

CITY OF OCEAN CITY
CAPE MAY COUNTY, NEW JERSEY



**Report of Professional Planner to
City of Ocean City Council**

**600 Boardwalk
Block 600.05, Lots 1 & 2**

**Prepared for:
City of Ocean City Council
861 Asbury Avenue
Ocean City, New Jersey 08226**

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Prepared By:
Polistina & Associates
6684 Washington Avenue
Egg Harbor Township, New Jersey 08234
Phone : (609) 646-2950
Fax : (609) 646-2949

A handwritten signature in blue ink, appearing to read "Jennifer L. Heller", is written over a horizontal line.

Jennifer L. Heller, PP, AICP
Professional Planner
New Jersey License No. 6486

BACKGROUND AND PROCEDURAL HISTORY

The City of Ocean City Council (“City Council”) initiated a process pursuant to the Local Redevelopment and Housing Law (the “Rehab Law”) to consider whether Block 600.05, Lots 1 and 2, known as 600 Boardwalk (the “Property” or “Study Area”) should be designated an Area in Need of Rehabilitation (the “Rehab Designation”).

The following statutory process has been completed to date:

- **Council Referral to Planning Board:** On December 4, 2025, City Council adopted Resolution No. 25-62-544 requesting the Planning Board to review the Property, its condition, and its impact on neighboring properties and the City in general and make a recommendation to Council whether it is in the best interests of the citizens of Ocean City to declare the Property to be an Area in Need of Rehabilitation pursuant to N.J.S.A. 40A:12A-14 (the “Recommendation” and “Referral” is attached as Exhibit 1).
- **Planning Board Hearing and Planning Reports:**
 - On January 7, 2026, the Planning Board conducted a public Hearing on the Referral and considered the Rehab Designation.
 - A report prepared by the Property owner’s Planner, Tiffany A. Morrissey, dated March 11, 2025, was presented to the Planning Board at the Hearing (the “Morrissey Report” Exhibit 2).
 - At the Hearing, the Planning Board Planner, Randall Schuele, PP, AICP, provided a Memorandum dated December 23, 2025 addressing the Rehab Designation (the “Schuele Report” Exhibit 3).
- **Planning Board Action:** At the Hearing, and after considering the Morrissey and Schuele Reports and testimony from the Property owner and its professionals, as well as the members of the public, the Planning Board deadlocked in a 4-4 tie vote on a proposed resolution to recommend that the Property be designated an Area in Need of Rehabilitation. The Planning

Board offered Council no Recommendation (Ocean City Planning Board Resolution dated February 4, 2026 attached as Exhibit 4).¹

- **Appointment of Special Legal Counsel to City Council.** On January 22, 2026, Ridgway Legal was appointed as Special Legal Counsel to advise City Council in connection with the Property.
- **Appointment of Professional Planner to City Council:** On March 12, 2026, City Council appointed Jennifer L. Heller, PP, AICP (“Heller”) as Professional Planner to report to City Council in evaluating proposals regarding the Property.

In the within Professional Planner Report, Heller provides City Council with further analysis of the Morrissey and Scheule Reports, the Hearing, statutory criteria, considerations, and insights into the Property and the Referral to assist Council in determining whether to consider the Rehab Designation.

PURPOSE OF REPORT

The purpose of this Report is to further analyze the Property, the Rehab Law criteria, and supplement the Morrissey and Schuele Reports. This Report is not intended to endorse, recommend, or advise for or against the Rehab Designation. Rather, it is to provide a consolidated, fact-based assessment of the Property and the Referral to allow City Council to deliberate, discuss and rely upon as substantial credible evidence in considering the Rehab Designation.

CITY COUNCIL CONSIDERATIONS AND DECISIONS

City Council should consider and decide:

¹ Pursuant to N.J.S.A.40A:12A-14(a), the Planning Board function, in part, is to make a recommendation to City Council on the Rehab Designation. The Planning Board recommendation is not binding on City Council. City Council has exclusive authority to make the Rehab Designation under the Rehab Law.

- May a Program of Rehabilitation be expected to prevent further deterioration and promote overall development of the community (N.J.S.A. 40A:12A-14)?
- Are any of the six (6) statutory criteria met under the Rehab Law?
- Is the Property appropriately designated an Area in Need of Rehabilitation?

The Professional Planner makes no formal recommendation to City Council on whether it considers or makes the Rehab Determination. Rather, the Professional Planner provides advice and insight into the Property and its condition to allow City Council to more thoroughly consider and/or make the Rehab Determination if it so chooses.

This Report supplements the Morrissey and Schuele Reports.

A thorough review of the public Hearing transcript and the Morrissey and Schuele Reports were completed as part of the investigation.

To prepare this Report, we reviewed tax records, construction permits, and mercantile licenses obtained from the City for the Property, and amusement ride inspection reports from the New Jersey Department of Community Affairs Carnival Amusement Rides for the period from 2015 through 2025.

STATUTORY CRITERIA

Pursuant to N.J.S.A. 40A:12A-14, a delineated area may be determined to be in need of rehabilitation if the governing body of the municipality determines by resolution that a program of rehabilitation, as defined in section 3 of P.L.1992, c.79 (C. 40A:12A-3), may be expected to prevent further deterioration and promote the overall development of the community; and that there exist in that area any of the following conditions such that:

(1) a significant portion of structures therein are in a deteriorated or substandard condition;

- *The condition of the structures and the Property are in substandard condition, as detailed in the Morrissey Report. Construction permits for repairs and maintenance on the Property were provided by the City and reviewed as part of the investigation.*

(2) more than half of the housing stock in the delineated area is at least 50 years old;

- *There is no housing stock in the Study Area. This criterion is not applicable.*

(3) there is a pattern of vacancy, abandonment or underutilization of properties in the area;

- *Mercantile licenses issued for 2015 through 2026 for the properties in the Study Area and the other amusement parks located on the Boardwalk were reviewed.*

(4) there is a persistent arrearage of Property tax payments on properties in the area;

- *Tax records provided by the City were reviewed to determine if there was a persistent arrearage of Property tax payments on the properties in the Study Area and none was found. This criterion is not applicable.*

(5) environmental contamination is discouraging improvements and investment in properties in the area; or

- *No environmental contamination is known to exist on or in the Study Area. This criterion is not applicable.*

(6) a majority of the water and sewer infrastructure in the delineated area is at least 50 years old and is in need of repair or substantial maintenance.

- *This criterion does not apply to this Study Area.*

REVIEW OF MORRISSEY REPORT

The Morrissey Report summarizes the deteriorating condition of the Property and the underutilization of the Property as the two criteria supporting the Rehab Designation.

The Property owner provided an assessment of the existing improvements prepared by O'Donnell & Naccarto Structural Engineers (the "Structural Report"). A construction cost estimate was provided by the Property owner's contractor for the improvements needed to repair the structural deficiencies and address the substandard conditions. The Property is privately owned, and the Property owner is entitled to solicit a construction cost estimate from a contractor of their choosing.

Underutilization of the Property was demonstrated through the testimony of Will Morey at the public Hearing. Mr. Morey testified that it was not financially feasible to run an amusement

pier. In addition, the Morrissey Report cites that there have been vacancies at 600 Boardwalk in the past 14 months.

The Morrissey Report also identified the Study Area as being situated in a Smart Growth Area and a majority of the Property is within the High and Medium-High suitability for redevelopment.

REVIEW OF SCHEULE REPORT

The Scheule Report reviewed the Morrissey Report. The Planning Board Planner also testified at the public Hearing.

The Planning Board Planner testified that the City's Master Plan "seeks to preserve this portion of the oceanfront area of the City for resort, commercial, and commercial recreation" and stated this in his report.

The Scheule Report does not specifically address the impact on the neighboring properties.

Planning Board Planner agrees that the Morrissey Report gives relevant information on the condition of the Property prepared by professionals and experts in the field. The Scheule Report on Page 8 states that "due to their subjective nature, consideration of the two above-cited LRHL criterion often involves a degree of professional judgment and interpretation."

On Page 8 of the Scheule Report, it is stated "these costs relative to the value of the Property may lend support to the argument that the area is in need of municipal intervention to prevent further decline." This statement supports Criterion 1 of the Rehab Law.

The Planning Board Planner offers his professional opinion on Page 9 of the Scheule Report stating, "An Area in Need of Rehabilitation designation and implementation of a rehabilitation program, may be expected to prevent further deterioration and encourage improvement and reinvestment of the Property."

The Scheule Report reiterated and summarized the findings of the Morrissey Report but did not state if the Study Area met the criteria; however, the Scheule Report did state the

designation “may be expected to prevent further deterioration and encourage improvement and reinvestment at the property.”

The Scheule Report does not offer his professional opinion as to whether or not the Study Area meets the criteria as stated in the Morrissey Report.

REVIEW OF PLANNING BOARD HEARING AND BOARD MEMBER COMMENTS

The resolution referring the rehabilitation study to the Planning Board for review and recommendation to the governing body asked the Board to look at the condition of the Property, impact on neighboring properties and the City in general, and to make a recommendation to the governing body whether it qualifies as an Area in Need of Rehabilitation.

In the deliberations, the Board members were divided on the condition of the Property, with half of them agreeing that the Property was significantly deteriorated and half not believing there was enough deterioration.

The Board was split on what impact the rehabilitation designation would have on the neighboring properties and the City in general, with half of the members agreeing that the designation would set a precedent and the others disagreeing.

All Board members agreed that something has to be built at the Property.

Four members felt that the criteria to designate the Property as an Area in Need of Rehabilitation was met, and four members did not feel that any of the criteria were met.

The Board did not request additional information on the evidence presented or request additional evidence from the Planning Board Planner in support of or not in support of the designation for rehabilitation.

PROFESSIONAL PLANNER FINDINGS

As part of the investigation, we reviewed the statute and the conditions for rehabilitation, and how the properties in the Study Area may or may not meet each of the criteria (see Statutory Criteria detail above).

CONDITION OF THE PROPERTY

One method for evaluating the condition of a property is to review construction permits over time. As part of our research, we obtained construction permits for the Property as well as other amusement park properties on the boardwalk.

We found that there were substantial structural repairs completed in 2020, 2022, 2023 and 2025 to the Property. Another boardwalk property, 724-728 Boardwalk had received construction permits for emergency shoring to repair failing piling and piling caps in 2021, 2022 and 2023. Other boardwalk properties completed signage permits, electrical permits, and new construction projects between 2015 and 2025.

Between the years 2015 and 2025, construction permits were applied for by the owners of the Property for various renovations and repairs as follows:

- **2016** – The building permits related to the new pizza shop were obtained and inspected.
- **2017** - Structural alterations including the access ramp for the monorail, undercarriage support for flipping arm ride and the footing and foundation for the Super Shot ride were completed.
- **2018** - The concession booth was constructed.
- **2019** - Various electrical alterations were completed at the Property.
- **2020** - Steel beams were added to reinforce the concrete deck, a new deck for amusement rides and the replacement of a concrete pad were completed.
- **2021** - Permits for electrical work and temporary ride set up were issued for the amusement rides to both Property owners.

- **2022** - After the Property was sold to the current owner, several construction permits were filed for work including electrical alterations, door installation and sheds. Other permits included the repair of concrete planks and repair to the deck.
- **2023** - Permits were issued for deck repair including the installation of permanent plank repair, electrical alterations and select demolition and clean up.
- **2025** - After the amusement rides had been shut down, a permit for the repair of the pier shoring with steel was issued. Approximately 20% of the space was used by the OC Pizza Company, Dead End Bakehouse and the bike rental business.

Both the former and current Property owners attempted to maintain and improve the structure and the amusement rides on site throughout the years. The fixes and repairs, some temporary and some more permanent, were not enough to keep a significant portion of the Property from deteriorating and falling into substandard condition.

AMUSEMENTS

The rides at the former Wonderland Pier stopped operating at the end of the 2024 season.

The New Jersey Department of Consumer Affairs Bureau of Code Services Carnival Amusement Ride Safety Program inspects amusement rides annually, and additional inspections are done throughout the operating season.

A review of the annual DCA inspection reports for Wonderland Pier from 2015 through 2024 indicates that a majority of the rides were in good, operable condition. Violations were issued in 2018 for the Giant Wheel, 2019 and 2021 for Canyon Falls, and in 2021 for Music Express.

In 2024, the Giant Wheel received violations for electrical and access violations, Canyon Falls received violations for access and vehicle integrity, Kite Flyer received violations for restraints and vehicle integrity, and Moby Dick received a violation for restraints. Also in 2024, the inspection report for the Chopper Train notes that the existing foundation for the ride was accepted by the Department.

There were notes within the inspection reports for minor issues such as particular seats on rides requiring new fasteners or to be out of order until small repairs were completed. Overall, the rides were in operable condition per the DCA.

UNDERUTILIZATION / VACANCIES

(N.J.S.A. 40A:12A-14(a)(3))

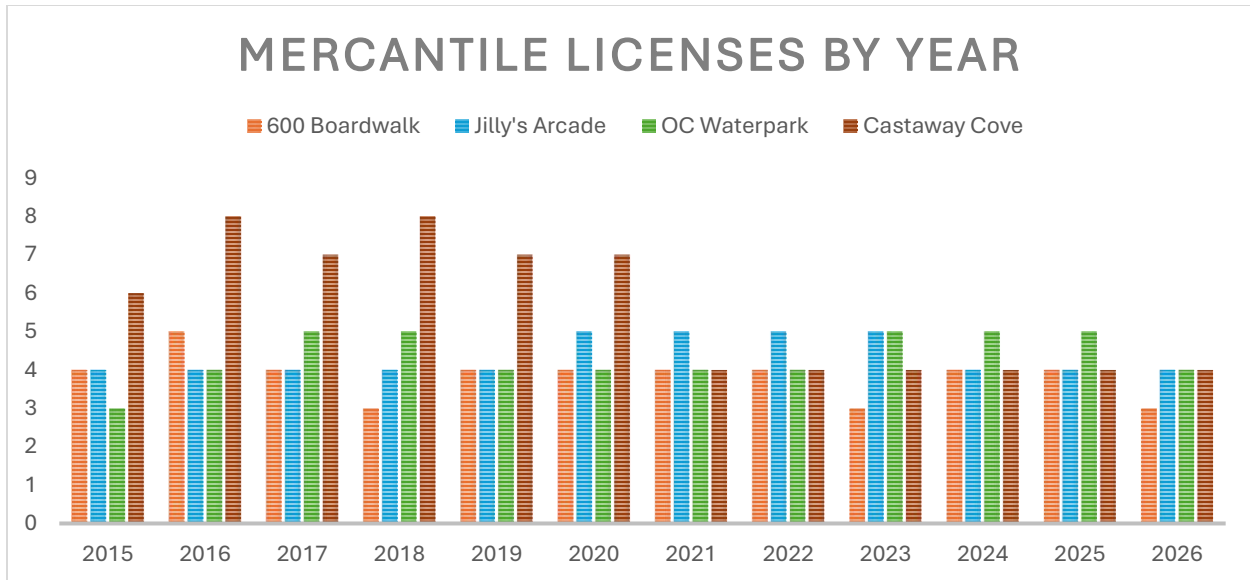
The underutilization of a property is one of the criteria for rehabilitation per the New Jersey Local Redevelopment and Housing Law. Specifically, whether there is a “pattern” of vacancy, abandonment or underutilization (N.J.S.A. 40A:12-14).

The Property operated as an amusement pier and the primary use was amusement rides. These rides are no longer operating and the remainder of the entertainment portion of the Property is used for a restaurant, a bakery and bike rentals.

The amusement rides stopped operating at the end of the 2024 season and did not operate in 2025. The amusement rides comprised 80% of the Property. The only remaining rides on the Property include the Giant Wheel, Carousel and the Flume Ride and currently, these rides are not operational. These rides cannot operate until significant repairs are completed.

We reviewed the mercantile licenses issued to the four amusement parks between 2015 to 2026 for the Property, Jilly’s Arcade, Castaway Cove and the OC Waterpark. The number of tenants operating businesses at the Property declined, and the tenants were not returning the following year. Jilly’s Arcade had a trend of consistent returning repeat tenants and between 2020 and 2023, had an increase in tenancy. The OC Waterpark had several returning tenants and was steady with the number of tenants. Castaway Cove had a decrease in the number of tenants beginning in 2021, concurrently with the uptick of construction permits issued for the Property.

After a deeper look into the tenants, specifically at each property returning every year, it was found that the other three boardwalk amusement parks had consistent tenants returning each year, whereas the tenants at the Property did not return the following year.



Source: City-issued mercantile licenses, 2015-2026

The number of mercantile licenses to the four boardwalk amusement sites issued between 2015 and 2026 indicates that there was a decline in permits issued for the Property while other properties increased in the number of permits. A review of the specific businesses issued mercantile licenses shows that while the other boardwalk amusement properties had repeat businesses year after year, the businesses at the Property were new merchants.

CONDITION OF PROPERTY AND REPAIR COSTS RELATING TO VALUE

N.J.S.A. 40A:12A-14(a)(1)

The condition of the Property, costs of repair and lack of amusement feasibility are considerations to evaluate under N.J.S.A. 40A:12A-14(a)(1). Specifically, whether a “significant portion” of the structure are in deteriorated or substandard condition.

The primary use of the Property had been amusements prior to closing. We considered the cost to repair the structure and amusements in assessing the extent and deteriorated condition of the Property under the statute.

- Assessed value of the properties (total) - \$15,803,200
- Equalized assessed value (Ratio for 2025 – 55.25%) - \$28,603,076
- Properties were purchased in 2021 for \$10,000,00

- Cost of repair as estimated by Contractor is \$3,899,769
- Cost of repair to the rides provided by Rides-4-U, Inc. totaled between \$4,000,000 and \$6,500,000.
- The Owner claims the costs of the repairs will be greater than 50% compared to the value of the Property based upon estimates obtained from contractors and Rides-4-U.

The Property owner and Morrissey rely upon the Structural Report including the construction costs provided by the Owner's contractor. The estimates for repairs were prepared for the Property owner by their preferred contractor. Since this is a privately-owned Property, the owner can select their own contractor to prepare an estimate for the repairs.

STATUTORY CRITERIA ANALYSIS (N.J.S.A. 40A:14A-14(a)(1 and 3))

The purpose of the Rehab Designation is to prevent further underutilization and deterioration of the Property and to encourage redevelopment of the Property.

The purpose of the designation is not to change the zoning of the Property and future potential uses of the Property should not be considered until the Redevelopment Plan is drafted by the City.

Based on a review of the construction permits and work done to the Property from 2015 through 2015, it does not appear that the Property owners neglected the condition of the Property or the amusement rides. Substantial credible evidence was provided regarding the condition of Property and how the Property deteriorated over time by Owner's Planner. More than 50% of the Property is the elevated concrete structure which is in poor condition as detailed in the Morrissey Report. No challenge from another professional engineer refuting the Morrissey Report was presented by the Planning Board or the Planning Board Planner, or any member of the public. **This substantial credible evidence would satisfy Criterion 1 for designating the Study Area as an Area in Need of Rehabilitation (N.J.S.A. 40A:12A-14(a)(1)).**

At the public Hearing, it was recognized and testified to that the Property would not be an amusement park again due to the significant investment required to operate and it is not financially feasible to operate an amusement park. The amusement rides comprised approximately 80% of the Property, and the restaurant and retail uses occupy the remaining 20%. Without the amusement

rides, the Property is underutilized. The retail and restaurant space has a turnover of tenants annually, except for the OC Pizza Company. The entertainment space making up 20% of the Property also indicates that the Property is underutilized. **The trend of underutilization and vacancies at the Property as compared to other boardwalk properties over the past ten years would be substantial credible evidence satisfying Criterion 3 (N.J.S.A. 40A:12A-14(a)(3)).**

The impact on the neighborhood and surrounding properties if this Property continues to remain unoccupied and vacant was not deliberated or addressed by the Planning Board. The Planning Board Planner offered his professional opinion that “an Area in Need of Rehabilitation designation and implementation of a rehabilitation program may be expected to prevent further deterioration and encourage improvement and reinvestment at the Property.”

The Courts have ruled that “redevelopment designations, like all municipal actions are vested with a presumption of validity.” The burden of proof is on the objector to show that the required statutory criteria are not present, just as the net opinion of an expert is not enough to support a municipality’s decision. While this rehabilitation designation process has generated a great deal of publicity and opinions against the designation, there has been no evidence presented by any objector which would overcome the presumption of validity.

It is important to understand that the Courts have determined that if a governing body’s decision on a designation is supported by substantial evidence, the fact that the question is debatable does not justify substitution of the judicial judgment for that of the governing body. The question for debate is whether or not there is substantial credible evidence supporting the rehabilitation designation.

CONCLUSION

The designation of the Area in Need of Rehabilitation is consistent with goals and objectives of the State Development and Redevelopment Plan, and we concur with the findings in the Morrissey Report. The Study Area is located in a Smart Growth Area where redevelopment is appropriate.

The designation of this Area in Need of Redevelopment will advance the following goals of the State Development and Redevelopment Plan:

- Economic Development
- Revitalization and Recentering
- Comprehensive Planning

The designation of the Area in Need of Rehabilitation does not change the zoning for the Property or permit the Property owner to circumvent the development approval process. Even with a designation, the governing body can adopt a redevelopment plan for the site with the current underlying base zoning.

Taken together, the Morrissey and Scheule Reports, the Planning Board analysis and deliberations, and the additional information provided in this report, substantial credible evidence has been provided to find that, at a minimum, one of the criteria of the Rehab Law for rehabilitation exists for the Study Area.