



August 9, 2012

City Council President Peter Cunningham and the Hoboken City Council
City Hall
94 Washington Street
Hoboken, New Jersey 07030

Dear Council President Cunningham and City Council members:

Since we first wrote to you on July 10, 2012 concerning the “Bond ordinance authorizing the redesign and reconstruction of various streets in the City of Hoboken,” we have had the opportunity to discuss the merits of this legislation with most members of the City Council. We would like to address several key issues in response to these discussions:

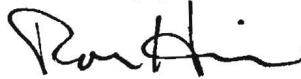
- 1) **City’s capital plan/budget:** All of these “street” projects are presently included in the City of Hoboken’s capital budget. We have not heard anyone argue that these projects do not meet the criteria for inclusion in the capital budget.
- 2) **Funding of capital budget items:** Capital budget projects are paid for using City backed municipal bonds as well as through county, state or federal grants, and private developer contributions. Capital budget items are typically funded over the life of the project to be funded. All of these “street” projects are expected to have a useful life of 15 to 20 years and thus, any bonding would be over a similar time period. It would be highly unusual for municipalities to attempt to fund capital budget eligible items using tax levy monies, (i.e., annual operating budget appropriations).
- 3) **Minimal cost/bonding capacity:** The proposed ordinance would authorize the sale of a modest bond of \$1.1 million. The estimated debt service for this bond would add about \$22,000 annually to the City’s operating budget. We have reviewed the documents that show the City currently has excess bonding capacity and is nowhere near its bonding limit.
- 4) **Addressing City’s infrastructure needs:** The last time the City upgraded traffic signals on Washington Street was in 1952. Upgrading/redesigning Observer Highway and Sinatra Drive (from 4th to 11th) are also long overdue. Hoboken’s public officials must be willing to support viable initiatives that keep pace with the tremendous growth and private investment that has taken place in this community. Hoboken is no longer a poor city and ignoring or postponing capital needs is no longer an option.
- 5) **A win-win for everyone:** This ordinance will benefit Hoboken over the long term. The passage of this legislation will be to the credit of the entire City Council and once the projects are ultimately built, be a showcase for future administrations. Extending the success of Hoboken’s South Waterfront up to 11th Street will make Hoboken’s

waterfront world-class. The new design for Observer Highway will provide a grand entrance to the City from the south in stark contrast to the shabby one that currently exists.

What we have presented in this letter is based on consultations with several experts who have had many years of experience working on capital plans for municipalities. We are, as always, available to discuss any of these items in greater detail.

We would certainly be willing to discuss any compelling arguments to the contrary that you may have. Barring that, we are anticipating your favorable vote on this measure at the August 15 City Council meeting. Thank you for your thoughtful consideration of this highly significant ordinance.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Ron Hine". The signature is fluid and cursive, with a prominent initial "R" and a long, sweeping underline.

Ron Hine
Executive Director