



Proposed Megastructure

A decade ago the Beach Theater on Beach Avenue was partially demolished and the site is now occupied by a parking lot and 10 to 12 business in a series of shops. Portions of the remaining buildings facing Beach Avenue are in deteriorating condition, others facing Gurney St are not.



Last October a developer appeared before City Council to provide a general overview of his vision for the property: an eight+ story, 169 room hotel, with cafes, restaurants, outdoor dining areas, shops, 260 indoor parking spaces and a swimming pool on the eighth floor, for an anticipated cost of \$150 million. Because the proposed hotel would contain over 100 rooms the property would automatically qualify for a new alcoholic beverage license. In preliminary estimates, it would appear that a structure of this size would rise 90 to 110 feet above the surface of Beach Avenue. By way of comparison, The Inn of Cape May is 61 feet high.



That

developer, Eustice Mita, the current owner of the property and the chief executive officer of ICONA Resorts, has launched an aggressive media campaign to secure Redevelopment Zone status for his project. This campaign includes Op-Ed pieces in regional news and media outlets, and public presentations. In a recent news article, Mita has stated that he will not build the hotel unless he gets the Redevelopment Zone status.

By statute a Redevelopment Zone is a delineated area within a community characterized by substandard, unsafe, unsanitary, dilapidated, or obsolescent conditions, the discontinuance of use or abandonment of buildings, undeveloped public land, areas with buildings or improvements which are detrimental to the safety, health, morals, or welfare of the community, or stagnant and unproductive of land. Only City Council can create a Redevelopment Zone, and then only after an investigation and public hearings conducted by the Planning Board. No notice beyond that required for adoption of ordinances by the municipality shall be required for the hearing on or adoption of the redevelopment plan.

Redevelopment Zone status could remove a project from the purview of the City Council, Planning and Zoning Boards, and the Historical Commission; and instead, would be controlled by an independent Redevelopment Authority. This Authority would have broad and unilateral powers. These powers include but are not limited to:

- **Provide tax incentives and abatements**
- **Plan or replan, zone or rezone any land within the jurisdiction of that public body,**
- **make exceptions from development regulations and ordinances**
- **exercise the power of eminent domain over any and all properties within a "Condemnation Redevelopment Area".**
- **change a city's zoning map.**
- **provide water, sewer or drainage facilities, or any other works to be furnished adjacent to or in connection a redevelopment project.**
- **bonding capacity.**
- **provide services to a redevelopment entity which the city is otherwise empowered to furnish.**
- **grant, sell, convey or lease any of its property to a redevelopment entity without appraisal, public notice, advertisement or bidding.**

It is Mr. Mita's stated intention to bypass the city's statutory procedure for the review and approval for building projects. In an interview reported in the [Atlantic City Press](#) this week,

Mita described the Redevelopment Zone as a necessary step for his plan to go through, suggesting that objectors could derail a proposal at the Planning Board if the project went through the normal planning process.

“At the Planning Board, you’ll have the same very small group of people who are the ones who show up and put pressure on the governing body,” he said.

The Cape May City Planning Board is responsible for evaluating and rendering decisions on applications for development such as site plans, subdivisions, and variances. Its function and authority are derived from the New Jersey Municipal Land Use Law, and it is charged with enforcing the elements of the land use and zoning ordinances. These elements are extensive, ranging from lot size to building height to parking to fire safety to traffic and much more. It is this extensive review and approval process which the developer apparently seeks to avoid.

Efforts to secure Redevelopment Zone status in Cape May recently failed when developers attempted to convince the City to apply the designation to the block containing the Acme, City Hall, a church and the firehouse.

It should also be noted that Icona appears to be pursuing a similar project in Ocean City NJ. [The OCNJ Daily](#) recently reported that:

“Mita, who owns the Icona Resorts luxury hotel properties in Avalon, Cape May and Diamond Beach, invested in Wonderland Pier last year after (mayor) Gillian struggled with financial challenges that he blamed on business hardships caused by the pandemic.

Councilman Jody Levchuk, whose family owns the Jilly’s retail shops on the Boardwalk, said Mita and Gillian met with Boardwalk property owners during a private meeting on Feb. 1. Mita introduced Gillian as his managing partner and then outlined plans for a \$150 million hotel project in Ocean City”

Mita has scheduled a public presentation of his proposed project on Thursday 9/1/22 at 4:00pm in the Cape May Convention Hall.