

June 25, 2012

Dear City Council Members,

I'm writing to provide an update on several very important issues.

Sinatra Park

When we began the process of developing plans to repair Sinatra Field, Boswell Engineering originally wanted to conduct repairs through an "encapsulation." This would have turned all of the area under the field into solid land, whereas currently the river flows beneath portions of the field. The Department of Environmental Protection indicated they would not permit this because it would involve the loss of habitat under approximately 1/3 of the field.

Boswell's inspections at the time indicated that the wooden piles holding up the field had 30% to 50% section loss. Based on this information and the DEP's limitations, it was determined that the most cost-effective and responsible construction method was to rehabilitate the piles by encasing them in reinforced concrete. Through this approach, there would be no need to remove the existing low-level relieving platform and the soil above it. After nearly a year and a half of negotiations, the DEP and Army Corps of Engineers granted us permission to proceed with construction.

When construction work began, divers noticed a dramatic increase in the deterioration of the piles. What took nearly 100 years to deteriorate by 30% to 50% had in just two years doubled to 50% to 100%. The structure was considered unsafe and we had to remove the divers and halt construction work. Rehabilitating the piles is no longer an option, and we must instead do a complete reconstruction with a new high level platform.

As a result, Boswell has discussed modified plans with the DEP and the Army Corps of Engineers and they plan to submit new plans this week to request a modification to the DEP permit. The revised plan calls for installing temporary sheeting all around the pier and drying it out so that the work becomes a land job, for cost and safety reasons. Whereas originally Boswell had proposed a permanent encapsulation, in this case the habitat under the pier would be restored following the reconstruction. For this reason, we are hopeful the DEP will approve of our request. Because the work will require a complete reconstruction, the existing under deck and 12,000 tons of fill would need to be removed and disposed of and a new deck and piers built. This would result in a structure similar to Pier C or the walkway north of the park, including the Stevens walkway.

Some Council members have suggested that the firms that designed and built the park should be held accountable and pay for the costs of repairs. The park was built in the late 1990s under Mayor Russo's Administration. If the Council chose to go in this direction, it would require a very challenging costly investigation and legal battle.

OFFICE OF THE MAYOR

Based on discussions with legal and engineering professionals, I believe this would be a fruitless effort that would only waste taxpayer money. If however, the Council wants to pursue this avenue, the first step would involve hiring outside counsel for this investigation. Since there is no funding for this in the budget, the Council would need to approve an emergency appropriation. In addition, the Council would need to agree to use its subpoena powers to subpoena Mayor Russo and members of his Administration to determine the facts of why the field was designed and built on top of the 100-year old pilings as a start to the investigation.

Should the Council choose to go in this direction, the Council should consult with the Office of Corporation Counsel about drafting a resolution to commence an investigation to be prepared for the next regularly scheduled Council meeting. Even if the Council chooses to proceed with an investigation, the items on the agenda for tonight's meeting must be considered at this time in order to properly protect the City's interests.

Again, I disagree with conducting an investigation because I think it will be a waste of money and time, but I want the Council to understand your option. I firmly believe we should focus on getting the park completed for Hoboken residents.

Some Council members have suggested that we now move the entire field on to land to avoid some of the increased costs for repairing the field. My Administration proposed this concept nearly one year ago and did not receive public or Council support for it.

While moving the field back on land could save some costs, it has the following major disadvantages:

1. It would require taking away 40-45 parking spaces on Sinatra Drive and would result in the loss of at least \$80,000 in annual revenue as well.
2. In addition, Sinatra Café would need to be demolished to make space for the field. This would require approval from Green Acres since they funded the structure, and also result in the loss of an estimated revenue of \$60,000 annually (This is our projected revenue once the café is rebid).
3. Additionally, we would be taking on the costs of rebuilding Sinatra Café which would most likely be required by Green Acres.
4. Bringing the field back on to land would also most likely require a new DEP permit. This new waterfront development permit could take another year to receive.

For all these reasons, my Administration proposes rebuilding the field at its current site and size. I look forward to seeing some of you for the onsite tour prior to the Council meeting.

Pier A

As the City Council was advised previously, the understructure of Pier A is in need of major repair due to shifts in the river that have resulted in a significant change in the mud line which exposed the steel pipe piles to corrosion.

As part of the redevelopment agreement under which Pier A was built, the developers of the adjacent properties were required to make annual payments of approximately \$700,000 to a dedicated fund to be used for Pier A maintenance. Because the funds exceeded the amount necessary to maintain the surface of the park, it has a current balance of approximately \$2.9 million from developer contributions.

We are currently negotiating with the Port Authority and the developers (Applied and SJP) to expand the permitted use of the fund so that it can be used to pay for the understructure maintenance and repairs as well as the surface of Pier A. These negotiations are going well, and we are hopeful that an agreement can be finalized soon.

If an agreement is reached, then the fund will be sufficient to pay the costs for a bond to cover the repairs for Pier A. This means that the repairs would be able to be implemented at no cost to the Hoboken taxpayer.

Given the importance of Pier A to our community, and our unfortunate experience with Frank Sinatra Park, it is critical that we move forward with the necessary steps to complete these repairs.

OFFICE OF THE MAYOR

The City Council will be asked to complete a first reading for a bond to fund the repairs for Pier A at the next meeting. Once an agreement is reached with the South Waterfront Board, the Council will be asked to vote on the second reading of the bond and an amended redevelopment agreement. The redevelopment agreement will be posted on the City website.

9/11 Memorial

At the end of 2011, the City was working with Remington & Vernick on the structural component of the bid specifications for the memorial. In coordinating with the glass company regarding the panels that have already been purchased for use in the memorial, it was discovered that, contrary to what was in the bid specifications for the original island design for the memorial, the glass panels are not structurally sound on their own. These panels will require some additional support mechanism beyond what had previously been conceived by StudioGang to ensure the structural integrity of the memorial. As a result, Remington & Vernick had to take some additional time to determine a structure to secure the glass panels that would not detract from the important components of the memorial itself. With this adjustment, we will be able to incorporate the lighting into that structural component. The conceptual design is the same, but there will be an additional structural component to hold those panels and make this a lasting memorial.

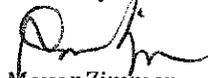
The additional materials and construction components necessary to secure the glass panels increase the cost of the project, and the City will need to secure up to an additional \$200,000 for the 9/11 Memorial. My Administration is working to secure additional funding options for the cost of constructing this project beyond the approximate \$150,000 remaining from prior donations and grants. If we can secure this funding, we can go out to bid as soon as the specifications are completed and have the construction of the memorial underway this fall. However, bids cannot be advertised until the funding source for the full project is identified.

There are not detailed drawing to show the structural element at this time, but it will include a feature that connects the glass panels at the top of the panels. R&V will be finalizing the details of this additional component and the bid specifications in general over the next couple of months. It is expected that the specifications will be ready for bid in August, if funding is in place, with a bid award in September.

EmNet

We are pulling this item from the agenda as we continue further discussions with North Hudson Sewerage Authority. We hope to have it back on the agenda by July 11.

Sincerely,



Mayor Zimmer