



CITY HALL  
HOBOKEN, NEW JERSEY

March 23, 2018

**(Via Regular Mail & Certified Mail/R.R.R.)**

Port Imperial Marine Facilities, LLC  
c/o NY Waterway  
4800 Avenue at Port Imperial Boulevard  
Weehawken, New Jersey 07086  
Attention: Armand Pohan

**Re: Property at 901 Sinatra Drive  
Block 259, Lot 1, Hoboken, NJ**

Dear Mr. Pohan:

Pursuant to an Ordinance entitled "Ordinance of the City of Hoboken, N.J. Authorizing the Acquisition by Purchase or Condemnation of the Real Property Located at 901 Sinatra Drive, Also Known as Block 259, Lot 1, Hoboken, New Jersey Now Owned by Port Imperial Marine Facilities, LLC", which has been adopted by the Hoboken City Council, I am authorized to submit to you this written offer to purchase, in fee, the property currently owned by Port Imperial Marine Facilities, LLC and located at 901 Sinatra Drive, Hoboken, New Jersey, shown as Block 259, Lot 1 on the Tax maps of the City of Hoboken, (the "Property"), subject to the terms set forth below.

Enclosed is a copy of an appraisal entitled "Appraisal Report, Port Imperial Marine Facilities, LLC, 901 Frank Sinatra Drive, Block 259, Lot 1, Hoboken, New Jersey", dated February 1, 2018, prepared by Paul Beisser MAI, CRE, of Value Research Group, LLC for the City of Hoboken, and approved by the City Council. This appraisal concludes that the fair market value of the Property, as if remediated, is \$11,630,000.00. This appraisal also details the methodology used to calculate this value, which was to value the property as if it were fully remediated for its highest and best use.

The City hereby offers the above-referenced amount of compensation for the transfer of fee title to the City of Hoboken. The offer of compensation in this amount is conditional upon your delivery of title free and clear of all liens and encumbrances and insurable at regular rates

OFFICE OF THE MAYOR

by a title insurance company acceptable to the City and doing business in the State of New Jersey. The appraisals do not take into account the existence of easements, encroachments or other encumbrances that might affect the value of the Property but are not presently known to the City. This offer is also contingent on the satisfactory environmental status of the Property, as the appraisal does not take into account the cost to remediate any environmental condition.

Because the City intends to utilize the Property for a public purpose, it is empowered under the New Jersey Local Lands and Buildings Law (N.J.S.A. 40A:12-1 et seq.) to utilize its powers under the Eminent Domain Act of 1971 (N.J.S.A. 20:3-1 et seq.) to acquire the Property. The City will only implement this power as a last resort if voluntary negotiations fail. The City seeks to avoid the costly and time consuming litigation that would otherwise be necessary to acquire the Property through the eminent domain process and therefore seeks to negotiate a voluntary transaction.

If the City is unable to negotiate a voluntary sale of the Property with you and it becomes necessary to commence condemnation proceedings in the Superior Court, the City reserves its right to request that the Court hold the estimated cost of remediating the Property in trust pending the outcome of a separate action for cost recovery. The law of the State of New Jersey generally provides that the seller of property burdened by environmental contamination bears the financial responsibility for its required remediation. The New Jersey Supreme Court, in the case captioned Housing Authority of City of New Brunswick v. Suydam Investors, LLC, 177 N.J. 2 (2003), provides that the proper procedure in a condemnation proceeding is for the condemnor (i.e. the City) to value the property as if remediated and place the estimated fair market value as if remediated into court, and then to petition the court to have the cost of remediation withheld from that amount to be used for the remediation.

Please contact me without delay as to whether you wish to proceed with a voluntary acquisition of the Property. If you desire to obtain or present additional information, please let me know. I suggest that you consult with counsel in connection with this offer. Your attorney may speak with our Special Counsel, Joseph J. Maraziti, Jr. to further discuss this offer and to arrange a meeting, if you so desire. He can be reached at 973-912-6818 or via email at [jmaraziti@mfhenvlaw.com](mailto:jmaraziti@mfhenvlaw.com).

I respectfully request a response from you within fourteen (14) days from the date of this offer letter.

Very truly yours,



Ravi S. Bhalla  
Mayor

Enclosure