

South Jersey municipalities using redevelopment area designation to entice developers

VINCENT JACKSON Staff Writer

South Jersey towns have been rushing to pass legislation to make themselves more attractive to developers in an effort to take advantage of the current favorable economic climate.

From the unused Atlantic City Race Course in Hamilton Township to the Margate Causeway at the edge of Egg Harbor Township, municipalities are using tax incentives to encourage developers to help them reverse years of depreciation and stagnation.

“There are some tax benefits for the developer if they are redeveloping an area in need of rehabilitation,” said Peter J. Miller, township administrator for Egg Harbor Township.

The mechanism towns have used is the New Jersey Housing and Redevelopment Law, which allows them to designate an area in need of redevelopment and to have more control over what happens in that location than in an Opportunity Zone or an Urban Enterprise Zone.

More than 1,000 areas in the state have been designated as in need of redevelopment since 2003, said Lisa M. Ryan, office of communications for the New Jersey Department of Community Affairs.

Four communities in Atlantic and Cape May counties have approved areas in need of redevelopment legislation within their boundaries.

Egg Harbor Township approved four locations, including the Farmington Redevelopment Area and part of the Margate Causeway — and a hybrid of Harbor Square and the Cardiff Power Center is under consideration, Miller said.

Hamilton Township has designated four sections in need of redevelopment — the Atlantic City Race Course, the former Wheaton Factory, 45 Mill Street, also known as the Old Harding Highway Redevelopment Area, and the Old American Legion Building — said Phil Sartorio, the township’s director of community planning and economic development.

Galloway Township has approved the most areas in need of redevelopment — eight — and is considering a ninth, the section of eastern section of S. Bremen Avenue, where Renault Winery is located, said Mayor Anthony J. Coppola Jr. and Township Manager Chris Johansen.

Last month, the Middle Township Committee had on its regular meeting agenda an amendment to its Indian Trail Redevelopment Plan.

One of the first municipalities to make use of the areas in need of redevelopment concept was Egg Harbor Township, which used the designation to lay the groundwork to five purchase and tear down five West Atlantic City motels, Miller said.

Even though these development designations have been made, the Great Recession followed by the downturn in the Atlantic City casino industry put a damper on developers wanting to do projects within the municipality, Miller said.

The demolition of the five motels, including the Golden Key Motel, where the bodies of four prostitutes were found 13 years ago, was a benefit to the township even though those properties have not seen new development, Miller said.

“It’s addition by subtraction. They got flooded on a regular basis. They had health issues there. Their clientele was questionable at times,” Miller said.

Galloway has been the most aggressive in their designations of areas in need of redevelopment. When Township Council started approving these designations, it said it was behind neighboring municipalities as far as commercial development.

Their biggest success story to date has been Barrette Outdoor Living, which opened in 2016 in the former Lenox China plant on Tilton Road. Barrette employs about 350 people in a 400,000-square-foot building.

“When Atlantic City’s bottom dropped out, the housing market was decimated around here in Galloway. We had no economic base other than being a bedroom community and our service community, so recognizing that, we tried to create a more autonomous economic base in Galloway Township. We did a lot of things,” Coppola said.

Galloway Township’s net taxable valuation was \$2,713.4 billion in 2014. It dropped to \$2,693.6 billion in 2017 and was back up to \$2,713.6 billion in 2018 due to the redevelopment designations and other economic initiatives.

Hamilton Township was another earlier adopter of the areas designated in need of redevelopment concept.

The Hamilton Township Committee approved in 2007 the Wheaton Cotton Mill property on the Great Egg Harbor River in the middle of Mays Landing.

More recently, in October, the Township Committee adopted a resolution designating the Atlantic City Race Course as an area in need of redevelopment, Sartorio said.

“We are working with the property owner on the redevelopment plan itself. Basically just saying, these are the types of uses that are going to be allowed and that will be adopted by Township Committee,” Sartorio said.

There is a redevelopment plan in place from years ago, when the race course was designated as a rehabilitation area. That plan is still in place, and it is being updated, Sartorio said.

Once the township and the property owner decide what they are comfortable with, they will have a discussion with the Pinelands Commission. The ordinance will need to come before the Township Committee for approval, and Sartorio said he believes it will happen this year.

Due to the redevelopment designation, INTEX Millwork Solutions moved from its site in Millville and opened last spring inside a 51-year-old former glass and bottle factory at 45 Mill St. in Mays Landing.

“They do all sorts of detailing work, both historical and modern, and they are a growing company. I think they have probably close to 100 employees,” said Sartorio, who added it is certainly feasible that the company would not have come to Hamilton Township without the redevelopment designation.

