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LETTER: Flemington development plan a raw deal

To the Editor:

As a Flemington Borough resident I am no longer surprised at seeing our mayor continue to hard sell the Union Hotel/Main Street development plan on behalf of one developer. Together with all but the newest Borough Council member, while claiming to “negotiate” the best deal for the community they have been lockstep in their advocacy for the developer.

Let me make plain, the question of preserving the Union Hotel is nothing more than a diversion. The real issue, is that our elected officials have allowed one developer to position himself without competitive bid or critical review to what can only be described as a real “sweetheart” deal. While our mayor, touted the benefits of the plan on February 7th to the County Chamber of Commerce, there was the minor detail of the “PILOT” (Payment in Lieu of Taxes) program and the revelation that the all communities in Hunterdon County would be called on to pay in to cover the resulting shortfall. In summary, the tax abatements provided to Jack Cust will be paid for by all county taxpayers.

Regarding tax abatements, the 2010 NJ State Report of the Comptroller, “A Programmatic Examination of Municipal Tax Abatements” offers the following cautions:

“Tax abatements result in significant foregone revenue and introduce tax inequities that deserve closer scrutiny. The recommendations in this report are geared toward broad-based changes that will help to ensure more open and fair investment of taxpayer dollars and better decisions and outcomes in the future” (Cover letter).

Specific concerns cited in the state report:

“...review of tax abatement practices in New Jersey found numerous weaknesses in the regulation, implementation, and oversight of these programs, including:

- Payments to municipalities by businesses and developers in lieu of taxes, known as PILOT payments, distort municipal incentives in using and structuring abatements at the expense of counties, school districts, and other taxpayers.*
- Information concerning abatement agreements is not published in a transparent manner or centralized location, making it difficult to impossible for the public to compare, calculate the effect of, or be fully aware of those agreements.*
- Many of the municipal criteria and processes used in evaluating potential abatement agreements are weak.*
- Directly affected stakeholders are not involved adequately in the abatement decision-making process.” (p. 4)*

"Programmatic improvements are necessary in New Jersey to safeguard public finances and ensure that the developmental goals of the abatement program are actually reached. Specifically, as explained in this report, we recommend:

- *Counties, school districts, and the public should assume greater roles in the abatement process.*
- *PILOT arrangements should be structured in a way that encompasses the interests of counties and school districts" (p. 4)*

Meanwhile in Hunterdon County there has been no transparency. What is known of the proposed PILOT program as announced by Mayor Greiner at the County Chamber meeting is that this PILOT will remove the school tax burden from the developer and shift this burden onto the taxpayers county-wide. The Flemington Borough Council scoffs at "outsiders" interest in the proposed Cust project. These "outsiders" which the Flemington Borough Council claims should have no say, will actually be the individuals paying the tax bill that this deal gives to the developer.

The questions our local and county elected officials do not want to hear are:

- Why is the Flemington mayor and council continually and actively advocating for one developer who secured the status of sole developer without any bid process?
- Why are the County Board of Freeholders noticeably silent on a project that places the tax burden on surrounding towns when those towns have no say?
- When will this developer's claims of cost, expense and funding come under critical, transparent review?
- What will be the actual cost to county taxpayers and for how long?

The Flemington Borough Council, minus its latest elected member who received the highest votes (a mandate of community opposition to the Cust plan) is that the Flemington Borough Council has presented this as an all or nothing salvation plan for the Borough. Any real transparency or competitive bid and this plan would never have left the gate.

The local community by the election of Susan Peterson has stated their opposition to the current plan. The "outsiders" have questioned the plan, and a state report warning of the pitfalls in using tax abatements in the manner proposed would appear to be the playbook used here - *however the irony is that our elected representatives are doing everything the report warns against.*

What is transparent: the Flemington Borough Council and our Freeholders have one hell of a sweetheart deal for Jack Cust. Taxpayers, the "outsiders" who Jack says are "not listening," are expected to just shut up and take out their checkbooks.

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