



HOBOKEN

MARITIME PARK APPENDIX C: PROJECT FUNDING OPPORTUNITIES

FEBRUARY 2024

DattnerArchitects **SCAPE**

Kimley»Horn INDIGO RIVER

Task 5

Hoboken Union Dry Dock

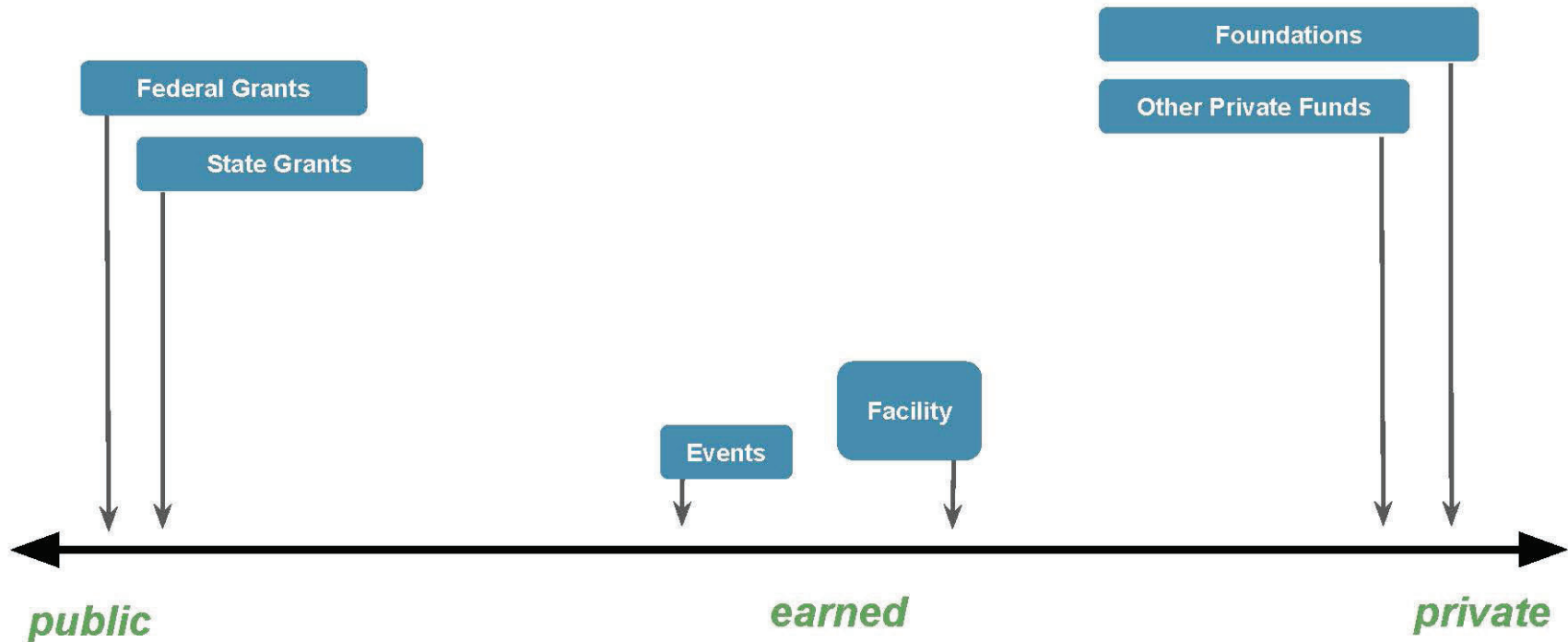
Funding Opportunities

November 2023

JLP+D

Overview

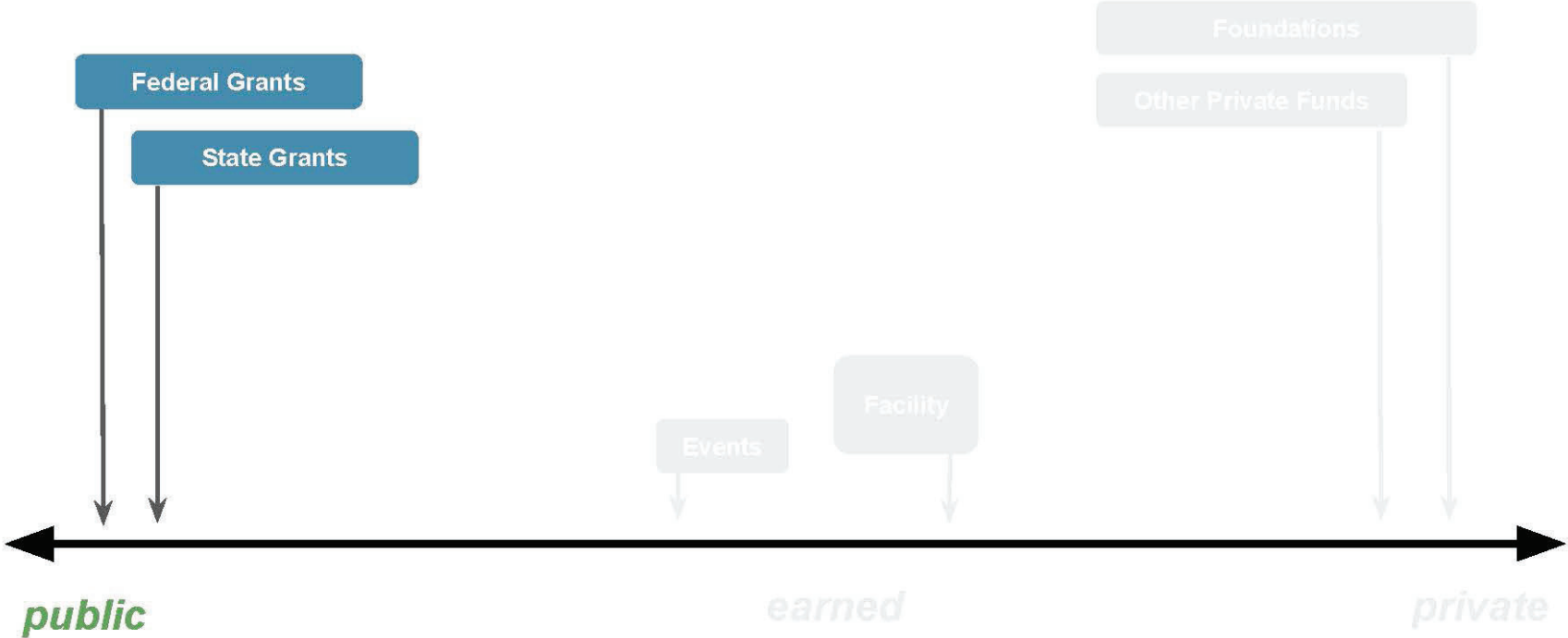
JLP+D investigated 3 types of funding opportunities



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Opportunity 1: Public (Federal and State Grants)

Leverage public-sector grant programs



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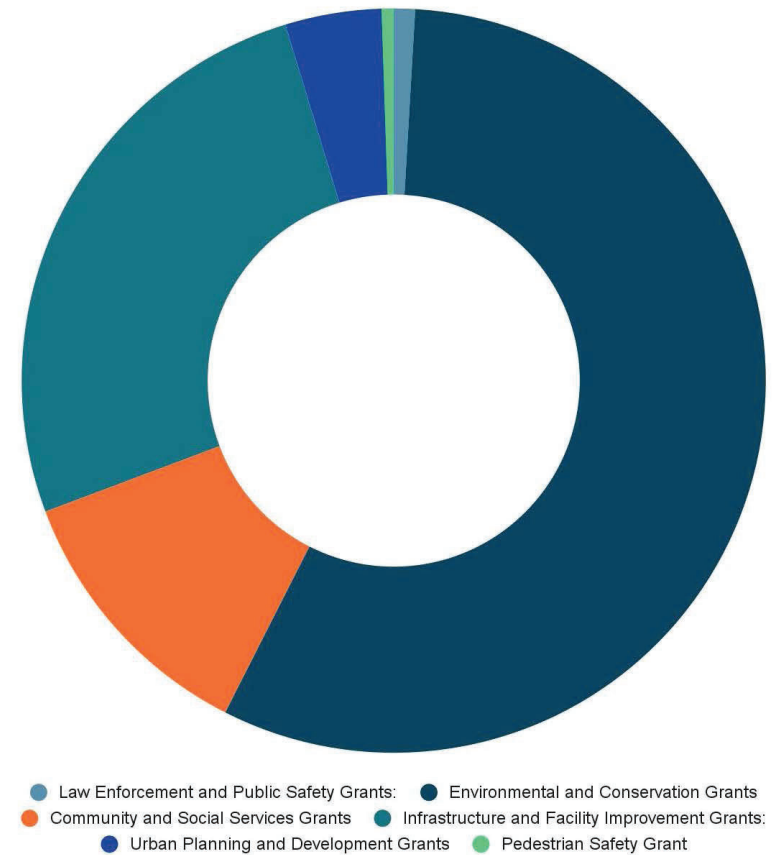
Opportunity 1: Public (Federal and State Grants)

Existing Assets: The City's track record with environmental and community services grants.

The majority of the anticipated 2022 grant award revenue were environment and conservation focused. This demonstrates that Hoboken has great success in its application to sustainability and ecological-focused grants.

A top revenue source in 2022 was the [NJDEP Green Acres](#) program which provide an anticipated **\$3 million**. This grant program has four (4) different grants that have the focus of "*land acquisition, park development and historic preservation projects*".

Current Hoboken Government Grants
(Hoboken City Budget 2023)

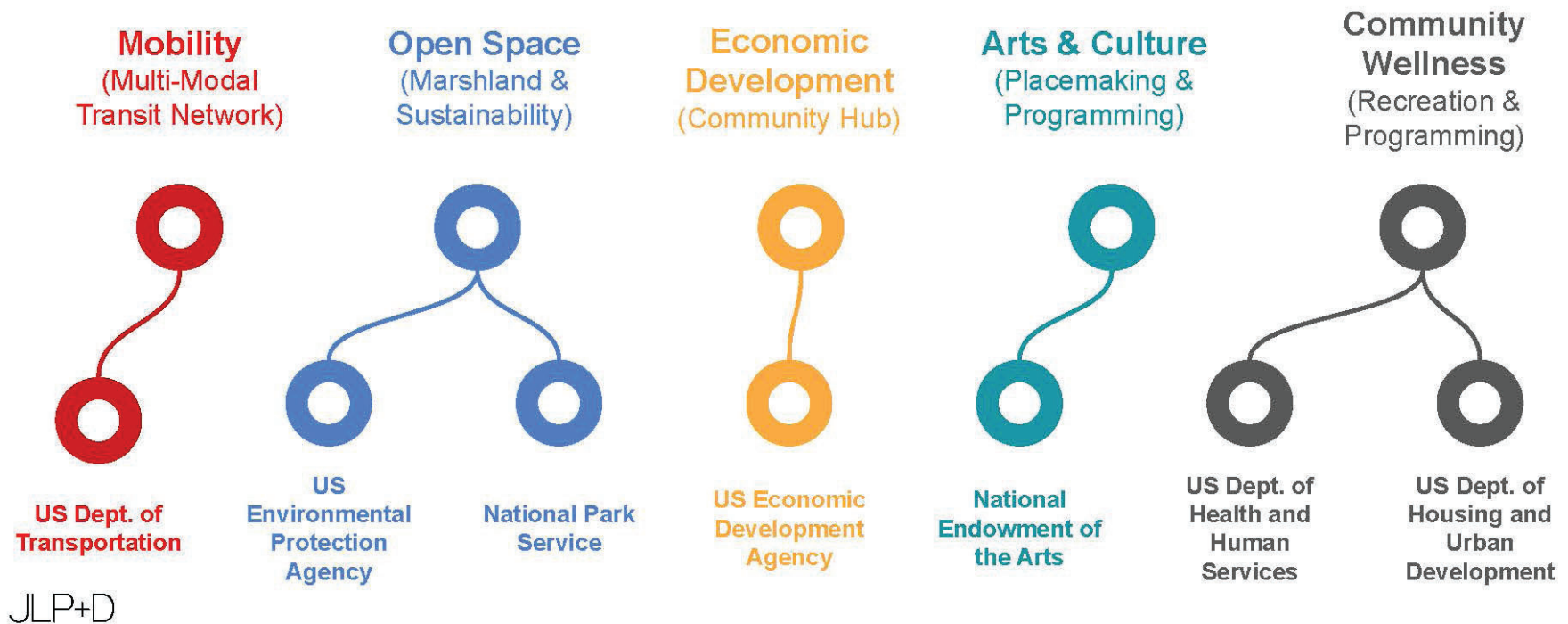


Information received from Hoboken City budget documents

Opportunity 1: Public (Federal and State Grants)

Next Level Goals: Match Diverse Park Assets To Grant Agency Priorities

The diversity of park assets allows the access to multiple streams of grant opportunities.



Opportunity 1: Public (Federal and State Grants)

Next Level Goals: Pursue Open Space Grants

A comprehensive list of potential grant opportunities is available [here](#).

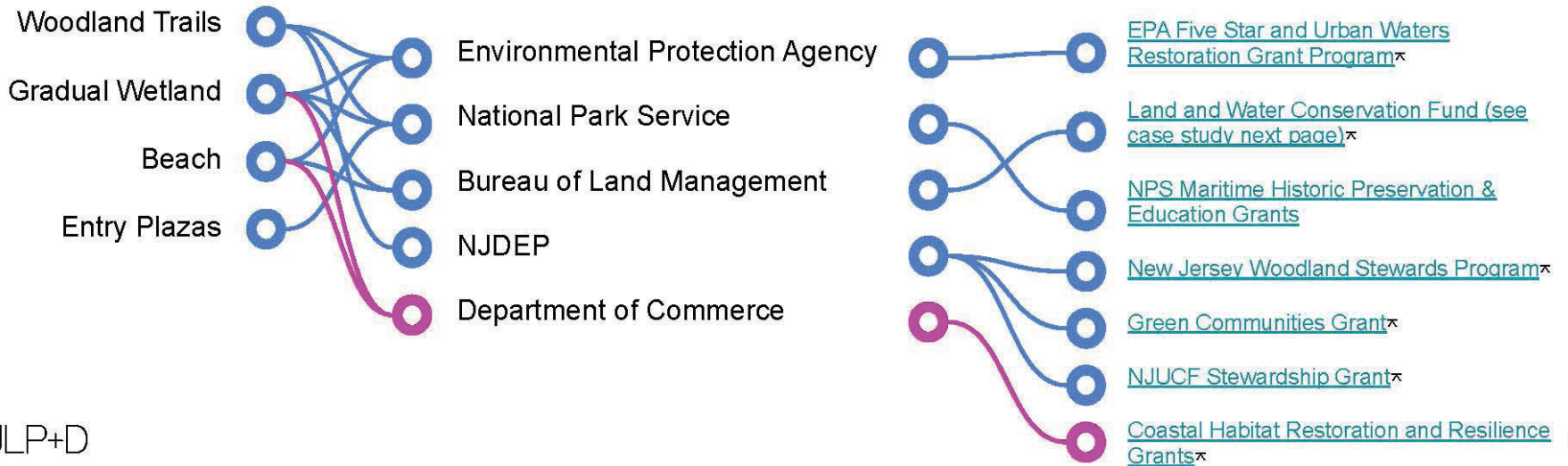
⌘ Projective Opportunity

The proposed open spaced throughout the Hoboken Union Dry Dock project provides valuable opportunities to leverage **sustainability, rehabilitation, and preservation** grant opportunities.

Proposed Park Assets:

Agency

List of Grants:



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Opportunity 1: Public (Federal and State Grants)

Case Study

Land and Water Conservation Fund (LWCF)

The Land and Water Conservation Fund (LWCF) provides 50% matching grants to all states for the acquisition and development of public outdoor recreation areas and facilities.

The Hoboken Waterfront Park received **\$1.5 million** in 2005 to acquire the land for the park. In order to receive the funding, the project was required to obtain sponsorship from the state or an agency. The project received sponsorship from the State of New Jersey. Governmental sponsorship is an important requirement for the application process of this matching grant fund. **Inter- governmental coordination and collaboration should be a key component throughout the grant application process to optimize success and ensure efficiency when obtaining county or state-level sponsorship.**



Source: Harvard Graduate School of Design

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Opportunity 1: Public (Federal and State Grants)

Next Level Goals: Pursue Arts and Culture Grants

A comprehensive list of potential grant opportunities is available [here](#).

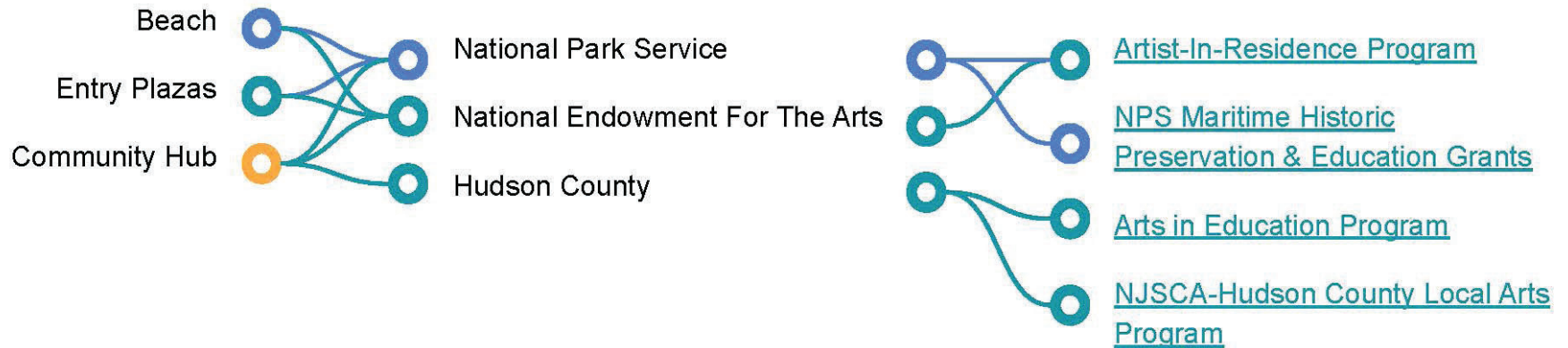
* Projective Opportunity

Arts and Culture grants may be leveraged by the Hoboken Union Dry Dock project if it incorporates maritime history programs and events on the **pier**, **entry plazas**, and **community/civic hub**.

Proposed Park Assets:

Agency

List of Grants:



Opportunity 1: Public (Federal and State Grants)

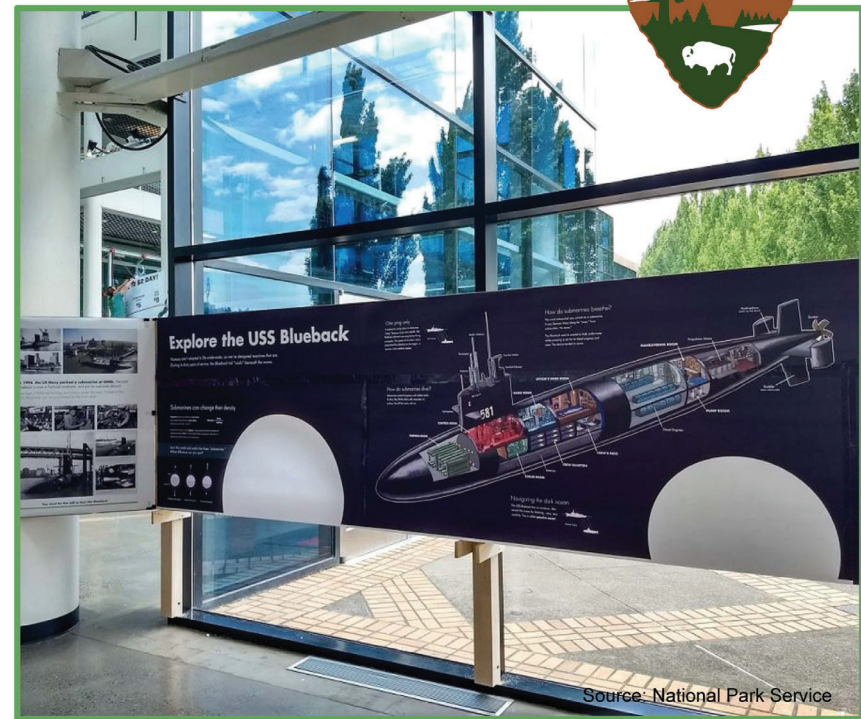
Case Study

NPS Maritime History Preservation and Education Grants

The National Park Service's maritime grants program is designed to support various maritime heritage education projects and preservation projects which focus on three broad categories of historic maritime resources:

- Historic Maritime Properties
- Maritime Heritage Collections
- Traditional Maritime Skills

This grant program presents a valuable funding opportunity for the Hoboken Union Dry Dock project as it aligns with the proposed **maritime heritage exhibit** in the community hub along with the additional heritage elements that are located throughout the proposed park.



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Opportunity 1: Public (Federal and State Grants)

A comprehensive list of potential grant opportunities is available [here](#).

Next Level Goals: Pursue Economic Development Grants

⌘ Projective Opportunity

The proposed civic/ community hub, pending its programming and construction strategies, can unlock economic development funds related to **capacity building, community and social services, and local labor employment.**



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Opportunity 1: Public (Federal and State Grants)

Case Study

Community Development Block Grants

Community Development Block Grants are funding sources that can be used for equitable park investments. Under CDBG, public and nonprofit park leaders need to partner with local community development organizations and the city agency that manages the CDBG funds.

In Hoboken, the Department of Community Development is responsible for administering Community Development Block Grant Program funds.



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Opportunity 1: Public (Federal and State Grants)

Next Level Goals: Pursue Community Wellness Grants

A comprehensive list of potential grant opportunities is available [here](#).

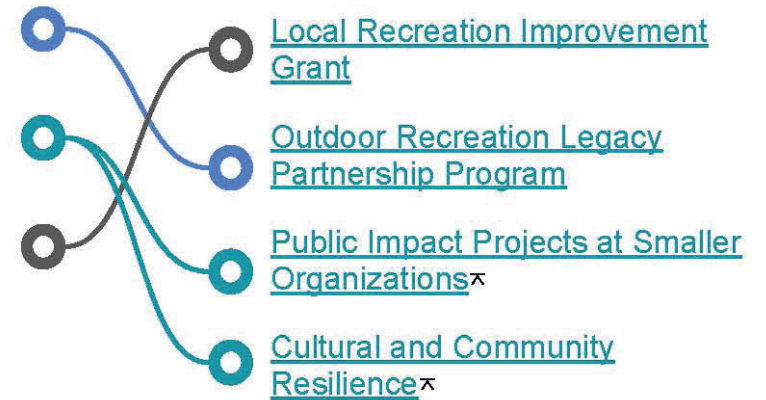
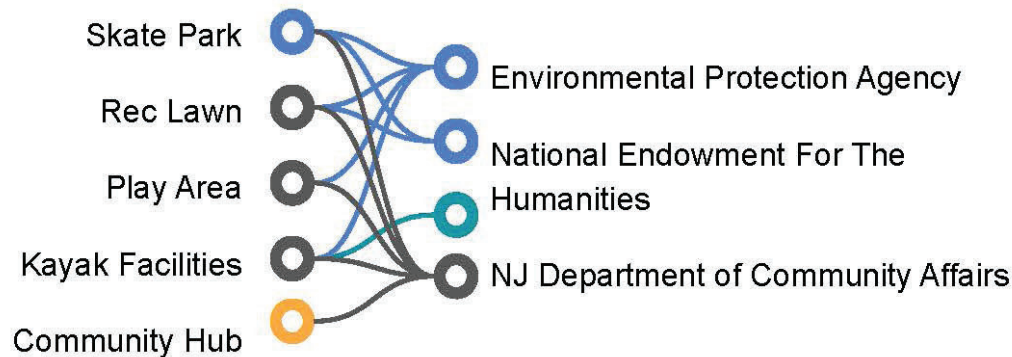
[⌘] Projective Opportunity

Community wellness-focused grants may be available for recreation, fitness, and health program. This may include the funding and financing of the **skate park**, the **recreation lawn**, or the **play area**.

Proposed Park Assets:

Agency

List of Grants:



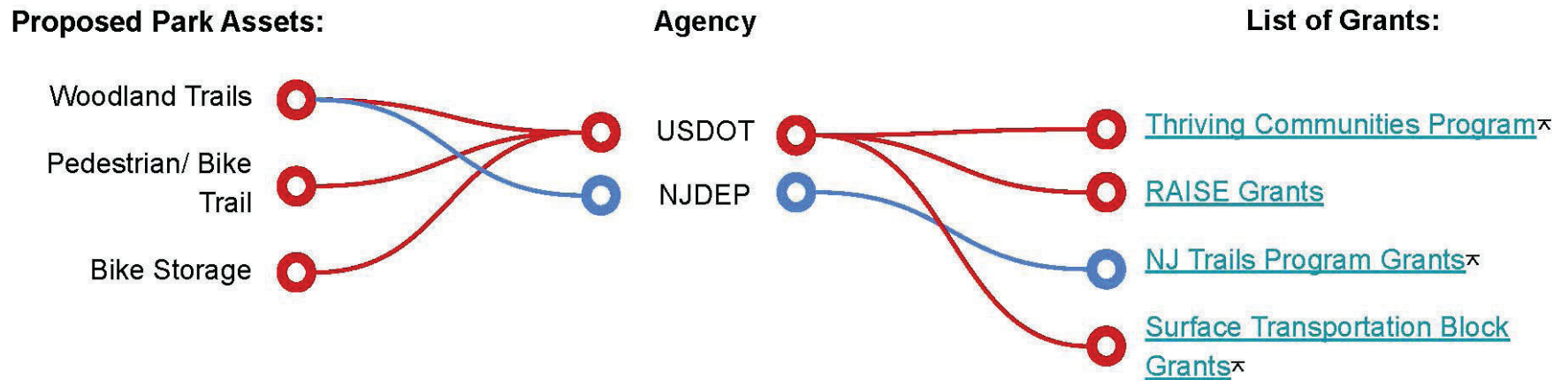
Opportunity 1: Public (Federal and State Grants)

Next Level Goals: Pursue Mobility Grants

A comprehensive list of potential grant opportunities is available [here](#).

⌘ Projective Opportunity

The proposed **multi-modal transit infrastructure and increased waterfront trail connectivity** may provide valuable opportunities to engage mobility grants for additional funding.



Opportunity 1: Public (Federal and State Grants)

Implementation Considerations

To ensure success, the following considerations are critical:

1. Internal and Administrative Coordination:

- Obtain sign-offs from relevant municipal departments and committees before applying for grants.
- Coordinate with legal, finance, and other relevant departments to ensure compliance requirements.
- Coordinate with the budgetary process and timeline.
- Maintain records of all grant applications, approvals, project documents, and expenditures to ensure transparency and accountability.
- Establish clear and efficient reporting mechanisms to meet grantor's requirements and municipal accountability standards. Regularly update relevant municipal departments and elected officials on project progress and grant fund utilization.

2. Stakeholder Coordination:

- Engage with internal stakeholders, including elected officials, department heads, and staff, to gather input and secure support for grant proposals.
- Maintain open lines of communication with external stakeholders, such as neighboring municipalities, community organizations, and residents, to address concerns and gather support.

Opportunity 1: Public (Federal and State Grants)

Implementation Considerations

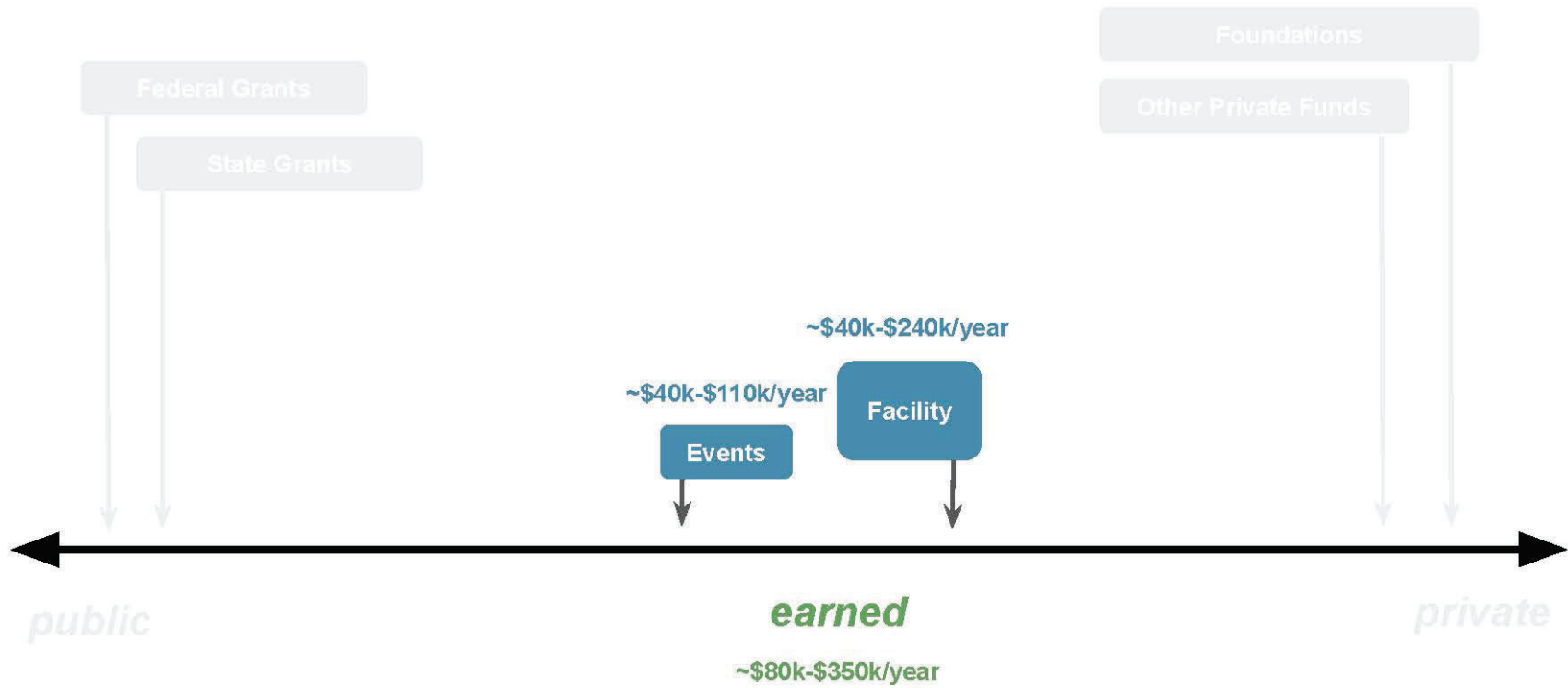
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3. Capacity Building and Training:

- Invest in training and capacity-building for municipal staff involved in grant writing, management, and project implementation to ensure competency and compliance
- Continuously assess and address the training needs of staff to adapt to changing requirements and enhance grant acquisition and management capabilities

Opportunity 2: Earned (Facility, Events)

Unlock revenue via programming and activation



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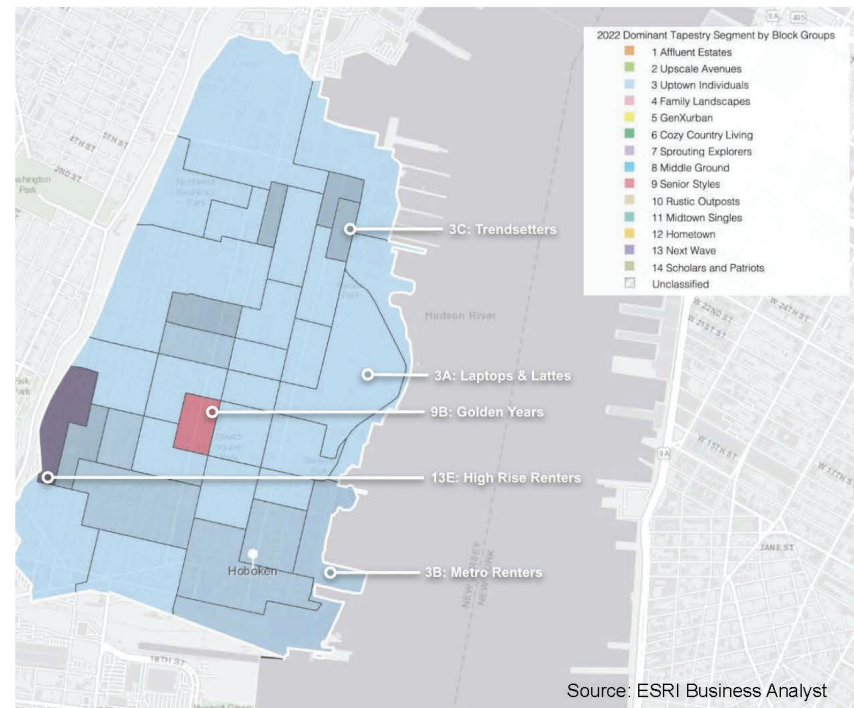
Opportunity 2: Earned (Facility, Events)

Existing Assets: An active local community

The existing population's interests align with the proposed uses throughout the park.

According to ESRI Tapestry Segment Analysis*, the most predominant tapestry segment in Hoboken, 66% of the population, is comprised of predominantly 30 year-old shared households with health-concerned individuals who are interested in environmental groups, sustainability, and leisure activities while further prioritizing fitness. The second most populous segment presents similar demographics with individuals interested in social events, leisure activities, wine bars.

*Tapestry Segment Analysis is an ESRI data analytics tool that divides US residential areas into 65 distinctive segments based on socioeconomic and demographic characteristics



Opportunity 2: Earned (Facility, Events)

Existing Assets: Spending Habits

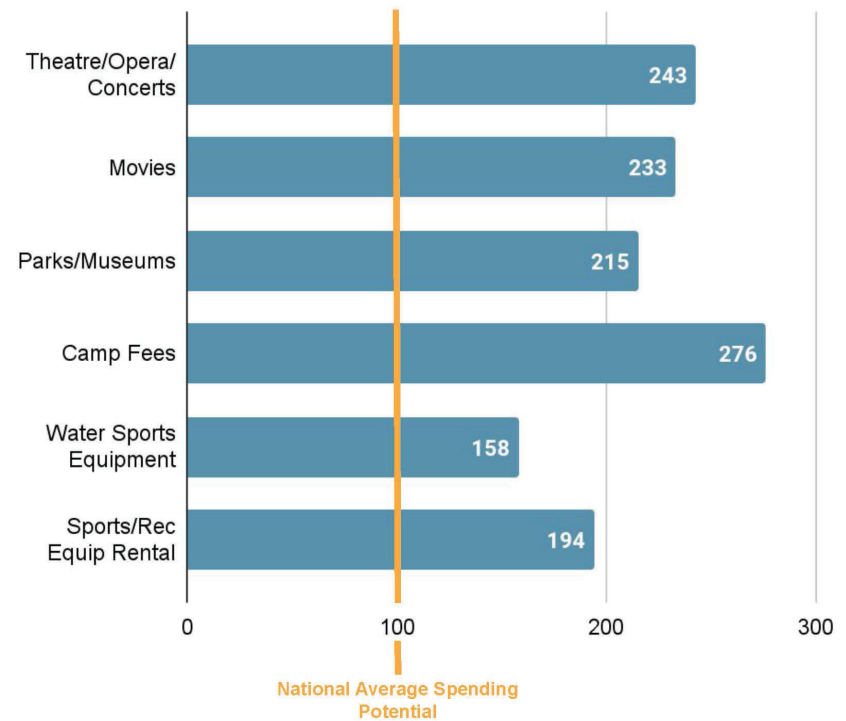
Existing Hoboken resident spending shows a strong existing market demand for educational uses, recreation activities/services, and community events.

According to ESRI Business Analyst, Hoboken residents spend almost \$7.3 Million per year on camp fees and boating activities and more than \$19 Million in arts and culture. Education spending totalled more than \$143 Million annually.

Demand for several activities more than double the national average (with education demonstrating a spending potential index (SPI*) of 258 and entertainment/recreation presenting a spending potential index of 206).

High-performing activities include camp fees (with an SPI over 276), theatre/opera/concerts (with an SPO of 243), and tickets to parks/museums (with an SPI of 215).

*Spending Potential Index represents the amount spent in the area relative to a national average of 100.



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Opportunity 2: Earned (Facility, Events)

Existing Assets: A Network of Offerings

When points of interest are connected, they drive more visitation and use and reveal unmet demand or gaps. In and around Hoboken, waterfront activities can form such a network.

Hoboken is located within an existing network of outdoor recreation and waterfront parks.

- Located north of the subject site is a series of two (2) boathouses with kayak rental services.
- Resilience Paddle Sports, located at Pier 13, provides private for-revenue paddle boat programming, events, and rentals.
- Hoboken Cove Community Boathouse, located at Maxwell Park Place, is a 501(c)3 non-profit organization that provides free kayak rentals to the community.

There is an identified market gap for paddle boat storage as neither Resilience Paddle Sports of Hoboken Cove Community Boathouse provide the offering.

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Opportunity 2: Earned (Facility, Events)

Next Level Goals: Generate Ongoing Income From Park Assets

The proposed park assets provide a diverse spectrum of potential ongoing revenue sources for the park. These include **facility lease agreements**, **concession revenue**, and **event space booking/rental**.

Proposed Park Assets:



Revenue Source

Facility
Events

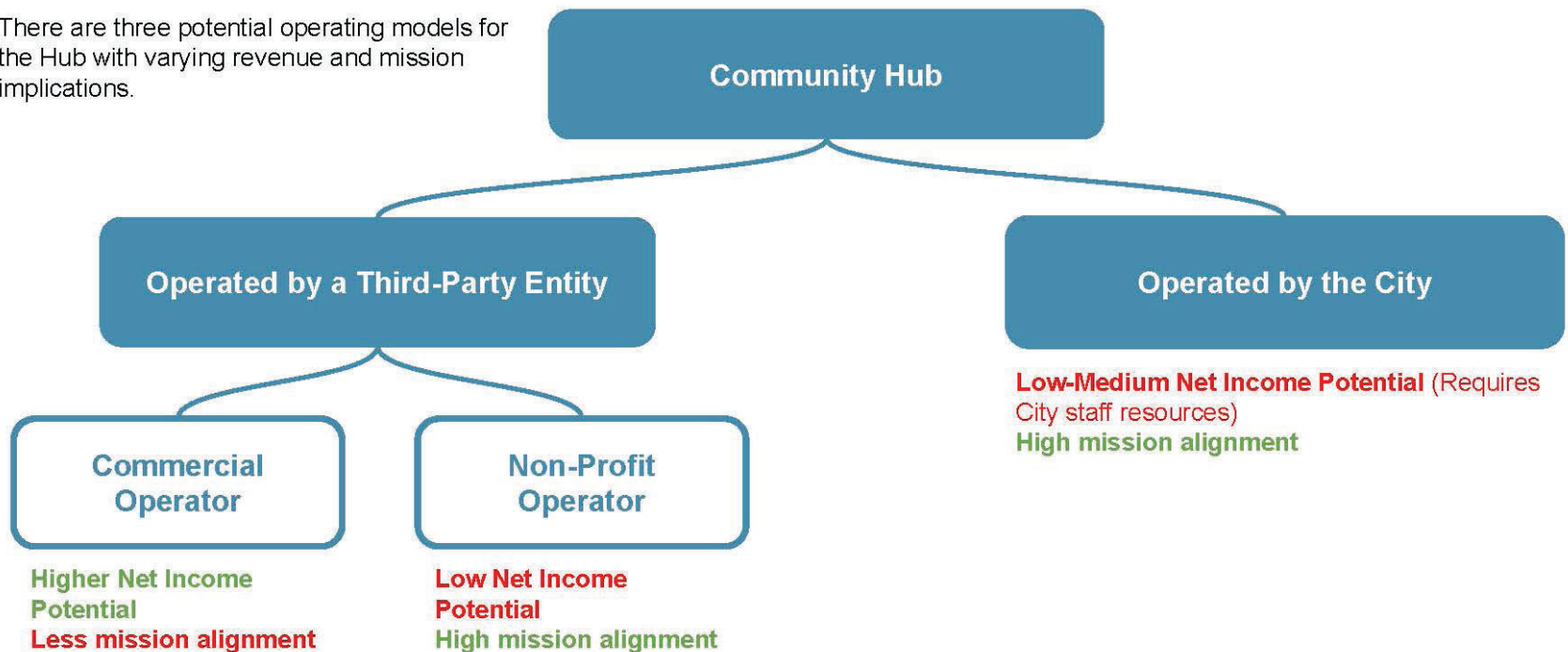
Example Income Opportunity:



Opportunity 2: Earned (Facility, Events)

Next Level Goals: Drive Facility and Concession Revenue at the Community Hub

There are three potential operating models for the Hub with varying revenue and mission implications.



Opportunity 2: Earned (Facility, Events)

Estimation: Community Hub Revenue Scenario A: Commercial Operator

A comparative revenue calculator is available [here](#).

When a commercial entity/concessionaire enters into a **long-term facility use agreement/lease** with the City to operate the Hub or part of the Hub, the City will collect payments annually or monthly.

Market Comps:

The City of Hoboken has leased its park cafe facilities at a rate of \$30 per square foot for a cafe use agreements. An average [market-rate](#) retail lease in Hoboken is \$58.42 per square foot, significantly higher than the current CoH rate.

Annual Revenue Potential

(Low range: current CoH lease rate; High range: Market rate):

- **The Community Room (1,900 sqft)** : \$57,000 - \$111,000
- **The Habitable Roof Deck (1,900 sqft)**: \$29,000 - \$55,000
(assuming 50% discount for limited seasonal occupancy)



Source: Dattner Architects

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Opportunity 2: Earned (Facility, Events)

Case Study

*Information received from the NJDEP
Office of Transactions and Public
Administration*

Alesso's in Hoboken

Alesso's is a franchise of cafes located throughout Hoboken. The organization currently has two standing leases with Hoboken Parks. One of these leases includes a 2,260 square foot interior space in the café building of the Park, Terrace Pavilion, and a 500 square foot exterior space adjacent to the café.

The Northwest Resiliency Park use agreement provides the City of Hoboken with **\$124,000** a year in annual rent. This agreement has a five-year term with an option to renew for a second five-year term.

A similar agreement structure could be considered for the community hub.



Opportunity 2: Earned (Facility, Events)

Estimation: Community Hub Revenue Scenario B: Non-Profit Operator

When a non-profit organization becomes the operator of the hub and is aligned with the City's vision for the facility's programming, the **long-term facility use agreement** typically stipulates a nominal payment.

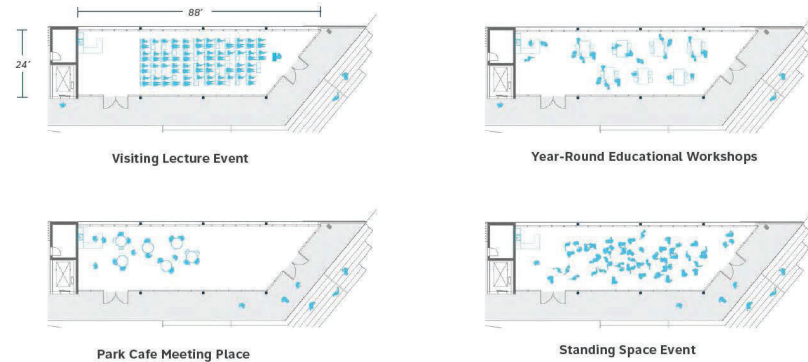
Market Comps:

The City of Hoboken has leased its facilities to non-profits at an average rate of \$9.10 per square foot. According to NJDEP's database, non-profits have also received nominal (\$1) annual leases in Hoboken and its surrounding municipalities.

Annual Revenue Potential:

- **The Community Room & Cafe (1,900 sqft)** : Up to \$17,000 if paying non-nominal rent
- **The Habitable Roof Deck (1,900 sqft)**: Up to \$9,000 if paying non-nominal rent (assuming 50% discount for limited seasonal occupancy)

A comparative revenue calculator is available [here](#).



Source: True Mentors Inc.

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Opportunity 2: Earned (Facility, Events)



Case Study:

Gardenship

Gardenship is a “*nonprofit artist-run collider space that fosters an ecosystem of creative discourse, exchange, discovery, equity, skill and support*”. The organization provides a unique experience where artists come together to create and learn. The organization also hosts and manages a number of high-quality and unique events. **The organization has a 25-year sub-market (non-zero) lease with the property owner of a warehouse on the waterfront in South Kearny, where Gardenship manages day-to-day operations and maintenance, while the building owner maintains the overall building infrastructure.**

For Hoboken, a well selected third-party non-profit organization will introduce unique and exciting programming opportunities to the Union Dry Dock that may catalyze a new identity and draw to the park.



Source: Gardenship

Opportunity 2: Earned (Facility, Events)



Case Study:

True Mentors Inc.

True Mentors Inc. is a “volunteer-based community organization providing three mentoring programs: traditional Mentoring, Enrichment Clubs (Group Mentoring), and Homework Helpers.”. **The organization leases a 6,000 sf City of Hoboken facility at a rate of \$10 per square foot. Total annual rent is therefore \$60,000 per year.**

This organization exemplifies the opportunity to incorporate community-building programming in the Hoboken Union Dry Dock project through a third-party non-profit lease agreement.



Opportunity 2: Earned (Facility, Events)

A comparative revenue calculator is available [here](#).

Estimation: Community Hub Revenue Scenario C: City-Operated

Another revenue opportunity for the City of Hoboken is to collect **short-term venue/space rental fees** directly from end users.

Market Comps:

A comparative analysis of short-term rental in and around Hoboken identify the average hourly rate per square foot at:

- \$0.09 for a flex space,
- \$0.51 for a meeting room,
- \$0.15 for a classroom,
- \$0.16 for an event venue.

(Data source: PeerSpace.com)

These rates are generally higher than the currently charged CoH indoor facility rental rate of \$0.03 - \$0.10 (depending on entity type) per hour per square foot.

Revenue Potential (Using Market Comp Rates):

Type of use	Average Rate per Hr per SF	Space SF	Occupancy	Hrs available per day	Days available per week	Weeks available per year	Annual revenue
Flex Space	\$0.09	475	40%	5	5	45	\$19,000
Meeting Room	\$0.51	475	40%	5	5	45	\$110,000
Classroom	\$0.15	475	40%	5	5	45	\$31,000
Event Venue	\$0.16	475	40%	5	5	45	\$33,000
TOTAL		1900	Square Feet				\$193,000

Opportunity 2: Earned (Facility, Events)

Next Level Goals: Capitalize on Kayaking

A comparative revenue calculator is available [here](#).

Estimation: Boat Storage Revenue

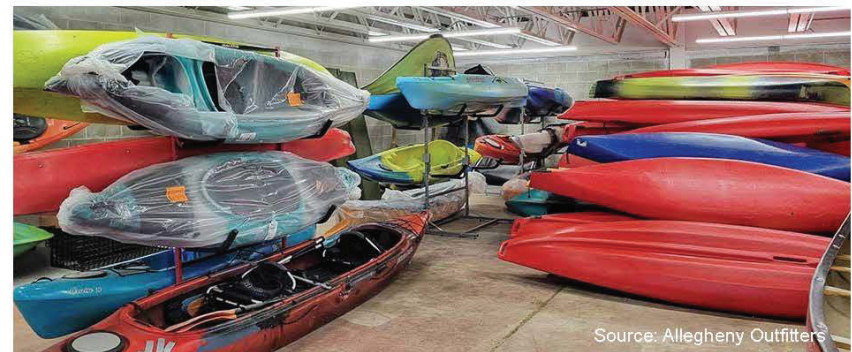
Boat storage for kayaking requires relatively low O&M, while rentals bring in revenue. The operator would sell annual or seasonal access to a reserved boat bay to the end users.

Market Comps:

Average annual revenue for a boat bay rental is \$451 per boat. Average annual revenue for indoor kayak storage is \$1,000 per boat.

Annual Revenue Potential:

- **30 boats in occupancy:** \$13,500 (outdoor) - \$30,000 (indoor)
- **50 boats in occupancy:** \$22,500 (outdoor) - \$50,000 (indoor)



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Opportunity 2: Earned (Facility, Events)

Next Level Goals: Explore Bike Storage Revenue Opportunities



Cities derive revenue from bike storage operators via **revenue share** agreements..

Case Study:

Oonee, Jersey City

Jersey City achieves bike services that are free of charge to residents by partnering with the Oonee on a [5-year contract](#). In the contract, the City pays nothing and Oonee, after earning \$2M in advertising revenue, pays the City five percent on all its advertising revenue. This agreement was signed in December 2021.



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Opportunity 2: Earned (Facility, Events)

Next Level Goals: Drive Space Rentals for Events

City of Hoboken provides open spaces for activity booking and event rental. The Union Dry Dock adds new spaces available for booking.

Park asset	Local Market Demand: Expected Number of Adults/ HHs (ESRI Business Analyst)	UDD Capture: 20% Share of Local Market Demand	Frequency of Events (Assumption: 20 people per event unless otherwise specified)	Fee: Hourly Rate / Event (City of Hoboken)*	Annual revenue Range (Assumption: 3 hours per event)
Kayak/Canoe	4,273	855	43 / year	\$50 - \$125	\$6,000 - \$16,000
Rec Lawn (Adult Soccer, Softball, Volleyball)	4,112	822	41 / year	\$50 - \$125	\$6,000 - \$15,000
Nature Play (Birdwatching)	2,660	532	27 / year	\$75 - \$250	\$5,000 - \$20,000
Beach	20,439	4088	82 / year (50 people per event)	\$75 - \$250	\$18,000 - \$62,000
TOTAL					\$36,000 - \$113,000

**Note that Hoboken has an hourly-rate rental program which provides three ranges that are based on the organization structure. The lowest price is for Hoboken Business Rental, then non-profit rentals, and the highest-priced organization is "other businesses".*

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Opportunity 2: Earned (Facility, Events)

Implementation Considerations

The key considerations are based on national best practice review and local expert/stakeholder interviews.

To ensure success, the following considerations are critical:

- 1. Non-Profit-Operated and/or Free/Low-Cost Facility Use Agreement:**
 - According to data on NJDEP properties, non-profit and other third-party operators who offer free or low-cost services to the public tend to have \$1 lease agreements. If the City of Hoboken enters into similar arrangement, the direct facility revenue will be limited.
- 2. Boat Storage Operations and Maintenance:**
 - It may be advantageous for the City of Hoboken to directly manage the operations of the boat storage facility. This facility requires limited new operating headcount or costs and offers a modestly promising revenue opportunity that offsets other operating costs of the park.

Opportunity 2: Earned (Facility, Events)

Implementation Considerations

The key considerations are based on national best practice review and local expert/stakeholder interviews.

(Continued)

3. Roles and Responsibilities:

- It is crucial to establish a well-defined demarcation of fiscal, maintenance, and operational roles and responsibilities for both the City and the tenant. This clear distinction is essential to set unambiguous expectations for managing ongoing operations and capital enhancements. Such clarity will promote the successful long-term maintenance of the property while fostering a positive and enduring tenant relationship.

4. Lease Term:

- The City should establish its lease term goals before selecting a potential third-party tenant. Shorter lease agreements spanning 3 to 5 years can offer advantages to new organizations, while long-term escalator leases can provide incentives for more established organizations.

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Opportunity 2: Earned (Facility, Events)

Implementation Considerations

The key considerations are based on national best practice review and local expert/stakeholder interviews.

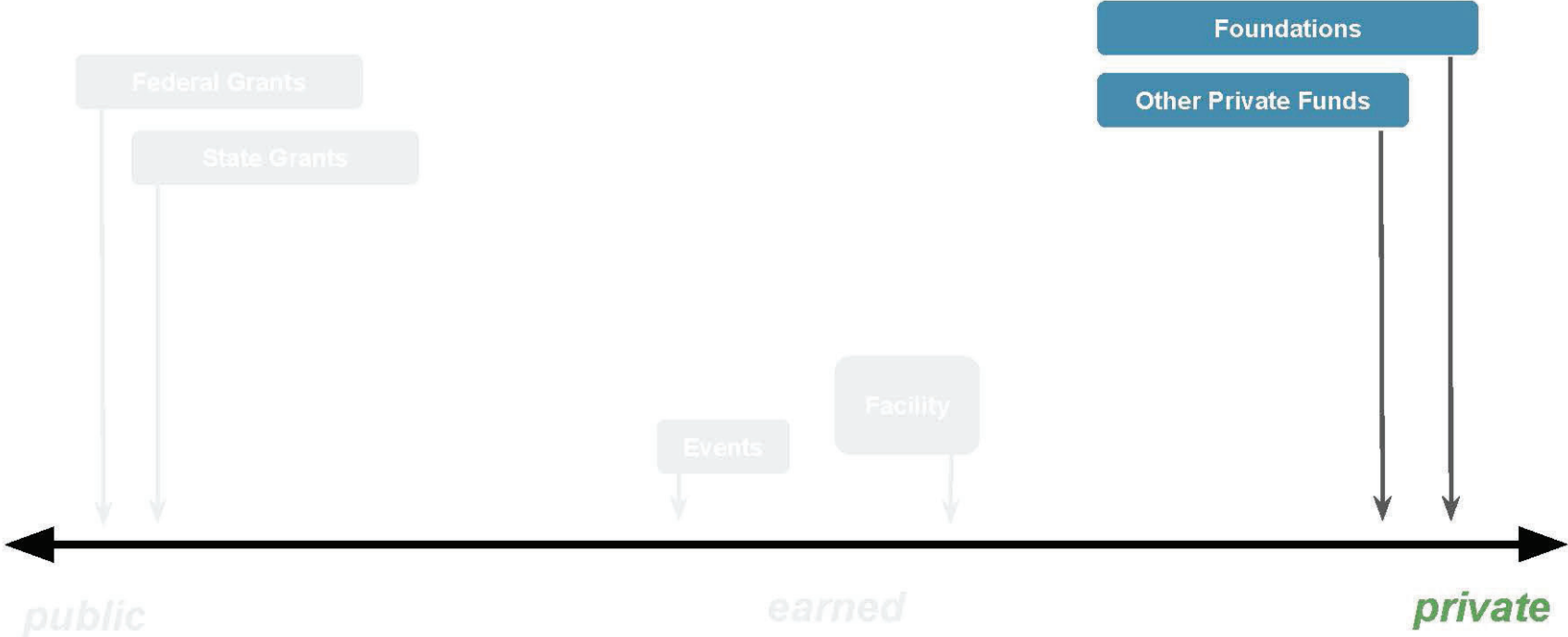
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3. Third-Party Amenity Advertising Revenue:

- Implementing third-party amenity advertising in a park can be highly beneficial. By forming strategic partnerships and adhering to clear guidelines, this initiative not only generates revenue for park improvements and capital costs, but also enhances visitor amenities. It promotes community engagement, fosters a positive image, and supports the fiscal sustainability of the park.

Opportunity 3: Private

Engage private funders without privatization



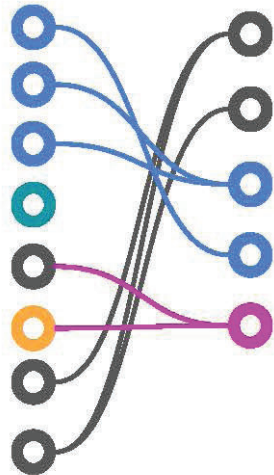
Opportunity 3: Private

Next Level Goals: Identify and Work With Compatible Organizations

Aligning park assets with compatible grant-providing organizations will help alleviate City funding requirement while supporting the mission and vision of the project.

Proposed Park Assets:

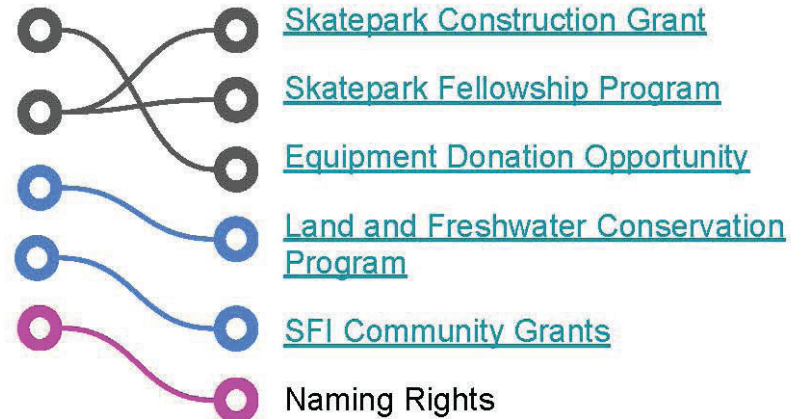
- Woodland Trails
- Gradual Wetland
- Beach
- Entry Plazas
- Kayak Storage
- Civic/ Community Hub
- Rec Lawn
- Skate Park



Candidate Organization:

- Good Sports
- The Skatepark Project
- Biodiversity Funders Group
- Sustainable Forestry Initiative
- Private Philanthropy or Corporations (Various)

Example Funding Opportunity:



Opportunity 3: Private

Case Study

The Skatepark Project

The proposed **skate park** in the Union Dry Dock presents an opportunity to engage in funding conversations with The Skatepark Project.

The Skatepark Project is a private foundation that provides **grants of up to \$50,000** to organizations that build free, public skateparks in low-income communities. The average grant amount is \$10,000. The Skatepark Project has awarded more than \$11 million to 661 skatepark projects in all 50 states.

Berry Lane Skatepark, in Jersey City, received a \$25,000 grant from the organization in 2015 for the construction of their 12,000-square-foot skate park.

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Opportunity 3: Private

Case Study



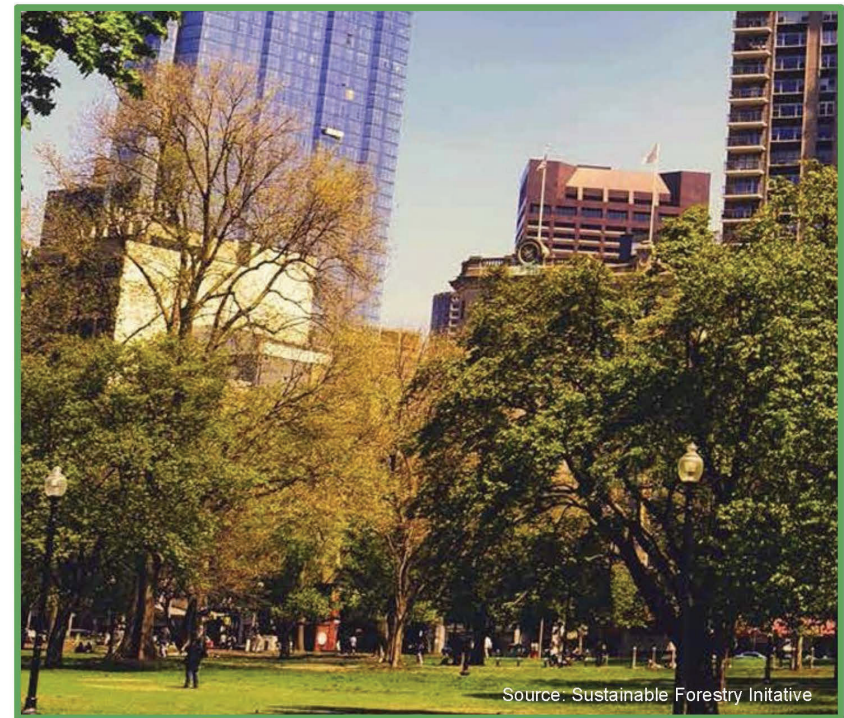
Sustainable Forestry Initiative

The proposed **woodland trails** presents an opportunity to engage in funding conversations with The Sustainable Forestry Initiative.

The Sustainable Forestry Initiative provides Community Grants that are “*awarded for collaborative community-based projects, activities or events supporting SFI’s mission to advance sustainability through forest-focused collaborations*”.

Projects supported have included the following:

- providing educators with tools to showcase green career pathways with students
- incorporating Indigenous knowledge into forest management planning and education curriculum
- building youth engagement in outdoor education and conservation project



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Opportunity 3: Private

Case Study



Biodiversity Funders Group

The proposed **wetland** presents an opportunity to engage in funding conversations with The Biodiversity Funders Group.

The goal of the Land and Freshwater Conservation Program is to “*protect biodiversity in terrestrial and freshwater ecosystems by strengthening grantmaking and providing an opportunity for information sharing, dialogue, strategy development and collaboration among funders*”. The program not only serves grantmaking organizations, but also provides collaboration and coordination among foundations with programs devoted to terrestrial and freshwater conservation.

Engaging in this program may expose wetland programming and education foundation in the Hoboken Union Dry Dock project to additional private grant opportunities and funders.



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Opportunity 3: Private

Implementation Considerations

To ensure success, the following considerations are critical:

1. Mission Alignment, Transparency, and Accountability:

- Ensure that the goals and objectives of the private philanthropy align with the public's mission and vision.
- Clearly define the purpose and priorities for the use of donated funds to prevent conflicts of interest.
- Establish transparent processes for collecting, managing, and disbursing funds.

2. Sustainability:

- Consider the long-term financial sustainability of the park project. Donations and grants may provide initial funding, but ongoing maintenance and operation costs should be addressed.
- Explore options for endowments or recurring donations to support ongoing maintenance and improvements.

3. Campaign Infrastructure and Partnerships

- Fundraising in a more ambitious scale requires robust campaign infrastructure for outreach, marketing, and engagement.
- It is typical for the public entity to partner with community-based non-profit organizations (such as a conservancy) to fundraise for parks and open spaces.



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