at 10.55 percent over a 30-year term. Most of Atlantic City, including Bungalow Park (but not the remainder of the Inlet) are included as targeted neighborhoods with a set aside allocation of mortgages. There are no maximum income eligibility limits, but the following purchase price limitations will apply:

- Resale unit in targeted area: \$81,120
- New unit in targeted area: \$94,560
- Resale unit in non-targeted area: \$74,360
- New unit in non-targeted area: \$86,680

Another \$100 million bond issue (the proceeds of which will be set aside for builders and developers on a first-come basis to offer buyers of new and existing units) is anticipated for December 1983. The agency also administers a Housing Improvement Loan Program (HILP) for renovations, which currently has funds available to homeowners at 9.95 percent. The availability of funds from this program and future bond sales would be a useful incentive to attract homebuyers and builders to the Inlet Community.

- New Jersey Housing Finance Agency:

The Housing Finance Agency can provide developers of multi-family rental housing with below-market rate construction and/or permanent project financing by virtue of their tax-exempt authority. Each

project must set aside 20 percent of their units for low- and moderate-income households and cannot convert to condominiums before ten years. Below-market rate financing will be required to close the gap in order to provide affordable rental units in the Inlet.

- Neighborhood Preservation Program (Department of Community Affairs):

The Neighborhood Preservation Program dispenses grants of between \$85,000 to \$100,000 per year for four years to local jurisdictions for use to plan and implement a comprehensive neighborhood preservation strategy. Funds can be used for a variety of program elements including housing renovation, infrastructure improvements and program administration. Approximately 10 to 12 new cities will receive grants in November 1983. Atlantic City has participated in the program in the past and remains eligible. This program could be useful in achieving the successful redevelopment of the North Inlet Village and/or Bungalow Park.

- Housing Demonstration Program (Department of Community Affairs):

Approximately \$2 million dollars in grants and interest-free loan money is available to public or private, for-profit or non-profit sponsors of innovative approaches to providing affordable housing and/or combating urban slums and blight. This program might be useful in overcoming the financial gap involved in demonstrating the use of manufactured, single-family detached housing units on lots throughout the Inlet.

- Greenacres Program (Department of Environmental Protection):

A bond issue for \$135 million is on the ballot in November 1983 to fund the continuation of the Greenacres Program for the acquisition and development of parks and open space. Eligible local jurisdictions, including Atlantic City, will be able to receive up to 25

percent of project costs as a grant and up to the remaining 75 percent of costs as a loan at very low interest rates (0 to 2 percent). Environmentally sensitive projects, such as waterfront parks, receive high priority consideration. Projects, such as the Uptown Center Park, Magellan Avenue Park and Clam Creek Fishing Area Improvements, might be strong candidates for funding from this source.

- New Jersey Economic Development Authority (NJEDA):

NJEDA financial support includes the following:

- Industrial Development Bonds (IDB's): The Authority issues tax-exempt revenue bonds to lending institutions and simultaneously loans the proceeds of the sale to commercial borrowers to finance the acquisition or construction of fixed assets. IDB's can be issued for projects between \$150,000 to \$10,000,000. The interest rate charged is between 70 and 80 percent of the lending institution's prime lending rate. Commercial, but not residential projects, are eligible for IDB financing.
- Small Centers Direct Loan Program: Assists small businesses to borrow between \$5,500 and \$30,000 at 7 percent interest for 10 years for renovations or working capital.

These programs would be useful to help finance the commercial development projects called for in the plan and foster the preservation of maritime industries located in the Inlet Community.

Federal Programs

- Community Development Block Grant (CDBG) Funds (U.S. Department of Housing and Urban Development):

Atlantic City received \$2,247,000 in federal CDBG Entitlement funds for Fiscal Year 1984. Approximately \$1.6 million will be utilized for residential renovation loans and grants (through the VIP Program) with the remainder distributed between capital improvements for public facilities, social service activities, expenditures on building demolitions and administrative costs. HUD no longer requires that funds be spent in target neighborhoods according to detailed, approved spending plans. Therefore, funds could be expended on renovation and repainting programs, resident relocation, property acquisition or public improvements in redevelopment areas with City Council consent. The City also expects to have beyond its entitlement grant approximately \$290,000 from VIP loan repayments, \$690,000 in block grant money reprogrammed from previous years and \$1,900,000 in proceeds from the sale of the Uptown Urban Renewal tract to Resorts International available for disbursement as part of their CDBG program during FY 1984.

- Urban Development Action Grants (UDAG - U.S. Department of Housing and Community Development):

The UDAG program is intended to leverage private investment and new job opportunities through the provision of grant or loan funds required to make an urban project development financially feasible. In January 1983, Atlantic City submitted two UDAG applications for funds to assist in the redevelopment of the Inlet Community. An application for \$12,269,000 was submitted to allow the City to purchase land in Gardner's Basin for conveyance to a private developer at no cost and provided displaced households with relocation payments and low-interest second mortgages toward the purchase of new homes. The second application was for \$1,350,000 to provide 100 interest-free, second mortgages of \$13,500 to moderate-income households toward the acquisition of a new, moderate-price unit in Bungalow Park. The successful completion of the application process on either of these projects would greatly assist the Inlet redevelopment process.

- Community Services Discretionary Grants (U.S. Department of Health and Human Services, Office of Community Services):

This program is designed to support urban and rural community economic development initiatives taken by ongoing for profit and non-profit corporations. Funds are to be used as investment capital for business and community development activities at the local level, which meet the test of feasibility. The program goal is to attract additional private capital into distressed communities. This program could be helpful in achieving some of the commercial development projects called for in the plan.

- Inner-City Ventures Fund (National Trust for Historic Preservation):

The Inner-City Ventures Fund (ICVF) makes loans and grant awards to non-profit, neighborhood-based development organizations undertaking renovation projects in low- and moderate-income neighborhoods. The ICVF is two years old and has made 18 awards, dispersed throughout the country, for housing and economic development projects. They are particularly interested in projects involving the adaptive reuse of historic structures.

Private Financial Resources

- The Trust for Public Land:

The Trust for Public Land (TPL) is a non-profit corporation which acquires real estate desired for public purposes from private property owners at heavily discounted prices or through outright contributions. The property owner may then take a tax deduction for the full-market value (if donated) or the difference between the sales price and the full-market value by virtue of TPL's 501(c)(3) status. This can often result in a more favorable financial position for the seller after tax considerations than a traditional sale at full-market value. TPL then sells the properties to

a public or non-profit agency at a considerable savings. TPL may be used as a vehicle for certain property acquisitions in the Inlet Community.

- Local Initiatives Support Corporation-Residential Improvement Project:

The Local Initiatives Support Corporation (LISC) is a non-profit institution based in New York that sponsors a residential improvement program to benefit selected target low- and moderate-income neighborhoods. The program has the following features:

- Borrowers receive a combination of a first mortgage made by a local lender and a second mortgage funded from a special loan pool which will be available at approximately 8-1/2 percent. This "blended" overall interest rate will substantially reduce monthly payments and expand the number of households eligible for home purchase.
- These second mortgages are financed by issuing "mortgage pass through certificates" to investors such as corporations, financial institutions, foundations, local governments, universities and others. These certificates produce a yield to the investors and are secured by pools of second mortgages and by other guarantees. Investors can support neighborhood revitalization while receiving a modest return.
- LISC requires financial commitments at both the national and local levels. Funds are committed to communities which raise an equivalent amount of mortgage money locally and arrange an overall financing plan. The program operates through local private lenders.
- Financing can support new construction or home improvement. Funds will be allocated only where the locality has developed

and is applying a program of concentrated assistance designed to upgrade a defined neighborhood.

- The Enterprise Foundation:

The Enterprise Foundation was established to provide technical and financial assistance to local non-profit groups which work with the "very poor" to improve their housing conditions and creatively deal with their social and human needs. In order to achieve that goal, the foundation provides grants or loans to subsidize acquisition and renovation costs, start a new project and/or hire a staff person. This foundation could assist interested local parties in the provision of the below-market rate units called for in the development program.

Potential Funding Sources

There are two potential funding vehicles at the State level pending legislative action which could be significant financial tools for stimulating new housing development in the Inlet Community. They are:

- Casino Reinvestment Funds:

Perhaps the most important resource for stimulating new housing development would be the availability of casino reinvestment funds obligated under Casino Control Act, Section 144(b). This section of the act is in the State legislature being amended to clarify the conditions, extent and use of casino obligations.

In its recommendations concerning financial matters, the Task Force on Housing and Community Development adopted the following:

- "... financing from Section 144(b) of the Casino Control Act will have to be available to assist with the following costs associated with the Inlet Community Development Program:

1. Land Acquisition.

2. Relocation Payments.
3. Infrastructure Improvements (sewer, water, etc.).
4. Other Public Improvements (streets, sidewalks, parks, etc.).
5. Construction Loan Rates.
6. Permanent Mortgage Rates for Rental Housing or Commercial Projects.
7. Permanent Mortgage Rates for Owner Occupants.
8. Rehabilitation Loan Rates.
9. Community Amenities and Services.
10. Operating Costs of Non-profit Development Corporation."

- "Pending further clarification of State legislation pertaining to Casino reinvestment procedures, there appear to be the following investment opportunities available through the Inlet Community Development Program: a) purchase of bonds, b) equity participation, and c) other suitable vehicles. These opportunities could provide return to the casino operator in the form of: a) bond interest payments, b) equity appreciation and/or, c) tax shelter."

Much of the work done in formulating this development program was based on the assumption that casino reinvestment funds would be available under flexible, yet sound investment conditions. The unique nature of this redevelopment fund was seen as a key factor in achieving some important non-economic objectives of this plan. More specifically, casino reinvestment funds were assumed to be available to modify construction interest rates and land prices in order to close the sale price gap on the residential choices described earlier. Estimates have placed the potential pool of funds at over \$20 million per year. Only a small fraction of this fund would be required to stimulate outside private investment and achieve the implementation of the Inlet Community Development Plan.

• Tax Increment Financing (TIF):

The second new potential financing tool is tax increment financing. The New Jersey legislature recently passed a tax increment bill which was conditionally vetoed by the Governor.

Hopefully, this disagreement can be resolved as TIF has been found to be an invaluable tool for urban redevelopment in the many other states where it is already in use. Under varying State laws, localities may sell tax-free municipal bonds to pay for the acquisition and redevelopment of blighted areas, backing these instruments with the property tax revenues anticipated as the result of planned private improvements. These proceeds can be used on- or off-site to acquire land, provide infrastructure, reduce interest rates or otherwise contribute to expand housing opportunities for those unable to compete in the housing market.

Chapter 8 THE HOUSING DEVELOPMENT STRATEGY

In Chapter 5, three conditions were listed that must be met to carry out an effective housing development strategy. Chapters 5, 6 and 7 dealt primarily with the first two conditions -- a comprehensive concept which is:

1. compelling enough to convene the essential public and private sector parties, and
2. realistic enough to begin at once.

This chapter deals chiefly with the third condition -- a development mechanism whose sole mission is to carry out the development concept, program and plan and its initial actions -- the Inlet Community Development Corporation (ICDC).

WHY A DEVELOPMENT CORPORATION

To realize the concept of a balanced residential community as described in this report, a complex process of public and private redevelopment actions will need to be taken over the next five to seven years. No amount of enthusiastic support from residents can make a project work which is economically infeasible. Elected officials cannot unilaterally be expected to carry out a project, regardless of how well conceived it may be. And no developer/investor can build a successful project without close cooperation with public agencies and close attention to the character of the surrounding community. A partnership of the community, government and business interests will be needed at every step of the way.

For example there are direct business-related actions:

- Land must be acquired and prepared for development.
- Public utilities must be renovated or new ones installed.
- Streets and sidewalks must be repaired and, in some cases, replaced or realigned.

- Developers and investors must be identified, solicited, evaluated and selected.
- Development agreements must be drawn, negotiated and executed.
- Monitoring procedures must be established to keep the entire process on schedule and on budget.
- Marketing and promotion activities must be planned and carried out.
- City, County, State and federal agencies must be dealt with to arrange financing, legislation and other matters indispensable to the successful development of the Inlet Community.

And there are indirect, but equally important, community-related actions such as:

- Housing, shopping and community facilities must be constructed or renovated in accordance with a reasonable plan.
- Current residents must be given opportunities for rehousing or improving existing housing.
- Counseling and choices must be provided so that financing and other arrangements for renovations and rehousing can be carried out with minimal inconvenience and disturbance for the residents.
- The community at large must be kept informed and the Inlet Community, in particular, must be involved throughout the development process.

There is currently no one group, no one agency or organization whose current mission, agenda, budget and staff address all of these concerns and tasks focused on the Inlet Community. While all City, County and State agencies have mandated, statutory concerns that are irrevocably related to the future of the Inlet Community, each has a far broader mandate and a wider constituency than the Inlet Community.

On the community side, there are the neighborhood groups of the Inlet Community with a direct stake in its redevelopment. There are the Congress of Community Organizations, whose petition to the Public Advocate initiated this effort, and other community groups listed in

Chapter 1. All of these have important roles to play in the future of the Inlet Community. Yet, no one of these could be expected to make the Inlet Community its only mission or to mount the level of professional, technical effort needed to carry out a mission of this magnitude.

For these reasons, the private, non-profit ICDC has been recommended. This organization should have as its single, full-time mission to advocate and facilitate every public and private action deemed by its directors necessary to achieve the comprehensive revitalization of the Inlet Community. It should be expected to operate with the managerial acumen of the highest quality private developer, but it should exercise this acumen on behalf of the public purpose contained in the concept of a balanced residential community and in accordance with the findings and recommendations of the Atlantic City Housing and Community Development Task Force adopted March 24, 1983.

ICDC should not operate, either as a conventional public agency, nor as a community forum. It should not be a substitute for government; it would not condemn land; and it would not commit City funds. ICDC would not go outside established procedures, regulations and rules nor replace or duplicate agencies. It could only be effective as a single-mission organization with working relationships with both the community and with public agencies and officials at every level of government. It should operate according to the proposed charter and by-laws (Appendix 8.1). It should review the overall concept at regular intervals with the community and other relevant interests. Neighborhood groups should be consulted on site plans and development proposals as early as possible. Marketing and promotional activities should include community goals and community groups.

Over the past twenty years, over five hundred similar local development corporations have been established to carry out inner-city redevelopment programs. In New Jersey, for example, the New Brunswick Development Corporation was organized in 1975 as a non-profit development corporation. In Philadelphia, non-profit development entities have been

operating in various parts of the city since the redevelopment of Philadelphia started over twenty years ago. Baltimore has had a similar record. The American City Corporation has directly participated in organizing and staffing local development corporations in: Akron, Ohio; Lowell, Massachusetts; Erie, Pennsylvania; Buffalo, New York; Hartford, Connecticut; Pontiac, Michigan; New Brunswick, New Jersey; Cambridge, Maryland; Augusta, Georgia; Honolulu, Hawaii; Kansas City, Kansas; Oak Park, Illinois; and Sparks, Nevada.

ICDC FUNCTIONS AND TASKS

Continuing Functions

The development corporation would have the following continuing functions:

1. Presentations to official groups and agencies, prospective developers and investors and community groups.
2. Recommendations and assistance to the Mayor and City Council concerning selection of developers and applications for State and federal funds.
3. Monitoring and assistance to developers after they have been selected to keep them on schedule and in compliance with development criteria.
4. Updating the economic model for the entire project so that annual audits can be made to determine what financial factors have changed and how those changes impact the economic model. For example, a system for relating project economics to casino reinvestment funding options should be devised and kept current as soon as new state reinvestment legislation is enacted.

5. Legal reviews of zoning requirements, land assembly procedures, relocation operations, design criteria and financing techniques must be made at regular intervals and results reported to appropriate governmental agencies, developers and community groups.
6. Continuous monitoring of technical consulting contracts will be required for special components of the project area, such as the engineering flooding control and infrastructure improvements.
7. Continuing coordination with the City Planning Board, Housing Authority and the County Improvement Authority. In this regard, a special advisory committee might be considered composed of those official agencies that have capabilities and interest relevant to the development program.
8. Cooperating with developers, officials and residents in efforts to promote the idea of a balanced community and attract investment and needed facilities. Special summer festivals and special events organized and managed by residents are one example. Special programs for youngsters, the elderly and others in the community are another example.

Priority Tasks

While the overall purpose of the development corporation is to pursue every public and private action required to carry out the revitalization program for the Inlet Community, the following specific tasks should be given highest priority:

1. Obtain necessary public reviews and approvals.

There are several levels and categories of public reviews and approvals necessary to bring a concept through its various

stages to actual site plans which public agencies must review and approve. ICDC would identify these steps and the essential parties at interest, convene them to present needed information, keep the community informed, participate in actual hearings and provide whatever other assistance might be found necessary to move plans and proposals through the public review and approval process.

2. Obtain commitment for working capital sufficient to operate over the next five years.

As early as possible, a formal operating budget should be adopted by the Board of Directors for the first 12 months with budget projections for 48 months beyond that. This budget should cover only the operating expenses of the development corporation.

3. Adopt a relocation program.

In close cooperation and consultation with City and State agencies and community groups, a relocation policy and program should be put into operation.

4. Land assembly.

The Mayor's offer to convey City-owned land to development projects should be formalized. Properties should be assembled for the first relocation housing at the earliest possible time. A land assembly schedule should be worked out that relates to realities of price, relocation and financing constraints.

5. Solicit, Evaluate and Recommend Developers.

Rather than simply waiting for developer interest to materialize and to react to developers' proposals, ICDC would aggressively seek qualified developers who would be committed to carrying out the approved concept and plan. Such developers would be evaluated for financial capacity, experience and other qualifications and, if found to be qualified, ICDC would assist them in presenting their plans to appropriate public agencies and community groups. Selection criteria would be carefully drawn and rigorously applied in evaluating prospective developers. Once the Inlet Community begins to develop, selection among competing developers will become a matter of crucial importance. ICDC should be prepared to provide objective, defensible, practical guidance on developer selection.

6. Information and Exhibit Center.

As early as possible, a center should be established in the Inlet Community in which information on the overall plan and specific projects is made available. As the development schedules proceed, this could also become the renovation and relocation counseling office.

7. Engineering Studies.

As early as possible, technical analysis of flooding and infrastructure capacities must be carried out. Consulting contracts must be prepared and monitored.

8. Affirmative Action Policy.

Consideration should be given to providing assistance to the creation of minority developers, contractors, architects and other minority-owned firms and workers.

Not included in this list of highest priority tasks are those sites for first action. The next section outlines the specific sites recommended for initial attention of the development corporation.

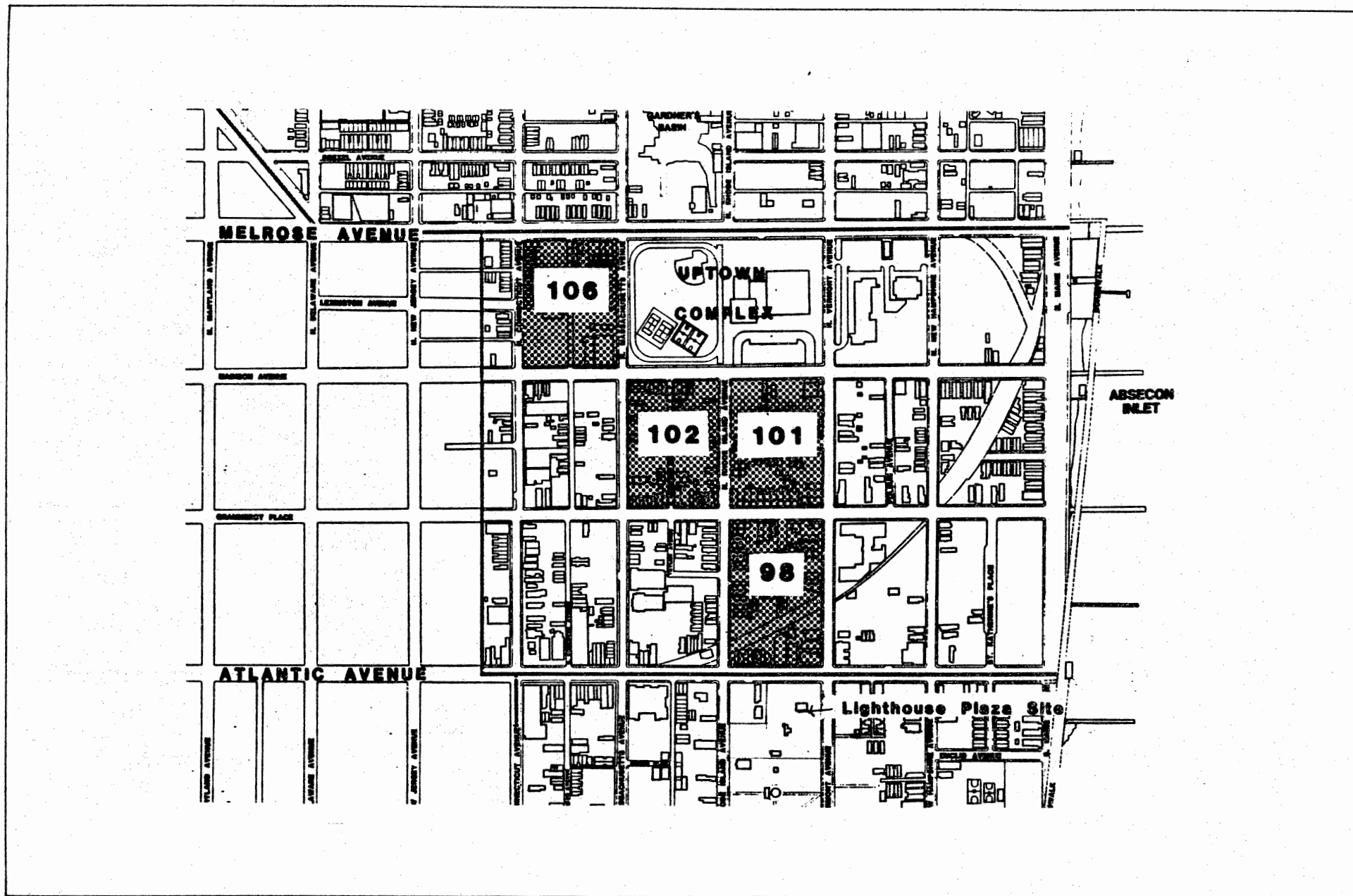
INITIAL STRATEGY AND SITES

The overall strategy has two major thrusts: 1) a balanced residential community in the Inlet area that could serve as a standard of excellence for future non-casino development throughout Atlantic City; and 2) an operational model for carrying out the intent of Section 144b of the Casino Control Act for casino reinvestment in Atlantic City. With these two major thrusts as the basis for the overall strategy, an action strategy is needed which is site-specific and dollar-specific and details who does what. The Inlet Community Development Corporation (ICDC) would be the mechanism expressly charged with devising and monitoring the development process.

Early action is not meant to be short-term action, which are often compromises that defer real issues and real solutions. The early action strategy outlined here is meant to engage all the key elements in a balanced residential community but to do it in an area where current conditions hold promise for early results.

The area selected for early action is North Inlet Village (Figure 8.1). This neighborhood was selected for early action because:

1. Given the pressing need, North Inlet Village is likely to have fewer policy delays. (Bungalow Park is relatively stable and South Inlet Village and Gardner's Basin have many more complex public policy questions to be resolved.)



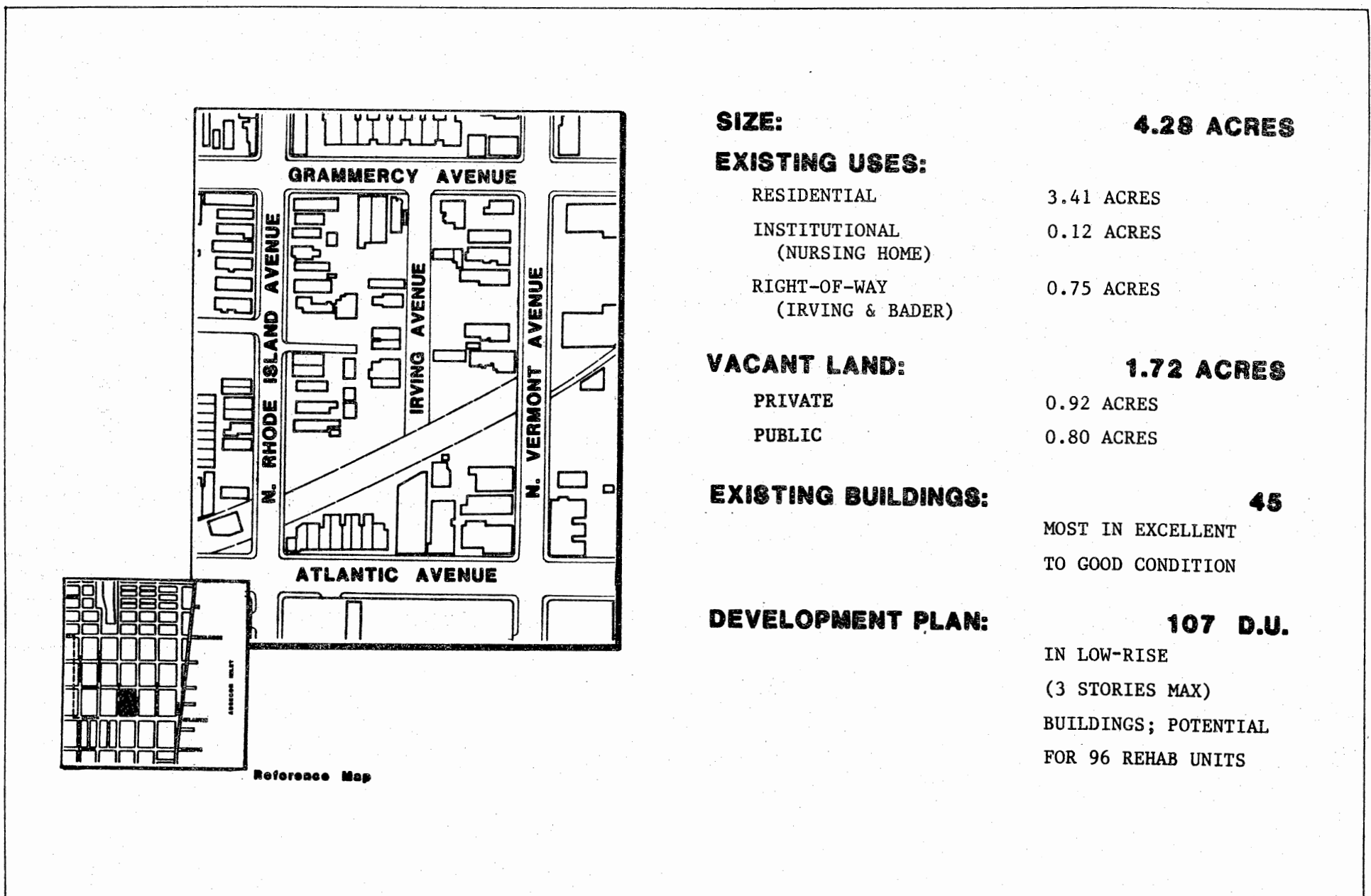
ATLANTIC CITY, NEW JERSEY
FIGURE 8.1
NORTH INLET VILLAGE TARGET BLOCKS

2. It contains recent major public investments including the Uptown Complex and Park, Jeffries Tower and Inlet Tower which create a positive setting and upon which new development can build.
3. It has the greatest opportunity to achieve all the elements of a balanced community by providing for families, singles, empty-nesters and retirees in new and renovated projects; and
4. It is located at the heart of the Inlet Community, bordering all the other neighborhoods and linking the Inlet and Uptown Centers, where reinvestment will have a multiplying effect on adjacent areas.

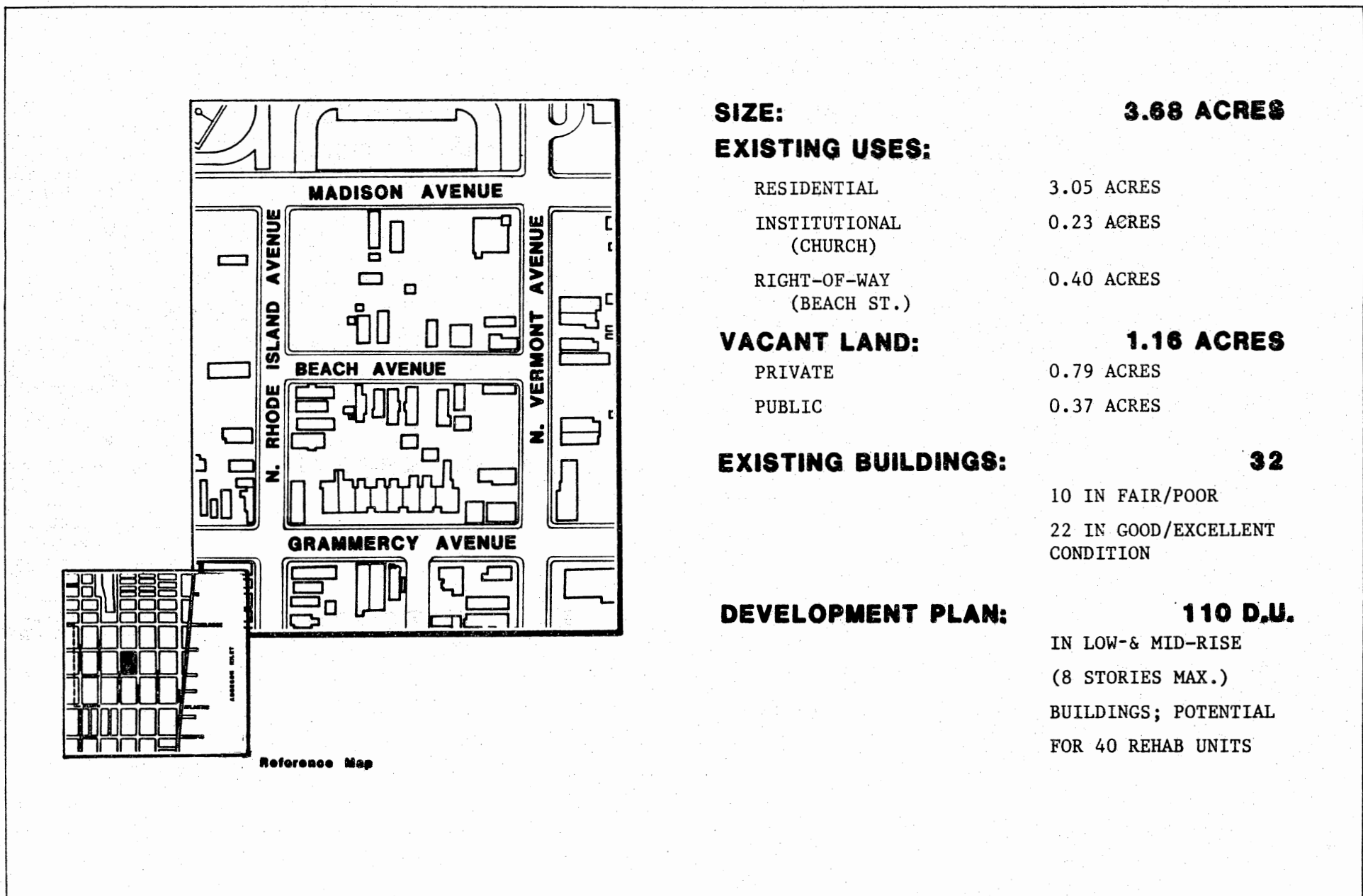
The program and development plan for 2,030 existing, new and renovated residential units in North Inlet Village were described in Chapters 5 and 6. Four blocks, shown in Figure 9.1 by their City block number, have been identified as possible blocks upon which to begin, depending on the actions of the ICDC and further analysis. A brief profile of each is as follows:

Block 98 (Figure 8.2) is adjacent to Atlantic Avenue and the proposed Inlet Center and Rhode Island Walkway and across the street from Lighthouse Plaza. Its 4.28 acres makes it the largest block of the four in size. With 96 units in 45 sound buildings needing little or no repairs, this block has the best potential for renovation of the four target blocks. There is 1.72 acres of vacant land of which the City owns about one-half or 0.80 acres. New development could occur around Bader Avenue right of way and at the end of Irving Avenue. The plan calls for a total of 107 dwelling units on the block in low-rise buildings.

Block 101 (Figure 8.3) has 3.68 acres and borders the Uptown Complex and the proposed Rhode Island Walkway. The block has little public ownership. Only 0.37 acres of the 1.6 acres vacant are city-owned. The existing buildings are in fairly good condition



ATLANTIC CITY, NEW JERSEY
FIGURE 8.2
NORTH INLET VILLAGE TARGET BLOCK 98



ATLANTIC CITY, NEW JERSEY
FIGURE 8.3
NORTH INLET VILLAGE TARGET BLOCK 101

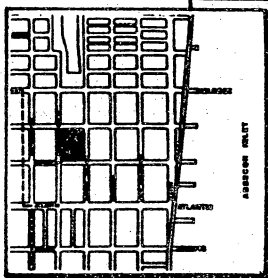
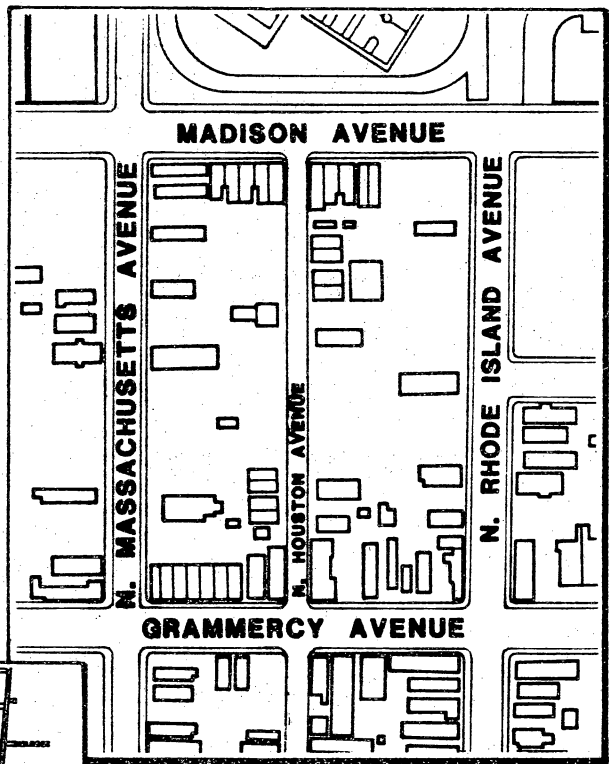
and buildings mostly in the southern half of the area have the better potential for renovation. The area north of Beach Avenue has the greatest opportunity for new development. According to the development plan, there would be 110 dwellings on the block in low- and mid-rise buildings.

Block 102 (Figure 8.4) is 3.63 acres in size and borders the Uptown Complex playing fields and the proposed Rhode Island Walkway. It has the largest amount of vacant city-owned land of the four blocks -- 1.10 acres out of 1.78 acres, but it is scattered throughout the block. Most of the land available for new development is located in the middle of the block off of Massachusetts and Rhode Island Avenues. The existing housing fronting Madison Avenue are good candidates for renovation. In the development plan, 90 dwellings would be built on the block in low- and mid-rise buildings.

Block 106 (Figure 8.5), unlike the other blocks, is not central to the North Inlet Village. At the neighborhood's northwest edge, this 3.74-acre block overlooks the Uptown Complex athletic fields. However it is diagonally across from the proposed Uptown Center and across the street from the Bungalow Park UDAG area. It has the most commercial and institutional uses of the four blocks. Block 106 has the most vacant land of the target blocks -- 1.82 acres, but the least in City ownership -- only 0.14 acres. The block's best potential for renovation is the housing along Connecticut Avenue. New development could occur readily at the block's center and southwest corner. The development plan allocates 112 dwellings units to the block in mid-rise buildings.

Site plans, cost estimates and financial analysis would need to be developed for any or all of these blocks once ICDC has a chance to begin its work and formally adopt this strategy.

In May 1983, the Atlantic City Task Force on Housing and Community Development formed an Organizing Committee to incorporate the Inlet Community Development Corporation as the mechanism to carry out the redevelopment of the Inlet. The Organizing Committee is currently preparing By-Laws and Articles of Incorporation in anticipation of formal incorporation.



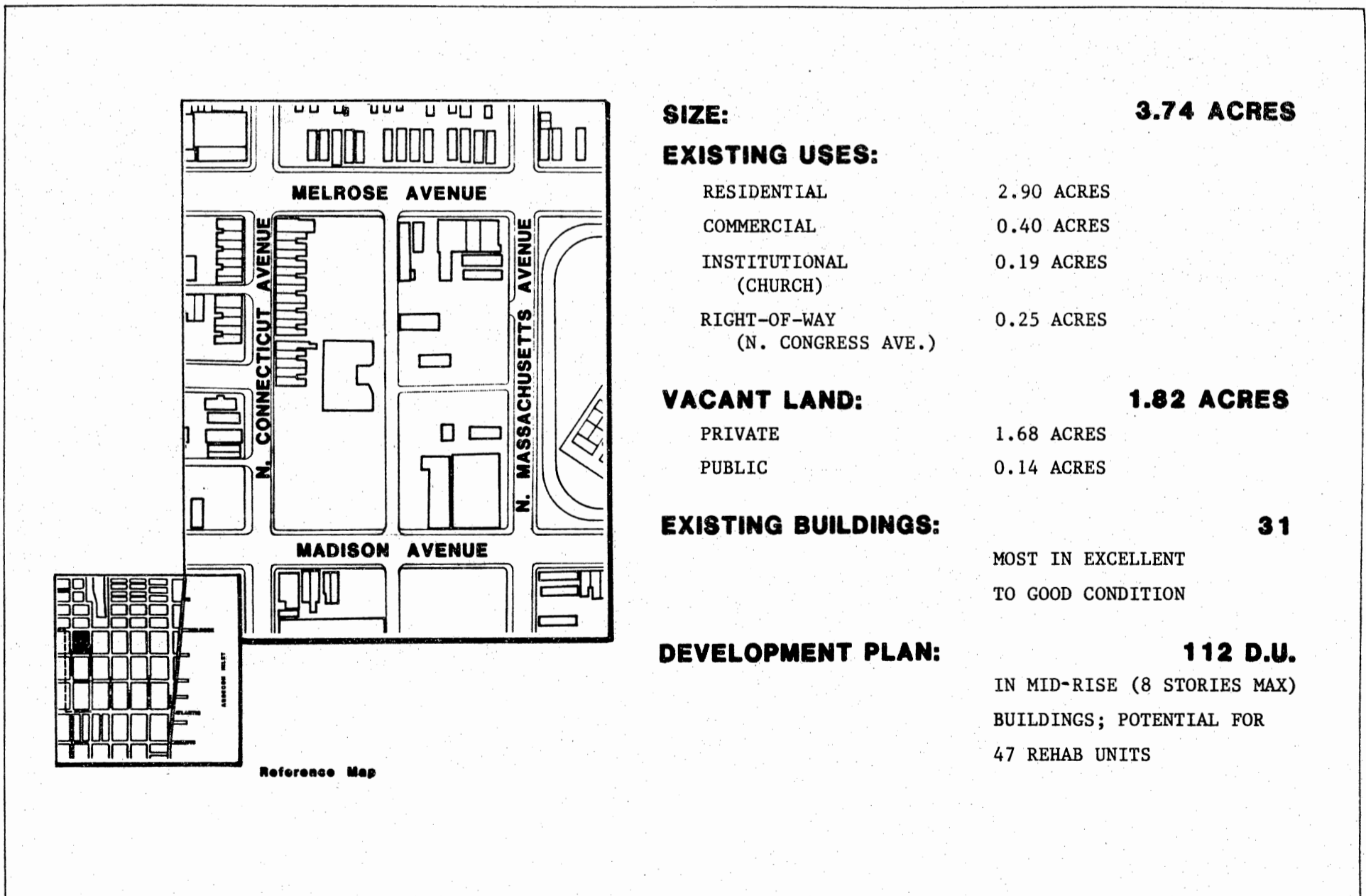
Reference Map

SIZE:		
EXISTING USES:		3.63 ACRES
RESIDENTIAL		3.42 ACRES
RIGHT-OF-WAY (N. HOUSTON AVE.)		0.21 ACRES
VACANT LAND:		1.78 ACRES
PRIVATE		0.68 ACRES
PUBLIC		1.10 ACRES
EXISTING BUILDINGS:		48
		22 IN EXCELLENT/GOOD AND 25 IN FAIR/POOR CONDITION
DEVELOPMENT PLAN:		90 D.U.
		IN LOW-AND MID-RISE (8 STORIES MAX) BUILDINGS; POTENTIAL FOR 54 REHABS

ATLANTIC CITY, NEW JERSEY

FIGURE 8.4

NORTH INLET VILLAGE TARGET BLOCK 102



ATLANTIC CITY, NEW JERSEY

FIGURE 8.5

NORTH INLET VILLAGE TARGET BLOCK 106

