

EXPRESSION OF INTEREST
for Redevelopment of the Former
Greystone Psychiatric Hospital

May 2013



Residential Development
1 Metrotech Center North
Brooklyn, NY 11201-3875
718-923-8598 phone

www.forestcity.net

May 30, 2013

Robert Tighue, Real Estate Specialist
State of New Jersey – Dept. of Treasury
Division of Property Management and Construction
33 West State Street – 9th Floor
Trenton, NJ 08625-034

Dear Mr. Tighue,

Forest City is pleased to present this response to the Request For Expression of Interest (“RFEI”) for the redevelopment of the Kirkbride Building at the former Greystone Psychiatric Hospital in Parsippany Township, Morris County, New Jersey.

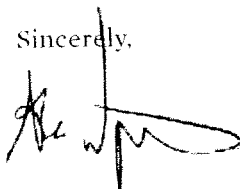
As you will learn within the pages of this response, Forest City is a national, multi-disciplinary development company with substantial experience redeveloping properties of historic significance as well as completing successful Public-Private Partnerships. Historic Redevelopments are by their nature both physically and financially complex undertakings. Forest City has completed or is actively undertaking such projects in communities across America including Washington, D.C., San Francisco, and New Haven, among others. Public Partners in our recently completed and ongoing projects nationwide include diverse entities such as the City and County of Denver, New York City, Science Park Development Corporation (City of New Haven / Yale University), and the General Services Administration.

The associates at Forest City have a keen understanding that each community has a unique history, look, feel, and goals for the future. As such, we work to make sure that our partnerships are close relationships and we listen to the vision of local stakeholders and residents. While this expression of interest and the ideas presented herein are preliminary in nature, we do recognize a significant potential opportunity to breathe new life into the Kirkbride building.

Should you have any questions about this proposal, please feel free to contact me at 718.923.8598 or via email at abenaparstek@forestcity.net.

We would welcome the opportunity to meet with you, your colleagues, and members of the wider community to explore this exciting opportunity more fully.

Sincerely,



Abe Naparstek

Senior Vice-President, Forest City Residential Group, Inc.



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DEVELOPME OVERVIEW: *Forest City*

Founded in 1920, Forest City Enterprises is a national real estate company that thrives on expertise in creating long-term value through our portfolio of residential and commercial properties nationwide. The Company is principally engaged in the ownership, development, acquisition and management of premier residential, commercial, mixed-use, science and technology real estate throughout the United States.

Currently, the Company owns and operates properties and/or is involved in development projects in 27 states, the District of Columbia and Puerto Rico. Our portfolio assets at cost are valued at \$10.6 billion (as of 1/31/13). Publicly traded for nearly fifty years (NYSE: FCEA & FCEB), Forest City is a traditional C corporation, not a Real Estate Investment Trust (REIT) and thus is able to focus on long-term objectives, rather than short-term dividend requirements. Historically, the Company has managed and operated the vast majority of properties it develops. Assets are often held long-term by the Company.

Stretching from Boston to Honolulu, Miami to Seattle, Forest City's overall portfolio includes numerous high-quality residential communities, retail centers, office and research facilities, smart-growth communities and a range of

large-scale, mixed-use projects, several involving significant urban infill opportunities. Forest City is well diversified by geography and product type, offering a national breadth and local depth of real estate expertise that is unmatched by other firms in the industry.

Headquartered in Cleveland, Ohio, Forest City maintains significant development and management regional offices in Boston, New York, Chicago, Washington, D.C., Denver, San Francisco and Los Angeles. In addition, Forest City establishes local, project-related offices at our development and operating properties across the country in cities such as Honolulu, Philadelphia, Dallas, Seattle and Albuquerque.

A TRUSTED PARTNER

Forest City has a proud and extensive record of forging productive public-private partnerships with institutional and governmental entities from small towns up to the largest cities and states in the nation. Our public-private relationships even extend to the level of the federal government and Department of Defense.

Efficient, open and transparent dialogue fuels the success of our Company, developments and relationships. We are respectful and sensitive to community needs and impacts and always express a willingness to work through challenges with a team spirit. Forest City has developed the diplomacy and finesse required to bring even the most complex and contentious situations to a fair and productive resolution, providing equity in the process for concerned stakeholder groups. The ability to navigate the unique relationships that exist among agencies, political leaders and various stakeholder groups in a given community has often made the critical difference in creating and maintaining a project's momentum.

Our approach shall be highlighted by honest and efficient dialogue, professionalism, camaraderie, humility and, on occasion, a welcomed sense of humor. This approach will prove to be indispensable to successfully overcoming the challenges that we, collectively, may encounter in the course of bringing this project to fruition.

CURRENT PORTFOLIO SNAPSHOT

RESIDENTIAL

32,564 units in 115 locations

- Market rate
- Tax-exempt
- Adaptive Re-use

14,104 Military housing units

RETAIL

24.6 million square feet in 44 locations

- Urban Retail
- Lifestyle Centers
- Entertainment-based Retail
- Regional Malls
- Community Centers
- Power Centers
- Multiple Use Projects

OFFICE

13.0 million square feet in 47 buildings

- 2.4 million square feet of Life Sciences in operation

HOSPITALITY

2 hotels; 1,015 rooms

OTHER

670,000 SF/18,000-seat arena

Barclays Arena; Brooklyn NY

*as of 1/31/13

CORE VALUES

The Company's associates are guided by a set of Core Values which are:

- Community Involvement
- Sustainability & Stewardship
- Teamwork
- Accountability
- Diversity & Inclusion
- Entrepreneurial Spirit
- Integrity & Openness

These Core Values define the common philosophy instilled and shared throughout all levels of the Company. They are critical to our success in conducting business and building relationships with our customers, our clients, our partners, our tenants and our associates. Please visit www.forestcity.net/company/core_values for more information.

As one of our Core Values, Sustainability plays an increasingly important role in our development and design decisions, our daily operating practices and in our future. Forest City has developed internal sustainability standards, based on the U.S. Green Building Council's LEED (Leadership in Energy and Environmental Design) guidelines, for all new development projects. In addition, the Company is working to green our existing portfolio of properties.

Presently, the Company has 19 residential, commercial and mixed-use projects that have already been certified as LEED Gold, Silver or are targeting these levels through design

and construction. Two Forest City projects under development have achieved Stage Two LEED plan certification within the LEED Neighborhood Development (ND) program. These projects, The Yards in Washington, D.C. and the Waikulu neighborhood within the Navy Hawaii military family housing project, are already vibrant and sustainable multi-building developments.

The Company also has several ENERGY STAR certified properties, as well as properties targeting certification, including office buildings and homes within military housing and mixed-use developments.

In addition, the Company's property portfolio includes a National Association of Home Builders' Green Certified residential loft development, as well as several properties that have received various state/local green building and sustainability certifications.

For more information about sustainable properties, please visit www.forestcity.net/properties/sustainable. For more information about our commitment to sustainability, please visit www.forestcity.net/company/core_values/sustainability.

AN AWARD-WINNING STYLE

A sampling of awards garnered by Forest City in recent years

J.C. Nichols Prize for Visionaries

Urban Land Institute 2005

Public/Private Partnerships Award

U.S. Conference of Mayors 2002

United Nations Council on Sustainable Development;

Stapleton saluted as a “model of sustainable development.” 2001

Award for Excellence

Urban Land Institute 2004; University Park at M.I.T

Stockholm Partnerships for Sustainable Cities

Award – presented by the King of Sweden, Carl XVI Gustaf, in recognition of the Company’s commitment to sustainable development, community-building and environmental stewardship for Forest City’s Stapleton project in Denver. 2002

Development Firm of the Year

National Association of Home Builders 2007

Reader’s Choice Award

Affordable Housing Finance magazine 2007; seniors housing component of the Arthur Capper/Carrollsborg project in Washington D.C.

Howland Urban Enrichment Award

National League of Cities 2005

Multi-Family Executive of the Year

Multi-Family Executive Magazine 2007; Ron Ratner, president/CEO, Forest City Residential Group

Honor Award – National Building Museum 2005

International Council of Shopping Centers

International Design Award
Victoria Gardens 2006

International Council of Shopping Centers Developers Award

Best Retail Development –
Victoria Gardens 2006

International Council of Shopping Centers Developers Award

Best Retail Development –
San Francisco Centre 2007

Professional Housing Management Association (PHMA) Housing Privatization Team of the Year:

2006 Navy Region Hawaii
2007 Navy Region Hawaii
2008 Marine Corps Base Hawaii

Relevant Experience

WINCHESTER REPEATING ARMS REDEVELOPMENT *New Haven, CT*

Located adjacent to the campus of Yale, this 650,000 sf project involves the adaptive reuse of a former, historic mill building to provide 350 loft apartments, as well as 150,000 square feet of office space. The building is currently owned by the Science Park Development Corporation, a non-profit formed by Yale, the City of New Haven and Olin Corporation to ultimately develop an 80-acre site contiguous to the University campus and in the heart of New Haven.

Phase One, which involves a \$50 million rehab taking advantage of state and federal historic tax credits, was completed in early 2012. Phase Two includes 158 loft-style apartments and breaks ground in summer 2013.

As indicated by its name, the Winchester Repeating Arms factory in New Haven is where the firearms company manufactured much of

its rifle product line for nearly 140 years, starting around the time of the Civil War. The building presents some unique development challenges. Complex environmental remediation has been accomplished. The adaptive reuse of a former industrial building also brings with it inherent design challenges as we work to convert the structure into productive, new uses. Fortunately, this is an area in which Forest City excels and has a wealth of experience. The public private partnership that has been forged in this instance is multi-layered, yet working well as the project progresses.

Multiple levels of public support, non-profit ownership of the land, state and federal tax credits, environmental remediation funds and job creation tax credits have all been utilized in structuring this project's financing package.



PRESIDIO LANDMARK *San Francisco, CA*

In a competitive process, the Presidio Trust chose Forest City as its development partner in the revitalization of the Presidio Health Service Hospital (PHSH) District. The District includes 42-acres within the 1,491 acre national park. Forest City worked with the Trust to achieve their goals of financial self-sufficiency, preservation, sustainability and recreational uses for the district. The resulting deal structure included a series of smaller, easy to rehabilitate buildings that were retained by the Trust and put into service as office and residential uses to generate ongoing income for the Trust and the district, and a long-term ground lease with a participation element on Forest City's development sites within the district.

Forest City concentrated on rehabilitating the more complex and risky aspects of the Project, converting the former Hospital, the largest historic building in the Presidio, to residen-

tial use. The adaptive reuse of the six-story, 220,000-square-foot historic building was preserved and rehabilitated into 154 luxury multi-family rental units and The Belles Townhomes, seven newly constructed, modern townhomes - the only new residential construction in the Presidio. The entire project has set a new standard for sustainability in multi-family housing.

The apartment community offers residents a unique combination of history, natural beauty and breathtaking views of the city, ocean and park. The current 1930's-era seven-story building, designed in the Georgian Revival style, includes two seven-story wings and a lobby added in 1952.

PROJECT STRUCTURE & CONSIDERATIONS

Forest City has a long-term land lease on The Presidio Landmark and Belles Townhomes, with the Presidio Trust.

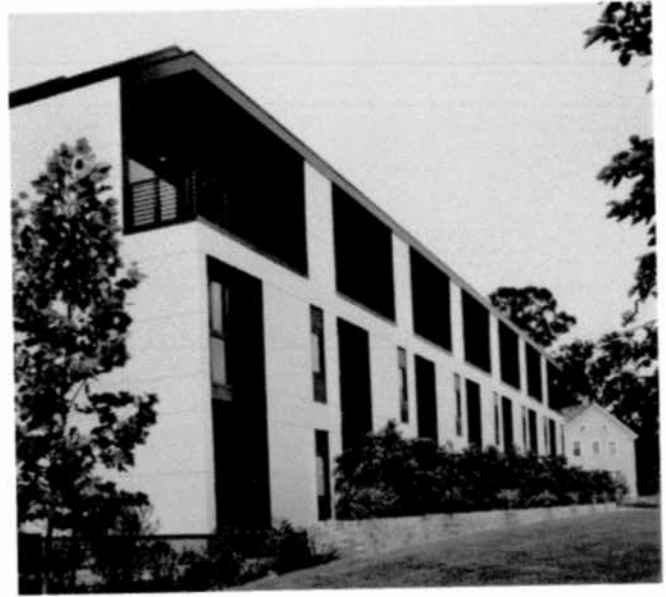




During an extremely difficult financing environment, in October 2008, Forest City closed on \$67.5 million in construction and mezzanine financing for the project. The project was delivered under budget and ahead of schedule. The project is a resounding example of Forest City's commitment to being an outstanding public partner, having the strength to deliver even in the worst of times, and ability to invest for the long-term.

The historic core of the Public Health Service Hospital is 173,000 square feet; non-historic additions or "wings" that flank the main hospital are another 125,000 square feet. The wings were determined to be historically non-contributory and detracted from the historic main building. Forest City and the Presidio Trust determined that removing the wings would produce the best overall project. By doing so, it enabled the historic main building to be restored to its original grandeur.

Forest City and the Trust worked together to obtain approvals to add new square footage by

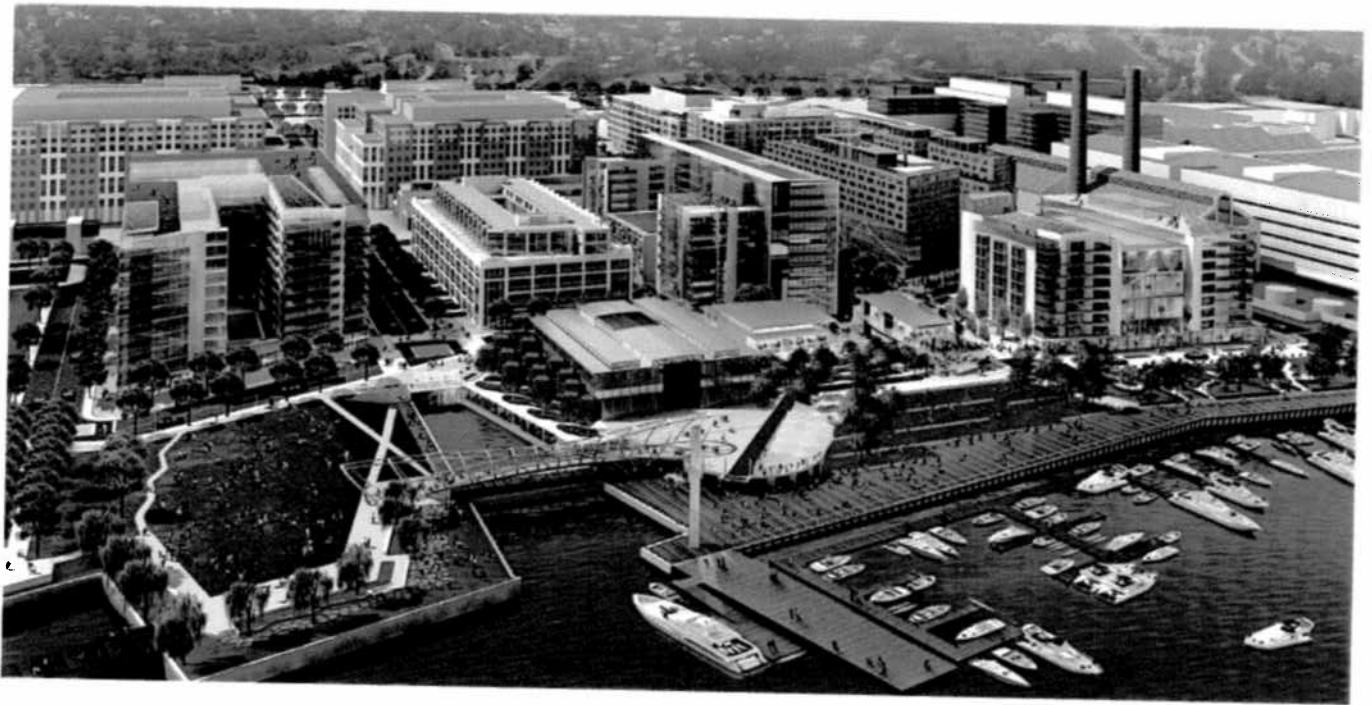


adding new floors to the existing structure at the rear of the building, while preserving the building's historic attributes. Forest City led the compliance process as well as received historic tax credits for the main building.

Forest City also worked with the Trust and local authorities on the site's challenging environmental issues which needed to be overcome.

The NEPA process included community outreach activities including stakeholder meetings and charrettes to determine the best land use plan.

Presidio Landmark has achieved LEED Gold Certification. The all-new construction Belles townhomes are certified LEED-Certified Platinum. In addition, the project is GreenPoint-rated and Energy Star Certified. Energy-efficient mechanical, electrical and plumbing systems were installed, as well as new narrow concrete shear walls, providing resistance for earthquake protection.



THE YARDS *Washington, D.C.*

In 2004, Forest City won a competitive RFP to partner with the United States government, acting through the General Services Administration (GSA) to redevelop a 42-acre riverfront site in the District of Columbia and within walking distance to Capitol Hill that was formerly part of the historic Washington Navy Yard. Subsequent to the award, Forest City negotiated a complex and innovative infrastructure financing partnership with the Government of the District of Columbia and managed a complex planning and design process working with pacesetter architects and waterfront planners known the world over.

The planning vision that emerged from Forest City's collaborative planning effort was that of a vibrant, urban waterfront destination featuring a total of 5.5 million square feet including 2,800 new residential units; 400,000 SF of

retail, restaurant, entertainment and cultural; and 1.8 million SF of office uses, plus an iconic public realm design featuring a connected network of open spaces and parks, with a 5.5 acre park on the water which was completed in fall 2010. A 50-slip marina is planned. The residential program includes for sale and rental, market-rate and affordable housing as well as both contemporary architectural expression and the adaptive re-use of historic former industrial facilities.

One adaptive reuse residential building is completed (Foundry Lofts Apts) and fully occupied, a second all-new construction building is under construction and will deliver in mid-2014 and the third begins construction this fall.

The total project budget is \$1.6 billion plus \$88 million in PILOT-funded infrastructure and the waterfront park.

PUBLIC PRIVATE PARTNERSHIP & ENVIRONMENTAL FUNDING STRUCTURES

This vision is now financed and under construction. The Yards is the only public-private partnership in the United States at present in which the GSA is partnering with a private developer to build a vibrant urban neighborhood. Over 35 federal and local agencies are involved.

Scope of public improvements has included new roads, sewers, streetscape, utilities, open space and park systems, totaling \$88 million dollars in 2006 dollars. Forest City and the District of Columbia created a hybrid financing strategy that effectively splits the funding need for the infrastructure between two bond deals: one Payment in Lieu of Taxes (PILOT) bond that is based on the existing PILOT stream of a federal tenant (the headquarters of the U.S. Department of Transportation); and, another that is speculative based on the phased, forward-looking PILOT streams associated with private improvements to be constructed by Forest City. This hybrid bond structure appropriately balances the need for immediate execution while offloading credit risk to the private developer.

COMMUNITY PARTNERSHIP

As a public-private partnership involving the federal government, the D.C. government and Forest City, innumerable outreach meetings have occurred amongst all the parties. The GSA and Forest City have communicated and continue to communicate to the myriad of stakeholders and seek their input and guidance while simultaneously needing to keep the project on schedule.

In terms of community outreach to affected stakeholders, GSA, Forest City and the District of Columbia have pursued multiple outreach activities, including numerous community-wide briefings, smaller meetings and other discussions. Consistent community outreach ensures the best long-term outcomes for all parties involved in the public-private partnership.

SUSTAINABILITY

The Yards has attained an elite sustainability status for its entire project. The designation, from the U.S. Green Building Council (USGBC), gives The Yards the distinction of Stage Two LEED Gold Certified Neighborhood Development Plan.

The Yards involves historic preservation, is being piloted for LEED-ND designation, and features leading edge sustainability features such as Low Impact Development stormwater management technology in the streetscape.



The Forest City Team

RONALD RATNER

Executive Vice President And Director, Forest City Enterprises, Inc.

President And Chief Executive Officer, Forest City Residential Group, Inc.

Ronald Ratner is an executive vice president and director of Forest City Enterprises, Inc., and president and CEO of the Forest City Residential Group. The Forest City Residential Group comprises all of the multifamily residential ownership, development, management and financial activities of Forest City Enterprises. Mr. Ratner's experience with Forest City began in 1975, and through the years, has included direct development, construction, financing and management responsibilities, beginning with individual projects and executive supervision of multiple large scale developments on a national level. He received his bachelor's degree from Brandeis University and completed the masters program in architecture at UCLA. Mr. Ratner is active in community and civic organizations and has served or is currently serving on the boards of Ohio State University, Brandeis University, Park Synagogue, the Western Reserve Historical Society and the Akron Art Museum, among others. He is also a member of the International Advisory Board for the Harvard Real Estate Initiative and Harvard Design Magazine's Practitioners' Advisory Board. He is a member of the Urban Land Institute and a director of the National Multi Housing Council, and has served as a member of Federal National Mortgage Association's National Housing Impact Advisory Council.

David Levey

Executive Vice President – East Coast Development

Forest City Residential Group

Within Forest City's Residential Group, Mr. Levey is responsible for overseeing all development and acquisition activities of multifamily projects in the eastern part of the U.S. Since joining Forest City in 1982, his duties have included syndication of public housing projects, development and construction of hotel properties and a broad-based responsibility of securing, advancing and accomplishing the Company's multifamily residential projects throughout its broad eastern region. Mr. Levey is a nationally-recognized expert in historic adaptive reuse development, having been responsible for such projects in Boston, Philadelphia, Washington D.C., Richmond and Dallas. Much of the work on these urban redevelopment projects has involved close collaboration with the National Park Service. Prior to joining Forest City, Mr. Levey was the executive director of the Metropolitan Housing Authority in Akron, Ohio. He holds an undergraduate degree from Bowling Green State University, where he currently serves on the University's Board of Trustees. He is also a member of the National Multifamily Housing Council, through which he is a frequent speaker on multifamily residential development at national conferences across the country.

Abe Naparstek

Senior Vice President – Forest City Residential Group

Mr. Naparstek directs potential and ongoing residential development opportunities for the Company in the Northern mid-Atlantic region. His current responsibilities include directing the Company's efforts in sourcing and developing residential projects throughout the region. He is leading the Company's 650,000 square foot \$150 million adaptive reuse mixed-use project involving the Winchester Repeating Arms site adjacent to the campus of Yale University in New Haven. Phase I of that project, a \$50 million rehab taking advantage of state and federal historic tax credits was completed in January of 2012. Phase II includes 158 loft style apartments and will break ground in early summer 2013. Mr. Naparstek also led the Company's effort to build a 120-space parking garage for the Town of Mamaroneck in New York. While relatively small in scale, that project involved a complicated transit-oriented site adjacent to a Metro North train station and Interstate 95. Previous to his current assignment, Mr. Naparstek worked in Forest City's commercial development division managing a capital construction project in Pittsburgh utilizing a state capital grant. He has also coordinated and helped to structure a state and federal historic tax credit project that will ultimately create over \$10 million in tax credits. Prior to joining Forest City in 2004, Mr. Naparstek was the assistant county manager of Allegheny County, PA, where he worked on a number of policy initiatives involving economic development and government relations. Mr. Naparstek is on the National Board of Governors of Coro, a national leadership training organization. He holds an undergraduate degree from the University of Rochester and a master's degree in Public Policy from Carnegie Mellon University.

Jonathan Gertman

Development Associate – Forest City Residential Group

Mr. Gertman manages residential and mixed-use projects for the Residential Group. He also pursues new development opportunities focused on Connecticut, New York, New Jersey, and Pennsylvania. Current projects with which he is involved include the development of a 128 unit walk-up apartment complex in Stratford, CT, the 650,000 square foot adaptive reuse of the Winchester Repeating Arms site adjacent to the campus of Yale University in New Haven, a 16-story 270 unit development in downtown Philadelphia, and the redevelopment of the Echo Bay waterfront in New Rochelle, NY. Prior to joining Forest City, Mr. Gertman worked in the Texas office of The NRP Group, a large tax credit developer and builder, where he managed ongoing projects and worked on business development for the company. He received a bachelor's degree in Urban Studies from the University of Pennsylvania.

Joginder Singh

Executive Vice President – Construction, Forest City

Mr. Singh has more than 30 years of experience in the construction and development industry and has overseen both domestic and international projects ranging from \$10 million to \$400 million. Mr. Singh is responsible for large-scale, inner-city, and urban residential, retail, office, hotel, and mixed-use projects, from inception to completion. Mr. Singh was closely involved in the historic Emporium project in downtown San Francisco, the largest urban retail project undertaken by Forest City. It includes historic renovation, tying new construction into existing structures. He also oversaw the construction of Victoria Gardens, a large, open-air lifestyle shopping center in Rancho Cucamonga, California (opened in October 2004), the construction of a new City Hall in Las Vegas, as well as 10 other projects throughout the United States. Mr. Singh previously worked for five years at Stark Enterprises, where he was in charge of construction for commercial and residential projects. His previous experience also includes overseeing highway work in India and industrial and housing projects in the Middle East. He holds a degree in Civil Engineering.

George Cvijovic

Co-President COO – Forest City Residential Management Group

Mr. Cvijovic oversees Forest City's portfolio of over 34,000 completed residential units located in 120 apartment communities across the country. He is also active in new residential development for the Company, having participated in bringing online more than 40 new projects during his 35-year career at Forest City where he has held several different positions of increasing responsibility including property manager. His current duties include overseeing the Company's residential property development, operations, marketing, maintenance and management. Mr. Cvijovic is a member of several industry associations including the Institute of Real Estate Management and the National Multi-Housing Council, is often invited to speak at multi-family industry functions and is the recipient of numerous awards. His philanthropic interests include the Ronald McDonald House and Concern for Children, among others.



THEMATIC QUESTIONS

Question 1

The submission should include an executive summary of the principal elements of the submittal, including a project description and timetable overviews, as well as the respondent's approach to the development, mixes of use, recreation, potential financing scenarios, remediation, environmental issues and community relations.

PROJECT DESCRIPTION

This RFEI for the Kirkbride Building at the former Greystone Psychiatric Hospital presents a compelling opportunity to reimagine and completely remake this landmark of deep architectural and historic significance. Forest City has reviewed the due diligence materials commissioned by the State, as well as having conducted our own preliminary market analysis around the property. Our initial conclusion is that this property has the potential to be a successful high-end residential complex that can bring new life to this historic structure as well as potentially help drive further development of the surrounding property. While all historic adaptive reuse opportunities present significant challenges to successful redevelopment, Forest City has an exceptional track record of undertaking this type of complex and sensitive development project. We believe that this is a discipline in which we excel, and have presented examples of our successful track record within this response.

TIMETABLE

At this preliminary stage many of the detailed development steps are yet to be identified and will be further defined in conjunction with the State and other regulatory stakeholders at a later stage. Based on our experience and Urban Partner's description of the regulatory environment, we have identified the milestone timeline below. This timeline begins with the decision by the State to move forward with a chosen developer:

1. Negotiation of Disposition Terms, Amendment of State Law	6 Months
2. Architectural Design and Engineering, Local Zoning Process, National Park Service & State Historic Preservation Office Approvals	12 Months
3. Construction of Project	18 Months
4. Total timeframe from award of development	3 Years

APPROACH TO THE DEVELOPMENT

First and foremost in Forest City's approach to development is a deep and direct engagement with the broad spectrum of stakeholders that will have an interest in and be impacted by this project. Many of these stakeholders are named in the Feasibility Assessment. Major entities include the State of New Jersey (multiple agencies such as legislature, historic preservation, environmental), the local preservationists who have shown dedication to the proper long term care of this property, local officials that we will partner with to achieve the necessary zoning and use approvals, and interested community members. In addition, early and collaborative engagement with our design team, market analysts and financing partners is crucial to ensure a smooth and successful development process.

We hope that a review of our development philosophy and history conveys the extent to which Forest City proudly and successfully engages in Public Private Partnerships. Working together with public entities to achieve broad community development goals is something we have done over many decades and in communities across the country. We believe this is attributable to our in house development expertise, financial strength of the company, and commitment to the advancement of mutual goals within the communities in which we work. These attributes have allowed us to work together with public agencies to find creative solutions to seemingly intractable obstacles and achieve long-term oriented objectives.

In the next phase of analysis of this development, we will engage an architect and contractor to lay out an initial program and begin cost pricing exercises. This will help us to outline a specific development program as well as define the inevitable financial challenges inherent to this sort of redevelopment. The State's due diligence has provided very useful information to conduct an initial assessment of this opportunity, and will continue to be utilized moving forward.

Assuming award of this opportunity, we would engage a team of local professionals with experience working through a broad range of regulatory issues and create a plan of action. This is the stage at which we would also earnestly engage local officials and community members. While many of the hurdles of this development exist at the State level, the support of local elected officials and residents is the keystone to a significant redevelopment of this sort.

While pursuing a regulatory strategy, we will put together a financing plan that will include a mix of private financing (debt and Forest City Equity) and hybrid sources such as Historic Tax Credits. In addition, every successful redevelopment of this kind has included a component of public fiscal support which may come in the form of tax financing, public bonds, or grants. This is a level

of support that can only be defined after further analysis of the project development costs and in depth discussions with public administrators.

MIXES OF USE

We agree with the assessment made by Urban Partners that this site is best suited for residential focused uses. Forest City specializes in best-in-class rental housing. Besides our company's long track record of successfully developing this type of housing, it is the most viable and achievable development in today's environment. Rental housing is also best suited for Historic redevelopment because of the long-term ownership requirements of the Tax Credits.

On visiting the property, we were struck by the significant investment in public recreational facilities at the front door of the property. We can imagine how a careful and imaginative design of the physical approach to the building will thoughtfully engage these existing public assets with reinvigorated living spaces.

As we evaluate the redevelopment potential, an obvious question to us is how excess surrounding land that will be created through the partial demolition of non-historic structures might best be utilized. This question was accurately raised by Urban Partners in the Feasibility Assessment. The concept of additional residential development, such as townhome style houses, is a compelling idea. This is something that would need to be explored in depth with the local municipality, community stakeholders, and would be subject to careful market analysis. This expanded development could be done by Forest City or others.

RECREATION

As described above, we believe there is an opportunity to work with the State and local municipality to interact in a thoughtful way with the significant public assets available just at the front door to the property. Forest City has specific experience integrating an adaptive reuse into an existing public setting with The Presidio Landmark. The Presidio, featured above, is an adaptive reuse of a former Naval Hospital that sits within the Presidio National Park in San Francisco, CA. There are several parallels from Presidio – a challenging but successful and beautiful redevelopment – and this opportunity.

POTENTIAL FINANCING SOURCES

This type of complicated redevelopment requires creative financing, usually from multiple sources, working together to result in a financially successful development. Federal Historic Tax Cred-

its would be a centerpiece of the financing plan for this project. While the use of these credits has been hampered by the “Boardwalk” case (as Urban Partners describes in their report) Forest City has very recent experience closing Historic Tax Credit transactions. Forest City Equity and Bank financing are inherent components to every development we build, and we are successfully utilizing the corporate balance sheet and lending relationships to develop over \$1 Billion (development cost) of projects across the country.

Forest City has previously been successful including an affordable housing component and pairing Low Income Housing Tax Credits (LIHTCs) and Bond Financing with Historic Tax Credits. The inclusion of an affordable housing component often makes available additional sources of “Gap” funding. Discussion with local officials will help to determine if this is an appropriate avenue to pursue for the Kirkbride project. This is an example of Forest City’s ability to combine financing sources to execute a viable project.

REMEDICATION / ENVIRONMENTAL ISSUES

We understand that the redevelopment of historic properties is practically guaranteed to include remediation of building or soil contaminants. Initial environmental assessments provided by the State shows this project is no exception. We have extensive direct experience remediating historic properties of various former-uses for residential use. A successful approach to these issues is driven by Forest City’s engagement of highly knowledgeable environmental consultants, close collaboration with State officials, and proper execution by qualified contractors.

COMMUNITY RELATIONS

As described above, a successful development is always built on the foundation of robust communication and collaboration with local stakeholders. We recognize that we don’t just build buildings, we impact communities. We strive to make every impact a positive one, and this is impossible without the “buy-in” and participation of the local community. Community meetings, public hearings, and design charettes are examples of engagement methods that we utilize to present, listen, and respond to the residents of the communities in which we work. We fully anticipate this type of engagement will be a central component of the Kirkbride redevelopment.

Question 2

The respondent shall include a statement of any proposed redevelopment program(s), including a detailed description of the proposed use and density desired to achieve the proposed development, facilities and mix that the respondent believes could be developed on the site and their interaction with other uses in the vicinity of the site.

PROPOSED REDEVELOPMENT PROGRAM WITH DETAILED DESCRIPTION OF THE PROPOSED USE AND DENSITY

We are confident that the driver of this redevelopment will be high-end rental housing. In order to develop a specific program, we will need to engage an architect experienced with historic adaptive reuse to conduct a detailed analysis of the building's floor plates and lay out a unit plan. The program will also be subject to further market analysis including the commissioning of a professional market study.

Nationally, our typical resident profile is largely comprised of young professionals in the 25-35 year old age range. Generally our residents are single or young-couples. Some have babies or pre-school aged children, though usually they have moved to a new home ownership situation by the time children reach school age. Given the suburban setting of this property, with substantial recreational facilities, it is reasonable to assume the market profile would include a high percentage of young families and "empty nesters".

As is standard in Forest City managed properties, there would be full-service on site management. We anticipate an extensive amenity package with indoor and outdoor recreational facilities, lounge/game areas, and media room. In addition, it is reasonable to expect that a shuttle to the Morris Plains New Jersey Transit station will be provided.

Question 3

Although there is no obligation to do so, each respondent should feel free to provide a description of other factors not accounted for in the RFEI that the respondent believes fully explains their concept of the redevelopment of the Kirkbride Building and the financial viability of undertaking such a project.

FURTHER STUDY DESIRED

This response is meant to express Forest City's interest in further studying the redevelopment of the Kirkbride Building on the former Greystone Hospital site. At this early stage there are many questions to ask, stakeholders to meet with, and exciting, nuanced challenges to study and undertake. We look forward to working with you to pursue this opportunity further.