

SUMMARY OF PROPOSED MONARCH SETTLEMENT

Basic Concept of Settlement Agreement:

- A) Applied gives up Monarch project in exchange for right to redevelop Public Works Garage Site, which would require negotiation of an Interim Cost/Conditional Designation Agreement, Redevelopment Agreement between Hoboken and Applied and amendment of existing Public Works Garage Redevelopment Plan.
  - a. Appraisal of land value of Monarch and Municipal Garage Sites, as well as financial evaluation of the IRR of each project and Municipal Garage replacement cost to be funded by Interim Cost/Conditional Designation Agreement.
  - b. Negotiation of Redevelopment Agreement to reflect results of those evaluations.
  - c. Potential PILOT and RAB options may be considered.
- B) Monarch site restricted in perpetuity to public open space/recreation, City takes ownership/easement/deed restriction (City's choice) of the Monarch site in "AS IS" condition. City has opportunity for environmental evaluation of site.
- C) Upon transfer of Monarch site to City, Applied pays City \$500,000 for removal of debris/materials from surface of Monarch site and for any public improvements which the City may want to undertake at the site. Applied responsible for any additional costs, up to additional \$500,000, expended by City for those purposes.
- D) Applied agrees not to proceed with development of Monarch – other than state level permits -while the Settlement Agreement is in effect and parties are working to implement it.
- E) Exchange of Monarch site and Public Works Garage site to be simultaneous.
- F) City can terminate the Settlement Agreement if Shipyard doesn't transfer the Monarch properties to City or if Shipyard starts to develop the Monarch; Applied can terminate if Applied can't get necessary government approvals to redevelop Garage Site. All in accordance with specific timelines specified in Settlement Agreement.
- G) If Settlement Agreement is terminated, then both parties put back in position they were in before Settlement Agreement: Shipyard free to pursue Monarch, but loses all rights to redevelop Garage Site.

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Proposed Redevelopment Project for Public Works Garage Site:

- New, modern public works garage at site (approx. 35,000 SF)
- Office Space: approx. 15,000 SF (1 story above garage)
- Indoor Storage Space: approx. 10,000 SF (1 story above garage)
- Parking: to the extent any parking is required, max. 0.25:1, to be provided via shared services agreement with another Hoboken parking facility
- Residential: 264,000 SF (excluding MEP and garage space), with existing height limits to be increased as necessary to facilitate municipal garage below residential. Max. height on Observer Hwy frontage to be 165' above flood elevation.
- Affordable Housing: as required by existing Redevelopment Plan (11%, + 1 unit total for all nonresidential components)
- Commercial/Retail: approx. 4,000 SF of commercial along Observer Hwy to occupy portions of frontage not utilized for residential functions (lobby, etc.).

Timeline for Implementation of Proposed Monarch Settlement Agreement:

- 1) Resolution authorizing execution of Settlement Agreement adopted by **August 31, 2019**.
- 2) Resolution authorizing Interim Cost/Conditional Designation Agreement adopted by **October 16, 2019**.
- 3) Redevelopment Plan Amendment and Redevelopment Agreement adopted within **9 months** after adoption of resolution authorizing Interim Cost/Conditional Designation Agreement
- 4) Planning Board issues site plan approval for Garage Redevelopment within **120 days** after Applied submits complete site plan application.
- 5) Floodplain Administrator issues flood permit for Garage Redevelopment within **14 days** after site plan decision

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- 6) Applied obtains outside government approvals for Garage Redevelopment within **9 months** after site plan decision
  
- 7) City conducts Due Diligence on Monarch site w/in **120 days** of execution of Settlement Agreement (45 day ext. available) in order to determine physical/environmental condition of Monarch site and whether to take fee simple title (full ownership) of the site (as opposed to easement/deed restriction). If City decides to take easement/deed restriction, City has 4-year option to take full ownership the Monarch site.

DRAFT