



Memorandum

To: City of Ocean City
Planning Board Members

From: Randall Scheule, PP/AICP
Planning Board Planner

Date: December 23, 2025

RE: **600 Boardwalk, LLC**
Block 600.05, Lots 1 and 2

Introduction.

On December 4, 2025, City Council adopted Resolution 25-62-444. Resolution 25-62-444 (attached) was transmitted by the City Clerk to the Planning Board Secretary on December 5, 2025. The primary objective of Resolution 25-62-444 follows:

The Ocean City Planning Board be and is hereby requested to review the Property, its condition, and its impact on neighboring properties and the city in general and make a recommendation to City Council in accordance with NJSA 40A:12A-14 with respect to whether it is in the best interest of the citizens of the City or Ocean City to declare the Property¹ to be an area in need of rehabilitation.

Via City Council Resolution 25-62-444 the City seeks to determine whether an area in need of rehabilitation and a rehabilitation program for the Property, "may be expected to prevent further deterioration and promote overall development of the community."

Resolution 25-62-444 also indicates that, ". . . referral of the attached Resolution to the Planning Board would in no way serve as an endorsement or approval of any specific use or project, nor would it confer development rights; rather, the referral would be the first step in a public process to consider the best way to revitalize the Property."

¹ The "Property" referred to herein is Block 600.05, Lots 1 and 2.

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Referral of Resolution 25-62-444 to the Planning Board represents the initial step in the redevelopment process as described below.

NJSA 40A:12A-14a. Prior to adoption of the resolution, the governing body shall submit it to the municipal planning board for its review. Within 45 days of its receipt of the proposed resolution, the municipal planning board shall submit its recommendations regarding the proposed resolution, including any modifications which it may recommend, to the governing body for its consideration.

Thereafter, or after the expiration of the 45 days if the municipal planning board does not submit recommendations, the governing body may adopt the resolution, with or without modification. The resolution shall not become effective without the approval of the commissioner pursuant to section 6 of P.L.1992, c.79 (C.40A:12A-6), if otherwise required pursuant to that section.

The following documents have been submitted on behalf of the property owner, and provide the basis for the comments in this report.

- Transmittal to Terry Crowley, Jr. from Keith Davis, August 13, 2025
- Rehabilitation Designation Boardwalk and Sixth Street, Tiffany Morrissey, August 11, 2025
- Survey of Premises, The Hyland Group, March 17, 2021
- Condition of Specified Amusement Rides, Rides-4-U, undated
- Re-construction Cost Estimate, Caritas Construction, April 16, 2025
- Investigation, O'Donnell & Naccarato, March 24, 2025

The Local Redevelopment and Housing Law (NJSA 40A:12A-1, et seq).

Local Redevelopment and Housing Law (LRHL) terms defined.

- "Redevelopment" means clearance, replanning, development and redevelopment; the conservation and rehabilitation of any structure or improvement, the construction and provision for construction of residential, commercial, industrial, public or other structures and the grant or dedication of spaces as may be appropriate or necessary in the interest of the general welfare for streets, parks, playgrounds, or other public purposes, including

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recreational and other facilities incidental or appurtenant thereto, in accordance with a redevelopment plan.

- "Redevelopment plan" means a plan adopted by the governing body of a municipality for the redevelopment or rehabilitation of all or any part of a redevelopment area, or an area in need of rehabilitation, which plan shall be sufficiently complete to indicate its relationship to definite municipal objectives as to appropriate land uses, public transportation and utilities, recreational and municipal facilities, and other public improvements; and to indicate proposed land uses and building requirements in the redevelopment area or area in need of rehabilitation, or both.
- "Rehabilitation" means an undertaking, by means of extensive repair, reconstruction or renovation of existing structures, with or without the introduction of new construction or the enlargement of existing structures, in any area that has been determined to be in need of rehabilitation or redevelopment, to eliminate substandard structural or housing conditions and arrest the deterioration of that area.
- "Rehabilitation area" or "area in need of rehabilitation" means any area determined to be in need of rehabilitation pursuant to section 14 of P.L.1992, c.79 (C.40A:12A-14).

NJSA 40A:12A-14 specifies that, 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;
- (2) more than half of the housing stock in the delineated area is at least 50 years old;
- (3) there is a pattern of vacancy, abandonment or underutilization of properties in the area;
- (4) there is a persistent arrearage of property tax payments on properties in the area;
- (5) environmental contamination is discouraging improvements and investment in properties in the area; or

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(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.

A brief summary of the 2-step process for designating an "Area in Need of Rehabilitation" and "Implementing a Redevelopment Plan" is included at the end of this memorandum.

Master Plan and Zoning Ordinance.

Wonderland Pier is located on the Boardwalk between E. Sixth Street and Plaza Place. The Master Plan notes that the Boardwalk provides a focal point for the resort character of the City, and seeks "to preserve this portion of the oceanfront area of the City for resort commercial and commercial recreation uses."²

The Ocean City Zoning Map indicates the subject site is located within the On-Boardwalk Zone. According to the Purpose statement (§25-205-5.1), "The On-Boardwalk Zone established in §25-201.2 of this Ordinance is intended to reserve a portion of the Atlantic Ocean frontage exclusively for resort commercial and commercial recreational use adjacent to the Boardwalk from 6th Street to 14th Street." Permitted use categories include retail stores, entertainment, amusements and restaurants.

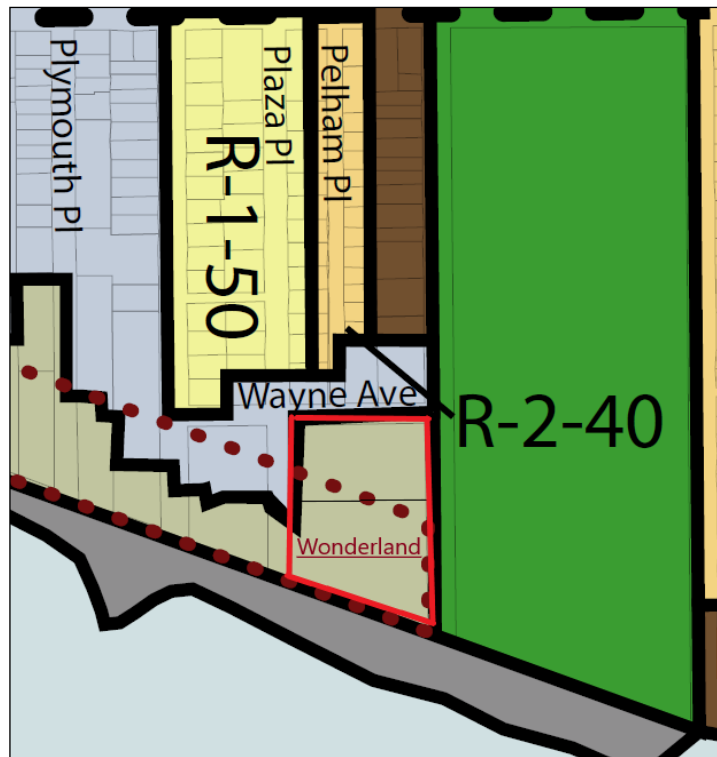
As depicted on the Zoning Map, a portion of the subject property is located within the Special Improvement District (SID), a designated area where property owners pay a special assessment to fund enhanced services, promotions, and beautification, managed by a District Management Corporation (DMC) for economic vitality and tourism, with funding covering events like fireworks, block parties, and beautification projects.

The Zoning Map depicts the location of the Wonderland site and nearby properties relative to the zoning district and SID designations.

² 1988 Ocean City Master Plan, page 7-10.

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Zoning Map



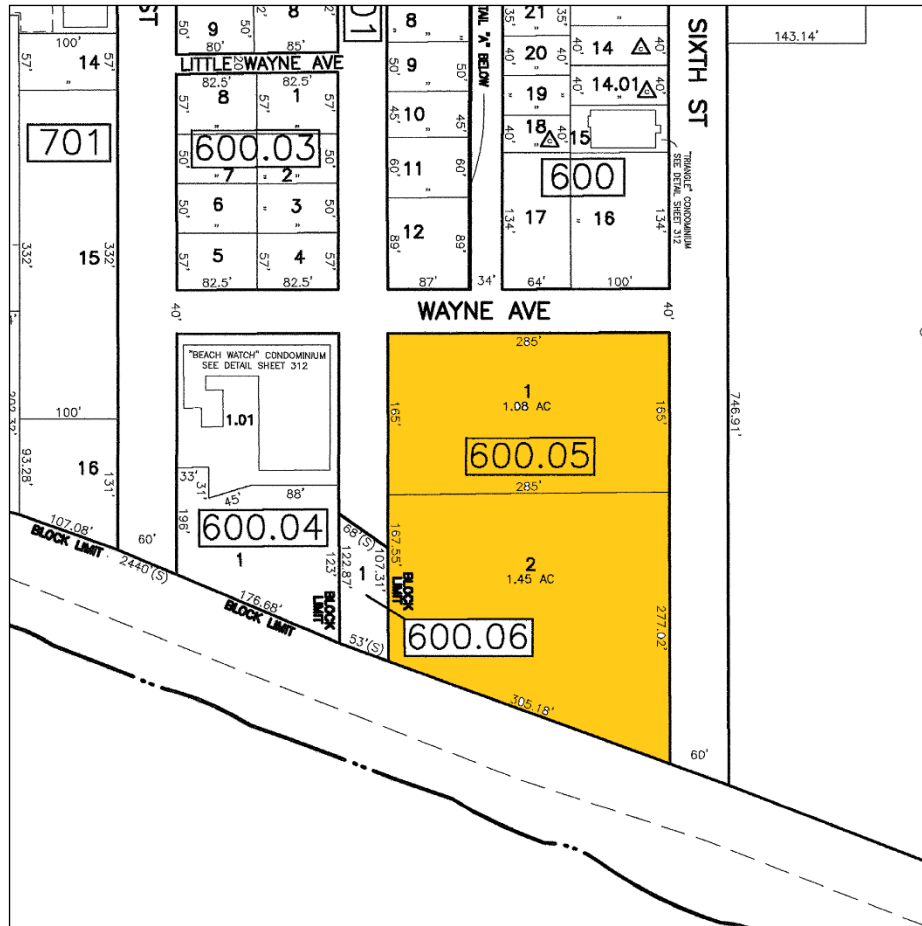
The Property - Block 600.05, Lots 1 and 2.

The August 13, 2025 transmittal indicates the site is presently improved with structures and improvements associated with the former Gillian's Wonderland Pier (the "Pier"), and that the Pier ceased operations on October 13, 2024. The transmittal also describes four (4) small businesses operating in the remnants of the pier building, including Ocean City Pizza Company, Dead End Bakehouse, Wonderland Pier Arcade, and OC Bikes and Rentals.

The following exhibit depicts the location of the Property on the Ocean City Tax Map.

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Tax Map



Current tax assessment information for the two parcels is depicted in the following table.

Block	Lot	Address	Year Built	Land Description	Value(\$)		
					Land	Improvement	Total
600.05	1	641 Wayne Avenue	1953	135' x 285'	2,693,300	400,700	3,094,000
600.05	2	600-640 Boardwalk	NA	220' x 295'	11,097,900	1,614,900	12,712,800
Total	-	-	-	-	-	-	15,806,800

Summary and Conclusion.

Resolution 25-62-444 requests that the Planning Board, “review the Property, its condition, and its impact on neighboring properties and the city in general and make a recommendation to City Council in accordance with NJSA 40A:12A-14 with respect to whether it is in the best interest of the citizens of the City or Ocean City to declare the Property³ to be an area in need of rehabilitation.”

The “Rehabilitation Designation Boardwalk and Sixth Street” (Rehab Report) contends that “substantial credible evidence exists to support a determination that the properties in the Study Area meet one or more of the criteria outlines in Section 14 of the Local Redevelopment and Housing Law (NJSA 40A:12A-14) to be declared an area in need of rehabilitation,” and that the following LRHL criteria are satisfied.

NJSA 40A:12A-14(1) - a significant portion of structures therein are in a deteriorated or substandard condition;

NJSA 40A:12A-14(3) - there is a pattern of vacancy, abandonment or underutilization of properties in the area;

The following citation from the Rehab Report is provided in support of a rehabilitation area designation.

- “. . . in this instance the impacts of the weather and environmmnet have resulted in conditions which are contributing to the overall deterioration of the property which has suffered from deferred or nonexistent maintennce.”⁴

The following excerpts are from the O'Donnell & Naccarato investigation which focused on the 64,000 SF elevated concrete structure (accounting for approximately 50% of the total project site) adjacent to the Boardwalk.

- “Our review of the existing structure determined the concrete framing generally appeared to be in Poor to Extremely Poor condition.”⁵

³ The “Property” referred to herein is Block 600.05, Lots 1 and 2.

⁴ Rehabilitation Designation Boardwalk and Sixth Street, Tiffany Morrissey, August 11, 2025, page 17.

⁵ Investigation, O'Donnell & Naccarato, March 24, 2025, page 2.

- “It is our assessment that a significant portion of the structure is in a deteriorated and substandard condition. The amount of deterioration and lack of adequate shoring render the elevated pier not safe for occupancy”⁶

The Rides-4-U report identifies amusement components in need of repair and estimates the cumulative cost to repair the Carousel, Ferris Wheel and Log Flume Ride at \$4M – \$6.5M.

Additionally, the Re-construction Cost Estimate prepared by Caritas Construction cites a total cost of \$3,899,769 to repair the pier foundation and piling.

Due to their subjective nature, consideration of the two above-cited LRHL criterion often involves a degree of professional judgment and interpretation. At NJSA 40A:12A-14(1), the phrase "a significant portion of structures therein are in a deteriorated or substandard condition" typically requires a visual and structural assessment to determine whether the criteria is satisfied.

Criterion 1 requires that a "significant portion" of the structures in the area be in a "deteriorated or substandard condition". While the law does not define a specific numerical percentage for "significant," 50% is widely accepted by planners and courts as meeting this threshold.

Although the cost of repairs is not a direct statutory criterion for designating an Area in Need of Rehabilitation, 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. The total estimated cost for repair of the three rides and reconstruction of the pier foundation and piling is \$10.4M, wherein the property is valued at \$15.8M.

Similarly, determining a "pattern of vacancy, abandonment or underutilization of properties" (NJSA 40A:12A-14(3)) requires analyzing usage over time and making a judgment call on what constitutes a "pattern" or "underutilization".

The Rehab Report documents the historic use of the property as an amusement pier and its subsequent deterioration beginning in 1965. The Rehab Report also notes that the amusement pier closed October 13, 2024, that approximately 20% of the Property was

⁶ Ibid., page 3.

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open for business in the Summer 2025, and that many of the amusement features have been removed from the site.

The information cited herein documents the deteriorated condition of the Property. The engineering investigation concludes that the concrete framing is in Poor to Extremely Poor condition, and that a significant portion of the structure is not safe for occupancy. Cost estimates to repair three of the primary amusement rides and reconstruct the foundation and piling represent 66 percent of the site's assessed value.

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 Planning Board shall submit its recommendations regarding the proposed resolution (page 11), including any modifications which it may recommend, to City Council for its consideration no later than January 19, 2026.

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**CITY OF OCEAN CITY
CAPE MAY COUNTY, NEW JERSEY**

RESOLUTION

No. 25-62-544

**REFERRING A PROPOSED RESOLUTION DECLARING BLOCK 600.05, LOTS 1 & 2,
LOCATED AT 600 BOARDWALK, TO BE AN AREA IN NEED OF REHABILITATION TO
THE OCEAN CITY PLANNING BOARD**

WHEREAS, Block 600.05, Lots 1 & 2 (hereinafter, "the Property") is located at 600 Boardwalk
and is in the On-Boardwalk; and,

WHEREAS, the current owner of the Property has requested that City Council declare the Property
to be an area in need of rehabilitation pursuant to the New Jersey Local Housing and Redevelopment Law
(N.J.S.A. 40A:12A-1, *et seq.*); and,

WHEREAS, the request of the current owner is accompanied by a Rehabilitation Designation
Report regarding the Property, a copy of which is attached hereto; and,

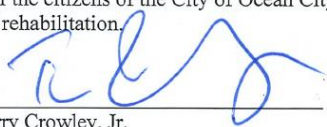
WHEREAS, N.J.S.A. 40A:12A-14 authorizes the governing body of any municipality, by
Resolution, to determine whether, pursuant to the criteria set forth therein, an area within the municipality
is in need of rehabilitation and that a program of rehabilitation, as defined in N.J.S.A. 40A:12A-3, may be
expected to prevent further deterioration and promote overall development of the community; and,

WHEREAS, pursuant to N.J.S.A. 40A:12A-14(a), the governing body must refer the proposed
Resolution, a copy of which is attached hereto, to the Planning Board for the Board's recommendation
regarding the proposed declaration as an area in need of rehabilitation; and,

WHEREAS, referral of the attached Resolution to the Planning Board would in no way serve as
an endorsement or approval of any specific use or project, nor would it confer development rights; rather,
the referral would be the first step in a public process to consider the best way to revitalize of the Property.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Ocean City,
County of Cape May, New Jersey as follows:

The Ocean City Planning Board be and is hereby requested to review the Property, its
condition, and its impact on neighboring properties and the city in general and make a
recommendation to City Council in accordance with N.J.S.A. 40A:12A-14 with
respect to whether it is in the best interests of the citizens of the City of Ocean City to
declare the Property to be an area in need of rehabilitation.


Terry Crowley, Jr.
Council President

I HEREBY CERTIFY THAT the foregoing resolution was duly adopted by the City Council of the City of
Ocean City, New Jersey at a Council Meeting held on Thursday, December 4, 2025, with the voting record as indicated
below.

NAME	MOTION	SECOND	AYE	NAY	ABSENT	ABSTAINED
Barnes				✓		
Crowley			✓	✓		
Hartzell			✓			
Levchuk	✓		✓			
Madden			✓			
Polcini		✓	✓			
Winslow				✓		


Melissa G. Rasner, City Clerk

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Area in Need of Rehabilitation Determination

**CITY OF OCEAN CITY
CAPE MAY COUNTY, NEW JERSEY
RESOLUTION**

**DESIGNATING BLOCK 600.05, LOTS 1 & 2, LOCATED AT 600 BOARDWALK, TO BE AN
AREA IN NEED OF REHABILITATION**

WHEREAS, N.J.S.A. 40A:12A-14 authorizes the governing body of any municipality, by Resolution, to determine whether, pursuant to the criteria set forth therein, an area within the municipality is in need of rehabilitation and that a program of rehabilitation, as defined in N.J.S.A. 40A:12A-3, may be expected to prevent further deterioration and promote overall development of the community; and,

WHEREAS, pursuant to N.J.S.A. 40A:12A-14(a), the governing body referred this Resolution to the Planning Board and has received the Planning Board's recommendation regarding the proposed declaration as an area in need of rehabilitation.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Ocean City, County of Cape May, New Jersey as follows:

1. Block 600.05, Lots 1 & 2, located at 600 Boardwalk, meets one or more of the requirements of N.J.S.A. 40A:12A-14 to be designated an Area in Need of Rehabilitation, including the following:
 - A. A significant portion of the structures at the Property are in a deteriorated or substandard condition; and,
 - B. There is a pattern of underutilization of the Property since the former use was discontinued; and,
2. A program of rehabilitation, as defined in N.J.S.A. 40A:12A-3, may be expected to prevent further deterioration and promote overall development of the community; and,
3. Block 600.05, Lots 1 & 2, located at 600 Boardwalk is hereby designated as an Area in Need of Rehabilitation pursuant to N.J.S.A. 40A:12A-14.

Terry Crowley
Council President

The Redevelopment Process.

The Local Redevelopment and Housing Law (LRHL) process follows a highly standardized sequence of steps for designating an "Area in Need of Redevelopment" and "Implementing a Redevelopment Plan." This process is divided into two phases: the Designation Phase and the Planning & Implementation Phase.

Phase 1: Designation Process

The process for designating an Area in Need of Rehabilitation is simplified compared to redevelopment and follows these specific steps under N.J.S.A. 40A:12A-14:

1. Governing Body Initiation
The municipal governing body prepares a proposed resolution and a supporting report (study) identifying why the area meets at least one of the six statutory criteria.
2. Planning Board Referral
The governing body refers the resolution and report to the Planning Board for review.
3. Planning Board Review (45-Day Window)
The Planning Board has 45 days to submit recommendations and any suggested modifications back to the governing body.

Note: A formal public hearing is not strictly required by statute for rehabilitation (unlike redevelopment), though many towns hold one for transparency.
4. Final Adoption
The governing body adopts the resolution, with or without the Planning Board's suggested modifications.
5. State Notification
The municipal clerk must transmit a copy of the final resolution and the Planning Board's recommendations to the Commissioner of the Department of Community Affairs (DCA) for review.

Phase 2: Planning & Implementation

Once an area is designated, the municipality must create a roadmap for its transformation.

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- Redevelopment Plan: The Planning Board or Governing Body prepares a detailed [Redevelopment Plan](#) that outlines land uses, building requirements, and infrastructure needs.
- Plan Adoption: The Governing Body adopts the Redevelopment Plan by ordinance, which can override existing local zoning.
- Redeveloper Selection: The municipality (or a designated Redevelopment Entity) selects a redeveloper and enters into a Redeveloper's Agreement, which specifies rights, responsibilities, and timelines.
- Financial Tools: The municipality may offer fiscal incentives such as long-term tax exemptions or Payments in Lieu of Taxes (PILOTs).

Key Differences from Redevelopment

- No Eminent Domain: This designation does not grant the power of condemnation.
- No Long-Term Tax Exemptions: While it allows for 5-year tax abatements, it does not permit long-term PILOT agreements.
- Simpler Procedure: It skips the mandatory preliminary investigation, formal public hearing notice, and 45-day legal challenge window required for "Redevelopment" areas.