



City of Hoboken Special Improvement District Feasibility Study

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EXECUTIVE SUMMARY:

This is the Feasibility Study (hereto known as the “study”), commissioned by the City of Hoboken on December 20, 2017, regarding a Special Improvement District.

The Hoboken Steering Committee (SC) was formed in April of 2018 by an invitation from the Mayor of Hoboken. The purpose of the Steering Committee is to study the feasibility and desirability of creating a Special Improvement District (SID) as provided for in N.J.S.A. 40:56-65 et seq. for the retail and commercial property and business owners within Hoboken, NJ.

And, if deemed appropriate as the proper vehicle to help create growth, uplift human spirit, do public good and revitalize the community—to provide the structure of who, where, why and how.

In so doing, the SC shall hold meetings to ascertain the position of the various property owners, businesses and business groups in the corridor regarding the creation of a SID and it shall actively seek their input and participation throughout the process.

The minutes of the Steering Committee meetings, as well as several “stakeholder” sessions, are attached as a separate item to this Study. Herein, is a summary of the findings and recommendations from the SC.

FINDINGS:

The Steering Committee (SC) recognized:

- a) Property and business owners are an important component of the Hoboken community and a partnership between the business community, City government and the Hoboken community is essential for the City of Hoboken to thrive.
- b) This partnership should be inclusive and representative of all commercial interests. Therefore, the Hoboken Special Improvement District (SID) should include all commercial, industrial and retail and apartment properties with rental units of five (5) or more units located within the City.
- c) The SID requires a comprehensive partnership between local government and business to realize its potential and implement revitalization efforts throughout Hoboken.
- d) The SID should have formal and legal management capacity through an entity such as a District Management Corporation (DMC) that represents the business and commercial district.
- e) The following areas of concerns should be addressed:

➤ **MARKETING/ECONOMIC DEVELOPMENT**

- i. Theme/Branding Development & Public Relations
- ii. Build Unified Image/Get Message Out
- iii. Zoning/Licensing
- iv. Partnerships & Government Relations/Advocacy
- v. Website & Social Media
- vi. Network/Data Gathering
- vii. Business Recruitment/Creation/Retention

➤ **VISUAL IMPROVEMENTS/CAPITAL**

Visual impacts to attract people and businesses to the City

- i. Facades and Storefront improvements
- ii. Commercial Signage/Wayfinding
- iii. Cleaning/Maintenance
- iv. Seasonal Plantings & Decorations
- v. Transportation Center Cleanliness
- vi. Use of Arts/Public Spaces
- vii. Informational Kiosks
- viii. Historical Building Maintenance and Support

➤ **BUSINESS RETENTION/ATTRACTION & EVENTS**

Make it easier to do business in the City; Support Mom and Pop operations; Lower costs to be in the City

- i. Business Attractions and Retention
- ii. Retail Market Analysis (RMA)
- iii. Zoning/Vacancy Upkeep Plan
- iv. One Stop Shop Tool
- v. Retail Promotions
- vi. Major New Event Festivals
- vii. Promoting/Partnering with Existing Events
- viii. Transportation Alternatives for Employees
- ix. Redevelopment Plans/Parking Coordination with City
- x. S.A.F.E. (Specialty; Arts; Food; Entertainment)
- xi. Business Mentorship/Training Programs

Further, the Steering Committee determined:

- 1) **It is in the best interest of the municipality and the public to create a Special Improvement District (SID)** encompassing the City of Hoboken; and to designate a District Management Corporation (DMC).
- 2) **It is in the best interest of the municipality and the public that the SID, by providing a variety of services, is beneficial** to property owners, businesses, employees, residents, & consumers.
- 3) **The SID should be administered by a non-profit Management Corporation** which will oversee the daily activities to comply with the requirements of the SID statute and which will represent the various stakeholder groups.
- 4) **The Management Corporation shall hire professional management** to support the mission, objectives, and goals of the SID.
- 5) **The following properties should be in the SID, known as Schedule A:** All commercial properties classified as 4A, 4B, 4C, and in accordance with the New Jersey Property Tax System Qualification Codes. All apartment complexes of five (5) or more units will be included as commercial operations (FHA guidelines); as will properties with Retail downstairs and residential units upstairs.
- 6) **Properties in Abated/PILOT Redevelopment Areas** (classified as 15F) shall be reclassified according to their use as either 4A, 4B or 4C and included within the SID Schedule A.
- 7) **Those residential properties not designated as 4 A, B, or C should be excluded from the SID:** For example, one or two family residential properties or residential condominiums/coops.
- 8) **The assessment rate formula should be based upon all property taxes paid for each block and lot;** the percentage of which shall be determined by the Board of Trustees of the designated DMC to effectuate the budget. The percentage will then be converted to a municipal rate applied against the total assessment.
- 9) **The assessment policy for all commercial properties** (classified as 4A, 4B, 4C and those reclassified) shall be assessed at rates determined by the DMC Board of Trustees.

- 10) **Assessment area rates** are to be based upon services rendered per each area. The areas are known as:
- A. Washington Street;
 - B. South Waterfront/Terminal;
 - C. First Street;
 - D. Fourteenth Street;
 - E. North Waterfront;
 - F. North Gateway;
 - G. South Gateway; and
 - H. Hybrid/Remaining Properties.
- 11) **Not for Profit and Civic Organizations are integral components of the City of Hoboken.**
If a property is owned and operated by the Not for Profit or Civic Organization they should be included in the district and assessed at 100% of the established SID rate; however, a fee or donation may be substituted as determined by the DMC.
- 12) **The Government and the community will work together on the tasks and vision of the SID** to honor the community's traditions, maintain the community values, and, as a goal, provide enhanced value.
- 13) **A Special Improvement District (SID) should be created in the City of Hoboken,** that the municipality should pursue the establishment of a Special Improvement District (SID) in accordance with state statutes via a local ordinance; with a District Management Corporation to be known as the *Hoboken Business Alliance, Inc.*

RECOMMENDATIONS:

Whereas, the Hoboken Steering Committee was tasked to study the feasibility of creating a Special Improvement District (SID); and

Whereas, the Hoboken SID Steering Committee, after careful consideration, deliberations and review has found:

- a) That the City of Hoboken would benefit from additional services and activities to energize their City, inspire community connections, activate consumer engagement and enhance the business-consumer community.
- b) Utilizing the instrumentality of a Special Improvement District (SID) in the City of Hoboken will empower all of the vested interests – business owners, commercial property owners, civic organizations and consumer residents – to come together and collectively take control of their economic future.

And, *whereas* the following has been determined:

- 1) **It is in the best interest of the municipality and the public to create a Special Improvement District**; that the creation of such will promote economic growth and it will implement, foster and encourage commercial development and business expansion as well as improve the business climate. Moreover, a SID will otherwise act in the best interest of the property owners in the City of Hoboken.
- 2) **It is in the best interest of the municipality and the public to designate a District Management Corporation (DMC)**; that should be governed predominately by private property owners; and include private sector business owners and others; and shall have at least one member of the governing body on the Board of Trustees as required by state statute.
- 3) **The SID District Management Corporation (DMC) should be administered by a non-profit management company, known as the *Hoboken Business Alliance, Inc.*** It shall meet the requirements of the New Jersey SID and non-profit corporation statutes and it shall represent the various stakeholder groups in the SID.
- 4) **All of the properties in the City of Hoboken that are classified as 4A, 4B, and 4C, and equivalent 15F**, in accordance with the New Jersey Property Tax System Qualification Codes, shall be included in the District.

- 5) **Based on geographic areas and services rendered**, properties shall be assessed in accordance with policies set forth by the District Management Corporation.

- 6) **The first-year budget and subsequent budgets shall be determined by the Board of Trustees** in accordance with State Statute requirements, for the purposes of effectuating the services of the SID.

Therefore, hereby be it resolved: The Hoboken Steering Committee finds that creating a Special Improvement District (SID) in accordance with N.J.S.A. Title 40:56-65 et seq., which provides for administrative and other services, is beneficial to the City of Hoboken, its businesses, employees, residents, and consumers; and, said creation should be undertaken at the governing body's earliest convenience; and that the District Management Corporation (DMC) shall be named *Hoboken Business Alliance, Inc.*