



## THE MITA MEGASTRUCTURE

The TPA has followed the course of events surrounding the Beach Theater since well before its partial demolition, including the ill-advised use of public funds to subsidize the well-meaning but failed attempt to save the theater some twelve years ago. The current plan for the Mita Megastructure is yet another attempt to repurpose this property.

In the past 10 months Eustas Mita, of Media PA and CEO of the Icona luxury resort hotel chain, has publicly provided a broad conceptual overview of his desire to transform the Cape May Beachfront into his personal vision of what Cape May should be. He has submitted Op-Ed pieces, media reports, internet drone footage, secured favorable ratings on travel websites.

In November 2021, he requested that City Council provide time on its agenda to view a multimedia presentation including nostalgic slideshows, conceptual design features and his personal narrative on why he is doing what he is doing.

On September 1, 2022, he rented Convention Hall to give the exact same presentation in the stated hope that the Community of Cape May would join him in his vision quest.

In recent press reports, he clearly indicated that his current strategy would be to forge a coalition of community members and businesses that would impose upon the City Council to create a Redevelopment Zone, with the effect of avoiding compliance with existing code requirements. In statements to the AC Press he made it quite clear that he viewed the Planning Board and the existing city building codes as potential roadblocks to realizing his dream of a New Cape May.

As any good salesperson knows –spin the facts that help the sale; minimize or ignore the facts that hurt the sale.

### **HERE ARE SOME OF THE “FACTS” THAT SPUN OUT OF HIS PRESENTATIONS:**

#### **The New Icona will only be seven stories high.**

The number of stories is far less significant than the actual height of the structure. With the required ground level elevations for flood plain exposure, floor heights of 10’, an eighth level for pools and amenities, and roof elevation above that, the functional height of the proposed structure will approach 100’.

***The developer's love of Cape May justifies the project***

Everyone loves Cape May in their own way; but no one person's version of that love justifies any project.

***Icona is the highest rated hotel chain in southern New Jersey.***

Website endorsements can reflect the quality of the service, a testament to the skill and care of management, or the cleverness of their marketing strategy.

As a justification for the approval of such a troublesome proposal as this, they are of little value.

***Cape May is in desperate need of hotel rooms since the number has steadily declined***

By the myopic focus on hotel rooms, the developer has diverted the discussion away from what is the essential appeal of Cape May as a tourism and vacation destination. That appeal is the wide variety of accommodations that are increasingly available in the Hospitality Industry of Cape May. Our accommodation sector includes almost the entire town. Hotels, motels, rooming houses, and, in almost staggering numbers, most of the residential housing stock of the city are all vibrant elements of the accommodation menu for our tourists and visitors.

Our strongest business sector is the property rental market, either through our dozen or so real estate agencies or hundreds of other accommodations offered through such services as AirBnB, Vrbo and others. Apartments, condos, duplexes, bungalows, small houses, large houses, and now even a boatel are meeting the growing needs of thousands of individuals and families who want to stay in Cape May.

Ignoring, or even contorting, our zoning ordinances to provide 160 high-end rooms, which very few of our visitors and families could ever afford or will ever use, helps few but the developer.

Hotel rooms are not disappearing –they are cleverly being rebranded in new business models—the Condotel and condominium rentals. Case in point: The Marquis De Lafayette. 84 former hotel rooms each now owned privately by individual taxpayers and marketed as hotel rooms by a management corporation. There are several other condotels and condo conversions along Beach Avenue. A small hotel/motel on Beach Ave was recently torn down and subdivided into two building lot. Each in quick order will contain a large, attractive beachfront house which will enter the rental market as an addition to our accommodations inventory.

***A Redevelopment Zone is necessary to save the blighted Beach Theater property***

The Legislature created the Redevelopment Zone model first as a way to help urban centers provide affordable housing and then later to encourage developers to help replace vast tracts of devastated land with commercial viability in order to restore those blighted urban centers.



Camden



Trenton



Cape May

The Redevelopment Zone comes with the ability to change or ignore existing zoning requirements, zone or rezone any land within the city, change a city's zoning map, sell or lease any land to a developer without appraisal, notice or bidding, create a Condemnation Redevelopment Area and exercise eminent domain, provide municipal services and the improvement of utilities to a developer, make exceptions from development regulations and ordinances, provide tax incentives and abatements, issue municipal bonds which become the responsibility of the taxpayer. The Redevelopment statute is in effect a huge "Get out of Jail Free" card for the devastated cities of New Jersey clean themselves up.

Mr. Mita has publicly branded his own property for which he paid \$6.6 million as a "blighted embarrassing eyesore" in order to justify the misuse of the statute intended to help those blighted urban centers.

The building and its façade facing Beach Avenue are indeed suffering from demolition by neglect, but the four buildings facing Gurney St are not. The next step is for the owner to either clean up his property or sell it to someone who will. The next step is not a megastructure exempt from any and all local ordinances and subsidized by the taxpayer.

**Cape May wants to be a high-end luxury destination**

There is no consensus on this notion. We only know that Icona wants to build a high-end luxury destination on Beach Avenue.

**Cape May needs to be a year-round convention destination**

To make this assertion is to clearly misunderstand both the purpose and nature of our Convention Hall. It was designed and built within a \$10 million budget to replace a building of the same name some 12 years ago. While called a Convention Hall as an *homage* to the two earlier buildings that occupied the site, it is more a modest Community Center than a venue for conventions. We use it for occasional concerts, roller skating, auctions, town meetings, weddings, small trade and hobby shows and the like.

It makes little sense to demand a high-end luxury hotel just to get into the highly competitive convention game in which we cannot compete. A municipality first needs a large versatile structure (ala Wildwood Convention Center) with the design elements that support 2-to-4-day events, and simultaneous multiple events that would then eventually require more accommodations. Those elements include large common halls, six or more smaller break-out rooms, food service and banquet facilities, a large reception area. This is not Cape May Convention Hall.

**The project will enhance the image and appeal Cape May's oceanfront.**

Quite the opposite. The construction of a building such as the one he envisions is likely to have negative impact on the natural environment of Cape May's oceanfront. The city of Cape is entirely within the State's designated Environmentally Sensitive Zone and is subject to regulations of the **Coastal Area Facilities Review Act (CAFRA)**.

Existing CAFRA regulations (NJAC 7:7-15.14) prescribe clear impediments to considering the erection of the Mita Megastructure within our coastal zone. This code says:

- High-rise structures are structures which are more than **six stories or more than 60 feet** in height as measured from existing preconstruction ground level.
- High-rise structures are encouraged to locate in an **urban area of existing high density**, high-rise and/or intense settlements.
- To the maximum extent practicable, the proposed structure **must not block the view** of dunes, beaches, horizons, skylines, rivers, inlets, bays, or oceans that are currently enjoyed from existing residential structures, public roads, or pathways.

- The proposed structure **must be in character with the surrounding transitional heights** and residential densities.
- The proposed structure **must not have an adverse impact on air quality, traffic, and existing infrastructure.**

***Cape May's parking problem will be alleviated***

The Megastructure proposal includes 160 rooms and suites, 11 high-end retail shops, 2 restaurants, at least one bar, and a large banquet room. Mr. Mita's concept design provides 255 parking spaces. Given the size and variety of public venues within his proposed building, the off-street parking facility is not likely to be sufficient. On-street parking within the vicinity of proposed megastructure is already beyond capacity, as is traffic in perhaps the most congested area of our town from May to September.

Current Cape May Zoning Code requires a Hotel to provide at least one off-street parking space for each guest sleeping room either a single room or multi sleeping room suite, plus one space per employee on the largest shift.

Further at least one parking space for each four seats in restaurants, taverns, or other places of public assembly such as banquet halls. Still further, for the 11 high-end retail shops he proposes, each would require a parking space for every 200 sf plus a space for every employee.

It would be these code requirements that a developer can ignore under a Redevelopment Zone plan.

### **RECOMMENDATION**

The TPA has listened to Mr. Mita's presentations, the many public comments at those presentations, the unprecedented input from our members and our own research into the complexities surround the megastructure concept.

**It is our position that the use of the Redevelopment Zone statute is not in the best interest of the citizens and taxpayers of Cape May. We urge the City Council to terminate any further consideration of the use of the Redevelopment Zone for the Beach Theater property.**