



June 27, 2019

Dear Councilmembers,

I write to provide you updates on various issues from my office.

New Park Opening at 7th and Jackson

On the agenda for tonight's special council meeting is a resolution authorizing an amendment to the redevelopment agreement between the City and Monroe Center Hoboken Urban Renewal, LLC, as well as a certificate of completion for the redevelopment of the property which now includes the park, gymnasium and playground at 7th & Jackson Streets. This resolution will allow the City to take ownership of the property and open the 7th & Jackson Park to the public on Saturday, June 29th at 10 a.m. If the resolution is not adopted, the transfer of title to the City and opening of the 7th & Jackson Park will be delayed. Thank you in advance to the Council Members who are able to attend in person or over the phone to the Special City Council meeting tonight at 7 p.m. I am hopeful the resolution passes and look forward to the community joining us to cut the ribbon on this new park this Saturday!

Future of E-scooter sharing program

Also on the agenda for tonight's Special City Council meeting is an ordinance to place on the ballot, this November, a non-binding, public question as to whether Hoboken should permit e-scooter sharing programs in Hoboken. This is clearly a very polarizing and challenging issue for Hoboken and I think it is important for the Mayor and City Council, to listen to the voices of the public before making such a consequential decision. Placing this is on the ballot in November as a non-binding public question is a democratic means of assessing support for the program and making an educated decision regarding its future.

In the meantime, I am working very closely with the two current operators, Lime and Ojo, the Hoboken Police Department and the Department of Transportation to educate riders about the rules and regulations of the e-scooters. While the pilot program continues over the next five months, the City, the e-scooter companies, and the Hoboken Police Department will continue to meet weekly to improve the scooter program, ensure more responsible riding, and implement enforcement of violations of the rules of operation of e-scooters.

It is my hope that you will agree to give residents a voice and place this question on the ballot.

Monarch

As you know, the City was successful in having the New Jersey Supreme Court hear its appeal regarding the Monarch litigation. On a parallel track, my administration is exploring options for a settlement with the property owners, and the recent court decision only strengthens our position and terms of a settlement that would prevent the large residential development on our waterfront. It is my hope to place a settlement for consideration at a Special Meeting of the City Council next month.

Union Dry Dock

As I communicated earlier this month, I am moving forward with eminent domain proceedings for Union Dry Dock. Unfortunately, there has not been any movement on a compromise solution with the Governor's office regarding the property, and I believe this is the only course of action that will preserve the property for a waterfront park. Our appraiser is in the final stages of securing an appraisal of the property. I anticipate having the first reading for eminent domain on the agenda as soon as the appraisal is completed, and will keep you updated as we move forward.

In addition, New York Waterway has filed a meritless claim against the City of Hoboken, seeing to circumvent local land use, zoning and construction approvals required prior to developing Union Dry Dock. The City intends to defend this litigation vigorously, and will be in court on this matter on July 26th.

Block 10

Earlier this week, I met with representatives from Academy Bus Lines to discuss the City's interest in acquiring Block 10 for the purposes of a public park. My administration is committed to expanding the current park to include the adjacent vacant lot owned by Academy Bus, so southwest Hoboken can also have a large park. We are committed to pursuing amicable terms of acquisition of Block 10 and, as a last resort, filing a condemnation action to obtain title to this property to commence development of the park. At the meeting, Academy also presented a proposal to build out the park "for free" for the City, in exchange for massive overdevelopment with 439 units - 192 more than currently allowed in the approved plan, in the most traffic congested area of Hoboken. As I've communicated in the past, this proposal is a non-starter for me and if terms of acquisition cannot be agreed upon, I am prepared to exercise a condemnation action to acquire the property as authorized by the City Council in 2017. In the interest of transparency, please see the attached recent correspondence between my office and Academy Bus Lines.

Please do not hesitate to contact my office if you have any other questions or concerns.

Very truly yours,



Ravi S. Bhalla
Mayor



June 25, 2019

Via facsimile & regular mail

David Lemkuhl
Jefferson Partners, II, L.P.
111 Paterson Avenue
Hoboken, New Jersey 07030

Re: **Acquisition of Block 10, Hoboken**

Dear Mr. Lemkuhl:

I write to first thank you for taking the time to meet with my team at City Hall to continue our negotiations in connection with the acquisition of Block 10 by the City of Hoboken for a public park. In attendance were Msrs. DiMarco and Nastasi, and yourself. In attendance from Hoboken were Director Stephen Marks, Director Chris Brown, John Allen and myself.

With respect to the City's most recent offer to acquire Block 10 in the amount of \$5.3 million based upon the appraisal conducted by Federal Appraisal, LLC, you indicated that you would provide this appraisal and/or the more recent appraisal to your appraiser for his review, analysis and commentary. You expressed a willingness to reach an agreement with respect to acquisition at an amount lower than Academy Bus Lines' ("Academy") approximately \$21.8 million offer, which was based upon your appraiser report, but did not provide a specific counter-offer. Rather, you indicated that you would conduct an internal analysis and discussion of our appraisals, and proffer a counter-offer in the next thirty (30) to sixty (60) days. I want to express my gratitude for your willingness to provide a counter-offer and continue with good-faith negotiations for the acquisition of this property by the City of Hoboken for a public park.

Second, at your request I listened to a proposal from Academy Bus Lines that would not require the conversion of Block 10 through such acquisition or condemnation. Prior to this meeting, I made it very clear to you that I would not entertain any such proposal that would add additional units to the current Southwest Redevelopment Plan, which offers you the opportunity to develop 192 units upon your property. Specifically, I sent you a letter on June 21st indicating a willingness to listen to your proposal as long as it was strictly within the parameters of a January 11, 2019 Memorandum I provided to the City Council. I am enclosing both the aforementioned June 21st letter and January 11th memorandum for your reference.

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On this same date, we spoke on the phone and I made it clear that my purpose in meeting with you today was to discuss Hoboken's prospective acquisition of Block 10, but was also willing to listen and learn about the details of the alternative proposal you wanted to share. This conversation was memorialized in a June 21st letter, a copy of which is also enclosed herewith.

Finally, my Chief-of-Staff, John Allen, Esq., spoke to your legal counsel, Nevins McCann, Esq. It is my understanding that Mr. Allen made it abundantly clear to Mr. McCann that I would not entertain any alternate proposal that was inconsistent with the Southwest Plan adopted by the City.

Unfortunately, and despite placing you on notice no less than *four times*, yesterday afternoon you came to my office and set forth a proposal that bore absolutely zero resemblance to the Southwest Plan. Specifically, rather than the 192 units provided by the Southwest Plan, you presented a proposal that sought to develop 439 units on property owned by Academy. You claimed that this would come with the construction of a middle school or other school, but did not offer to pay for the costs of the construction of such a school nor offered any explanation of how the construction of such a school would be funded.

Given my repeated verbal and written advisements that I would not entertain a proposal that deviated from the Southwest Redevelopment Plan, I concluded the meeting.

In light of the foregoing, I re-iterate the City's desire and intention to continue the process of good faith negotiations with the objective of direct acquisition of Block 10 through amicable discussions, or through condemnation as a last resort.

Your attention to this matter is appreciated.

Very truly yours,


Ravi S. Bhalla

cc: Edward J. Buzak, Esq.
Stephen Marks, Business Administrator
Director Christopher Brown
John Allen, Esq.



June 21, 2019

Via facsimile & regular mail

David Lemkuhl
Jefferson St. Partners, II, L.P.
111 Paterson Avenue
Hoboken, New Jersey 07030

Re: Acquisition of Block 10, Lots 1 -7 and Lots 30-36 ("Block 10") Hoboken

Dear Mr. Lemkuhl:

I write in connection with the above-referenced matter. As you are aware, the City of Hoboken (the "City") has expressed on multiple occasions its intention to acquire Block 10 from its current owner, Jefferson St. Partners II, L.P. for the development of a public park. To that end, both parties have conducted several appraisals to identify the fair market value of the property and continue our negotiations regarding the acquisition of the property.

Most recently, we discussed this topic via telephone last week, and it is my understanding we intend to convene a phone conference with our respective counsel regarding this topic later today. It is my further understanding that on Monday, June, 24th, we are meeting – without attorneys – in furtherance of these ongoing negotiations.

Finally, you indicated during our call last week that your architect, John Nastasi, will join us for Monday's meeting, for the purpose of discussing an approach towards conversion of this property into a public park that does not involve the City's acquisition of this property.

To the extent any alternate option is discussed, I prepared and disseminated a communication on January 11, 2019, a copy of which is enclosed herewith. As my position has

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not changed since the January 11, 2019 memo, I would respectfully request that any alternate option presented to the City remain strictly within the parameters of this memorandum.

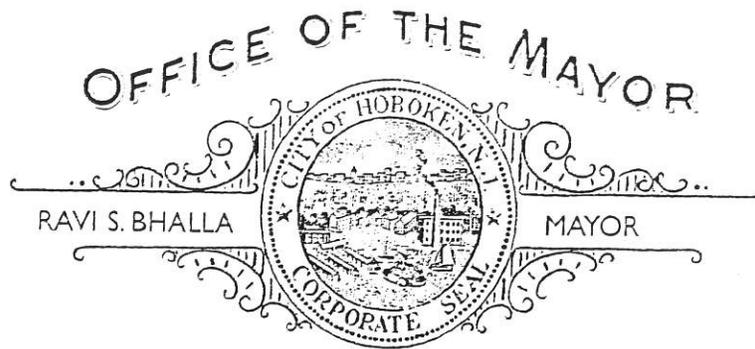
Thank you for your time and I look forward to speaking with you soon.

Very truly yours,

A handwritten signature in black ink, appearing to read "Ravi S. Bhalla". The signature is fluid and cursive, with a long horizontal stroke at the end.

Ravi S. Bhalla

cc: Edward J, Buzak, Esq. (via email)
Enclosure



CITY HALL
HOBOKEN, NEW JERSEY

MEMORANDUM

To: Hoboken City Council Members
From: Mayor Ravi S. Bhalla
Date: January 11, 2019
Re: SW Redevelopment Plan

Dear City Council Members,

I recently learned about a project to be proposed by Academy Bus in the Southwest Redevelopment Area that would include a new District middle school while requiring major changes to the existing Southwest Redevelopment Plan (the "Academy Proposal").

It is my understanding that some councilmembers were involved (or at least consulted) in the crafting of the proposal. I have since received several inquiries from residents of Southwest Hoboken who are rightfully concerned that the proposed dramatic increase in building heights and residential density would be harmful to their neighborhood and make the already existing traffic problem worse.

This correspondence is to make clear my strong continued support for the existing Southwest Redevelopment Plan that was unanimously adopted by the City Council in 2017, and my opposition to any proposal that would materially alter the planning vision incorporated in that Plan.

As you know, former Mayor Dawn Zimmer's administration and the City Council adopted the Southwest Redevelopment Plan over the course of several years of careful planning. This was done in an open and transparent process, with several community meetings, surveys, meetings with property owners, and in consultation with the City Council subcommittee on the Southwest Redevelopment Plan. The plan that was passed unanimously was a result of substantial collaboration between Mayor Zimmer's administration and the City Council, and incorporated substantial resident feedback.

As you may remember, one of the most frequent items of feedback from residents was the request for limited residential density. Residents of the Southwest (and throughout the City) are

rightfully concerned about overdevelopment that poses a threat to our quality of life and to the charm and character of our City. In addition, particularly in the Southwest which is the southern gateway into and out of our City, traffic is an enormous problem. With these concerns in mind, the Plan that was adopted provides for residential density additions consistent with the density levels in most of the other residential neighborhoods of our City, while also keeping the Plan financially feasible for property owners.

To be clear – I remain 100% supportive of the scale of residential density permitted in the existing Southwest Redevelopment Plan, and I will not consider any developer proposals inconsistent with the Plan’s scale and vision.

As you all know, it is the Administration’s role in our form of government to negotiate redevelopment agreements, and no proposal can move forward without the support of the Administration. It is inappropriate and counterproductive for Council Members to consult and work with property owners and developers on proposed projects without the Administration’s knowledge or involvement. In addition, any project that would involve material changes to the approved plan would require consideration in a thorough, open, transparent public process.

For all the above reasons, the Academy Proposal (which includes massive increases in density on the Academy property – 439 units versus the 192 units -19 affordable permitted under the current plan) is a non-starter for me.

Southwest Park expansion

The City is continuing to evaluate options to expand the current Southwest Park to include Block 10. I remain committed to transforming this currently vacant into a park, doubling the size of the current Southwest Park. It is my hope that we can acquire this land via direct acquisition that does not place an undue financial burden on the City of Hoboken. As a reminder, Block 10 (the additional acre of land for a potential Southwest Park expansion) was not included in the Southwest Redevelopment Plan. We are continuing to explore direct acquisition and consider it the preferred course of action, but if a development agreement could be struck based on a fair value, I would consider an amendment to the Southwest Redevelopment Plan that would incorporate the build out of the Southwest Park.

Aside from the Southwest Park buildout, I would not be supportive of any other changes to the current Southwest Redevelopment Plan that would present added residential density. As elected officials, our decisions must be based on the best interests of our residents, not the bottom line of property owners and developers.

Southwest Traffic

In 2017, I joined my colleagues on the Council expressing support for the Southwest Traffic Circulation Plan introduced by former Mayor Zimmer. While many of these changes were implemented, and the traffic situation has somewhat improved, more improvements could be achieved if the plan was fully implemented. One important change that I am asking you to support

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is the recommendation by the City Engineer to change Paterson Plank Road to a one way westbound Street, which the engineer recommends will result in further improvements to traffic. This is a County road, so I am asking for the Council's consideration of a resolution asking the County to consider this important change.

As always, please do not hesitate to contact me if you have any further questions or concerns.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Ravi S. Bhalla', with a long horizontal flourish extending to the right.

Ravi S. Bhalla
Mayor