

PowerPoint Presentation

Proposed Hoboken Special Improvement District

Stakeholder Meeting

April 8, 2019



Why are we here today?



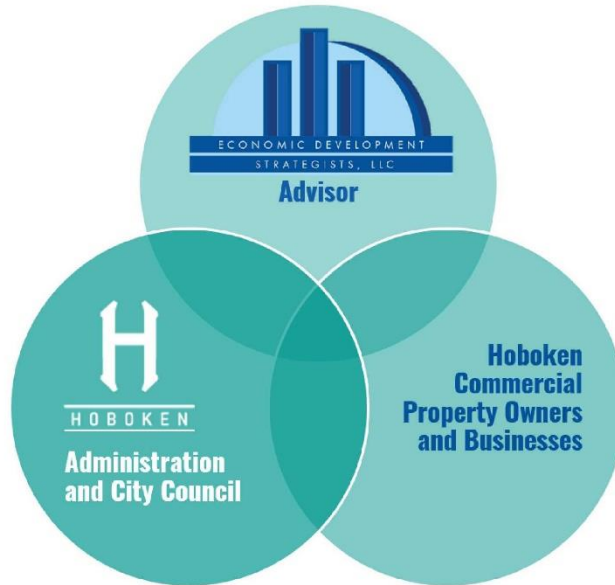
SHARED INTEREST: PROMOTING ECONOMIC GROWTH AND IMPROVEMENT IN HOBOKEN

partnership economy
hoboken vitality
growth prosperity
community support
entrepreneurship local
business development

Is a SID feasible for Hoboken?



WE BELIEVE THIS CAN WORK



TO BE SUCCESSFUL WE NEED YOUR INPUT

Initial Steps



FULLY TRANSPARENT AND COLLABORATIVE PROCESS

- Created Mission Statement
- Considered current environment and needed change
- Framed priorities
- Selected boundaries
- Established draft budget

The Mayor and City Council are committed



A SUCCESSFUL MAIN STREET IS GOOD EVERYONE



- Dedicated resources to fund study.
- Selected representative business owners.
- Committed to partnering with businesses.



SID Steering Committee

FOUNDATION OF THE BUSINESS COMMUNITY PARTNERSHIP

Hoboken Commercial Property Owners and Businesses

Hany Ahmed
Pegasus Partners

Jennifer Davis
Port Authority

Greg Dell Aquila
JDA Partners

Edyta Espasa
SJP Properties

Dian Fini
Maridian Properties

Mario Fini
Maridian Properties

Eugene Flinn
Property Owner

Donna Garban
Little City Books

Armando Luis
Sparrow & La Isla

Chris Mazzola
Bijou Properties

Ryan McEnerney
Property & Bus. Owner

Thorsten Meier
Property & Bus. Owner

John Nastasi
Nastasi Architects

Ricardo Roig
Roig Collection

Grant Sahag
CO.NNECT

Carol Swift
Swift Interiors



H O B O K E N

Tiffany Fisher

Hoboken Councilwoman

Stephen Marks

Hoboken Business Admin.

Jessica Giorgianni

Hoboken Principal Planner

Jason Freeman

Dep. COS to Mayor Bhalla



How Did We Get Here?

COMMON VIEW FOR IMPROVED ECONOMIC LANDSCAPE

- Changing market environment.
- Underinvestment in economic development.
- Significant real estate development.
- Infrastructure and transportation challenges.
- Seat at the Table – You!



Today's Agenda

- Welcome and introduction
- What is a Special Improvement District?
- Benefits of having a SID
- Services the SID provides
- Boundaries of the Improvement District
- Budget and funding sources
- SID organization process
- Next steps
- Q & A – open discussion

Our Advisor – Stuart Koperweis



- Economic Development Strategies
- 25 years experience working with governments and property and business owners
- Established 35+ SIDs in NJ and NY
- \$90 million in grants, funding and projects



thenewjournalssquare.com



uppermain.org



gobergenfield.com



gomtprospect.com



cedarlane.net



jcdowntown.org



Central Avenue
SPECIAL IMPROVEMENT DISTRICT
MANAGEMENT CORPORATION
jcheights.com



bdaftlee.com



exploreflemington.com

What is a “SID”?



A PARTNERSHIP



What is a “SID”?



- **A public /private partnership.**
- **Property owners and businesses contribute** to the maintenance, development, and promotion of their commercial district.
- **Seat at the Table!** Self governed and managed, coordinating with the local government.



Downtown
Denver
Partnership



WBSIDA
Waikiki Beach
SPECIAL IMPROVEMENT
DISTRICT ASSOCIATION

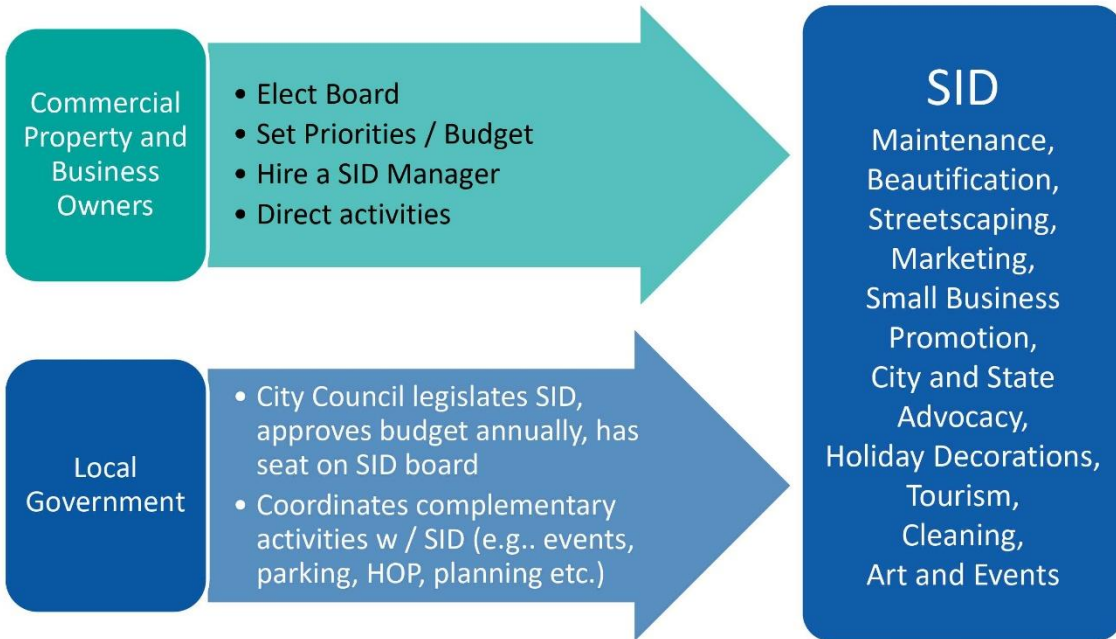


THERE ARE MORE THAN 90 IN NJ AND OVER 1,000 ACROSS THE US

The SID Partnership: All Benefit



TO DRIVE TRAFFIC AND INCREASE COMMERCIAL BUSINESS



SID and Chamber of Commerce



RECIPROCAL RELATIONSHIP

Special Improvement District

- Provides a steady & reliable source of **funding**
- Legislation states all property owners in SID must pay; there are **no free rides**

Chamber of Commerce

- Does not offer a continuous source of funding, voluntary contributions only.
- Cannot enforce the financial participation of all stakeholders.

NJ's SID success story



- Cranford first SID in 1985.
- 90 SIDs in NJ.
- Support and drive award - winning, economic revitalization and growth.



1st SID est. 1985.
2018 **Great
Places in NJ: Best
Downtown**



Est. 2002; 2012,
2013-14 and 2018 **NJ
Favorite Downtown
Arts District; 2015
Great American
Main Street Award**



Est. 1993; 2004
**Great American
Main Street Award**

Jersey City: Benchmarks for Hoboken



Jersey City Downtown

Driven improved vibrancy, commercial occupancy and pedestrian traffic near the intersections of Grove Street and Newark Ave. Sponsors regular events including All About Downtown and weekly Groove on Grove.

Exchange Place Alliance

With Mack Cali is a major stakeholder, was responsible for the 4th of July Fireworks and event headlined by Snoop Dog. The City of Jersey City paid for amusement rides and the fireworks.

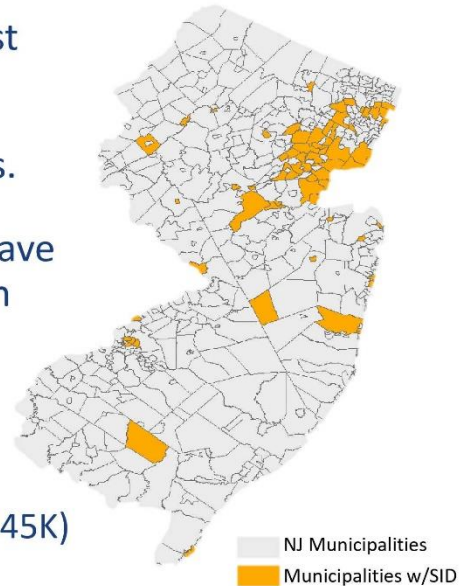


SID's across New Jersey



SID's ACCOUNT FOR LARGER SHARE OF POPULATION/ECONOMIC ACTIVITY

- 90 NJ SID's: most located in 3 Northeast counties.
- SID's include 10.7% of all NJ businesses.
- 12.4% of New Jersey's municipalities have at least one SID (69 of 565) and contain higher concentrations of people and businesses:
 - 29.7% of total NJ population (2.7M)
 - 25.0% of private sector employees (845K)
 - 30.9% of retail businesses (9,795)

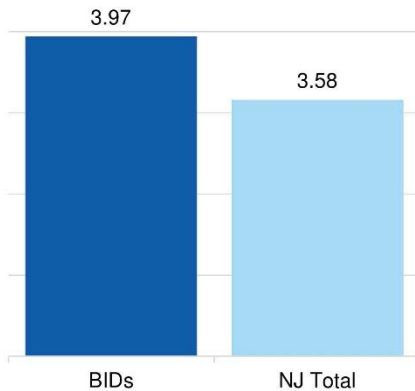


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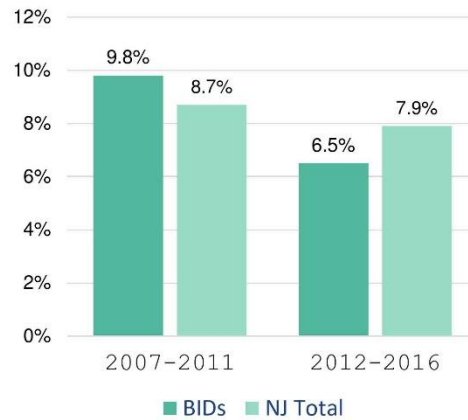


SID's – The numbers

**Retail Establishments/
1,000 population**



**Unemployment
Rates**



- In NYC, 75 improvement districts saw 10% annual revenue growth from \$5B to \$9.6B (2010-2017) compared to single digit growth throughout the rest of NYC.

Full Participation - Survey



- Hand out and return.
- Will add to and collate with existing responses.
- Develop / change priorities.
- Analyze with budget.

**YOUR
INPUT
NEEDED!**



You Determine the Priorities!

PRIORITIES CAN AND WILL EVOLVE OVER TIME

- Driven by the needs of the community.
- Preliminary evaluation by steering committee includes:

Marketing

Streetscape improvements

Business Retention and Attraction



Hoboken Special Improvement District



Mission Statement

To energize and enhance
Hoboken's business environment,
maximize consumer engagement
through collaborative alliances
with businesses,
government and community;
and create a place
where small businesses desire
to be and thrive.

Professionally Managed



IMPROVE THE IMAGE OF HOBOKEN



Professional management



A seat at the table



Substantial marketing campaign



Beautify streetscapes



Move Hoboken to next level

Advantages a SID Brings to Hoboken



- A cleaner, safer and more attractive business area.
- **Steady, reliable and extended funding sources** for supplemental services & programs.
- Ability to respond quickly to changing needs of the business community.
- Improve occupancy rates and sales.
- A **partnership** between businesses and government.





What This Means For Us

HOBOKEN: THE BEST PLACE IN NJ TO LIVE, WORK, STAY AND PLAY.



- Everyone benefits from having a cleaner, safer, and more inviting community .
- For commercial tenants, this can result in more people out on the streets and more customers.
- For residential tenants, this means a nicer community in which to live.



Who runs the SID? WE DO!

Board Represents Stakeholders: Property and Business Owners

- Board makes all decisions.
- Board decides budget allocations.
- Board hires vendors and all others.



SID is NOT Government!!!



What can a SID do?

Supplemental, Adding or Creating

Marketing & Research

Retail market studies, public relations, promotional materials, holiday decorations, and events

Cleaning & Maintenance

Street/sidewalk cleaning, and graffiti removal

Business Development

Commercial vacancy, business mix improvement

Streetscape & Capital Improvements

Custom trash receptacles, street signage, art installations, custom news boxes, flower boxes

Community Services

Fundraising, charitable events, homeless and youth services... Partnerships!

Marketing and Promotions



THERE HAS BEEN MINIMAL INVESTMENT IN MARKETING HOBOKEN

- Centralized business directory
- SID **branded marketing** for all Hoboken businesses
- Shopping/retail incentives
- **Expanded** Hoboken events that coordinate with businesses

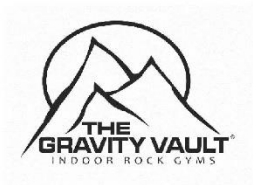


Business Retention and Attraction



HOBOKEN SHOULD BE THE FIRST CHOICE FOR BUSINESSES TO LOCATE

- “One Stop Shop” - central point of information.
- Streamline business set up.
- Primary contact for economic development agencies.
- Link business opportunities.



Capital and Visual Improvements



- Street and sidewalk cleaning, graffiti removal, tree branches removed, etc.
- Artistic & cultural expressions that generate excitement, revenue, and a memorable experience.
- Seasonal decorations that light up the streets, celebrate each season and support businesses during all annual holidays.



A SID DOES NOT OFFSET MUNICIPAL COSTS, IT ADDS MORE SERVICES.

What Makes Up a SID?



BOUNDARIES OF THE IMPROVEMENT DISTRICT



Where: What Makes Sense for Hoboken?



Entire City?



Single Corridor?



Region/Area?



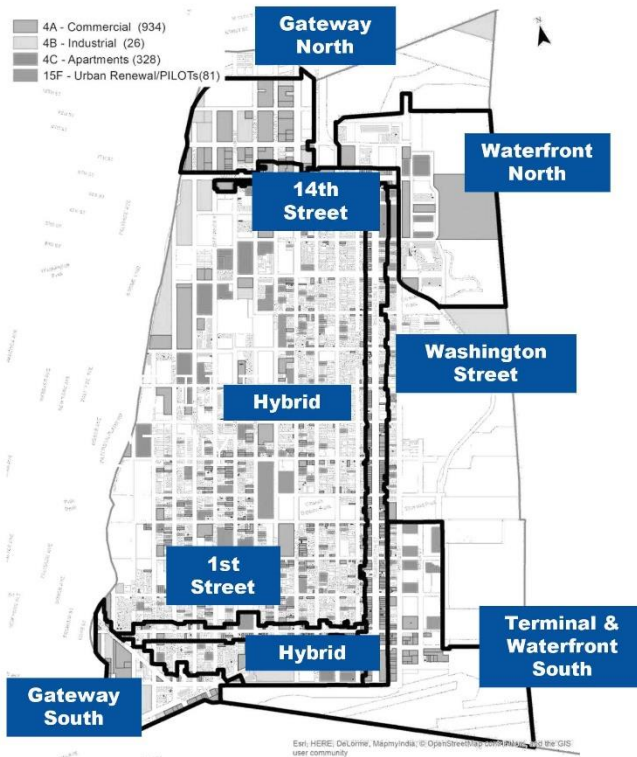
ENTIRE CITY



H O B O K E N

- Small, compact size
- Operates as one market
- Eight sub-areas reflect varying needs and opportunities
- All can and should benefit
- None should be excluded

One Market – Eight Sub Areas



- Different needs, uses and opportunities
 - All benefit from a Marketing Study
 - Not all benefit from flowers and cleaning
- Contributions will differ across areas

Who Is Included In a SID?



MOST SIDS INCLUDE ALL COMMERCIAL PROPERTIES

Tax Class	Property Use
4A	Commercial: <ul style="list-style-type: none">- Commercial Only- Mixed-Use – Commercial w/ rental Apartments
4B	Industrial
4C	Residential Rental Properties with 5+ units
15F	Certain Tax Exempt Properties with above classified uses (such as those within Urban Renewal / PILOTs)

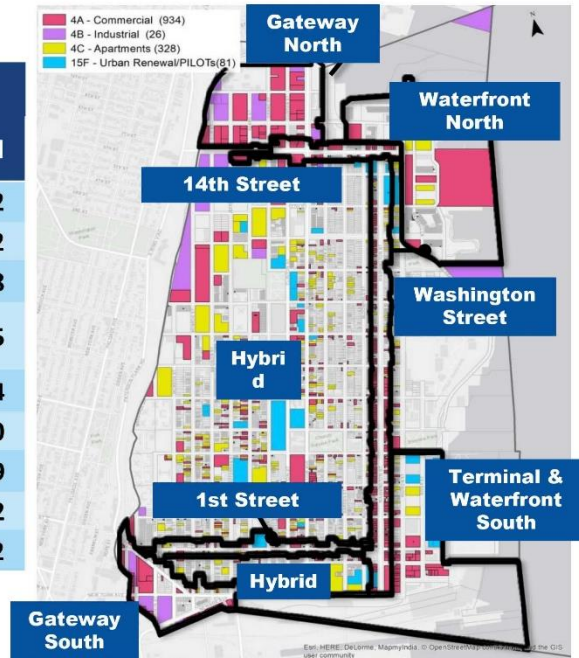


Total SID footprint

APPROXIMATELY 1,292 PROPERTIES WILL BE INCLUDED

ESTIMATED # OF PROPERTIES* IN SID				
Sub Areas	4A	4B	4C	Total
Hybrid	380	13	309	702
Washington St	302	-	20	322
First St	76	-	12	88
Terminal & Waterfront S.	56	-	9	65
Gateway South	37	4	3	44
Fourteenth St	40	-	-	40
Waterfront North	14	-	5	19
Gateway North	9	3	-	12
Totals	914	20	358	1,292

*Includes reclassified 15F properties



Retail Ground Floor/Residential Above - Examples



4A-Commercial/Mixed Use



1400 Willow Ave.
Commercial w/ Rental Apts.



Commercial
621 Washington St.

4B-Industrial



Industrial
1501 Adams St



Industrial
1012 Grand St

4C-Residential Rental(5+)



1401 Shipyard Lane
Rental Apt. Building



819-821 Park Avenue
Rental Apt. Bldgs, 5+ units

15F-Reclassified



1118 Adams
PILOT – Treated as 4C
Residential Rental



W Hotel (hotel only)
PILOT – Treated as 4A
Commercial

Budget = Services





Budget = Services To Be Rendered

- \$1.325 million budget equals approximately 1.8% of the taxes paid by properties in the SID.

CATEGORY	\$	% of Total
MARKETING	572,000	43%
Branding / Media, Shopping Guide, Web / Public Relations, Stakeholder relations, Calendar		
CAPITAL / VISUAL	360,000	27%
Seasonal Plantings, Cleaning, Public Spaces, Arts, Street Furniture, Place Making		
BUSINESS ATTRACTION	294,000	22%
Retail Market Analysis, Promotions, Events, One Stop Shop, Retail Programs, Networking		
ADMINISTRATION	99,000	8%
Staffing, Rent, Insurance, Office Expenses, Professional Services, other		
TOTAL EXPENSES	1,325,000	100%

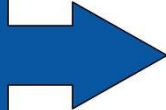
2/3 OF BUDGET IS FOR MARKETING AND VISUAL IMPROVEMENTS



Who pays for a SID?

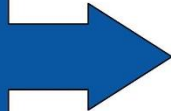
PROPERTY ASSESSMENTS PROVIDE MOST STABLE SOURCE OF FUNDING

SID property owners receive an assessment on their tax bill each year.



- Allocations differ and should align with benefits.
- Formulas based upon assessed value, location, etc.; determined in the formation process.

Additional potential sources are available



- Municipal government
- State level grants and funding sources
- Third party fundraising and events



Assessment Rates: Eight Areas

AREA RATES BASED ON EXPECTED SERVICES TO BE DELIVERED

- Highest assessments areas align with Hoboken's main commercial areas that may benefit most from the budget categories.
- Lowest assessments are the areas that will benefit primarily from marketing and promotions

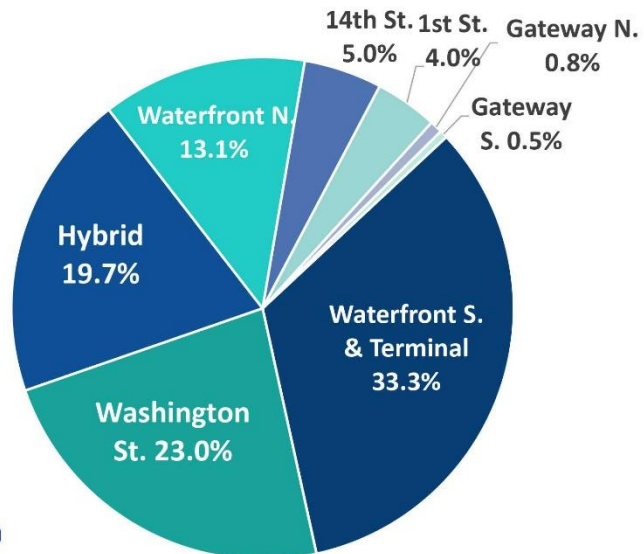
Proposed Weighted Assessment		
Sub Areas	Weighting Multiple	% of Taxes Paid
Washington St	1.85x	3.33%
Waterfront S. & Terminal	1.75x	3.15%
First St.	1.55x	2.79%
Fourteenth St.	1.40x	2.52%
Waterfront North	1.25x	2.25%
AVERAGE	1.00x	1.80%
Gateway North	0.45x	0.81%
Gateway South	0.45x	0.81%
Hybrid	0.45x	0.81%
Totals		100.00%

Area Contributions Based on Service to be Delivered



AREA CONTRIBUTIONS BASED ON EXPECTED SERVICES TO BE DELIVERED

- Total varies due to number and size of properties and expected services.
- **Example top 3:**
 1. Waterfront S. & Terminal total driven by higher rate / **more services and large property size.**
 2. Washington St. total driven by highest rate / **most services.**
 3. Hybrid total driven by **large number of properties** (700+) but a lower rate.



Example Assessments By Area – Order of Magnitude



Washington St. (3.33%)



4A – 1 Commercial, 4 Units
124-126 Washington St.
\$1,312 yr/\$109 mo



4C – 5 Units
1029 Washington St.
\$489 yr/\$41 mo

Waterfront S./ Terminal (3.15%)

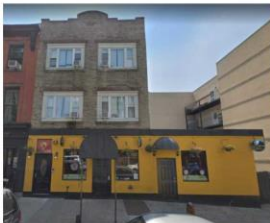


4A: 1 Commercial, 3 Units
44 Newark
\$514 yr/\$43 mo



4C: 215 Units
224-232 River / 235 Hudson
\$19,866 yr/\$1,656 mo

First St. (2.79%)



4A: 1 Commercial, 2 Units
259 First St.
\$533 yr/\$44 mo

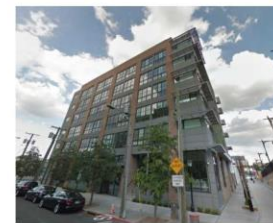


4C: 8 Units
653 First St.
\$573 yr/\$48 mo

Fourteenth St. (2.52%)



4A: 4 Commercial, 16 Units
109 Fourteenth St.
\$953 yr/\$79 mo



4A: 1 Commercial, 35 Units
1405 Clinton St.
\$5,221 yr/\$435 mo

Example Assessments By Area – Order of Magnitude



Waterfront N. (2.25%)



4A – 11 Comm., Garage
1125 Maxwell Ln.

\$8,415 yr/\$701 mo



4A – 2 Comm., 93 Units, Garage
1401 Hudson St.

\$11,505 yr/\$959 mo

Gateway N. (0.81%)



4A – Comm., 1 Antenna
1422 Grand St.

\$766 yr/\$64 mo



4B – Garage
1520-1530 Jefferson

\$180 yr/\$15 mo

Gateway S. (0.81%)



4B – Industrial
38 Jackson St.

\$1,183 yr/\$99 mo



4C – 8 Units
510 Observer Highway

\$152 yr/\$13 mo

Hybrid (0.81%)



4A – 1 Commercial, 2 Units
743 Park Ave.

\$100 yr/\$8 mo



4C – 15 Units
210 Jefferson St.

\$472 yr/\$39 mo

How is a SID formed?



- Formation of a SID is based on the support of property & business owners in the district.
- Most Important: You as Stakeholders
- A SID is created when there is widespread partnership and all are fully informed.
- Three categories in the formation of a SID:
 - One – Planning/Outreach
 - Two – Legislative Authorization
 - Three – Board of Trustees/Budget

SID Governance

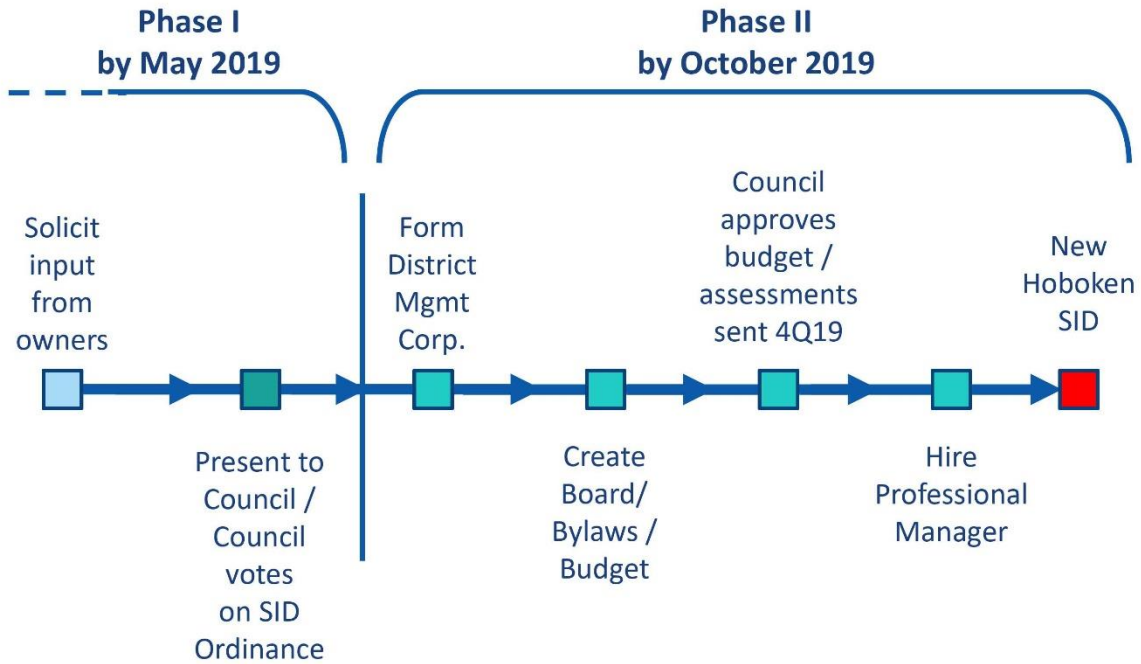


- District Management Corporation is established as the **OPERATING ENTITY**
- All property owners in SID are **MEMBERS**
- **BOARD** is established in accordance with Bylaws.
 - Comprised of property and business owners, civic leaders, public officials and others.
 - You are the Stakeholders – Seat at the Table.
 - The majority of Trustees must be property owners.
- **MANAGER** is hired for day-to-day management of SID.



Next Steps

Next steps





CONCLUSION

- A SID is one of the most qualified mechanism's to encourage local property and business owners to work together with the local government.
- It is self determination for the future.
- Makes it possible for members of the community to control the revitalization of their area.

Questions & Answers



Presentation on a Special Improvement District for Hoboken

Stakeholder Meeting Q & A

April 8, 2019

Stevens Institute -6:00pm

Question/Concern:

Anthony-Freeholder

How do we get Riverview Jazz Festival?

How do we get streets closed in the summer?

How do we resolve the ongoing issue of the emotionally disturbed people on the street that are scaring women?

Response:

We have never had a seat at the table. With a S.I.D we are Pro-active. We can voice our concerns and they will be heard; and we can partner with the City on all issues.

Question:

Longtime Resident/Business Owner

Seat at the Table... What does that mean?

Response:

One of the members of the City Council will be on the Board. Improvement District's act as a liaison between Board & Governing Body.

Question:

Business Owner

How long does a S.I.D go for usually?

Response:

Some last 20+ years, some last 2-3 years. Depends on the City and what they are looking to accomplish. We are looking to establish benchmarks based on the responses on the surveys handed out. Please complete them and return back to us.

Question:

Assessment is it a tax increase that will show up as a line item on our tax bill? Is that correct? Does that mean it is not an option?

Response:

S.I.D is not a Tax as known to be with property taxes, as it cannot be appealed as based upon property assessments. A SID assessment utilizes the instrumentality of government, thus it must be paid or a lien will be placed on the property. The assessment will only exist as long as there is an Improvement District. The S.I.D Board is in control of budget. They will make adjustments as needed. The budget must be approved each year by Council.

Question:

Property Owner

I have had a property empty for 5 years and another empty for 3 years. How will S.I.D help me in renting my spaces?

Also would like to comment on the issue we have with the emotional disturbed people in alley ways. Problem.

Response:

We as owners have not had a voice. The goal is for the S.I.D to help with that. I myself (owner of La Isla and Sparrow Wines) will be paying approximately \$ 1,312 per year. I am going to put it under my Marketing/Advertising line item. And when we complete the Retail Market Analysis that should assist us all in understanding what retail is needed.

Question:

Megan Lukan Owner of Washington General Store

Who do we contact to volunteer for the Board?

How are we reaching out to other business owners letting them know that S.I.D opportunities are available?

How do we get more businesses involved?

Response:

Letters were sent out to all the Property Owners and most Business Owners. This was the first community outreach. We have Council Members here, the Mayor was here, as other elected officials. Our goal is for economic revitalization of Hoboken and for the businesses to thrive. We ask that everyone help spread the word and encourage everyone to attend meetings and get involved, ask questions, voice their concerns. We will review your input adjust our recommendations accordingly.

Question:

Michael, Property Owner

Branding is a projected concept. I do not feel branding is where the majority of the budget should be going. We should focus more on infrastructural things. People will come to Hoboken. That's not the issue.... Millennials like himself are moving out of Hoboken because cost of living is going up and salaries are frozen.

What will help the Parking Issues on Washington? People come for a quick sandwich and come out to a big ticket. We should not have to pay towards a S.I.D in order to be heard.

Response:

We are not getting anything for free. We need to hear concerns. The board will be in control of Budget. Budget can be rearranged if need be. Branding is something we believe should be coordinated. We need our colleagues here to give feedback. We need to unify our voices in order to assist property owners in renting stores. S.I.D will give everyone a place to go to speak and be heard and get results. Branding is just one aspect of creating an image for economic growth.