

## Should We Use Redevelopment to Stop the Slide?

Over 450 people attended our August 22 council meeting to hear a presentation about the proposed redevelopment of the hotel area, and everyone is talking about its pros and cons. Some wonder why we would consider such a large project at all; others say that after 20 years of economic decline, they will throw in the towel if we let this opportunity slip away. Such debate is a hallmark of democracy. The process can seem long and a bit messy at times. In the end, though, it is necessary to let everyone have their say and see what can be worked out for the town's best interest. Note that I said the town's interest, not the buildings' interest. The two are not necessarily the same.

The first question to ask is do we need any redevelopment? Are things pretty much OK as they are? Are they trending in the right or wrong direction, or are they just staying flat? To answer those questions, I start by noting that, in going door-to-door during election campaigns going back to 2010, the number one concern by a wide margin is "what about Main Street?". People want to see more life downtown, and that situation has not gotten better. As nice as the events and the beer garden are, they do not change the fundamental structure of the business environment.

For a more quantitative approach, let's look at property values. The value of all the real estate in the borough peaked in 2008 at \$539,740,569, before the national housing crash. It hit bottom in 2013 at \$430,123,155 (down 20%). Since 2013, real estate has recovered only 4% in three years, well below the recovery of most towns in the area. Since 2008, businesses have paid just over half (51-54%) of the annual tax levy, and residences pick up the rest (45-49%), with a few vacant properties making up the difference. Since 2010, though, businesses have been in decline, so their share has been edging down to 51% and residences have been edging up to 49%. Flemington's poor business economy means that residences are carrying more and more of the tax load that businesses used to carry. In addition, Flemington has the lowest median income of the county's 26 municipalities, and the county itself is in somewhat of a decline in terms of aging and declining population and vacant office space.

Taking all this together, does it look like things are OK, or does it look like something needs to change? The answer seems obvious: Flemington needs a real shot in the arm to get going again. If we pass up the current opportunity and wait for the theoretically-ideal "organic" growth to occur, it probably will happen – eventually. The problem is that no one knows when or how or who will start it. And things may well have to get worse before they get better: real estate values could eventually decline so much that our properties become easy to acquire and rebuild. Who knows how long that could take?

If we seek out a redeveloper with the requirement that the four Main Street buildings must remain in place, we may get a response or we may well get no response. In the meantime, we probably lose our current opportunity, because no developer is likely to spend hundreds of thousands of dollars to get this far, then sit on the sidelines for six months while the town looks for a better deal elsewhere. Would another developer want to do business with a town that treats its redeveloper like that?

And so we come back to the current opportunity: an integrated solution with a liquor license back on Main Street, restaurants, housing, retail, parking, a Union Hotel with people who stay in it, and the first higher education institution anywhere in Hunterdon County. Plus a significant boost in revenue through a negotiated tax payment far in excess of what we currently get for the affected properties.

No opportunity comes without some risk. We can always do nothing, wait, and hope. We can rev ourselves up with phrases like "together we can do anything". Or we can actually do something! The

opportunity is here for the taking. To take it, though, we must recognize that buildings are not our history, even though some of them are reminders of our history. To love our town, we must love it more than its buildings.