



May 4, 2020

RE: Hurstmont Redevelopment Financial Agreements

Dear Committee Members:

We have been engaged in the redevelopment process concerning the Hurstmont and Glen Alpin properties since late 2018, when a study of the properties as to their qualification as areas in need of redevelopment commenced. In the months since we have moved forward with the study, designation of the properties as areas in need of redevelopment, adopted a redevelopment plan, and negotiated with a prospective redeveloper, Hurstmont Estate Acquisition, LLC (the “Redeveloper”), an affiliate of Endeavor Property Group.

We have been assisted in this undertaking by legal, engineering, planning, and financial consulting professionals, as well as our Township Administrator and staff. The redevelopment project has unique attributes in that it is intended to satisfy a portion of the current fair share affordable housing requirements for the Township and to support the private restoration of the Glen Alpin property through the availability of septic treatment in a facility to be located on the Hurstmont property. The Hurstmont property is to be developed with a mix of age restricted townhomes, assisted living units, a dementia care home, and independent living apartments for seniors. The Redeveloper has identified costs related to the topography necessitating excavation and retaining walls, the support of affordable housing and onsite septic treatment that are beyond those customarily confronted by a developer. The Redeveloper will not at this time be involved with the Glen Alpin property.

The Redeveloper has asked for financial assistance from the Township in the form of real estate tax exemption and payments in lieu of taxes (“Pilot”) pursuant to the statutes and constitution of the State of New Jersey. Formal applications for the assistance were submitted on March 12, 2020 for a short term, five (5) year program to be applicable to the townhouse component of the project and a long term, thirty (30) year program for the balance of the project. These requests and the financial information provided by the Redeveloper, as requested by the Township’s financial consultant, were reviewed by the financial consultant, NW Financial Group, LLC. NW Financial Group, LLC, the Township Committee’s Redevelopment Subcommittee, and Township staff have negotiated a tax exemption and Pilot program that I believe is fair and equitable to both the Township and the Redeveloper in that municipal revenues will be enhanced, while providing support for the development of the project beyond that which would be expected solely from private investors.

The resulting project will, as I stated above, resolve a portion of the current round affordable housing requirements pursuant to the settlement embodied in the Superior Court of New Jersey, Conditional Declaratory Partial Judgment of Compliance, entered March 28, 2019, through at least 2025 based on the current state of affairs. The project will also be environmentally sensitive based upon implementation of the requirements of the redevelopment plan. The design and engineering plans for the project will be reviewed by the Township Committee and forwarded to the Planning Board for approval so that there will be controls and accountability concerning compliance with the redevelopment plan.

Before you today are Ordinance No. 06-2020 on Second Reading to approve the long term tax exemption, Ordinance No. 07-2020 on Second Reading to approve a program of short term tax exemption and Pilot in the Township, subject to Township Committee approval by resolution of specific sites, and Resolution No. 20-095

for approval of the townhouse component of the Hurstmont property redevelopment for short term exemption and Pilot.

I have given thorough consideration to the Redeveloper's request and reviewed the documentation assembled to support and implement the redevelopment of the Hurstmont property and corresponding tax exemption programs. As the Mayor of the Township of Harding, it is my recommendation to the Township Committee that it approve the two Ordinances and Resolution on today's agenda concerning the redevelopment of the Hurstmont property and support of the future redevelopment of the Glen Alpin property.

Very truly yours,

A handwritten signature in black ink, appearing to read 'C. Yates', with a long horizontal flourish extending to the right.

Christopher M. Yates
Mayor

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