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NJ Appellate Division Affirms Broad Municipal Authority Under LRHL To Negotiate Redeveloper Payments - Day Pitney

On March 6, the Superior Court of New Jersey, Appellate Division, issued a published opinion upholding a trial court ruling in favor of the City of Long Branch (the City), affirming the legality of a redevelopment plan amendment and a $2 million payment made by the redeveloper to the City, as part of a redevelopment agreement. The decision in *Blackridge Realty, Inc. v. City of Long Branch, A-1400-23, 2025 WL 715100* (N.J. Super. Ct. App. Div. Mar. 6, 2025) reinforces that municipalities have broad discretion under the Local Redevelopment and Housing Law ("LRHL") to negotiate payments with redevelopers without a direct connection between the payment and the specific redevelopment project.

The dispute arose when Blackridge Realty Inc., a former designated developer, challenged the City's 2020 amendment to the Oceanfront-Broadway Redevelopment Plan. The amendment relaxed several restrictions, including by removing density limits, increasing building heights and expanding coverage allowances. The City approved these changes, finding them consistent with its Master Plan. As part of its redevelopment agreement, the designated redeveloper, 290 Ocean LLC, agreed to pay the City $2 million, which was later allocated to renovations of the City's senior center, as seniors were allegedly impacted by the redevelopment of the City's waterfront.

Blackridge filed suit, arguing that the payment was unlawful because it lacked a direct connection to the redevelopment project. It further claimed that its consent was required before the City could amend the plan, given its prior designation as a developer. Blackridge also alleged that the amendment constituted impermissible spot zoning, benefiting 290 Ocean at the expense of other property owners.

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