

## Mayors Opening Comments – Special council Meeting February 25, 2009

This meeting is intended for JSM to present to the council and our community, in a public forum, their proposal to modify the site plan for their property. Many factors have contributed to JSM's need to modify this site plan. It is our job as a council and a community, to listen, evaluate and decide what is the best approach for our entire Borough.

We must all realize that while this site is contained in our downtown it does not define our downtown. It has the ability to enhance our community but it will not define our community. Over the 100 years of this Borough, our downtown has shifted from a retail destination to a service destination purely because of market changes and shopping habits. We are now faced again with a severely changing market---the severity, of which none of us has seen before, and we must all be aware of this fact and flexible enough in our short and long term development plans to realize and react to this accordingly.

The problems of Wall Street have become the problems of our Main Street. This site has become a symptom of our economic problems, not the root cause of them.

Over the past months, there are many elements this council has had to grapple with in dealing with this project, including now; the collapse in the financial, retail, commercial and housing markets

The Redeveloper, who is also the owner of the property, has advised the Borough that obtaining financing for the project as it is approved right now, is not possible in today's market.

In our deliberations, the Borough is faced with a number of alternatives each with a different impact on the Borough and its residents. These are:

1. Borough "withdraws" support for the project
  - A. Property could remain vacant for an unknown time
  - B. Owner could file tax appeal reducing Borough income
  - C. Borough would have no say in final project

2. "Repopulate" existing buildings
  - A. Lose Davenport Street extension
  - B. Lower property value, resulting in lower taxes
  - C. No enhancement to vitality of downtown
  
3. Find another "willing" developer
  - A. Owner may not want to sell
  - B. Problem finding buyer in today's market
  - C. Cannot force owner to sell property
  - D. New developer faced with same economic challenges
  
4. Build project "as approved"
  - A. Developer cannot obtain finance
  - B. Project delayed indefinitely
  
5. Put project "on hold"
  - A. Owner could file tax appeal reducing borough income
  - B. Eye-sore remains on Main Street for undetermined time
  - C. No guarantee when project would start
  - D. Developer cannot afford to 'hold' project
  
6. "Condemn" Property
  - A. Borough would have to bond for appraised cost of property
  - B. Owner would most likely contest condemnation in court
  - C. Cost to Borough unknown; but estimated to be high
  - D. Potential of being in court for a number of years
  
7. Negotiate a "Modified" Project
  - A. Phase the project to allow it to start as soon as practical
  - B. Potential to finance in stages if needed
  - C. Maintains and enhances value of property
  - D. Creates economic activity on Main Street

The objective of the Borough has always been and remains that of creating redevelopment opportunities within the Borough that increase the economic vitality without adding to the tax burden of residents or existing property owners.

The following Points highlight the major elements the Council has to consider.

- Current market conditions
- Deadlines for completion of all aspects of the project leading to construction
- What can or will happen if the parties do not reach agreement or miss deadlines
- Provide for payment of Boroughs professional costs relating to the review and approval process
- Phasing of the project and timing
- Addresses possible future parking needs in the area
- Developers ability to finance project
- Developer's ability to lease retail space in this market
- Financial incentives available
- Impact on property taxes

Tonight, JSM will propose a modified plan. One that is different from what was approved originally, and one that given the world today holds merit and one we all felt best discussed with the community. We need to remember that JSM is the owner of this property. They have spent hundreds of thousands of dollars trying to redevelop this site, they continue to pay full property taxes to the Borough, and they open the site for access whenever asked. Would we all like the site to have a fence down and buildings going up immediately..absolutely...including the developer...but we need to look around us and be realistic of what is happening nationwide.

We at this table want your comments and suggestions. This councils job is to listen to the plan to be outlined, listen to your concerns, and then form a consensus about this proposal—and if we move forward, work with the property owner to adjust where necessary.