

# REDEVELOPMENT DESIGNATION?

An aerial photo of Bell Labs in Holmdel. NJ PRESS MEDIA 2011

## Eligibility could result in 30 years of tax breaks

By Kevin Pentón  
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**HOLMDEL** — Township officials are exploring whether the former Bell Labs property is eligible for a redevelopment designation, which could net a redeveloper tax breaks for up to 30 years.

Rather than allow the property's land and improvements to be assessed based on their worth on the open market, the

redevelopment designation could allow Holmdel and the site's potential redeveloper, Elsie Sterling Oversight, to strike a deal that would lay out specific annual payments in lieu of property taxes for a certain number of years, said Andrew Katz, the township administrator.

Should the deal lead to Elsie Sterling Oversight owing more money than what the property's current owner, Alcatel-Lucent, currently pays in property taxes,

Holmdel would get 95 percent of the additional money, with Monmouth County getting the other 5 percent, Katz said. Typically, a school district would continue to receive the tax revenue it got before the deal was struck, but not any of the additional money, he said.

"I don't know that we're there yet, but we certainly would like to have this as an

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option," said Katz, who added that it is also too early to say the potential length of such a deal and how much revenue it would generate.

On Thursday, the Township Committee voted 4-0 to ask its staff to explore the designation, which ultimately would need state approval.

The township previously considered giving the property a rehabilitation designation, but a tax abatement or exemption deal would have been capped at five years, Katz said.

Such a deal might be beneficial for Elsie Sterling Oversight, as current

versions of a concept plan for the site envision preserving the entire building, a costlier alternative to knocking it down and building anew, said John Boyd, director of MBI Project Management, a Florida company that is overseeing the effort.

"We really haven't studied the tax consequences. It's not at the top of our list at this point," said Boyd, who expects that the concept plan might be complete within a couple of weeks.

Mary Ward, an Alcatel-Lucent spokesman, declined to comment on Holmdel's move, saying the company has not seen or reviewed the township's resolution.

Barbara Garrity, the township Board of

Education president, said the school district intends to wait and see what Holmdel and the site's redeveloper do before taking a more definitive position on the issue.

But should the redevelopment include a residential component that could house school-age children, Garrity said she would hope that municipal officials take into account the potential tax burden on the school district if a tax-break deal is considered.

"We would be concerned with not having the revenues that normally would come with that," Garrity said. "It potentially could shift the tax burden to the rest of the community."

Members of the com-

munity should not jump to conclusions at this point about what tax revenue the school district will or will not get, said Mayor Pat Impreveduto, who believes that the redevelopment could end up being a "substantial ratable" that would generate more revenue than the empty building does and reduce overall property taxes for residents.

"We're not going to give the school district \$17,000 per student," said Impreveduto, referring to any future estimates of school-age children at the site. "The school district will get their fair share."

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