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FOCUS GROUP

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Stevens Institute of Technology
Hoboken, New Jersey

"Urban Problems in Hoboken"

PARTICIPANTS

Senator Dick LaRossa
Senator Robert J. Martin
Senator Bernard F. Kenny, Jr.
Assemblyman Louis A. Romano
Commissioner Harriet Derman
Mayor Anthony Russo
Harold J. Raveché, Ph.D.
Reverend Jeffrey Curtis
Chief Richard Tremittedi

Timothy Calligy
Robert Drasheff
Linda Morgan
Edwin Duroy
Anthony Cardino
Robert Murray
Joel Freiser
Patricia Maynard
Thomas Mooney

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SENATOR DICK LaROSSA (Chairman): Good afternoon. I think most of you know why we're here. I'd like to first off, in order-- Our city hosts, if you will: the Mayor of Hoboken, Mayor Russo; and our host on the grounds of Stevens here, the President, Dr. Harold Raveché. Did I say that correctly?

DR. RAVECHÉ: Raveché. It's all right, better than most. (laughter)

SENATOR LaROSSA: Oh well, you ought to see what they do to LaRossa. LaRossa gets beaten up quite a bit. (laughter)

Mr. President, if I may, do you have any opening comments? Then I'll go to the Mayor.

DR. RAVECHÉ: I'd like to welcome the Mayor and this entire group here. We, at Stevens, are delighted and honored to host this meeting. We volunteer our facilities for future meetings. I thought I would just take a few seconds to talk about Stevens in light of the purpose of this meeting, or the purpose of this Committee -- urban issues.

Someone asked about the patriarch of the Stevens' family before. It was Colonel John, who had ten children. One of his children founded the school. But Colonel John had, originally, an apartment in Bowling Green, and two doors next to him was George Washington. George Washington turned to Colonel John to finance the Revolutionary War, which he did do, and he then became Treasurer of the Revolutionary Army of New Jersey.

In the good spirit of partnership, George Washington said, "Well, then you can buy Hoboken," which was an island. He bought Hoboken and then they moved here. Now, they decided in 1895 that the city was getting very crowded, and so they built an estate in Bernardsville which, they maintain, was gifted to the Institute. So we have this site and a site that we use for executive training in Bernardsville.

There are many fine engineering oriented institutions in the United States, but Stevens is distinguished for its work with industry. We are proud of our tradition of applications.

We think theory is important, but we are focusing on applications. That's what we're about, and that's how, in the niche that we have carved out for ourselves -- touch wood -- this school is doing well.

What I have handed to you here is a brochure where we describe a new model for business/university collaboration. You can look at it at your leisure. It's entitled, "Putting Industry First." Now, because of our location and because of another reason, which I'll get to in a second, Stevens is particularly involved in urban economic development. We are especially concerned with that. Within that broad envelope, we are very much concerned about reviving manufacturing in urban areas. I gave an address in Rhode Island over the weekend to the America's Cup winners, and I said that Stevens has, for not a second, given up on reviving manufacturing in urban areas.

We believe that's one of New Jersey's key problems: the economic revitalization through industry, not just through service sectors, which are important, but through the associated manufacturing sectors. Our position is that with three things, you can revive manufacturing in urban areas; that it can be revived to be competitive with manufacturing in any location in the United States or in any country in the world.

Those three things are: A niche product -- not a commodity product, exploiting technology -- making use of the most modern technology and a trained workforce. So our position is that, with those three things, the price of labor in another part of the United States or in another part of the world will not interfere with you becoming very competitive.

Now, we have at Stevens three major initiatives to make that happen, and they're intertwined. One is a Design and Manufacturing Institute. This is heavily funded, this year, from the Department of Defense, about \$5.7 million -- it's a significant amount of funding -- to develop what is said to be

the first fully automated software for the manufacture of high-tech materials, of use to the Department of Defense and the commercial sector.

Secondly, an Environmental Engineering Institute, because when you manufacture you have environmental problems. We all know that environmental regulations are and have been a serious issue for manufacturers in New Jersey. It's a major issue.

The third institute we have, beyond environmental, engineering, and manufacturing, is Telecommunications, because it is that technology -- the Information Super Highway -- that's going to enable industry to exploit technology. So we have put together those three things to help industry become more competitive. We have a business incubator with 14 businesses incubating, and, over the last several years, we've graduated three or four -- these are technology intensive businesses. Our plan is to work with communities to help them realize those three things: niche products with companies, to exploit technology, and a trained workforce.

So, as this Committee proceeds with its deliberations, if we can be of assistance, we would love to do that, because we feel that reviving manufacturing in urban areas is a number one priority.

Thank you.

SENATOR LaROSSA: Thank you, Harold.

If I may now turn to our city host, Mayor Russo.

MAYOR RUSSO: Yes, I'd like to welcome everyone here this afternoon. Of course, my presentation will not be as eloquent nor as technical as Hal Raveché's; however, I'd like to make a comment with reference to Stevens and Dr. Raveché. He has always -- when I was a Councilperson, and now that I'm Mayor -- extended a helping hand for the community. So we will take Hal up on many of his offers and work together.

I think this is an extraordinary idea. I think this concept of the Committee coming out into the communities,

specifically into urban areas, is a wonderful idea. I think we can probably help each other in this process. So I welcome everyone, and I thank the Senate Committee.

SENATOR LaROSSA: Thank you, Mayor.

What I'd like to do is, I have a brief opening statement to give you a little bit of a framework. Then what I'd like to do is, from my left, go around the table. So if everyone would introduce themselves? One of the biggest reasons is so that the transcribers from OLS have an idea as to who it is that is speaking. The microphones that are in front of you are not for amplification, they are specifically for recording the commentary.

One of the reasons we try to do this with the Focus Group, initially, with no press around, is that, quite frankly, we want to hear the good, the bad, and the ugly. Because people tend to sometimes be a little bit more reticent or not to be quite as candid, and, figuring that if we provide the opportunity, we need to know what is really on the minds of the people who are living, working, and dealing with the urban agenda -- the urban environment -- on a daily basis and not in an antiseptic type of commentary.

So with that, I just do want to spend just a very, very brief time on an overview of the goals of the Committee. The Senate President, in establishing the Committee, stated that over the last two and a half years, the Senate has taken its responsibility as a partner in the urban revitalization effort seriously. But that in the years ahead, a more aggressive, more targeted urban agenda will be needed, among them, the development and support of key initiatives that will help our cities to balance their budgets, clean up once abandoned properties, repair aging and damaged schools, encourage tenant input into public housing decisions, and leverage economic development opportunities.

We believe that the Senate has in place the mechanism by which to ensure that such an agenda is developed with the formation of this new, standing Senate Committee on Urban Policy and Planning. The Committee has a very distinct responsibility, and that is, to seek out solutions that are as unique in nature as the problems facing our urban communities. The Committee has already traveled to Trenton, Passaic, Irvington, Camden, New Brunswick, and Jersey City so far, to meet with individuals and leaders who have the ideas that make sense for their communities. We're here today to hear your ideas for your community.

We are not looking for solutions that have been tried and failed, but creative and unique approaches. Therefore, we want each of you to know that your ideas and thoughts are most welcome. I want to emphasize that today's session is one where we desire to bring more light than heat to the problems.

As I said before, the legislative staff will be recording the comments so we will have the opportunity to review the comments later, and hopefully, integrate that into the legislative initiatives. I would just like to add that as I personally see the urban situation not only in my own district, which includes the City of Trenton, and have studied the urban situation in New Jersey and elsewhere, I note that urban problems affect suburban areas. They are inexorably linked.

Although Webster defines urban as "belonging to a city," I see, in a State like New Jersey, that we are almost one big city. I had a lot of people cringe, when we started using that particular comment, but it's interesting that within the last, I believe, two to three months, the U.S. Census Bureau came out with a study and a report where they defined Washington D.C. and the State of New Jersey as metropolitan areas -- not part of the State, the entire State -- Washington D.C. and the State of New Jersey as metropolitan areas.

The ripple effect of both the good and the bad in the urban areas touches each of us, and therefore, we have a joint responsibility to solve the problems, regardless as to where we live in New Jersey. There will be those who will always say that it will cost more money, and we would be better off doing nothing. However, the question I constantly raise is: Is there a greater cost in doing nothing than in doing something? As the saying goes, you can pay me now or pay me later.

It is an action oriented Committee, and we intend to give the urban areas the support needed and facilitate your job in a positive way. But it's not going to be the tools that we think the tools should be; it should be the tools that you tell us you need to do the job. Because too often, policy that has been developed in Trenton does indeed happen in a somewhat sterile environment, in a laboratory on West State Street called the State House, and there is no basis in reality as to what goes on on the day-to-day basis of the people who have to deal and live with the problems every single day. That's why this Committee is out in the towns, in the cities, in the urban centers to hear firsthand, so that, in fact, we do get the direct input. Because, again, at 10:00 in the morning, it's very difficult to have people come to us. What better way than to see it and also see in the environment, as well as reality.

So with having said that, I'd like to go from my left and around the table. If you would just introduce yourselves? We also have my good friend from the Assembly, Dr. Romano, who is probably working with the President with some explosive device someplace-- (laughter) But anyway, we'll start from the left. That's an inside joke. We'll talk about that one later.

COMMISSIONER DERMAN: I think he is the explosive device. That's a compliment, of course. (laughter)

I'm Harriet Derman. I'm Commissioner of the Department of Community Affairs, and I'm very happy to be here today. I grew up in Jersey City. I'm a graduate of Snyder

High School. I attended grammar school in Union City, and in order to get to Union City, we used to take the viaduct. I went through Hoboken almost every day of my life as a child, so I am very familiar with Hoboken. Of course, they didn't have all these yuppie restaurants at that time.

Be that as it may, I also attempt to attend as many urban meetings that Senator LaRossa conducts as possible. I'm his tagalong from the executive branch. I, once again, want to commend him for his efforts on behalf of the cities and his sincerity.

The Governor has announced, I'm sure you read in the paper, that she is going to have her Cabinet devote their resources, on a coordinated and comprehensive basis, to the cities in New Jersey. There has been mention of a SWAT team. We have had two Cabinet-level meetings in this area already. Everything is still in the formative stage, but we are moving very expeditiously.

The bottom line is, we want to have some sort of a program that would, in the most simple terms, be one stop shopping for our cities, if possible, so that we can advance some of their interests and ameliorate some of their problems in one forum, and that we make sure that all the resources of the various departments -- limited as they are in these budgetary times -- are at least coordinated, and that everybody is working together.

I'm very, very happy to be here and, especially, since the view is exquisite today. And it's not true -- rumors that I have been engaged in a physical brawl with some Mayor who was recalcitrant to the local government services are not true. That is not how I sustained this leg injury. (referring to cast on leg) (laughter)

SENATOR LaROSSA: Thank you.

REVEREND CURTIS: My name is Reverend Jeff Curtis. I'm the Rector of All Saints Episcopal Parish in Hoboken. I'll tell you some of the things that I do, which will help explain

my interest in the urban agenda. I'm part of an organizational group called the Interfaith Community Organization, which, basically, is about 35 congregations -- in Jersey City, Union City, and Bayonne -- that have come together to represent about 25,000 families to raise concerns about local issues in neighborhoods, as well as countywide issues. We've been involved in-- Our latest issues have been around chromium and job training. We are getting ready to hold a significant rally on the 30th of October with, hopefully, both governors at the Jacob Javits Center, to announce a very large scale job training program that we hope to have some partnership with.

I'm also on the Board of Christ Hospital, which is an urban community hospital. I chair the Strategic Planning Committee of that hospital, which is heavily at work trying to address health care issues and trying to position itself as a hospital to be able to respond to that changing environment. I'm President of a nonprofit housing corporation in this community that runs a shelter for 30 people a night, feeds about 100 people a night, and is about to embark on a transitional housing program for people -- hopefully, between 24 and 36 months -- to be able to get them out of the sheltering process, begin to get them back on their feet, and back into the community.

I am responsible for a parish that is predominantly filled with young families and single people who have come into Hoboken. My congregation turns over about every five years. We say that you can look to your left, look to your right, and that, basically, one of you won't be here next year. My core group probably amounts to people who have been here anywhere from five to eight years. We've started a day school to begin to respond to the needs of those families. We have a very large nursery school, and we've started a lower elementary school in an attempt to try to keep some of these young families in Hoboken. I would consider my congregation to be composed largely of homeowners in this community.

One of the major issues that I think we address is the issue around taxes that are a burden for a lot of people, and ultimately, particularly make them think about whether they should stay in Hoboken or whether they need to move out to a place where they get more for their money -- that's the way they would put it.

I would just like to say one of the big things that, I think, needs to be addressed in the urban areas is land use policy. I would like to better understand the tax structure process, because what I see is people being able to hold vacant land in cities and only having to pay what would be 20 percent of the actual taxes, because they pay nothing for buildings. The way the tax structure is currently set up, it enables a lot of vacant land to exist. I know that was raised in Jersey City at your hearing probably, too. I think that's something we really need to address in this State -- about how we tax in the cities.

SENATOR LaROSSA: Thank you.

MR. FREISER: My name is Joel Freiser. I'm a resident of Hoboken. I was a yuppie once, I think, before there were yuppies. I moved here in 1974 and live here with my wife and two children. We're one of those families that, I guess, feel we pay for the privilege of living in Hoboken, but that's because we love it. The cost of education is very high. Education is a major issue.

I guess one of the reasons why I was invited by the Mayor's office to join you this afternoon is that I am also chairing the Hoboken Waterfront Corporation, which is a private, nonprofit corporation formed by the Mayor and Council of the City of Hoboken several years ago, to help develop an effective consensus for developing Hoboken's long dormant waterfront. As many of you know, two previous efforts to develop the waterfront failed at a referendum. We've been laboring for the last two years with a group of 19 citizens,

with very diverse points of view, to formulate a consensus plan. We are happy to report that we've made very encouraging progress.

I'll put in a plug for that with the Senator and the Commissioner; that is, that we are turning and looking to the State for every bit of support and help that we can possibly get, as we approach the point in the process where we will be defining a comprehensive redevelopment plan for the entire waterfront in Hoboken, from the Erie Lackawanna Terminal up to the Weehawkin border. We envision seeing a waterfront park and a number of other amenities, not the least of which will be the infrastructure, which is very expensive and very difficult to finance.

We hope the Legislature, the Governor's Office, and the various departments of government -- Community Affairs, the Economic Development Authority, the Department of Environmental Protection -- will be a support and a source of resources to the Mayor, Council, and the Waterfront Corporation in lining up the dollars that are necessary for the extensive infrastructure investment that is going to be necessary to set the stage for private development. The front end of our effort is materializing as we speak.

Within the next six months, we hope that we'll be in a position to invite solicitations of interest from the private development community for the five acres of land in the southern waterfront, which are the headlands of the former Port Authority Terminal. I guess that is probably the major issue that is on our minds right now.

Beyond that, I think there are some rather fundamental structural issues that, perhaps as we go around the table, we'll get back to later. I would just like to highlight some of them:

Number one, in particular, is the issue of remediation of environmentally degraded land in Hoboken. Probably about one quarter of the land mass of the City -- particularly in the

western half of the City, which is unoccupied or underutilized -- is built upon coal ash that was deposited there probably through a great portion of the 19th Century, along with other industrial contaminants that people were unaware of in those days.

As the City seeks to establish a new tax base, I think it's absolutely critical that the Department of Environmental Protection and State government provide not only the tools -- the regulatory relief -- but also the resources, so that land can become rebuildable on a financially feasible basis. Without that kind of support, I doubt very much whether or not that land can be reclaimed.

We're aware of encouraging efforts elsewhere. I know Linda Morgan, at RPA, and her organization have been very active in inventorying industrial land in need of remediation in Union County. Perhaps, we need very targeted task force efforts to look at the industrial land in Hoboken, and on an expedited basis, provide the means for making it ready for redevelopment.

One other comment that is, I guess, a response to what Dr. Raveché said earlier about the important role that technology can and should play in the revitalization of our cities. I think, as a resident of Hoboken, I would very much like to see the resources and partnerships created between academia, local government, State government, regional resources, and the business community, to bring manufacturing firms to this community, to participate in partnerships with the institutions like Stevens Institute, where the City itself could become a laboratory for prototyping new industrial products, perhaps even on those lands that are currently undeveloped for a variety of reasons, not the least of which probably is the environmental status of that land. So really, resources, technical support that is highly targeted--

The issues, I think, are so complex that a legislative solution alone will not guarantee an adequate outcome. I think there needs to be, on the executive branch's side of government, a sustained effort that involves individuals who are assigned to work on a community-specific basis. Teams of people who will not disappear every six months because of reassignments, but will stick with the problem or the project until the work is done and completed^X and an adequate outcome is achieved.

Finally, I would just like to touch upon the issue of the tax base of this community. I think Hoboken is very typical of many of the older urban areas throughout the State of New Jersey. The tax base that supported this community, as is true probably of Newark, Trenton, Camden, and New Brunswick, is basically gone. The manufacturing base of the City of Hoboken was once quite strong. You can probably look out of the window and see one of the few remaining manufacturing facilities right outside here, which is Union Drydock, which is a taxpayer and provides jobs. Once upon a time, this community had a balanced tax base. Today, that tax base is being shouldered by the residential property owner for the most part, and the taxes here are just out the window. So I hope that some of these issues can be touched upon in our exchange of ideas.

I thank you for the opportunity to be with you this afternoon.

SENATOR LaROSSA: Thank you, Joel.

We've heard from the President, so if I may--

DR. RAVECHE: Could I make a response to that, and preface it with a personal statement?

We have four children, three of whom are in Hoboken schools. The oldest one graduated from a Hoboken school. I'm on the Governor's Task Force on Telecommunications, trying to grow those industries in our State, and you frequently hear

about the quality of life in New Jersey. I'd like to challenge that by saying that in our view -- our family's view -- the quality of life in New Jersey, in particular in Hoboken, is extremely high. I recognize we have problems, which we will address, but the quality of life is extremely high. I think that must be understood. I probably eat three nights a week in a Hoboken restaurant, as my waistline will certify. (laughter)

If you hear that Hoboken children don't have access to things that perhaps children in suburban communities have access to, we would challenge that. Our kids swim for Secaucus in the summertime, because they have a swimming team, which is doing very well. Our oldest son, who is 15, made the Junior Olympics in skiing, living in Hoboken -- living in Hoboken, I want to say. So I think that this town is an amazing place to live, truly an amazing place to live, and I've lived all over the country.

Now, on some of the issues that Joel Freiser referred to, I think we can work together. We help other communities, other states, with remediation. We have the largest environmental engineering program on the east coast. We work with soil cleanup, water cleanup. I don't see why we can't cooperate in that. We have excellent ties with the Department of Environmental Protection. I don't see why we can't work to achieve the goals you alluded to, while bringing back manufacturing. I think that's within our grasp. I'm not saying it's easy, but I'm saying it's within our grasp.

SENATOR LaROSSA: Thank you.

We've just been joined by Senator Bernie Kenny, who--
You also live in Hoboken, or do you just represent Hoboken?

SENATOR KENNY: I live here.

DR. RAVECHÉ: Full time. (laughter)

New Jersey State Library

SENATOR LaROSSA: Well, he keeps coming down and giving us Hoboken bread, and we thought maybe he would have a few more loaves to share with us today. (laughter)

SENATOR KENNY: Didn't the Mayor bring any for you? (laughter)

SENATOR LaROSSA: No, we'll talk about that later. (laughter) But I will say this about Senator Kenny: when this Committee was first formed, even though he had not served on a Committee, he was probably the first member in the Legislature who offered to hold a meeting of this Committee. It has taken us six months to get here, but you have a very, very good ally and a very, very strong voice and advocate in Senator Kenny.

We're just going around the table introducing everyone and getting their perspective.

Again, welcome and thank you for spending the day with us.

SENATOR KENNY: Thank you very much, Mr. Chairman. Thank you.

MR. CARDINO: My name is Tony Cardino. I'm the Executive Director of the Hoboken Parking Authority, in addition to being a lifelong resident of the town along with my wife and three children. We have a property here in town, we're taxpayers.

On a day-to-day basis, we probably attack the one problem that many people say doesn't have an answer: Where do we put the cars? Where do we park the people? Working closely with Mayor Russo's administration over the last year, we are attempting to find places and areas where we can expand our parking, which would, in anybody's opinion, be the draw to get business back into town -- get manufacturing or technical business back in here -- some place to put the cars. Again, working closely with the Mayor and his administration, we've got about 150 or so parking spaces ready to come on board over the next couple of months, which will alleviate congestion in one part of town.

It's a very difficult situation. Proverbially, we have the five pound bag and are trying to get ten pounds of potatoes into it. But we are working hard at it. It's one of the problems we have to solve if we are going to expand on the industrial base, and again, attract the rateables -- people who are going to pay the taxes -- to possibly give the residents, such as myself, the relief that we're looking for in our tax base.

I don't have a lot to say regarding a lot of other things, but as we go along, I'm sure there will be other things to say. Thank you for inviting me. I appreciate the opportunity to be part of this Committee.

SENATOR LaROSSA: Thank you.

MR. MOONEY: I'm Tom Mooney, Chairman of the Hoboken Planning Board. I'm happy, again, to be here. I'd like to state that our problems are starting to be resolved. We're trying overall to develop this city in an orderly fashion. I'd like to say I'm a resident here. My family, my father's family, for 144 years -- since 1844 -- have resided continuously in Hoboken. We love the city. We value family values, highly regarded, we're a close-knit community. We welcome all along the line.

A recent accomplishment, which I'm very happy to announce, is the development of the northern waterfront. A mixed-use development was approved by the Planning Board under Mayor Russo's administration here. We pushed for it, we worked very hard on that; one year of hearings, it was very time-consuming. Three times a week, people gave their time up to attend these meetings to be here to put this over.

We want to develop the city. The northwest section of the city is zoned for industrial use. Again, in conjunction with Dr. Raveché and the facilities of Stevens, we hope to go forward on that. Our next goal is to develop the rest of our waterfront, as Joel Freiser said, and work with the Waterfront

Corporation, which I'm also a member of in an advisory capacity, from the Planning Board. We're going to go forward. We're looking for all aspects of life in the city to try and develop, to make this a comfortable place to live. I'm sure that we all love it. We walk here, we're safe here, and we find that we hope to continue to improve it even more so.

Thank you.

SENATOR LaROSSA: Thank you.

MR. GILLESPIE: I'm Pat Gillespie, with the Senate Minority staff.

SENATOR LaROSSA: And our transcribers from OLS (indicating).

MS. MAYNARD: I hope all of the smiles don't fall off all of the faces; I'm Patricia Maynard, and I work for the Port Authority of New York and New Jersey. See, there they go. Come on Mayor. (laughter) I am the Port Authority's liaison to the New Jersey Legislature.

Going back a bit in history, I spent four years as a locally-elected official; sat on a planning board; was a freeholder for over six years, Director of the Board a little way west of here. I was hired by the Port Authority in March of 1984, which ought to begin to ring a bell, to get the Hoboken waterfront legislation through the New Jersey Legislature, and I've seen a bit of a change in Senators and Assemblypeople from this district.

The Port Authority has various kinds of arrangements, and people have various feelings about the Port Authority, but the door is open. I do not expect to contribute, really, any more than this today, but I am here to listen.

We do have a very close working relationship with Stevens Institute. The Authority exists really to aid the port districts in both states. Again, the door is open. We have minor crises -- major crises, not minor -- but the door is open.

It's a pleasure to be here. It has been fascinating to watch Hoboken over the last ten years, as I've gotten off of the New Jersey Transit train. The city is very exciting, and personally, I wish you nothing but a whole lot of luck.

SENATOR LaROSSA: Thank you, Pat.

MS. MORGAN: Good afternoon. My name is Linda Morgan. I'm Director of the New Jersey Office of Regional Plan Association, a tristate, nonprofit agency dealing with quality of life issues for our region. I was invited here today, I think, because of the work we've done in Union County which Joel mentioned, which is really a success story for urban areas in this State: redeveloping derelict, and in some cases, contaminated land in Union County in a year, where it would take, normally, two to three years to get all the environmental permits for a project of that size and complexity.

RPA began the process about three or four years ago, doing a survey of derelict, vacant, and underutilized land in Union County. They identified 2500 acres of land -- half of which was clean, in the process of being cleaned up, or not needing to be cleaned -- and then redeveloped a 166-acre parcel south of IKEA, along the Turnpike, as I mentioned, getting all the approvals in a year. We were able to do that because of a real concerted effort on behalf of the Department of Environmental Protection, Department of Transportation, and others giving us at the DEP a full-time urban permit coordinator to help push the process through. I think it's really a shame, now that we have this success story, that that position has been eliminated from the Department.

So I come today to kind of give a feeling for the success that we were able to accomplish and to urge the Governor's staff to keep up the good work on trying to do permit coordination. I know Bill Healey is going to be very responsive in this way.

I also sit on the Governor's Urban Economic Development Task Force as part of her effort and can maybe provide a bridge to the work that Senator LaRossa is doing across the State. I know Commissioner Derman is also a member of that Task Force.

RPA has historically been interested in trying to encourage urban redevelopment throughout the State, recognizing that there are suburban and urban linkages that need to be forged in trying to change tax structure, perhaps, trying to look for ways to enhance the development potential in our inner cities.

We've worked on the Hudson River Waterfront Walkway for a long period of time. We hope to continue to be involved in Hoboken. I would urge you to come and use our resources from the lessons that we've learned in Union County, here in Hoboken. Joel Freiser and I have spoken about doing some of that in Newark, working with the New Community Corporation and NJIT. So we're really offering our services to you today.

Thank you.

SENATOR LaROSSA: Thank you, Linda.

MR. DUROY: Good afternoon. My name is Edwin Duroy. I'm Superintendent of Schools, Hoboken Public Schools. Public schools continue to be under pressure when dealing with taxes. Obviously, approximately 60 percent of the tax that comes out of the city is used to fund the public schools. So one particular issue that I know has been prevalent in the courts deals with the funding of public schools through taxes.

Hoboken, the last 12 or 14 years, has undergone an urban renaissance as a community changing over. In the early '80s, I would have to say, when we were transitioned -- this period of change -- the public schools were not keeping up with the change. I believe in the last three or four years, we've looked to accelerate to get the public schools back in line. However, during that period of time, what for many was a period of renaissance, for others was a gentrification.

I would state that Hoboken is a pure case of how a community was gentrified to the extent that in the 1980 census, we had upward of 10,000 to 12,000 children that lived in this community; I would say that today, we're below 5000 students -- 5000 children -- in the community. Studentwise we had upward of 7000 in the early 1980s. Today we're hovering at 3000 students in the public schools. So we have gone through a tremendous change; for many good, for others it was not.

This particular issue of housing is one that is very-- I've worked in this community. I served as a City Councilman for four years. I served in the Housing Authority for 21 years. I was also involved in organizing nonprofit housing and did develop 40 units of ownership and rental housing.

So Hoboken, I don't know whether it's unique or not, but the loss of jobs has also had an impact on the loss of housing, affordable housing in particular. There is a lot of pressure when it comes to talking about affordable housing and development, and certainly in our community to the extent that people say -- when you talk about the waterfront -- "affordable housing should not in any way, shape, or form be involved with the development of prime property."

But I contended when I was a Councilman, and I still contend today, that indirectly, something has to be contributed. You need to contribute and include affordable housing in the formula. Whether you take out the revenue or you take out some of the revenue that you derive through sales or through taxes and reinvest it in other parts of the community, you have to include that component. I certainly echo and support the concept that Reverend Curtis was talking about with this transitional housing.

That kind of segues to a project that we started last year. President Raveché was very instrumental in helping to put the business community in contact with the public schools.

This concept of school-to-work is something that is important. All these elements of housing, education, and taxes have to communicate. You have to communicate to make it work. If you're handling housing in and of itself, but you're not talking about the education, or you're not talking about the ability to find a job or move up in your career, then you're talking in voids. So I think that this particular Committee is right on target.

SENATOR LaROSSA: Thank you very much.

MR. MURRAY: Robert Murray, Counsel for the City of Hoboken. Speaking first, I suppose, to a point that Dr. Raveché made concerning the quality of life in Hoboken, there is a very positive quality of life. It's something that has been echoed by others.

Also, listening to the point that he made in his opening remarks kind of was a moment you had to stop to think: Were we hearing correctly someone speaking about restoration of manufacturing, restoration of opportunity for jobs, not just simply jobs but good jobs, opportunities for dealing then with an economic base, an ability to do something both with respect to opportunities for individuals and also for purposes of taxes, and a concern that many have been mentioned one way or another in the various points?

Not only is Hoboken unique with respect to a positive current status of quality of life, with what the problems are as they exist, but there is also the opportunity unique to Hoboken for a partnership between the City of Hoboken and Stevens, which is something that is probably unique and different from many of the other communities in the State, not simply because of Stevens, but also because of Mayor Russo's administration that has championed really public/private partnerships. The Mayor has moved forward with a public/private partnership with the Hackensack Water Company. He has moved forward on other initiatives, and the opportunity

here then to perhaps explore and engage in something that will restore good jobs to the community, will move forward to restore manufacturing opportunities, would set Hoboken unique, and is something to be encouraged on a basis here in this City.

SENATOR LaROSSA: Thank you very much.

Mayor.

MAYOR RUSSO: In response to some of the comments with reference to the very high taxes in Hoboken, I'll suffice it to say that approximately 30 percent to 40 percent of the population here in Hoboken actually pay taxes. We have much in the way of abated property -- affordable housing, schools, churches -- so there is a very small segment of this community who shoulder the tax burden. No matter what we do in city government, we always seem to come out on the short end of the stick. There always seems to be a deficit.

I have restructured government from seven or eight directors to three. I've changed divisions into specific departments where they would do more good with a better working relationship. I've privatized many areas. I'm in agreement with many of the concepts that the present administration in Trenton has been proposing. As a matter of fact, I had written a letter to Governor Whitman back in February and stated just that.

I am in agreement with many of the concepts that she was proposing. However, I thought it would be prudent that in the way of aid to municipalities, the State should actually look at those municipalities who are in agreement and doing those things that have been proposed by not only Governor Whitman, but Al Gore -- reconfiguration of government, many of those concepts. Those cities that have been trying to do that should really be given an incentive, instead of aid or a formula that holds harmless that State aid number. I think that an incentive should be given to those municipalities that are in-line and are doing what is supposed to be done, and I so stated that in the letter, as I said, in February.

So that is one of the major problems, aid to cities, aid to cities that are really trying their very best and not squandering taxpayers' money. We, in fact, have been doing that and we work very, very hard at that.

Another area of concern, and it was alluded to by, I think, Joel Freiser and Hal Raveché-- We speak about State mandates, and there is actually no funding for them. For example, just recently there was a proposal -- not only industrial or light industry type proposals, where environmentally the cost would be enormous to get that land redeveloped, but even in residential areas -- before HUD and the DEP with reference to a senior citizen housing project, and 99 percent of Hoboken is actually contaminated in a mile-square radius, so it precludes us -- cost-prohibitive -- in building these things because there are so many hoops that we have to hop through. I have written a letter to both the DEP and HUD with reference to their policies on ECRA cleanup, and no actual help -- no resources for the cities with reference to these types of projects. So that is another problem that we see.

Again, State mandates: We're mandated to upgrade our 911 system, but there is no funding for that. We have to incur the cost of personnel and the hardware for doing that. That's a monumental, enormous cost for our city budget. Public safety mandates are enormous. Well, luckily, there may be some reimbursement of funding to us with reference to the police protection during the World Cup Games, but originally there was going to be no funding for that. It's very difficult for urban areas to survive those mandates without any revenue.

Another problem is a cost that may sound miniscule, our crossing guards. Hoboken is 1.3 miles square. We do not receive revenue for transportation costs for our students, because we actually do not need that, we're small. Yet our

crossing guards try to have the children walk safely to the schools. There should be some revenue coming back to the city for that. It's really a substitution.

Department of Personnel restrictions: In reconfiguring this government, sad to say, there were many positions -- there were many people in those positions who were not competent. They were actually not competent; they did nothing. It's very difficult for a city to do away with that position or that person. It takes I don't know how long. I don't know how many hearings that one must go through, and keep that person on the payroll who is not productive. So we have many restrictions in the Department of Personnel that need to be looked at.

Residency for police, fire, and teachers: I know we're well on our way with bonus points, but I think we should go beyond that. I think a teacher, fireman, or policeman who lives in town will do a better job, will take more of a responsibility, more of a proud attitude for his city. I think that has to be looked at, and that's just some of them.

SENATOR LaROSSA: Thank you.

MR. DRASHEFF: Hello. My name is Bob Drasheff. I'm the Director of the Human Services Department for the City of Hoboken. I was recently appointed to this position. I've served in government for about 14 to 15 years now as a County Freeholder, as a Welfare Director, as a Health and Welfare Director, as an assistant City Clerk, and I've seen a lot of the city's history in that period.

The Department of Human Services really feels the brunt of cutbacks whenever they occur on a State, county, or Federal level. This year has been particularly bad for Hoboken. For instance, in our Fiscal '95 appropriations, the operating subsidy that we provide to the Hoboken shelter has been cut by 50 percent. The program of recreation and social activity for handicapped citizens has been cut 30 percent. The

subsidy that we provide to operate our day care centers in town, which serve predominantly lower- and moderate-income families, has been cut by 15 percent. The parks development money that we've requested to update and upgrade our heavily used municipal parks has been cut by 66 percent. The Mayor has already mentioned the mandated program of 911 implementation, for which we have been totally denied our funding for that program.

The result of the cutbacks by the State and county governments forces the burden of these programs to be put on the shoulders of the local taxpayer. The tax situation in Hoboken makes it harder and harder for the middle class in this town to survive. We've been seeing, in the past few years, a dangerous situation developing, because a widening gap is developing between the very rich and the very poor in this town. It's a very unsettling and unstable situation to occur in any community.

The answer to many of these problems seems simple at first, but complex in political terms; we need to downsize county and State government. The money that flows from the local municipalities to State and county agencies has got to stop. There has got to be a decrease in the size of government above the municipal level. Local taxpayers can't afford that burden.

When you look at our tax dollar in Hoboken, about 15 cents on every dollar goes to fund the municipal government. Over 32 cents is for county government, and the balance is State and school spending. That situation has destabilized the middle class in this town. Unless there is relief on a long-term and serious level which would stop the increase in government size, we're going to continue to have problems in towns like Hoboken and many others, across the State of New Jersey.

Thank you very much for your time today.

SENATOR LaROSSA: Thank you very much, Bob.

CHIEF TREMITIEDI: My name is Richard Tremitedi. I'm the fire chief. I've been an employee of the City of Hoboken's Fire Department for 34 years. I went to the local schools. I went to New Jersey community colleges and State colleges. As has been echoed here, it seems that most of our problems have to do with money, how we manage it, we all know that. As a fire chief I'll specifically echo some of the things Mayor Russo indicated.

Fire protection is expensive. We have to provide it in as cost-effective manner as is possible. I've been called the city resident expert, and we've changed the numbers of superiors to indians, so to speak, to make a better balance, but we need more than that.

Not to go back to the past, but sometimes the answers are in the past, of things that were started in the past. I believe in the '60s, Stevens was involved in the study of the regionalization of the North Hudson Fire Departments. Later in the '70s, I think it was Nick Fargo from Jersey City, had a study of the entire county. I believe Governor Whitman is talking a lot about consolidation, regionalization, merger, annexation, or whatever you want to call it, but I think we have to condense because, figure, we have 12 communities in Hudson County; we have 12 chiefs; we have how many deputy chiefs; we have so many communications centers. I think a serious effort has to be put towards that. I think the State has submitted, in the past, some funding for that.

Not to go back to the problems of the county, but it doesn't have to be county, it could be called anything. I think that's one of the problems. We have to provide protection at a lower cost, or provide a better level at the same cost. I think it has to do with State mandate/State pay, where under OSHA, PEOSHA regulations-- I think there is \$123,000 in my current budget to meet with OSHA requirements, so I think we have to consider that also.

I'll be glad to hear everybody's problems. I didn't mean to dwell on mine. Thank you for your time and attention. (laughter)

SENATOR LaROSSA: That all makes up the urban mosaic.

MR. CALLIGY: My name is Tim Calligy. I'm the Director of Environmental Services for the City of Hoboken. What that really translates into is I am the director of everything that smells or is crumbling. (laughter)

A year ago, when Mayor Russo came into office, he called us in and said: "This is what I need; I need a lean, mean, municipal machine. How we'll do that is anybody's guess." Although we thought we had a plan, and we began embarking on that plan, we found all the obstacles that were in our way.

The Mayor touched on the privatization and the arrangement the city entered into with the Hackensack Water Company. Looking at it from the 1990 standpoint, it's an excellent opportunity for a city to enter into a private/public partnership, and theoretically, save the taxpayers money, time, and energy.

Practically speaking, although it's working and it's working well, we looked at the privatization plan and how it would affect the city over a 10-year period. Because if anything is to work, you can't look at it over your term in office, you have to look forward, now. We found that with the restrictions placed on us, again, by the Department of Personnel, what could have amounted to a \$33 million savings over a period of 10 years really translates into a \$17 million savings over a period of 10 years, only because of regulations that have been placed on us -- restrictions that have been placed on us from an archaic system.

In order for us to move forward and make privatization work, we've got to look at the structure -- the civil service or the personnel structure -- revamp it, or worse or better,

abolish it. I come here today after just getting off the phone with the Department of Personnel and being told that we must rehire people who were let go, because at some point they held a title that is no longer in use in the city, but they have certain bumping rights that puts them back on top even though we have no use for their current skill.

What I would propose and what the Mayor has proposed in the past is that whenever a city enters into a privatization agreement, one that will directly benefit the taxpayers over the long haul, that the State recognize that as a positive action and reward the city with transition funding that will allow the city to take those workers who will be replaced or displaced because of the privatization, retrain them directly within the city's structure, and move them out into private industry.

We're not looking to displace political foes by privatizing our water utility or sewer utility; those days are gone. The New Jersey Department of Personnel doesn't believe that and still keeps the restrictions in place. We need the ability to retrain and move people on into the private sector so we can privatize more and more. The State can help us do that, and they can do that quickly by addressing the system that is in place now. We need your help.

We have tremendous environmental concerns. As Joel Freiser indicated before, much of our property is contaminated. We do have vacant space. We do have vacant space that can be used for recreational purposes. We have vacant space that can be used for industrial development. As Hal Raveché said, he goes to Secaucus to swim. We would love to put a municipal pool in the City of Hoboken, but everything is contaminated and we can't do that. To do something like that would not require a tremendous amount of money, but it would require relaxation of some of the rules and regulations that are in place and, perhaps, some long-term financing that the city can agree to participate in.

In order for us to go on-- The quality of life is improving and Hoboken is a wonderful place, but underneath the city is a crumbling infrastructure that has to be addressed, and it has to be addressed quickly because it's crumbling more and more each day. We see potholes and we see all these things, and it becomes a joke. You know there is a big one up on Washington Street, and you could fit a tractor trailer in it. Well, that's only an indication that the city is crumbling.

We cannot afford, and we will never be able to afford to rebuild our city. We cannot plan to rebuild our city within the political structure that we're dealing with now. Municipalities need the ability to plan ahead. We have to be able to plan not just until the end of this Governor's term, but beyond that.

We have to be able to sit down and develop a 10-year plan with the Department of Transportation and not submit our wish list every year in January and hope that we get the money. We have to be able to indicate this year that next year, we need to repave five streets. The following year, we'll need to repave another five -- and these are the five, and these are the five, and these are the five -- and not just hope we get the money as it comes along, but plan ahead. Each year we know, basically, how much DOT funding is available, but we never know what we're getting until right down to the line. We need to be able to plan, and the State needs to make that easy for us so that we can have a 10-year plan for our streets.

We need to address a crumbling wastewater delivery system -- we'll call it sewers. We have no sewer system in the City of Hoboken; it's a myth. In the western end of the city, there are no sewers. For us to pretend that they are there is a joke. The city will not be able to afford to rebuild those sewers. We just cannot; we don't have the means to do that.

If we develop the city from a manufacturing standpoint, each and every inch of the city-- If it were developed tomorrow and our tax base was stabilized, we would still not be able to afford to rebuild our infrastructure. We need help from the State in rebuilding the sewers and the wastewater delivery systems. We need to be able to do that, again, on the long term. We cannot go and ask for a million dollars this year, get it, rebuild a quarter of a mile and then not get anything for the next 20 years, because that will only put stress on the system that we just rebuilt. So we need the ability to plan ahead. We need a 10-year planning window, and that's not afforded to municipalities right now. That's a major problem.

I see as our three biggest problems right now, a limit on transportation funds, planning from year to year. We have limitations on our ability to plan on wastewater delivery revitalization, and we need help in dealing with our personnel problems. We need to be able to move forward with privatization plans, but we need relief from the State. We need to be able to do that and pass the cost savings on to the taxpayers. Those are just some of the problems I see, and there will be many more.

SENATOR LaROSSA: Thank you.

ASSEMBLYMAN ROMANO: I'm Assemblyman Louis Romano. While I don't live in Hoboken -- I live in West New York -- I do represent Hoboken, and in many respects it is my second home. I spend more time here, I think, than in my own town. In any event, just to change the theme for a moment -- you know, bring some happy tidings in -- I'm very happy here today, because it is an opportunity to see my old colleague from the Assembly, former Assemblywoman Harriet Derman.

I'm glad to see you looking so fit. We all had news of your leg, and I'm glad you scotched all the rumors that it was done by some mayor who didn't want to hear about the loss of municipal revitalization funds. (laughter)

But beyond that, there are many themes here today. I want to thank Joel Freiser.

I think you did an excellent job, Joel. I agree wholeheartedly with what you have said here.

Also, I'm very thankful that we have the Senators here. There are three of you now, Senator Martin, Senator LaRossa, and my own Senator Kenny -- three to one, that's just about even. (laughter)

SENATOR MARTIN: Well said.

SENATOR LaROSSA: Notice he said, "just about."

ASSEMBLYMAN ROMANO: Just about.

SENATOR MARTIN: Only as far as he is concerned.

ASSEMBLYMAN ROMANO: That's as far as I'm concerned.
(laughter)

Basically, one of the biggest problems -- while you've heard many of the problems -- is the declining tax base. This presents a real problem for Hoboken. You know, some time ago, I was a guest lecturer at Ramapo College. They all wanted to know -- it was actually a educational/social problems orientation -- why, we, in the so-called big cities, required so much money? Whereupon, in my own questioning I asked, "What sort of fire department?" Well, it was volunteer. I asked, "How many officers on the police department?" I think they had 24. I asked, "Who pays for the sporting equipment?" They said, "Oh, no. You have to buy your own shoes and helmets."

You know, this is the important part -- or the expensive part, I should say. Everything was voluntarism. Then when a child went to school and they were going on a field trip, very nicely, the children brought \$10 the next day to cover the bus fee for them to go on this field trip. We, in the city, don't enjoy that largess.

Here in Hoboken -- and I want to correct a misunderstanding -- while this is city, it has a characteristic and charm that I don't think you could find any other place in

the United States. While at the university, among the courses I took in higher education, we always came up with that concept of "town versus gown." Well, what you have here is a unique feature of "town versus gown," because the gown is inextricably connected to the community in a fashion which most institutions of higher learning don't have with the surrounding community. Here you have an active partnership, and I think President Raveché should be congratulated on that. They can look to Stevens for so much help in this urban initiative here. Stevens will help Hoboken. Hoboken, conversely, works along with Stevens affording them the -- how shall I say -- complementary cooperation that would go to making sure that Stevens could bring about the programs they want to bring about. There has been that interaction here that you don't find in other town/gown relationships.

First of all, what I see for Hoboken, beyond all the problems we're talking about, is that I am looking for Hoboken to keep its characteristic charm. The ambience that one gets here in Hoboken, you don't find anywhere else.

I, personally, on another note, would look for certain aspects of the town to be restored in terms of the brownstones. I hope, if that ever would become possible, with the help of President Raveché with his manufacturing techniques-- There are so many -- how should I put it -- artificial, if you will, restoration qualities that they have of facades, and stone, etc. -- plexiglass, fiberglass. Many of these buildings with the littlest of cost could be made to look like Hoboken at the turn of the century -- put back lights that resemble gas lights, that sort of situation -- have the street signs resemble what was here in Hoboken before.

I have my own other personal feeling about the parking. I've said this on so many occasions, but it is a problem. I think there should be, within certain streets, the development of what you might call mews, where buildings at the

end of each block which abut directly, where all the backyards or lawns, we might say, go through. Well, that would be opened up, where you would have parking on one side of the street with enough of a width so you would allow for fire trucks to get through, so that all the parking would not be out on the street, but rather, behind the houses on mews. It's a problem, because who is going to give up their home at the end of the block to make this driveway feature? But it's used in Britain, and it's used in so many other communities where the residents are able to park behind their buildings.

In reference to the schools -- and this is one of the atypical situations of Hoboken, while the rest of Hudson County, my own community -- I understand the school population has increased by 900. In Hoboken, we have a totally different situation. We have the Superintendent here; he has a student population that is declining. Over the past several years, they have sold old school buildings.

Now, conversely, when we look at what is coming down from Trenton, and I agree with certain regionalization of services, etc.-- By the way, in Hudson County for the longest time, we've been looking for an educational services commission and were never able to put one in because the legislation was not in place, because there was a hold on all educational services commissions that would be sponsored by the public.

Right here in Hoboken, who knows, we might have the nucleus to provide central services for that area. I'm sure Superintendent Duroy will remember. I was the one trying to put together a situation where north Hudson County would make use of the Hoboken schools in the mainstreaming, and other schools would pay a tuition for certain special education students. Hudson County is the cuckoo county of the cuckoo State; meaning, you send your young out of the county, much less the State. If you were to hover with a helicopter at 7:30 or 8:00 in the morning over this area of Hudson County, all you

would see is yellow buses leaving the county to take the special education students out to Bergen County. We have students who are transported as far up as Rockleigh.

I'm sure President Raveché will remember when I talked about Stevens becoming part and parcel of north Hudson County, for those specialized courses where students would come on a Saturday for some of the great teachers that they have, not only for the gifted and talented, but for those other students who, perhaps, need that role model, need that excellent classroom presentation to give them the motivation to continue and go further.

We hope -- and it won't be here, I guess, until the 21st Century -- for the communication highway, as far as interactive TV, fiber optics, etc. We can't wait for it; it has to be here tomorrow. We cannot wait another 10 years. Its impact upon education, you just can't estimate how much we can benefit from it.

Last but not least: Bob Murray, I appreciate your comments about the town and gown. We are fortunate that we do have Stevens here.

As far as the infrastructure, Tim Calligy hit it right on the head. There are make-believe sewers in Hoboken. There is a hole there, but I still don't know where the water goes. For the most part, years ago when they had a heavy rain, the wine barrels would float in everybody's cellars; it used to back up.

Hoboken needs help. Hoboken sits here, it's like a mecca, it has its own personality. More and more people, as I travel through the State, ask me about Hoboken. They've been to Hoboken. Hoboken is like the community of New Jersey that everybody wants to come and visit. I enjoy a certain amount of stature because I represent Hoboken. By the way, Mayor Russo on many occasions has said, "Romano is more of a Hobokenite than some of the people who live in Hoboken." But, in any

event, I love Hoboken. I enjoy serving the residents of Hoboken, and I will be available to work on any project you want. I am a full-time legislator.

By the way, Senator LaRossa, I can bring you to the nice Italian restaurants.

He asked the question, Senator Kenny, "What does Kenny do here with the Italian restaurants?" And I said, "Well, there are places; The Willows, (indiscernible)." (laughter)

Thank you very much.

SENATOR LaROSSA: He sprang to your defense instantaneously, trust me.

Now, one of our newest members of the Committee, Senator Bob Martin, who has a portion of Essex County.

Senator Martin.

SENATOR MARTIN: I'm sorry I missed most of your conversation. I live in Morris County and just to give you the flip side of New Jersey and its diversity, we spent this morning talking about how to preserve the highlands, in contrast. One of the nice things about the highlands and trying to preserve it is that, within the urban area of New Jersey, it's not very far if you want a totally different environment; all you have to go is maybe 25 miles.

On the other side of the coin, living very close to Morristown and the small community of Morris Plains, I can tell you that Hoboken, as Lou has talked about, is a happening place. Some people have seen it and other people have just heard about it, but it is viewed, if there is an urban area of revitalization -- at least in the minds of many suburbanites -- Hoboken is the place to be. It is the place within the New York community, you know, the metropolitan area, that is a unique and wonderful community.

I teach at Seton Hall Law School, and I can also tell you that the students who are able to get the resources and go to the law school -- we don't have residential housing -- this

is the community of choice for those students to reside in. So those kinds of things are out there.

I'm not saying that just to-- I'm sure it makes you feel a little good; it should. It seems to me it would make me feel good if I lived in Hoboken, but that's really true out there.

On the other hand it's clear, even though I didn't come to the entire meeting, that Hoboken shares some of the urban problems of an older New Jersey. On the other hand, if this city can't make it, no city in New Jersey is going to make it. I truly believe that we can revitalize some of our cities, but the easiest place to make it is in the smaller ones.

Hoboken has had a head start. If the prosperity of the '80s had lasted-- Somebody was telling me not long ago, they just wished that the prosperity of the '80s -- maybe it was bought, I don't want to get into politics, whether it was bought on borrowed time or whatever-- If it had lasted a few more years-- This was a quote from somebody from Jersey City, "What had happened in Hoboken would have been able to extend throughout Jersey City."

The point is that you've got a leadership position, it seems to me, as far as New Jersey communities. But also because you're smaller, you have an opportunity to be able to do things, and the impact can happen quicker.

We talk about Newark. The frightening thing that frequently comes to my mind with Newark is, there are so many problems and it's so big, and immediately-- For example, with their school system, some of the thoughts are, "Well, maybe you should deal with the west side or the iron side, or something like that." But in Hoboken, you don't have to do that, because the community is really small.

The other thing is, I'm here to listen. I just want to tell you that Senator Kenny and I go back a ways, and we have enjoyed a very strong relationship. I think he's truly a

really good legislator. He and I have spent personal time together, as well as professional time. We have some ideological and philosophical differences, but he is really a good spokesperson for this community. What we can do, we'll try and do, and thank you for letting me be a part of this.

SENATOR LaROSSA: Thanks, Senator.

COMMISSIONER DERMAN: Of course, he didn't say anything about you, Lou. (laughter)

SENATOR MARTIN: Well, Lou is a special case. (laughter)

ASSEMBLYMAN ROMANO: You see what that bread does? (laughter)

SENATOR LaROSSA: As is always the case, that was an enlightening round of introductions.

ASSEMBLYMAN ROMANO: How about Senator Kenny? He hasn't joined in.

SENATOR LaROSSA: I'm sorry, our host, I'm sorry. Please.

SENATOR KENNY: I think everybody can tell that we have a good friend in the Chairman here, Senator LaRossa, who created this Committee, for the first time devoted to urban issues. We have a very good friend in Commissioner Derman, who grew up in Jersey City, went to Snyder High School, who I think is, among many good appointments the Governor has made, one of the best. So we have good friends in Trenton, I believe, Mayor, who are trying to help us.

I would just make a few points. One is, when you have the opportunity to be helpful to an urban area, you should be helpful; cut through the red tape, and be as decisive as you can be when you see an opportunity. I think this administration is doing that.

We have, in this region, a number of issues that are ripe for the State to step in and help us with. One, of course, is waterfront development. I'm sure that Joel and the Mayor addressed that in their remarks.

By the way, I had a lunch that I had scheduled a long time ago. That's why I was a little late.

One is waterfront development. I'm sure the Mayor will be in touch with the Governor on that issue, and there may be an opportunity for the State to be helpful there. The light rail transit system which is coming to a head: I hope that the urban core funding for that is not going to jeopardize the light rail, which would be the biggest capital development project in the history of Hudson County. I think the Governor can play a very significant role in that. Green Acres and open space funding is very critical, and the State has been helpful both here in Hoboken and throughout Hudson County in getting moneys for these Green Acres waterfront and interior park spaces. So those are all very important initiatives that are on the table where the State can help urban areas.

The other thing is, I want to repeat what the Mayor said. I believe that policies for urban areas should be developed around incentives rather than disincentives; the carrot rather than the stick. I think that aid programs should be tied to performance. We shouldn't be withdrawing aid. We should be giving aid; based on performance when possible. So I think a set of incentives and criteria-- I know that the Commissioner and local government are working on these things to tie into aid formulas.

I feel that Hoboken and other cities in Hudson County would compete very favorably if you created incentives. I think where municipalities have an opportunity to raise revenues that are rather unique, they should be able to keep more of it.

An example in Hoboken is the alcohol beverage tax, which is a sales tax item which goes all to the State of New Jersey. We are a community that has a lot of beer consumption and, quite frankly, that revenue could be used to employ police and law enforcement people, alcoholic beverage people, to do

enforcement, help the community, and give us some relief on the property tax side. There are many communities in the State that have rather unique types of income to them, and they should also be allowed to keep some of that revenue, rather than sending it back to the State and then having to get it back through aid. Now, if we could keep a percentage -- 10 percent or 15 percent -- of revenue that is done in the liquor industry, that would be helpful to the community.

Other issues are -- the Senator and the Commissioner know these things as well as anyone. Binding arbitration is going to be in Committee hearing tomorrow. That's very important to the municipalities, to be able to negotiate with the public sector and be able to have salaries and wages that the communities can afford. I think there is a lot of support for the bills that are basically being brought forward now for binding arbitration, which are sponsored by Senator Inverso and, I think, Paul DiGaetano in the Assembly. That's an important issue.

I think any time that the State can be in a joint venture with the private sector and doing something in an urban area, it ought to do it; like the Trenton stadium, down in the Senator's district, where the State and the private sector put in a beautiful waterfront park, and it's turning that part of Trenton around. I give the Senator a lot of credit for the work he did on that. That's the sort of thing we should be doing.

Bob Shinn is an excellent Commissioner on the DEP side, and he's been very helpful in getting things expedited where there has been contamination problems and trying to resolve them. I was very impressed with Tim Calligy's presentation.

To close out, I think the reason why-- We have major problems in urban New Jersey. To address those problems is going to take a lot of commitment. The importance of places

like Hoboken, Jersey City, and Hudson County to the State of New Jersey far outweighs the costs of addressing them, because the future of New Jersey is very much tied to the cities. I think it's coming back. I think a lot of economic development is going to be back, based on the regional plan, where we're trying to employ people.

I believe that, as Hal Raveché said, the real key in urban policy has to be economic development, jobs, aggressive government, private partner ventures, getting out there, cutting through the red tape, getting things done, jump-starting things, solving disputes, getting people to sit down and compromise; that's all what we need, that type of proactive role on the part of the State in urban affairs, not to treat the urban areas like diseased offspring of the rest of the State. I think, quite frankly, we're moving in the right direction.

I think in Hoboken, if it's making people feel more comfortable, as Senator Martin said, that they could look to an urban area and have some feeling of kinship with it -- literally kinship, because in Trenton, there must be dozens and dozens of people I know down there who have children, who live here -- people who are department heads, division heads. They have kids who have been through Hoboken and they have a favorable feeling about an urban area in New Jersey. So that's a positive thing.

I really want to commend Dick for taking this issue, going around the State, bringing people and staff with him, listening to what you heard today. You have to, and I am, but I know many of these people, if not all of them -- very strongly opinionated people with a lot of intelligence, a lot of history in urban affairs, and I think if you avail yourselves of them, and the Governor does, I think we'll all be able to have a success here.

Thank you.

SENATOR LaROSSA: Thank you, Senator. I appreciate your comments very much. I think when the circle gets closed, if you will-- There is a great line from a show called "Stop The World I Want To Get Off." They say, "The interesting thing about a circle is, it has no beginning and it has no end." To a certain extent that is what you have in a lot of the urban centers: Where does it begin and where does it end? To a certain extent, it's the same thing with New Jersey: Where does it begin and where does it end? Because, again, they're all tied together.

Possibly the most frustrating comment, again, is the comment, "Why do we look to do more in the urban centers?" The obvious "why," at least in my opinion, is that if we don't, no matter who the people are that are complaining about participating in the redevelopment -- the recapturing of the infrastructure in the renaissance, if you will -- those are going to be the people, ultimately, who are going to be left holding the bag. So it really inures to their benefit to get behind some kind of initiative that provides the urban centers with some way of having, if you will, a right of self-determination -- the concept of, "we're moving obstacles rather than creating impediments," recapturing the infrastructure.

Possibly the greatest resource that we have in the urban centers is two-fold; obviously, the land and the people. But if you can't recapture the land, it's very hard to put the people back to work. It's kind of interesting, because this is, I think, the seventh municipality -- seventh town -- that we've gone to, and it is very, very, very clear that the frustration, for lack of a better choice of words, we see in the urban centers seems to be very, very heavily concentrated in the inability to recapture and reclaim the land, which, in turn, creates the rateables that are needed to be able to create an economic underpinning that lessens the tax burden,

ultimately reducing stress on everybody's revenue strain, simply because now the towns have an ability to be self-sufficient.

The comment I think the Mayor made before, and Senator Kenny made it as well -- and I think it's an issue that has not had enough attention paid to it. It's not in the pure sense of CAP relief, but CAP relief from the standpoint that when a town does a good job, they get penalized for doing a good job, because the noose gets tighter. So rather than have the ability to keep part of the effectiveness that you've created-- There should be a way for you to retain some of that and plow that back in, rather than having that noose getting tighter around your neck. That's part of the disincentive thing that we deal with.

I have a question, because it's something I did not hear, but it's something that has been brought up at other meetings, and I think it's something that you can probably all respond to. What type of cooperation has there been, on any level in Hoboken, with regard to the banks and insurance companies participating in some of the development, redevelopment, and so on? Let me tell you what the basis of the question is: Quite frankly, we know that there is, in the Federal government, the Community Reinvestment Act, where a lot of banks are being required to begin to participate in the urban centers. Are you seeing, in terms of-- The other financial institutions being the insurance companies--

You've got, obviously, an advocate with Stevens here who is willing to participate, but when you only have one-tenth or a small percentage of the private community -- we're talking about public/private partnerships-- The financial institutions seem to be major players in those as well. In this environment, what kind of participation is there with the financial institutions in participating in the community? Is there any feel for that at all?

MAYOR RUSSO: Very accommodating in certain areas, but I don't think they're really much involved in the rebuilding of cities, no.

SENATOR LaROSSA: More of hands off--

MAYOR RUSSO: Yes. There is a cordial relationship with many of those institutions, but concretely, no.

REVEREND CURTIS: My sense would be in my 15 years here, they've become more and more anonymous. When I came here there were more, kind of local banks that had a president or someone you could actually go in, sit down with, and talk to. There has been this banking industry merger and consolidation, and they become farther and farther away from you to deal with. It becomes harder and harder to find out who is actually going to come and explore what you want to do in the community.

MAYOR RUSSO: Actually, there is one banker who is always accommodating, the institution is the Trust Company. Siggie Wilzig is very, very--

MR. FREISER: It's a county-based institution.

MAYOR RUSSO: Right, excellent.

MR. FREISER: If I might, I think the noted absence of concern about this around the table is symptomatic of the fact that once upon a time, there was a Hoboken Chamber of Commerce, there was a leadership cadre across the profile of the economy of the city -- the city fathers if you will, and the private sector. That is basically gone, because Hoboken's profile, economically, has changed to a predominately residential community, with a series of service providing institutions, Stevens Institute being one of them. But we no longer have that group of people who, in other larger cities, constitute that group who takes a civic interest and expresses corporate responsibility as citizens. I think that's sorely lacking.

If we were to convene a meeting of a business advisory group, we might get a regional public affairs manager from PSE&G and somebody equivalent -- pretty far down on the totem

pole -- from the phone company, but we would not have a high-level set of business leaders. I think the City of Hoboken probably suffers because of that, because it's harder to mobilize a high level of corporate leadership on behalf of these issues.

I would like to say one thing, though. I think that as a generic policy the State of New Jersey, through the Department of Banking, ought to examine ways to create the kind of regulatory structure that would provide the incentives for the banking leadership of this State to become more involved with the second-, third-, fourth-, and fifth-tier urban areas. Even in the City of Newark, which I'm pretty familiar with, it's increasingly more difficult to get the attention and involvement of the highest echelons of corporate leadership. The business community, I think, is reacting to tough times and is tending to their own knitting, and it appears as if their attention is less with the places that they're operating in. If there is a way, through the regulatory process, to provide incentives for a redirection of attention back into the cities, that could be very helpful.

Just one other point that occurs to me: I think that another policy type of initiative that might be worth examining is for the State to create some sort of opportunity/productivity fund -- setting aside a small percentage of the State budget as, kind of a wild card to invite proposals from municipalities for productivity, improvements, and experimental approaches for improving the cost-effectiveness of delivering services -- to provide the money to undertake those experiments and innovative efforts, coupled with the suggestion that Senator Kenny made, of providing a set percentage of the increase in revenue that would accrue otherwise, 100 percent, to the State of New Jersey, that would come back to the municipality that initiated that innovation.

Here's where I think unique kinds of partnerships could be formed between institutions like Stevens Institute, where the solutions to these endemic problems might have the technology component in them, or an engineering aspect to them, and an economic aspect to them, where truly generic solutions to these problems could benefit the municipality that is offering the solution, and would have wider replicability around the State so others could benefit from the discoveries, if you will, that could emerge out of a kind of opportunity fund.

SENATOR LaROSSA: I think you have-- What I hear is a pretty coordinated effort, and you have a community that is very, very integrated, if you will, in its approach in trying to both identify the issues and work with somebody to solve them. But it seems to me that the biggest impediment is you really don't have the tools. That's really an oversimplification, and I think once we go past the point of identifying the problems, which is how you begin to solve them, then it's: What are the tools that are needed to do that?

What we'll be doing within the next 30 days, because we've been working on this for the last eight or nine months, is producing a document -- which is already produced and I'll leave a few copies for a few of you to review. It's called "The Urban Redevelopment Initiative." I think it addresses a lot of what we've heard around the table today. We would very greatly like to have your response and feedback, and pick it apart. The only pride of authorship is that it is a starting point.

But I think, as I said before, Joel, what you talked about just then is going to be addressed, hopefully, by the end of the month. We're going to try to reintroduce a thing called tax increment financing, which just kind of evaporated for some reason a few years ago. It will allow the cities, in terms of having a lot of the infrastructure money that comes back to New

Jersey, to take the increments in the tax base on new development that may occur and, basically, plow that back into their own redevelopment. That's an oversimplification, but again, I think that is something that will address that particular type of issue.

The environmental concerns: I think where we're going with that is, we've got to recognize 50 percent of something is better than 100 percent of nothing, or are we talking about creating parkland in total similar to what we have in apple orchards somewhere out in the middle of our very, very suburban counties? Because, again, I believe if we can recapture a large portion of the urban infrastructure, that recapturing and the ability to bring those jobs and those companies back in will do more to preserve open spaces than probably any Green Acres bond issue in the last 40 years. The problem is, there has to be a commitment to move in that direction and say, "The infrastructure is in place, let's not keep spending this money." It's because of ratable checks, and rateables, ultimately, never pay for themselves. The rateables are already here, we just need to find a way to put them back on the rolls, to an extent.

MS. MAYNARD: Talking about the infrastructure of Hoboken, I think to look-- You're not the City Manager. I'm sorry, I was going to--

SENATOR KENNY: Tim Calligy?

MS. MAYNARD: Right. You're really right on. I think the ability to work with the DOT over a long period of time is just so crucial. That's not inconsistent with the State development and redevelopment plan. This could be done, and the moneys that the State spends on transportation should come into the cities. One of the other entities that would have to be dealt with is the New Jersey Transportation Coordinating

Council that just recently changed its name, and I can't for the life of me remember what it is, but they are the group that has to give the sanction for the expenditure of--

Are you on it? You're smiling.

MR. FREISER: No. They call themselves an authority now, so maybe that's why you forgot. (laughter)

MS. MORGAN: Transportation Planning Authority.

MS. MAYNARD: I was one of the Freeholders who created that group. I shouldn't even mention that. It's changed, and the Federal government has given them more and different powers than was originally envisioned. But that is a group that certainly is going to have to be dealt with, I think, as far as directing funds.

Hoboken has a major transportation hub, which I've never been really sure how it has affected the community; people pass through the community. I know if one is lucky and has time, that a wonderful Italian dinner at Gerrino's, between PATH and New Jersey Transit going west, is a real treat, and the Clam Broth House I think is still here, down the street, too, from PATH. One of the major components of urban cities and not their survival, but certainly their economic benefit, is a major transportation hub. Whether you all realize here -- those of you from down State -- that certainly exists in Hoboken. When the Secaucus Allied Junction Connection is done -- the Kearny Connection, the reverse Kearny Connection -- people will come into Hoboken to take PATH to go, basically, to lower Manhattan, the World Trade Center, or the World Financial Center.

The ferry service has been reinstituted. The ferry terminal and the Hoboken terminal is on the United States Historic Register, and should be. I don't think the group has the time to take the ferry over, but it's an absolutely beautiful sight of the New Jersey waterfront. But I think in talking and thinking about Hoboken, the Senators and the

Assemblypeople should be well-aware that there is a major transportation here. Again, a lot of people pass through. I think they use it very differently than Journal Square Transportation Center in Jersey City, that I know you were all at. But the State funds coming in, doing the infrastructure means a lot to this city.

One of the other problems at Hoboken -- I guess Lou Romano is gone -- has been diversion of traffic from when the Port Authority is working on the Holland Tunnel or the Lincoln Tunnel. The Holland is that way, and you can see it; the Lincoln is that way, and you can see it. (indicating) The streets in these older Hudson County towns just aren't wide enough to take the traffic of people who are trying to find their way, some way across the river. The Port Authority does work with the County and the towns on that, but that's another problem that these small towns in Hudson County face. But that wonderful resource of a transportation center, that's going to be a key component in this town, is really one of the best, the most historic, and the nicest in the State -- short walking distance to Washington Street, too.

MR. DUROY: Mr. Chairman, if I may, I'll just take an opportunity to excuse myself, but also state that we've made arrangements for one of our school buses -- equipped with seat belts I want to state (laughter) -- is available downstairs for a tour -- I think somebody whispered a restaurant tour, but actually it's a tour of Hoboken -- at your disposal for the Committee.

Thank you very much for having me.

SENATOR LaROSSA: We're going to wrap it in less than 10 minutes.

Harold you had--

DR. RAVECHÉ: Well, someone mentioned the banks and the utilities, then I think, Dick, you said the tools, we needed tools. I happen to be a director of one of the largest

banks in the State, and I would say that I think the banking community would respond favorably to an initiative. As a director, I feel optimistic that that would happen.

I'm also a director of a utility, and I can say in this utility, we're working very hard with one of New Jersey's major urban centers in the southern part of the State to revitalize Atlantic City beyond gambling, beyond gaming. My experience there is that with a plan, Stevens would work with City Hall -- an economic plan, a comprehensive plan. I'm optimistic that we could, and I would volunteer to offer those resources on behalf of the city's economic development. We need a plan, it has to be comprehensive, but I think we could, as you put it, access those tools as part of our arsenal for economic development. Banks are particularly sensitive about it.

SENATOR LaROSSA: There is one other burning issue that has come up in the last couple of meetings, and it seems to be a-- Why don't we just cut to the chase, and I'll ask the Mayor on this one and the other elected officials who have served in a municipal capacity, that a lot of-- I think it was what Tim said also, it's a constant trying to put a finger in the dike to stop the bleed. It's almost crisis management, because of the extended amount of time that it has taken to get to the point where there are so many problems. It's like, which one do we deal with first? Is there, in your way of thinking, a coordinated, comprehensive plan? If somebody waved a magic wand right now and said, "Okay, we're going to give you all the money you need for whatever it is you need to do." Could you, in fact, go out and do that now? Is there any plan that you could go out and do that?

MAYOR RUSSO: I think there is a specific plan with reference to a specific area in Hoboken, namely, the eastern boundary, waterfront development. I think that the northwestern part of this city is very important, but as people

alluded to, we have problems with the land itself -- with redeveloping that land -- because of the contamination, because of the many, many factors which prevent us from doing that.

SENATOR LaROSSA: But if from a regulatory standpoint-- Let's assume that there was a mechanism in place that allowed for the land to be cleaned or to have somebody take it over on some type of a hold harmless provision, of course, so the banks aren't getting killed on a foreclosure and the towns don't get killed because they've let go of 10 years worth of taxes that haven't been paid anyway. So, in fact, I'm talking about a level playing field. Is there something in place? Or maybe the better question is, is it realistic to expect something like that to really exist? Because what I'm beginning to see, and it's evolving, is that I think we're going to be able to create an environment where the issues that you're talking about and the tools that you need are going to be able to exist.

But the question is, because the problems have been so scattered-- Do you have a feel as to not only Hoboken, but have any of the urban towns per se really ever looked at -- and I guess Linda might be able to respond to this, too-- I'm not talking about State planning; I'm talking about a plan within the urban towns themselves. I realize there are so many of them. I don't know where that question begins and ends. That's a large question.

MS. MORGAN: Well, one thing we found in the City of Elizabeth was that the city hadn't looked at its revitalization -- its redevelopment plans -- for over 20 years. So, when the big project comes up on board, "Oh my goodness, we have to change our redevelopment plan," which takes almost a year. So it was a bit of a shock to the city that they hadn't really been doing that thinking. Now, of course, they have a new mayor, so they could, perhaps, blame the other administration. (laughter)

But one of the recommendations that RPA put in its report is that urban areas also have to do their homework. You can't just expect the State government to come in and cure all ills, you've got to be ready. You have to have a plan ready so that if you do get that influx of money, you have a plan. I think the City of Elizabeth has done a good job subsequent to having this infusion of interest in getting themselves ready.

MR. MOONEY: Senator, the City of Hoboken presently is in the process of updating its community facilities element of the Master Plan. We're working on that very diligently. We want to accomplish that within the next few months, and we're updating it. That will be one of our first steps. That will address the infrastructure. Whatever has fallen down in disrepair, we're going to attack that right away. We're in the process now. We are right on top of it. The Mayor has pushed for that with meetings, and we're trying to get that accomplished very shortly.

SENATOR LaROSSA: Senator Martin.

SENATOR MARTIN: I was just going to make a point. I don't want to speak for Hoboken, but I think in fairness, they really haven't had an expectation of enough resources from the State that they could be able to deal with all their problems at one time. So crisis management and perhaps prioritizing would be the most that they have been able to look forward to at any point in time.

But perhaps -- one of the things that I've heard at a number of meetings -- even if that can't be accomplished, one of the things that cities, as well as a lot of other areas that have long-term planning can have is just consistency. That's really important, to know what the rules are. For you here in town, of course, with different administrations, but also with the State that the extent to which we can begin to project some long-term planning as to what our priorities are and what the rules are going to be, I think, is very important.

You asked a question before about financial institutions. When you try and get the private sector in, it seems to me, they want to be sure that whatever direction the city is moving in, that maybe the State is going to support, is going to be there in a couple of years. Otherwise they're going to be real reluctant to participate. It's very difficult for us who live by year to year elections to be able to help out on that, but maybe that's something we can look into as far -- as, especially with a Department like Harriet's.

MR. CALLIGY: I think what Hoboken did-- What Mayor Russo did when he came in is, he looked at setting the system up in such a way that if it ever came about that all of the money was thrown in our lap, the city would be able to react to it. What he did was, he charged the Planning Board with developing a new Master Plan; he got the Redevelopment Agency in place; he did the review of the Waterfront Redevelopment Plan; he got the Waterfront Commission going. He put the mechanism in place so that if anything did come along, if you said all of a sudden, "Here's \$100 million to do what you need to do to your infrastructure," the mechanism is there to take off and go with it. You know, it's just sort of hoping that it may happen, but it's not working on a day to day basis.

SENATOR LaROSSA: Yes, I'm sorry--

REVEREND CURTIS: I wanted to say something. It's not really in response to this particular question, it came up before. I think what is going on in Hoboken that needs to be acknowledged is that there is a group of people who want to live in Hoboken. I know we talk about economic development as a way to restore cities, but I want to say, from my vantage point, that there is also a group who want to live in Hoboken and believe that Hoboken is attractive enough that it could develop a residential base. If certain components were put together, we could develop Hoboken as a residential kind of community. The history shows that that's a direction that it

has moved in as it lost its manufacturing base, and certainly, the residential component that I understand happened in the '70s and '80s that kind of drove -- we call it gentrification or whatever we call it, was fostered as a residential reclamation of stuff.

So I don't know whether Hoboken is unique in that way with other cities in the State, whether you would go into the city and people would rise and up and say, "We want to live here. We want to raise our kids here. We want to go to the park here." But I think there is something in this city, at least for a significant minority who would say, "We want to live here. We want to raise our kids here, and this is the place we want to do that." So that is also, to me, a driving component of what Hoboken needs to do for itself.

SENATOR LaROSSA: And if we can build on that base, build on the economic base of the firms who want to be here, and the elected officials who want to be here--

Notice that it's turning on the positive. It's something I said from the very, very beginning, and hopefully, this is part of what we're going to accomplish with this particular Committee. You see, while we have to know what the things are that need to be done, we cannot dwell on how bad things are. Because if you only dwell on the negative, it's a self-fulfilling prophecy.

Cities are not bad places to be. I was born and raised in Trenton. I've been in 48 states, every province in Canada, half of Central and South America and it has all been state capitols that I've been in, so they're all urban centers and that really is-- I think people are beginning to realize that there is a lot more that is taking place. It's really kind of funny: In Trenton, 20 years ago, when you wanted to go to a movie and go to shop, you got on a bus or you drove into downtown Trenton, and went to the stores or went to the movies. Now, if you live in Trenton and you want to shop and

go to the movies, you get on a bus and you go to the malls in the townships. So, I mean, it's just like-- There is a line from "Les Miserables," "The world is upside down," and I think what is happening is, it's beginning to partially right itself.

Joel, then one more comment, and then we'll go downstairs to take our tour.

MR. FREISER: Senator, I'd just like to react to your last question about planning and the availability of action plans to move right into implementation. I think it's probably true Statewide, and I think it's certainly true in Hoboken, that the money is so thin within the municipal budget that the kind of planning that needs to be accomplished in order to be able to move immediately or quickly into implementation if the State, let's say, provides the dollars; those planning dollars simply don't exist. They don't exist in Hoboken; they don't exist in Newark; they don't exist in Trenton or Camden.

Hoboken, for example, can't afford to have -- partially because of its small size -- a full-time engineering department which it needs. Recently, the Mayor wrote to New Jersey Transit on the recommendation of the Waterfront Corporation, urging New Jersey Transit to fund two traffic engineers to make sure that, from Hoboken's perspective, the engineering of the Light Rail System -- regardless of where it goes -- is properly placed in the city and not merely the result of the traffic engineering done by New Jersey Transit alone. The cost of those professionals is not insignificant.

I don't know where the resources can come from, but clearly the City of Hoboken and many of the older cities in the State need some support to get the professionals on board to not only create the plans--

By the way, Hoboken has created plans over the last 25 years. I first came to Hoboken in the early '70s as the Deputy Director of Model Cities for Hoboken, when Federal dollars were

a lot more available. Those plans were created; those plans go out of date. Those plans become stale, and over a period of 25 years, they get lost. Nobody remembers that the plan was done, let alone the fact that a plan was in place. So in order for a plan to be of any value, it needs to be current.

Clearly, there needs to be a prioritization of the kinds of dollars that are going to be used for what particular purposes. I think for the most part, at least in my opinion, the elected leadership of Hoboken and the people who have been here a long time have a very clear idea of what needs to be done. But if somebody put down \$100 million on the table and said, "Okay, guys. Tim, go ahead and do the sewers. Somebody go ahead and do this or that," it would clearly be a year or more of planning and engineering that would have to go into the system before those dollars could be productively expended. The time value of money comes into play there. So there needs to be some dollar resource on the table to plug into to create those plans.

SENATOR LaROSSA: I believe -- and let me finish with this -- by this time next year, we will have in place a mechanism that, in fact, will be funded. I'm going to really go out on a limb because I'm going to leave a few copies. I would really like some of the people here to take it apart. But I believe that we will be able to leverage urban infrastructure redevelopment projects starting within about an 18-month period to the tune of -- in excess of \$15 billion in New Jersey and have no impact on the State Treasury.

MR. FREISER: I'll buy that, if it doesn't cost me too much.

SENATOR LaROSSA: No, no, and the point is--

SENATOR MARTIN: Run it through Bernie first, then (indiscernible, all speaking at once).

MS. MORGAN: Is it tax increment financing in particular?

SENATOR LaROSSA: That's one small part of it. Another part of it is the ability to recapture the land because -- well, basically what you did with IKEA is part of it as well -- that land has value. The fact that nobody is using it doesn't mean that it doesn't have value.

MR. FREISER: By the way, the flip side of the reclamation of land though, is, I think, in the Department of Banking, the Legislature as well, working with the banks and the banks' lawyers to make sure that the liability is something the banks are legally going to be able to assume, because, right now, the banks walk away from these deals.

SENATOR LaROSSA: That's one of the things that the banks have told me. They have said that they, in fact, see the urban centers as a new market or as an emerging market for them. But one of the reasons they will not come in and invest is because, if they make a loan for a million dollars, they know they're on the hook for a million dollars. If, all of a sudden, that company decides to take a walk, they're not going to foreclose on it because they have no idea what has been left behind because they don't have a clue. So until we can, if you will, draw line in the sand or a line in the ledger books, per se, which in turn says, "Your liability is X, and it does not exceed X," that's probably the biggest single impediment to the financial institutions becoming an active player in really reinvesting in the urban centers. I think that's one of the major thing thats we've got to address to be able to bring them back into these centers.

MR. FREISER: Absolutely.

SENATOR LaROSSA: I appreciate very much your input. It's been just phenomenal. I thank Senator Kenny for his intercession. Harold and Mayor Russo, now we can take a tour on an absolutely-- Who took care of the weather today? (laughter)

(FOCUS GROUP CONCLUDED)

