

## Courthouse Square Update

The Mayor and Council have been moving forward with negotiations between the group that is suing the Borough, and the designated redeveloper, Flemington Center Urban Renewal. Due to the nature of these kinds of conversations, it would be inappropriate for us to make any statements about the particulars of those negotiations. A productive meeting was held on March 26th, and additional meetings are scheduled over the next few weeks.

Since part of these negotiations may involve changes to the approved site plan, our redevelopment counsel, Joe Maraziti of Maraziti and Falcon, recommended that the Borough retain an expert to study the impacts of any proposed changes. The Beacon Group was recommended by our attorney and chosen because they offer exceptional experience in conducting cost analysis. Council voted unanimously to approve this study.

The Mayor and Council are not seeking to delay the project. In fact, retaining Beacon at this time will enable us to more quickly evaluate suggested compromises, as we move toward settlement of the litigation against the Borough, and the construction of an appropriate project.

Last summer, there was an analysis done on the project which specifically looked at the PILOT proposal. Known as the "Otteau report", its scope was limited to determine if the proposed PILOT would be of an amount that made the project financially viable for the developer. It was not a full fiscal impact study, because it did not look at the potential impacts of costs to the Borough (and taxpayers) for things like additional police officers, infrastructure repairs and improvements, bond debt, or impacts on local schools.

A complete fiscal impact analysis was called for previously by Council members Harris, Peterson, and Driver. The previous Mayor and Council did not conduct this needed study, despite the calls from members of the public, and members of Council. We are now correcting that failure. The first step of Beacon's current work is to conduct this analysis, which should have been done prior to the approval of the PILOT in August 2018. It is against this baseline that proposed settlement to the litigation will need to be measured.

The Mayor and Council are committed to development. The financial impact data is both necessary for protecting the Borough, and important for advancing negotiations to bring the project to fruition. Before we vote on any further approvals or signs any additional agreements, it is imperative we know and understand the financial risks of this public-private partnership. We don't want to put the Borough taxpayers into a situation where they are subsidizing this development for the next 30 years. The study by the Beacon Group gives us the tools we need to negotiate the best settlement for our town.