



February 23, 2015

Dear City Council Members:

In anticipation of tonight's Special Council Meeting to vote on financing the H-5 Wet Weather Pump Station which would alleviate flooding in western Hoboken, we have worked with North Hudson Sewerage Authority to provide answers to additional frequently asked questions that we have received. Those questions and answers are attached.

Additional FAQs can be found on the North Hudson Sewerage Authority web page for the H-5 pump project: http://www.nhudsonsa.com/Public/H-5_WWPS.html. The direct links to the FAQs are:

- First FAQ: http://www.nhudsonsa.com/Public/H-5_WWPS/FAQs.pdf
- Second FAQ: http://www.nhudsonsa.com/Public/H-5_WWPS/FAQs_Additional_R2.pdf

I hope this information helps to answer any questions you may have. If you have any remaining questions, please do not hesitate to call my office before the meeting so we can provide you with the information you need.

Sincerely,

Dawn Zimmer
Mayor

H-5 WET WEATHER PUMP STATION ADDITIONAL FREQUENTLY ASKED QUESTIONS

February 23, 2015

Q. Why is the H-5 pump station so important?

The wet weather pump is both an essential component of our long term Rebuild by Design flood solution to protect against the next Sandy-type storm and also an essential component to protect our City from the high tide and heavy rain flood events that occur in the Northwest H-5 drainage area multiple times every year. As a part of an overall strategy to minimize wet weather flooding in the City, the H-5 pump station will address the chronic flooding in the ShopRite and surrounding neighborhoods. Now that the H-1 pump station is in place, serving the Southwestern neighborhoods, the ShopRite neighborhood is the area of the City that floods the most severely and most often.

Even before Hurricane Irene and Super Storm Sandy, Hoboken suffered from severe flooding problems, particularly in the western side of the City. Sandy flooded 80 percent of Hoboken. The flooding that plagues the Northwestern part of our City on a more regular basis impacts many thousands of Hoboken residents, creating an enormous public safety problem as well as a quality of life and financial problem for residents, businesses and the City itself. Also, the potential to flood electrical substations and North Hudson Sewerage Authority's facilities puts the entire City, and even the region, at risk.

Q. Why was the 11th Street location chosen for the pump?

NHSA considered possible alternatives but concluded that this was the only viable location due to engineering, financial and environmental constraints. First, in order to alleviate the flooding in the Northwestern neighborhoods around ShopRite, the pump station had to be sited along the existing 11th Street outfall. Second, because of environmental regulations, the pump station had to be sited east of the existing underground solids/floatable facility at the intersection of 11th and Hudson Streets. Within these confines, a location under Maxwell Place Park was considered but would have cost an estimated \$5 to \$10 million dollars more because it would have required building an entirely new outfall. It was also determined that this likely would not have been approved by the State because of a policy goal to reduce the number of outfalls, not to increase them. In addition, building under the park would have required approval from the State Historic Preservation Board which would have delayed the project for at least another year, even assuming the environmental approvals could be obtained. Again, based on engineering, financial and regulatory issues, the current location under 11th Street was determined to be the only viable location.

Q. Why is this road owned by Maxwell Place and not the City? Why is an easement necessary for the construction of the pump under the roadway?

Under a development agreement that permitted Maxwell Place to be built, the roads are private and an easement is supposed to be provided for public access after the buildings are all built out. Although an easement agreement has not yet been reached, the City and Toll Brothers/Maxwell have treated the roadways as if they were public roads, with the City bearing all of the costs of maintenance such as street cleaning and snow plowing.

Despite the quasi-public status of the roads around Maxwell Place, from a legal standpoint, title technically rests with Toll Brothers. This unusual legal structure provides Toll Brothers/Maxwell Place with a highly unusual property right in a street that functions as a public roadway. This structure is the reason why an easement is necessary for the pump to be installed under what functions as a public roadway.

Q. Will the Maxwell Place Condo Board be paid for the easement?

Maxwell Place will be paid the fair market value of the easement. NHTA has obtained an appraisal for the easement valued at \$523,000 and that amount has been deposited with the court as a purchase price for the easement from Maxwell. The final purchase price is under negotiation under rules governing the eminent domain process. NHTA is bearing the full cost of the easement.

Q. Will the Maxwell Place HOA be responsible for environmental costs?

The HOA would only be responsible for environmental costs if, during the course of construction, new contaminants are discovered that were not found and certified by the NJDEP when the site was originally remediated. The original contaminants are listed in the NJDEP "No Further Action" letter. It is not anticipated that this will occur. In the unlikely event that new contaminants were discovered, the clean-up costs would be deducted from the easement payment. All environmental costs related to the original contaminants are covered in the construction costs.

Q. What will the H-5 pump station do for Maxwell Place residents?

Maxwell Place residents are lucky that their building is on high ground and does not flood. In reality, however, every Hoboken resident is in some way affected by the flooding. Along with having a responsibility to each other, the cost of dealing with the flood events every single time they occur is borne by all of Hoboken's citizens.

Furthermore, since the H-5 pump station is also an integral part of the Rebuild by Design flood solution, it will protect the PSE&G electrical substation, located in the Northwest area, which powers Maxwell Place. During Sandy, that power station was flooded and Maxwell Place lost electricity. Also, some Maxwell Place residents will soon be included in the flood zone and will also have to pay for flood insurance. By implementing our City's comprehensive flood plan, which includes the H-5 pump, we can all be protected from the flooding and the skyrocketing flood insurance costs.

Q. Are there environmental concerns related to the construction of the pump?

The NJDEP has very strict standards for construction on previously capped sites, and the NHTA is experienced in this type of construction. All construction will be subject to the oversight of the Licensed Site Remediation Professional (LSRP) who represents the NJDEP and with whom NHTA will coordinate construction activity. Based upon the original Site Remediation Plan and Vapor Intrusion Guidance Documents approved by the NJDEP, there is no reason to anticipate any environmental problems related to the construction. Further, the NJDEP does not require air quality monitoring for this construction. Despite this, however, the NHTA and the City have agreed to go beyond NJDEP requirements and have entered into a shared service agreement to ensure that air quality monitoring is conducted throughout the construction process.

Q. Will the pump be visible after it is built?

The pump itself will be under the street and not visible. The only visible elements of the pump station will be two cooling condensers (approximately 36" high, 36" long, 14" depth) and one vent pipe (approximately 42" high). These will be located on the island east of Hudson on 11th Street. Under the shared service agreement with the City, NHSA is required to work with the community to landscape around the condenser units and vent pipe to minimize visibility.

Q. Will there be odors from the pump station?

No. There are no open exits for air from the combined sewer or pump to escape. The vent pipe vents air only for the two cooling units. Exhaust from the below grade facility will be discharged back into the CSO outfall pipe when the pump is operating.

INTRODUCED BY: _____
SECONDED BY: _____

CITY OF HOBOKEN, NEW JERSEY

RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HOBOKEN, COUNTY OF HUDSON, NEW JERSEY AUTHORIZING AND APPROVING THE ISSUANCE AND SALE OF UP TO OF \$11,950,000 OF BONDS OF THE CITY OF HOBOKEN CONSISTING OF THE CITY'S GENERAL OBLIGATION BONDS, SERIES 2015B, AND THE CITY'S GENERAL OBLIGATION BONDS, SERIES 2015C; AUTHORIZING THE EXECUTION AND DELIVERY OF THE LOAN AGREEMENTS TO BE EXECUTED BY THE CITY AND EACH OF THE NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST AND STATE OF NEW JERSEY, ACTING BY AND THROUGH THE NEW JERSEY DEPARTMENT OF ENVIRONMENTAL PROTECTION; FURTHER AUTHORIZING THE EXECUTION AND DELIVERY OF AN ESCROW AGREEMENT, ALL PURSUANT TO THE 2015 NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST FINANCING PROGRAM; AND DETERMINING CERTAIN OTHER MATTERS IN CONNECTION THEREWITH

BACKGROUND

WHEREAS, the City of Hoboken, County of Hudson, New Jersey ("City") has determined there exists a need for the Construction of a Wet Weather Pump Station including, but not limited to, the construction of an electrical room and standby generator to serve the H5 Drainage System and the Construction of a Sustainable Stormwater Project at City Hall including, but not limited to, a Rainwater Cistern and a Bio-Swales ("2015 Project"), as described in that certain Loan Agreement ("Trust Loan Agreement") to be entered into between the City and the New Jersey Environmental Infrastructure Trust ("Trust") and that certain Loan Agreement ("Fund Loan Agreement"; together with the Trust Loan Agreement, the "Loan Agreements") to be entered into between the City and the State of New Jersey, acting by and through the New Jersey Department

of Environmental Protection ("State"), all pursuant to the 2015 New Jersey Environmental Infrastructure Trust Financing Program ("Program"); and

WHEREAS, the City has determined to use the proceeds of a loan to be made by each of the Trust ("Trust Loan") and the State ("Fund Loan"; together with the Trust Loan, the "Loans") pursuant to the Trust Loan Agreement and the Fund Loan Agreement, respectively, to permanently finance the 2015 Project; and

WHEREAS, to evidence the Loans, each of the Trust and the State require the City to authorize, execute and deliver its General Obligation Bonds, Series 2015B, to the Trust ("2015B Bonds") and its General Obligation Bonds, Series 2015C, to the State ("2015C Bonds"; together with the 2015B Bonds, the "2015 Bonds"), pursuant to the terms of applicable law and pursuant to the terms of the Loan Agreements; and

WHEREAS, pursuant to the Local Bond Law, constituting Chapter 169 of the Laws of 1960 of the State of New Jersey, as amended and supplemented ("Local Bond Law"), the City Council of the City has, pursuant to Bond Ordinance No. Z-326, duly and finally adopted and published in accordance with the requirements of the Local Bond Law ("Bond Ordinance"), authorized the issuance of general obligation bonds or bond anticipation notes of the City to finance the costs of the 2015 Project; and

WHEREAS, the Trust and the State have expressed their desire to close in escrow the making of the Loans, the issuance of the 2015 Bonds and the execution and delivery of the Loan Agreements, all pursuant to the terms of an Escrow Agreement ("Escrow Agreement") to be entered into between the Trust, the State, the Escrow Agent and the City; and

WHEREAS, to effectuate the financing plan described in the above mentioned paragraphs, it is necessary for the City to adopt this resolution and to authorize and approve the issuance and sale of the 2015 Bonds in a principal amount up to \$11,950,000; and

WHEREAS, *N.J.S.A.* 40A:2-27(a)(2) allows for the sale of the 2015B Bonds and the 2015C Bonds to the Trust and the State, respectively, without any public offering, and *N.J.S.A.* 58:11B-9(a) allows for the sale of the 2015 Bonds to the Trust, without any public offering, all under the terms and conditions set forth herein.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HOBOKEN, COUNTY OF HUDSON, NEW JERSEY, PURSUANT TO THE LOCAL BOND LAW (NOT LESS THAN TWO-THIRDS OF ALL THE MEMBERS THEREOF AFFIRMATIVELY CONCURRING), AS FOLLOWS:

Section 1. The City authorizes and approves the issuance of the 2015 Bonds in two (2) or more series in a total principal amount of up to \$11,950,000 to be designated, "City of Hoboken, County of Hudson, New Jersey, General Obligation Bonds, Series 2015B" and "City of Hoboken, County of Hudson, New Jersey, General Obligation Bonds, Series 2015C", respectively. The 2015 Bonds will be used to pay the costs of the 2015 Project. In accordance with *N.J.S.A.* 40A:2-27(a)(2) and *N.J.S.A.* 58:11B-9(a), the City hereby sells and awards the 2015B Bonds and the 2015C Bonds to the Trust and to the State in accordance with the provisions hereof.

Section 2. The Chief Financial Officer is hereby authorized to determine in accordance with the Local Bond Law and pursuant to the terms and conditions established by the Trust and the State under the Loan Agreements and the terms and conditions hereof, the following items with respect to the 2015B Bonds and the 2015C Bonds:

- (a) The aggregate principal amount of the 2015B Bonds and the 2015C Bonds to be issued;
- (b) The maturity and annual principal installments of the 2015B Bonds and 2015C Bonds, which maturity shall not exceed thirty (30) years;
- (c) The date of the 2015 Bonds;
- (d) The interest rates of the 2015 Bonds;
- (e) The purchase price for the 2015 Bonds; and
- (f) The terms and conditions under which the 2015 Bonds shall be subject to redemption prior to their stated maturities.

Any determination made by the Chief Financial Officer pursuant to the terms hereof shall

be conclusively evidenced by the execution and attestation of the 2015 Bonds by the parties authorized under Section 3 hereof.

Section 3. The 2015 Bonds shall be in the form prescribed and permitted by the Local Bond Law, as Bond Counsel may advise, and as the City, the Trust and the State shall approve. The 2015 Bonds shall be issued in fully registered form and shall be payable to the registered owners thereof as to principal and interest in lawful money of the United States of America. The 2015 Bonds will be executed on behalf of the City by the manual signatures or facsimile signatures of the Mayor and Chief Financial Officer, attested by the City Clerk (such execution shall constitute conclusive approval by the City of the form of the 2015 Bonds), and shall bear the affixed, imprinted or reproduced seal of the City thereon. The 2015B Bonds and the 2015C Bonds shall be substantially in the form set forth in the Trust Loan Agreement and the Fund Loan Agreement, respectively.

Section 4. The terms of the 2015 Bonds authorized to be set forth by the Chief Financial Officer in accordance with Section 2 hereof shall be ratified by the affirmative vote of 2/3 of the full members of the City Council.

Section 5. The full faith and credit of the City are irrevocably pledged to the punctual payment of the principal of and interest on the 2015 Bonds and, to the extent payment is not otherwise provided, the City shall be obligated to levy *ad valorem* taxes upon all taxable real property within the City without limitation as to rate or amount for the payment thereof.

Section 6. Each of the Trust Loan Agreement, Fund Loan Agreement and the Escrow Agreement are hereby authorized to be executed and delivered on behalf of the City by the Mayor or Chief Financial Officer in substantially the forms on file in the offices of the City, with such changes as the Mayor or Chief Financial Officer in their respective sole discretion, after consultation with counsel and any advisors to the City and after further consultation with the Trust

and the State and their representatives, agents, counsel and advisors, shall determine, such determination to be conclusively evidenced by the execution of each of such Trust Loan Agreement, Fund Loan Agreement and Escrow Agreement by an authorized officer as determined hereunder. The City Clerk and Deputy City Clerk are each hereby severally authorized to attest to the execution of the Trust Loan Agreement, Fund Loan Agreement and Escrow Agreement by an authorized officer of the City as determined hereunder and to affix the corporate seal of the City to such documents.

Section 7. All actions heretofore taken and documents prepared or executed by or on behalf of the City by the Mayor, Chief Financial Officer, City Clerk, other City officials or by the City's professional advisors, in connection with the issuance and sale of the 2015 Bonds or the 2015 Project are hereby ratified, confirmed, approved and adopted.

Section 8. The Mayor, Chief Financial Officer and City Clerk are each hereby authorized to determine all matters and execute all documents and instruments in connection with the 2015 Bonds or the 2015 Project not determined or otherwise directed to be executed by the Local Bond Law, the Bond Ordinance, or by this or any subsequent resolution, and the signature of the Mayor, Chief Financial Officer or City Clerk on such documents or instruments shall be conclusive as to such determinations.

Section 9. All other resolutions, or parts thereof, inconsistent herewith are hereby rescinded and repealed to the extent of any such inconsistency.

Section 10. This resolution shall take effect immediately upon adoption this 23, day of February, 2015.

Special Meeting date: February 23, 2015

APPROVED:

Quentin Wiest
Business Administrator

APPROVED AS TO FORM:

Mellissa L. Longo
Corporation Counsel

Councilperson	Yea	Nay	Abstain	No Vote
Theresa Castellano				
Peter Cunningham				
James Doyle				
Jen Giattino				
Elizabeth Mason				
David Mello				
Tim Occhipinti				
Michael Russo				
President Ravi Bhalla				

The foregoing is a true copy of a resolution adopted by the City Council on February 23, 2015.

JAMES J. FARINA, RMC, City Clerk

[SEAL]