

Mayor
Jerramiah T. Healy



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CITY HALL, COUNCIL CHAMBERS

280 GROVE STREET

JERSEY CITY, NEW JERSEY

Members of the City Council, County Executive, Freeholders, reverend clergy, community leaders and members of the public, good evening. Tonight I will discuss the many challenges facing our city during what I call the new Great Depression and the difficult, but necessary steps we are taking to address these issues. This is not an easy time for Mayors or Council members. It is a time to make difficult decisions, including some that will be unpopular. Quite simply, it is a time to lead. And as a great business leader, Aristotle Onassis, once said, "It is during our darkest moments that we must focus to see the light." And as we look to the year ahead, we know challenges will still face us, but we will find strength in the sound decisions we continue to make as we face those challenges.

First, I will discuss the budget and the city's finances, as this is the central issue facing my administration and this governing body. This year, we saw unprecedented cuts in state aid, including a \$28 million direct cut to our municipality, coupled with a \$30 million cut to our Board of Education. Furthermore, Jersey City has the largest and most successful Urban Enterprise Zone program in the state, but the approximately \$12 million in annual revenue – which is used to fund vital programs such as our CCTV crime cameras and the hiring of police officers in commercial districts – has been frozen by the state. That is a total of \$70 million in cuts to one city in one year.

In addition to cuts in aid, revenue to the city by way of construction permits and other fees continues to decline due to the overall state of the economy. We have made a commitment to do more with less, and that is a goal we will continue to pursue this year as we further downsize government and streamline city services.

For the past two years, this administration has implemented 12 mandatory furlough days each year, saving the taxpayers a total of \$4 million. Since 2005, the entire city workforce has been reduced by 15 percent from 3,100 employees to 2,600. Last year we laid off nearly 300 seasonal and provisional employees, and a plan to reduce our civilian workforce by an additional 10 percent was sent to Trenton.

Part of our mission as we move forward is to downsize not only to save tax dollars, but to make government run more efficiently.

We are working on a plan to consolidate the services of our Department of Public Works with the Jersey City Incinerator Authority, as there are many duplicative services performed by these two agencies. While state legislation is pending to assist us in this merger, we have cut both budgets by \$2.7 million which will result in the downsizing of both operations. I have also directed senior administration officials to conduct an audit of city departments and agencies to determine where further consolidations can be made and have asked them to discuss with our neighboring municipalities the possibility of sharing services.

For example, as part of our long-term budget reduction strategy and consolidation of services, our Department of Housing, Economic Development and Commerce will enter into a shared services agreement with the County to provide for the service of Weights & Measures.

Even though revenue has declined, many of our costs – several that are outside of our control – such as a health care, pension payments and contractual union increases, continue to rise.

To address the escalating costs of health care for employees, last year the administration worked with our unions and management to have all city employees moved from the more costly “traditional” health care plan to a less-costly but equivalent plan saving taxpayers a minimum of \$3 million annually. Earlier this year, my administration introduced an ordinance to the City Council that would move all retirees from the traditional health care plan into direct access saving the city an additional \$3.4 million annually. While the City Council failed to introduce this measure, I plan to present it again soon and ask that the Council adopt it.

While the administration prefers to develop recurring savings, such as the health care measures just referenced, rather than one-time revenue sources, faced this year with drastic cuts in state aid, we had no option but to utilize short-term solutions while developing a long-range plan. We have directed each department to develop a three-year strategy for restructuring of services and revenue creation.

One of the short term solutions is the sale of municipal property at two sites – the Grand Jersey Redevelopment Area and 8 Erie Street. After an in-depth conversation with my development professionals, I have directed the Jersey City Redevelopment Agency to initiate an RFP process for the two sites. This method will not only deliver the highest economic value, but will also give consideration to job creation.

The administration anticipates that the sale of this real estate will generate millions of dollars for the city and return valuable property to the tax rolls, and thereby provide further relief to the taxpayers.

The administration applied and was approved to participate in a pilot program through the State Department of Transportation to operate a red light camera. The camera is now located at the intersection of Kennedy Boulevard and Communipaw Avenue. It is our belief the program will be a deterrent to unsafe driving practices and will result in fewer and less severe motor vehicle accidents. This year, the city expects to generate approximately \$1.6 million in revenue from this program. The Jersey City Police Department and our entire administration are convinced the instillation of red light cameras throughout the city will be an effective tool to help modify aggressive driving behavior. As a result, we are seeking to expand the program to additional intersections.

All of these combined measures resulted in Jersey City meeting the 2 percent hard cap on property taxes set by the State Legislature. Unlike many other municipalities across the state, Jersey City will be keeping taxes stable this year. In 2010, the city collected \$210 million in taxes, while this year we have proposed a budget that sets the property tax levy at \$208 million.

One of the reasons we were able to get under the cap was through negotiating with our police unions to save taxpayers nearly \$4 million this year.

Unlike many other cities across the state and around the nation who unfortunately were forced to layoff dozens, in some cases hundreds, of police officers, I am proud to say Jersey City wrote a different ending to this story. By compromise and perseverance, we

were able to avert the layoff of 82 young officers who continue to provide our residents with the level of safety and security they deserve.

These front-line soldiers in the fight against crime are a large part of the reason we have seen a continued reduction in our crime stats. That is why I made a commitment early on to do everything in our power to keep them on the street and avert the layoffs. It took several months of intense and often tense negotiations between the administration and the leaders of the POBA and PSOA, but we were able to keep that pledge while achieving approximately \$4 million in concessions from the unions.

While many other cities have seen crime surge during these difficult economic times, Jersey City has been fortunate to see crime drop in most categories during the past year.

Last year there were two percent fewer violent crimes compared to 2009, which includes categories such as homicide, rape, robbery and assault. The decrease continues the ongoing trend that saw in 2009 a 30-year low in violent and non-violent crime, including a 30-percent drop in robberies. In the most serious crime category of homicide, there was a 14 percent decline last year. Additionally, people-on-people crimes declined in the category of assault.

In the non-violent crime category, the city realized a slight decrease of one percent compared to the previous year. However, the non-violent crime of motor vehicle theft dropped significantly during 2010. In that category, there was a five percent drop for a total of 762 incidents, even fewer than 2009's 30-year low of 800 cars stolen. For comparison's sake, in 1990, there was an unprecedented 5,030 cars stolen within city limits. Comparatively, 2010's total of 762 cars stolen makes for an 85-percent decline since the city's all-time high.

Even with the progress our Police Department continues to make, we know that we can always do more. That is why I have commissioned the Police Director and the Police Chief to develop the second Gun Buyback Program of my administration. Battling the scourge of illegal guns has been one of my top priorities. Shortly after taking office in 2005,

we launched our first successful gun buyback & amnesty program, Operation Lifesaver, which removed 897 weapons from the homes and streets of Jersey City. Like then, we will seek to partner with the private sector and our corporate community by asking them to finance the operation that will hopefully remove hundreds of illegal guns from our city streets thereby saving lives.

Another goal this year will be to complete the centralization of our dispatch operations to our new \$16.8 million state-of-the-art facility on Bishop Street. Our Police Department dispatchers are already located there and the new system is operating well. Earlier this year, my administration announced that our CCTV program will be moved to this location as will our Fire Department dispatch. This merger of operations will result in an even more efficient system and less overtime costs.

Earlier this year, the Jersey City Fire Department was awarded an \$8.1 million federal grant to hire additional firefighters to help replenish the Department following the retirement of approximately 100 officers last year.

As I have said many times in the past, Jersey City has the greatest Fire Department in the country, and last year our Department of Fire and Emergency Services responded to 23,258 calls for assistance, which included structural fires as well as emergency medical calls. Additionally, the Department replaced four pieces of out-dated fire apparatus to ensure that our equipment is the safest and most effective.

In 2010, the Fire Prevention Division conducted nearly 5,500 fire inspections, and collected nearly \$700,000 in fines and permit fees. The Office of Emergency Management secured \$900,000 in homeland security grants, and our grants consultant will continue to work with both the Fire Department and the Police Department to secure additional grant funding this year.

Despite the sluggish economy, several businesses announced relocation or expansion plans last year, with hundreds of jobs slated to come to Jersey City. Some of the more prominent firms announcing relocation include the Depository Trust & Clearing Corporation with 1,600 jobs, Fidelity Investments with 600 jobs, and Hydroxatone, who recently relocated an additional 300 plus jobs to our city. These are just a few examples of the more than 100 enterprises that decided to invest in our city last year, as Jersey City continues to be a destination for commerce and the economic engine of the state.

In 2010, when the state announced the Urban Enterprise Zone would be terminated, we led the charge to have the program restored for another year to allow important services to continue operating. As the program again faces termination, we will provide statewide leadership to ensure that Urban Enterprise Zone funding stays in the locality it is generated so that Jersey City can continue to fund important projects.

We will also continue to work to bring new development, ratables and jobs to Jersey City by being business-friendly, and by working with small-businesses as well as global firms on issues that affect them. Small businesses and entrepreneurs have been at the forefront of leading this country out of tough economic times, and I have no doubt that remains so today. Having heard from a number of local business owners, the administration will present this year a revised Entertainment Ordinance, as well as an expansion of the city's Restaurant Row to continue to make Jersey City a destination.

The Planning Division will also complete and present to the Planning Board and the City Council redevelopment plans for McGinley Square, Grand/Jersey, Route 440/Culver Avenue and MLK Drive, which is currently experiencing an inter-agency effort at revitalization.

Last year we saw more than 200 market rate rental units at 225 Marin Bouelvard come online, as well as 45 units in the north end of the city at Summit Heights, which is a combination of market rate and workforce housing.

This year the city will cut the ribbon on the Monaco, two 50-story residential towers featuring 524 market rate apartments and 12,300 square feet of ground-floor retail space. As new projects become occupied, the city realizes increased payments and revenue. We are also working with other developers to bring to fruition such projects as Whitlock Mills, with 330 units, the Tramz Hotel, with 150 residential units, and MEPT in Journal Square, with approximately 1,600 residential units. Due to the economy the credit markets have challenged the financing of these projects, but as the economy continues to improve we are confident that all of these projects will move forward.

In 2010, the City of Jersey City received \$7.1 million in federal Community Development Block Grant funds. These funds were used to support sixteen rehabilitation projects, 56 public service programs and two economic development projects.

CDBG-Public Service projects include food pantries such as CAUSE and Let's Celebrate, educational enrichment and after-school programs such as the Boys and Girls Club and Urban League-Power Up, as well as senior citizen services such as St. Anne's Home and the Visiting Homemaker Services.

While 2011 CDBG funding has not yet been released, we applied for the same level as last year, but are anticipating cuts as lawmakers in Washington continue to grapple with balancing the national budget. We have communicated with our federal delegation asking them to preserve the important CDBG funding and other HUD programs.

We are proud to report that even in this economic slowdown, in 2010, eighty-nine affordable housing units and 30 emerging market units were completed. Another 306 units of affordable housing are underway. As we continue to make Jersey City a great community to live, work and invest in, we are committed to making affordable housing available as well.

We continue to make significant progress in our effort to convert abandoned contaminated sites into productive parcels. As we speak, the former PJP Landfill is being remediated by Waste Management at no cost to the City. Ultimately, the residents of our City's West Side will be able to enjoy a beautiful waterfront park at this location to be known as the Marion Greenway, which will be connected to the golf course under construction by the County and Lincoln Park West. So far, we have been assisted in our efforts to create a new park on our Hackensack River Waterfront receiving more than \$6 million dollars in grants and we will continue to seek grants to make this vision of a "Green Coast" to parallel our "Gold Coast" a reality.

Due to a settlement of litigation between the State, City and PPG Industries, PPG is currently cleaning up significant amounts of chromium contamination at its former production facility on Garfield Avenue and at 19 other sites in Jersey City. We were recently pleased by PPG's commitment, in a submission to the Hudson County Superior Court, to fully excavate the some 700,000 tons of chromium contaminated soil at Garfield Avenue. This method of remediation, which is the one clearly preferred by the community and which we advocated for, will leave no doubt that this valuable property, which sits directly across the street from a Light Rail Station, will be cleaned to the strictest of standards.

On our City's West Side, we continue to work in a public-private partnership with the Honeywell Corporation toward the transformation of former industrial sites into a progressive mixed-use community to be known as Bayfront. Honeywell continues to remediate the chromium contamination at the site and City officials continue to work on a plan with Honeywell for the future of this development. We were particularly pleased when New Jersey Transit recently announced at a public meeting that, after a comprehensive study, it concurs that an extension of the Light Rail from its current western terminus on West Side and Claremont Avenues into the Bayfront Development is appropriate.

This is the first step toward a crucial Light Rail extension that is a key component to the development of this new area of our City's west side. It could consist of up to 8,000

new residences, a million square feet of office and retail space, and 20 acres of open space. The next step will be an environmental analysis of the impact of the development of the Light Rail and an engineering study. We are working with our congressional delegation and New Jersey Transit to secure the necessary financing to undertake these next crucial steps.

Earlier this year, the City amended its “Adopt A Lot” program as part of our commitment to enhancing the quality of life for residents. We feel that the “Adopt a Lot” program will clean up ugly eyesores that for years have been the blight of the community and that this program will also make much-needed improvements to existing vacant lots by allowing residents to grow and sell fresh produce from community gardens.

The Adopt-A-Lot program is part of the city’s overall strategy for Sustainable Jersey, an official designation for which we will be seeking silver level certification. This certification program is available for all New Jersey municipalities who wish to become leaders in the path to creating sustainable communities and the city plans to file its application for designation this April. We have also re-chartered the city’s Environmental Commission and are working on appointments from around the city to serve on that board.

I also signed a “Green Executive Order” that will create a committee consisting of representatives from Business Administration, the Law Department, HEDC, and the Mayor’s Office. The committee will review bid specifications before they are issued and all resolutions for the purchase of goods before submission to the City Council.

Our commitment to creating a green and sustainable city extends to our parks, which are the jewels of any urban community. In Jersey City we are fortunate to have dozens of large and small parks, including the majestic Liberty State Park. Two years ago, my administration set forth and the City Council adopted a 10-year Parks & Recreation Master Plan to renovate existing parks and create new ones.

Last May, after a little over a year of construction, the City and community cut the ribbon on the new Hamilton Park, which had undergone \$3.2 million in renovations. It was

amazing to see the park bustling with families during the summer months and we are anxiously awaiting the arrival of another fun-filled summer at Hamilton Park and at other parks throughout our city.

Some of the renovations to the park include a new playground with sprinklers, two fenced-in dog runs, and rehabilitated tennis, basketball, and multi-use courts. The city also added new park benches, tables, a community garden, drinking fountains and a restored gazebo.

This year we expect to put the finishing touches on the new \$5.2 million Lafayette Pool so kids in that neighborhood will be able to enjoy it during the summer months. The facility will include an 8-lane competition pool with a wheelchair/handicap access ramp, an activity pool for tots, locker rooms, concessions, an administration building, and a basketball court will also be located on the grounds.

Last year, we also completed nearly \$500,000 in renovations to Columbia Park and oversaw the construction of the \$1 million Metro Field House, which officially opened last spring for the Greenville West Side Little League. Improvements to Bayside Park are ongoing, and hopefully the park will open this summer.

Renovations to the exterior of the Apple Tree House, one of Jersey City's most historic buildings where it is said George Washington met with Lafayette under an apple tree, were completed utilizing grants including Urban Enterprise Zone funding. We are currently working on renovations to the interior of the building and earlier this month the Council passed a resolution authorizing an application for approximately \$600,000 in UEZ funds to begin site work including a parking lot, driveway, lighting and landscaping. While much of this project has been funded through the UEZ, we would also like to thank Hudson County Executive Tom DeGise and the Board of Chosen Freeholders who have authorized \$700,000 in County Open Space Funds to this important project over the years. We expect the Apple Tree House to open to the public in 2012, if not sooner.

Other projects on the drawing board include renovations to Engine Company 15, renovations to Boyd-McGuinness Park and Muhammad Ali Park, as well as many others.

Last year, DPW filled 5,200 potholes across the city and this year, due to the massive snow accumulations, will be filling even more. Additionally, last year we resurfaced Westside, Danforth, and Garfield avenues as part of a million dollar project funded by the New Jersey Department of Transportation that included new handicapped ramps at street corners and new crosswalks.

We started the Christopher Columbus Drive streetscape project from the New Jersey Turnpike to Washington Boulevard. The work included new sidewalks, curbs, crosswalks, drainage improvements, traffic signals and street lighting. The \$3.3 million project, funded by NJDOT, UEZ and the city, was halted due to the winter weather but commenced again this week. We expect to have this roadway totally repaved by early summer.

We completed the construction of Phases 1 and 2 of the \$7.2 million Newark Avenue Streetscape project last year, which included the section from Grove to Coles Street. Construction has just started on Phase 3 which covers the area from Coles to Summit Avenue. We received \$3.5 million in federal stimulus funds and \$1.2 million from the NJDOT, and the city is contributing approximately \$2.5 million for this project, which is expected to be completed by next spring.

In addition to the Newark Avenue Streetscape Project, we will begin work this year on Martin Luther King Drive, making improvements to the street corners at intersections from McAdoo Avenue to Kearney Avenue. The work will include new handicapped ramps, crosswalks, countdown pedestrian signals and signage, and will be paid for by a \$350,000 federal grant. A similar project is slated to begin this year along Central Avenue from Jefferson Street to North Street through a \$500,000 federal grant.

Like the improvements to our city parks, our Recreation Department has created a more robust recreation program to meet the needs of our growing city. The Recreation Department worked with the state last fall to ensure that programming at our Jersey City Armory would continue to be available for the youth of our city. The Armory serves all public and non-public schools in Jersey City, and is where the Recreation Department offers track, youth basketball, soccer, volleyball, and cheerleading, as well as numerous other recreational activities.

In addition to the programs at the Armory, the Recreation Department also started a co-ed Flag Football program in conjunction with the National Football League, expanded the youth soccer program to include an indoor league during the winter months, and partnered with the U.S. Tennis Association to offer free youth tennis clinics at various locations in our city. The Recreation Department also recently was a recipient of a \$120,000 federal grant to conduct swim classes for city youth.

This year, the Recreation Department will develop a boxing and fitness program to help our youngsters stay fit and develop important lifestyle skills. Additionally, we will work to expand existing partnerships with the NFL, the Boys & Girls Club, our public and non-public schools and the Police Activity League. We will also pursue new partnerships with the NBA and WNBA, as well as the NHL and Major League Baseball, and seek additional grants to reduce costs.

Over the past year, Spectra Energy has met with administration officials on several occasions to outline their plans to install a 30-inch, highly pressurized natural gas pipeline across 6.5 miles of City land. This volatile system would start in Linden, NJ and work its way across Jersey City, exiting around 18th St., where it would cross the Hudson River to provide natural gas to the ConEdison plant on 14th St. in Manhattan.

The presence of this pipeline introduces a significant safety risk to Jersey City. According to the Homeland Security Newswire, there have been more than 2,800 significant gas pipeline accidents recorded across the United States, with roughly a third causing deaths and significant injuries. Already in 2011, we have seen the devastation caused by four natural gas pipeline explosions, two in the neighboring state of

Pennsylvania, in Allentown and Philadelphia. These incidents follow on the heels of a national story about a major natural gas pipeline explosion in San Bruno, California last September, which devastated an entire community. San Bruno is approximately a sixth of the size of Jersey City. Combined, these incidents resulted in 14 deaths, numerous injuries, and major destruction to entire neighborhoods.

If such an explosion were to happen in Jersey City, New Jersey's second largest city and one of the nations' most densely populated urban areas, it would be nothing short of catastrophic. Despite Spectra's claims that they are taking all the safety measures possible, there are no guarantees that can be made that this pipeline would be failsafe. Our concerns lie not only with the people who call Jersey City home today, but for our children and grandchildren and the generations to come. We are told by Spectra and other reports have indicated that some of the recent explosions have been a result of aging pipeline infrastructure. The question that we have asked is if the state-of-the-art technology exists today, then why are these pipelines left to deteriorate? Who will be watching over the pipeline proposed for Jersey City in five years? In ten years? Or 30 years from now?

With so many risks and so many unanswered questions, my administration will not idly sit back and allow this project to proceed without a fight. To that end, we have filed a 'Motion to Intervene' with the Federal Energy Regulatory Commission (FERC), and we will continue to fight by voicing our significant concerns over safety, future development, and environmental impact.

Like our battle to keep Spectra from coming to Jersey City, we also have serious concerns about a plan being advanced by the New Jersey Turnpike Authority to improve operations at exit 14A of the Turnpike Extension that would divert all traffic from Port Jersey and Route 440 northbound to exit 14B in Jersey City.

The diversion would detour traffic, including tractor trailers, onto Linden Avenue and Chapel Avenue and deep within Jersey City. We feel this proposal by the Turnpike Authority is short-sighted as it does not provide a solution to existing and future traffic congestion on the Turnpike extension itself. Our review concludes that this project would severely and negatively impact Jersey City, causing numerous harmful social,

environmental, and economic impacts. We believe that a comprehensive, holistic solution is required.

As I stated earlier, today's times are some of our nation's most difficult. But it is times like these when we as Americans focus on what is most important and how to achieve our goals. We will continue to work together to improve our city, keep taxes stable, and create jobs, while providing the important services that our residents expect and deserve. As Buddha so wisely said, "Do not dwell in the past, do not dream of the future, concentrate the mind on the present moment." And if we do that, I assure you, we will succeed. Thank you and God bless.