

## Montclair mulls occupancy tax for incoming hotel

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Illustration by BOGZA

The MC hotel, to stand on the corner of Bloomfield Avenue and Orange Road, was approved by the Montclair Planning Board in August.

In addition to serving as Montclair's first hotel in eight decades and extending the "Midtown Montclair" appellation up to Orange Road, The MC may well add six-figures worth of cash into Montclair's coffers.

The eight-story, 148-room boutique hotel featuring a rooftop bar will be part of Marriott's Autograph Collection. The Montclair Planning Board approved the project in August with a projected 2016 opening.

Township Attorney Ira Karasick told The Montclair Times that financial aspects of the hotel are just coming to focus for the township now and that there have been discussions as to whether or not to charge a municipal occupancy tax for the hotel.

Karasick described the potential tax as something being worked on that will, eventually, be up to the Township Council to vote on.

According to the NJ Division of Taxation website, the state, with few exceptions, charged a 7 percent occupancy tax on hotels from Aug. 1, 2003 through June 30, 2004, and 5 percent thereafter.

According the site, municipalities have had the option since July 1, 2004, of establishing a municipal occupancy tax via an ordinance for an amount not to exceed 3 percent.

For The MC, a 3 percent tax could bring in anywhere from \$250,000 to \$400,000, Mayor Robert Jackson estimated.

Jackson confirmed with The Montclair Times that such an ordinance has not yet been adopted, adding that, should it be adopted by the council, it will likely occur later this year.

While still relatively early in the process, the mayor said that he thought that the Township Council would impose an occupancy tax on the hotel and that it would likely be 3 percent.

Third Ward Councilman Sean Spiller, whose ward will contain the hotel, said that he looks forward to learning about the tax before making a decision. Part of that process, according to Spiller, will be finding out what other municipalities charge hotels.

Spiller added that, for him, the decision will come down to a balancing a desire to gain revenue from people visiting the township and avoiding pricing people out or making business difficult.

The hotel is already set to pay Payments in Lieu of Taxes, according to Brian Stolar, developer of the hotel. In a statement, Stolar wrote that the amount of PILOT money to be paid is being discussed with municipal officials.

"Of course, the hotel will also pay all legally required state and local occupancy taxes," stated Stolar. "It's also important to note that both The MC and Valley & Bloom, collectively, the two phases of the CentroVerde redevelopment project, will significantly increase the value of the entire former DCH property - meaning tax revenues will be a significant multiple of what they were for the shuttered car dealerships."

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