

Community Impact Statement

Prepared in Support of an Application for Site Plan and Use Variance for Block 129 Lot 6, "The Albatross Hotel," at 34 Ocean Pathway in the Ocean Grove section of Neptune Township, Monmouth County, New Jersey

Report prepared for

34 Opog, LLC

June 21, 2023

Report prepared by



Heyer, Gruel & Associates
Community Planning Consultants
236 Broad Street, Red Bank, NJ 07701
(732) 741-2900

The original of this report was signed and
sealed in accordance with N.J.S.A. 45:14A-12

A handwritten signature in black ink that reads "M. McKinley Mertz". The signature is written in a cursive style and is positioned above a horizontal line.

M. McKinley Mertz, LEED Green Associate, AICP, P.P. #6368

Contributing content by Hanah Davenport, Associate Planner

Proposal

The developer, 34 Opog LLC, is proposing to renovate and construct an addition to the existing historic Albatross Hotel at 34 Ocean Pathway in the Ocean Grove section of Neptune Township, also known as Block 129, Lot 6. The applicant intends to continue the use of the property as a hotel, with the existing on-site dining, guest convenience, and laundry services.

The proposed renovations include a reduction in the total number of guest rooms from 39 (existing) to 27 (proposed), increased guest room footprints, bathroom additions within each guest room (currently the Albatross provides guests with one shared bathroom per floor), and aesthetic improvements to the porch, rear building entry, roof, and building exterior.

The addition proposed for the east elevation of the building includes a barrier-free elevator with doors to the exterior of the building at grade, which would create an ADA accessible entrance into the Albatross. The developer proposes the installation of additional ADA provisions throughout the building, including barrier-free updates to the first-floor public bathrooms and guest room bathrooms and showers.

The proposed renovations and addition would result in a net decrease in the total lot coverage from 90.05% (4,623 square feet) to 87.65% (4,499.9 square feet). Although the total building coverage itself would increase by 92.7 square feet (for a proposed total building coverage of 3,476.6 square feet)¹, this would be offset by a 215.8-square-foot decrease in impervious surface (for a proposed total impervious coverage of 1,023.3 square feet). The proposed changes to impervious coverage can be broadly summarized as follows: renovations to the front steps; additions and removals of various pedestrian walkways; reduction of the concrete driveway; removal of the rear concrete stoop and steps; removal of the planter curb; removal of the Bilco door access; and addition of a basement stair.

The applicant proposes no changes to the existing lot size or building setbacks.

Zoning and Master Plan Review

The property is located within the HD-O Historic District Oceanfront Zone in the Township of Neptune. We note the subject property is also within the State and National Ocean Grove Camp Meeting Association Historic District, and that the Ocean Grove Historic Preservation Commission will be doing their own review of the proposal separate and apart from the Board of Adjustment application.

The proposal, which will preserve the historic land use pattern and historical framework in Ocean Grove, will advance the stated purpose of the HD-O Zone, described as:

¹ We note that the proposed total building coverage of 3,476.6 square feet is equivalent to 67.72% building coverage, which complies with the permitted 85% building coverage in the HD-O Zone.

The HD-O Zone District recognizes the character and historic land use pattern of the oceanfront blocks in the Ocean Grove portion of the Township, east of Central Avenue. All zoning regulations applicable in the HD-O Zone District are intended to protect, preserve and perpetuate the historical framework in Ocean Grove. This framework includes single-family residences, bed and breakfasts, and historic hotels.

The proposal will advance the below goals and objectives from the 2011 Master Plan:

- 1. To advance the purposes of the Municipal Land Use Law as contained within NJSA 40:55E-2.*
- 2. Promote a balanced variety of residential, commercial, industrial, recreational, public and conservation land uses.*
- 6. Provide for the utilization of the Township waterfront for appropriate uses.*
- 8. Maintain a balance between residential and non-residential uses to ensure a stable and sound community tax base and provide local employment opportunities.*

Similarly, the proposal will advance the below goals and objectives within the 2023 Master Reexamination Report, which were recommended by the Planning Board and Key Stakeholders:

- 2. All future development will be of high quality with specific attention to historic development patterns that characterize Neptune Township.*
- 23. Promote an attractive visual environment in Neptune Township through appropriate standards within the land development ordinances.*

The proposal will additionally advance the below goals and objectives from the Historic Preservation Element of the 2011 Master Plan:

- 1. To preserve and protect Neptune Township's designated historic sites and structures.*
- 2. To encourage long-term investment in the historic resources of the community.*
- 3. To encourage residents to preserve the historic character, livability and property values of historic structures and neighborhoods by maintaining and rehabilitating historic housing, preventing the deterioration and demolition of historic structures and encouraging new construction that is compatible in scale and design to the physical character of the surrounding neighborhood.*
- 6. To encourage the ongoing use and reuse of historic structures by private property owners, while encouraging owners to take steps to protect historical and architectural attributes of those structures.*

Furthermore, the proposal will advance the below goals and objectives from the 2011 Land Use Element:

- 1. Protect existing residential neighborhoods of the Township and promote reasonable and appropriate nonresidential development in specific targeted areas.*
- 3. Provide a balanced land use pattern that preserves residential neighborhoods, strengthens the vitality of commercial districts, preserves parks and open spaces, protects environmentally sensitive natural features, accommodates community facilities, and enables local and regional circulation.*
- 6. Maintain existing residential neighborhoods as attractive, high quality areas and ensure that renovations and new construction are compatible with existing neighborhood character.*
- 9. Promote an expanded and diversified economic base to the maximum extent practicable.*

Population Impact

The Albatross Hotel project proposes zero residential units. Therefore, it is anticipated that the project will have no significant impact on the Township's population.

School Impact

Because the Albatross Hotel project does not include a residential element, it is anticipated that the project will have no significant impact on the Township's school-age population or school district.

Municipal Facilities and Services Impact

As aforementioned, the proposed renovations for this project would result in a decrease from 39 (existing) to 27 (proposed) guest rooms, which would decrease the intensity of use for this property. The applicant is not proposing any changes to the existing services on site and therefore should not require any additional municipal facilities or services than are currently being allocated for the property.

Projected Municipal Costs

Residential

Because the Albatross Hotel project does not include a residential element, the project will not generate any residential financial impacts on the Township.

Commercial

The proposed renovations and addition for the Albatross Hotel are expected to improve the overall quality of the site while decreasing the intensity of its use. Because the Hotel use will not be changing and the guest capacity will be reduced, the completed project is not expected to increase demand for municipal services.

Furthermore, by improving the condition of the guest rooms and updating the building to be ADA compliant, it is anticipated that the renovated Albatross Hotel may generate greater revenue than it does in its current condition by giving the Hotel an ability to charge higher guest room rates. It is worth noting that Neptune Township adopted a Municipal Occupancy Tax in June 2022, which imposes an additional 3% tax on revenue generated by hotel occupancy. Therefore, any increase in hotel occupancy revenue would serve to benefit the Township.

Tourism-Driven Impacts

Another point of consideration for the proposed Albatross Hotel project is how it may positively impact the local economy by generating increases in local taxes as well as direct, indirect, and induced tourism-related spending throughout Ocean Grove and Neptune Township as a whole.

When completed, the renovations and addition proposed for the Albatross Hotel will have the potential to increase the Hotel's lodging rate in the long run. An increase in visitation to Ocean Grove would not only benefit the local lodging industry but would also (1) directly support revenue generation in local industries such as food and beverage, retail, and recreation, and (2) indirectly support revenue generation in industries such as wholesale trade, education and health care, and communications. Additionally, a healthy tourism economy generates jobs, which encourages induced spending in the local economy by employees whose wages are either directly or indirectly impacted by visitors. As an overall effect, these impacts benefit the local government by generating taxes. According to the 2021 *Economic Impact of Tourism in New Jersey* report prepared by Tourism Economics, visitor spending alone in New Jersey generated \$4.6 billion in local and state taxes in 2021.²

An increase in visitation in Ocean Grove could have positive impacts on local beach pass sales, the 37 dining and retail businesses represented by the Ocean Grove Area Chamber of Commerce, and special event attendance and revenue.

² Source: Tourism Economics, 2022, *Economic Impact of Tourism in New Jersey 2021*.

Conclusion

This analysis concludes that the proposal for the Albatross Hotel (1) is not expected to negatively impact the Township's municipal services or budget, and (2) will directly and indirectly generate positive revenue flow for the municipality.

Furthermore, the proposal will promote and advance the 2011 Master Plan, Land Use Element, Historic Preservation Element, and the 2023 Master Reexamination Report by upholding relevant goals, which include but are not limited to:

- *Preserve the historic land use pattern and historical framework in Ocean Grove.*
- *Maintain a balance between residential and non-residential uses to ensure a stable and sound community tax base and provide local employment opportunities.*
- *Provide a balanced land use pattern that preserves residential neighborhoods, strengthens the vitality of commercial districts, preserves parks and open spaces, protects environmentally sensitive natural features, accommodates community facilities, and enables local and regional circulation.*
- *Promote an expanded and diversified economic base to the maximum extent practicable.*
- *Promote an attractive visual environment in Neptune Township through appropriate standards within the land development ordinances.*
- *To encourage long-term investment in the historic resources of the community.*
- *To encourage residents to preserve the historic character, livability and property values of historic structures and neighborhoods by maintaining and rehabilitating historic housing, preventing the deterioration and demolition of historic structures and encouraging new construction that is compatible in scale and design to the physical character of the surrounding neighborhood.*
- *To encourage the ongoing use and reuse of historic structures by private property owners, while encouraging owners to take steps to protect historical and architectural attributes of those structures.*