



January 7, 2015

Dear Council Members:

Yesterday we received word that a three member panel of Condemnation Commissioners, appointed by the Hudson County Superior Court, recommended that the compensation to be paid by the City for the acquisition of property Block 12 in Southwest Hoboken should be \$5.4 million. As you may recall, the City deposited \$2,937,000 with the Court, representing the City's settlement offer to the property owner. The property owner had rejected the City's offer, contending the property was worth \$9,360,000, discounted to \$7,956,000.

The attached report of the Commissioners does not explain the methodology used to arrive at this value, which is approximately halfway between the City's offer and the property owner's asking price. The City's offer was supported by an independent appraisal based on current zoning and its current conforming use as a parking lot. The property owner's asking price was based on their assertion that the property should not be valued based on the use that was legally permitted. They contended instead that it should be valued based on the assumption that they would receive a variance to build a 72-unit residential development on the property that is not permitted under the existing zoning for the area at a value of \$130,000 per unit, discounted by 15 percent because they did not have such approval.

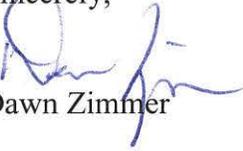
The City and/or the property owner can either appeal this decision or complete the transaction at the recommended price. If either party appeals, a trial would be held in the Hudson County Superior Court to determine the compensation to be received by the property owner. If this occurs, the \$5.4 million recommendation by the Commissioners is in effect rejected and is not admissible as evidence. The trial in essence starts from square one and an entirely new valuation is made by the Judge or a jury.

We are disappointed with this decision, which we believe overvalues the property based on the Commissioners apparent decision to simply split the difference between the two competing offers. A decision on the appeal needs to be filed promptly. The Legal Department will be forwarding Ed Buzak's attorney-client privilege memo to the Council today. I am also available to discuss this further with Council members to hear out your views on this important matter.

OFFICE OF THE MAYOR

Regardless of the decision we make, we are moving ahead with finalizing plans for the park and breaking ground later this year. I look forward to working with you on moving this crucial park and flood resiliency project ahead in the best interests of our residents.

Sincerely,

A handwritten signature in blue ink, appearing to read "Dawn Zimmer", written over the printed name.

Dawn Zimmer

RECEIVED

JAN 5 2015

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Counsellors at Law

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December 22, 2014

Hon. Peter F. Bariso, Jr.
Hudson County Administration Building
595 Newark Avenue
Jersey City, NJ 07306

RE: City of Hoboken v. Ponte Equities
Docket No.: HUD-L-4095-12

Dear Judge Bariso:

The Condemnation Commissioners met in the presence of the Plaintiff and property owner on December 16 and 17. Enclosed please find the report of the Commissioners for filing. With a copy of this letter, we are sending a copy to counsel for the Plaintiff and for the property owner.

Kindly have your staff mark the extra copy of the report "filed" and return it to us in the enclosed envelope. Thank you.

Respectfully yours,

VENINO and VENINO, LLC

By
Thomas M. Venino, Jr.

TMV:lmc
Enclosures

cc: Edward J. Buzak, Esq.
Daniel E. Horgan, Esq.
Mr. Jeffrey H. Kaplowitz
Judith Q. Bielan, Esq. (via E-mail)

THOMAS M. VENINO, JR.
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VENINO and VENINO, LLC
8000 Kennedy Boulevard
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(201) 861-0100
Presiding Condemnation Commissioner

| | | |
|-----------------------------------|---|------------------------------|
| CITY OF HOBOKEN, | : | SUPERIOR COURT OF NEW JERSEY |
| | : | LAW DIVISION |
| | : | HUDSON COUNTY |
| | : | DOCKET NO.: 1-4095-12 |
| Plaintiff | : | |
| | : | Civil Action |
| -vs- | : | |
| | : | |
| PONTE EQUITIES, INC., UNITY | : | REPORT OF COMMISSIONERS |
| ENVIRONMENTAL, CORP. d/b/a UNITY | : | |
| EDUCATIONAL SYSTEMS, INC., PUBLIC | : | |
| SERVICE ELECTRIC AND GAS COMPANY, | : | |
| and LAZ PARKING | : | |
| NEW YORK/NEW JERSEY, LLC., and | : | |
| STATE OF NEW JERSEY, | : | |
| Defendants | : | |

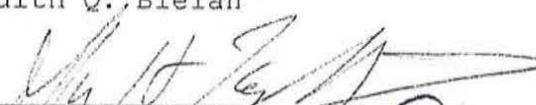
WE, Thomas M. Venino, Jr., Jeffrey H. Kaplowitz and Judith Q. Bielan, the Commissioners appointed by order of this Court in this entitled action, to examine and appraise the land and premises set forth in the Complaint, taken by the Plaintiff, City of Hoboken, for public use and purposes as stated therein, and to fix the compensation to be paid therefor, as set forth in said Order, having taken an oath as prescribed by law, faithfully and impartially to examine the matter in question, and to make a true report according to the best of our skill and understanding, and having caused notice

to be given to the persons interested, in the manner directed by said Order, of the time and place when and where we would meet to execute our duties under said appointment, did meet at the Law Offices of Venino and Venino, LLC, 8000 Kennedy Boulevard, North Bergen, New Jersey, on December 16, 2014 and December 17, 2014, did hear the representations, in person and by attorney, of the Plaintiff and Defendant property owner, who appeared for the purpose, and did thereupon make a just and equitable appraisal of the value of the same, including the damage, if any, resulting from the taking, to any remaining property, as of the date of valuation as set by Order of this Court;

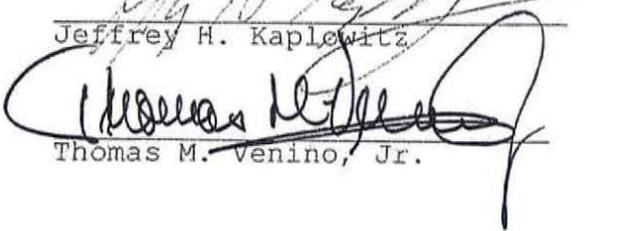
And we do hereby report the compensation to be paid by the Plaintiff as aforesaid to be as follows: The value, which is \$5,400,000 (Five Million Four Hundred Thousand Dollars).

Witness our hands and seals this 19th day of December, 2014.

Judith Q. Bielan



Jeffrey H. Kaplewitz



Thomas M. Venino, Jr.