

Hoboken may hike fines, 'boot' illegal parkers

By Ellen Moodie

Hoboken Councilman David Roberts is tired of litter in Hoboken's streets. And he's ready to clamp down on drivers who don't move their cars for the street sweepers.

Literally. At next Wednesday's City Council meeting he plans to introduce an ordinance more than doubling the \$15 fine levied on those who ignore the alternate-side-of-the-street

parking rules, probably to \$35, he said. He also hopes to have "boots" ready to clamp onto violators' tires.

That means that forgetting to move your car to the other side of the street could cost as much as \$85. The Parking Authority, which enforces the four-hour non-resident parking limits, charges \$50 to remove a boot.

"We're really getting serious about cleaning our curbs," Roberts said. He bases his

strategy on Boston's parking regulations, he said. The Massachusetts capital has combat street cleaning and parking problems similar to Hoboken's, he explained, and was the "first out of the gate by increasing penalties."

The Police Department currently enforces alternate-side parking. Chief George Crummins declined to comment on the proposal, saying he hadn't seen it yet.

Roy Haack, director of Pub-

lic Works, hopes drivers who don't mind forking over \$15 might think twice about paying \$35 or more.

"Hopefully it would work," he said. "Any progress would help." Yesterday his department wrote out 75 tickets just for cars parked illegally along Washington Street between 9 and 10 a.m., a typical total for a Monday, he said.

He believes that many illegal parkers are not from Hoboken.

"I noticed a lot of cars that didn't have Hoboken decals. You would have to assume they're out-of-towners," he said. On Bloomfield and Garden streets, he sees residents waiting for the street sweepers and moving their cars, he said. Now many of those who get tickets try to ignore them, according to city violations clerk Marian Roland. Her records don't break down what kind of ticket payments are backlogged (for example, overtime

parking, illegal zone parking or alternate-side violations), but she suspects alternate-side violators pay as well as any other — not well at all.

"We have a large backlog which we are in the process of eliminating," she said. The new computer system began spewing out 3,000 notices a week last month, and she claims the return is incredible.

"People have been coming in with even 20 tickets," she said.

Vezzetti director resigning

HOBOKEN—Catherine Rush, among the last political appointees of the late Thomas F. Vezzetti, resigned from the post after a tumultuous two months under the flamboyant mayor's successor.

Rush, chosen by Vezzetti a month before his death on March 2, submitted a letter of resignation Wednesday and will step down from her position in two weeks.

Reached at her Newark Street home here, Rush insisted that she is quitting to spend more time with her 8-month-old daughter. She said politics played no part in her decision.

Mayor Patrick Pasculli agreed, saying she and the city will part company on the best of terms.

Nevertheless, Rush's brief service as director of a Finance Department revamped by Vezzetti before his death was affected strongly by political concerns. When the successor and foe of the late mayor, Pasculli, came to power, he fired the Vezzetti appointee.

Rush's successor, local accountant Joseph Lisa, lasted only a few weeks, before resigning March 24 amid suspicions that his business partnership with the city auditor could constitute a conflict of interest.

Rush, 30, who has had extensive experience as a financial consultant, was rehired by Pasculli, although she admitted that she would not forget the politics that led to her dismissal.

—JEFFREY RUBIN.

Historic Hotel Victor scheduled to be auctioned off next week

By Bill Campbell

The Hotel Victor, a century-old landmark on Hudson Place in Hoboken, is scheduled to be auctioned off next week by the Hudson County Sheriff's Office.

The five-story Queen Anne-style building has been vacant since 1986, when it was sold by the Rivara family of Hoboken to local real estate developer Patrick Reynolds for \$1.5 million.

Reynolds, who is facing foreclosure proceedings on three other Hoboken buildings, has defaulted on the mortgage, according to Roger Lowenstein, the Rivaras' attorney. He is being sued by the estate of Kenneth Rivara, who owned and managed the single-room-occupancy hotel from the 1950s until 1986.

Rivara, who died in August at age 69, emptied the building before selling it to Reynolds and retiring in 1986.

Reynolds, who closed his business office in March, is wanted by Hoboken police for failing to answer charges that he misused \$30,000 from a real estate escrow account.

In a telephone interview yesterday, Reynolds said he is working to resolve his legal and financial difficulties, saying he may still try to keep the Victor.

"I am still trying to straighten out my financial problems, but if the Victor fits into the picture I intend to try and keep it," he said. Reynolds said he would reach a decision on the building within a week.

Reynolds had planned to renovate the historic building as an upscale hotel. As recently as November, he was seeking city approval of a plan to add two to four stories to the building, which sits in an historic district.

But when Reynolds' real estate business began collapsing after the stock market crash in October, industry analysts began doubting whether the

project would ever get off the ground.

The former hotel is situated one block from the Hoboken PATH station and Lackawanna Terminal in what realtors have called the most expensive section of the city. Many older buildings in the area have been renovated for retail and commercial office space.

The Hotel Victor, at 77 Hudson Place, was built in the 1890s on a site once owned by the Hoboken Land Improvement Company. The widower of

the building's first owner, Jennie Soulier, transferred the property to the Rivara family in 1926.

In addition to Reynolds, Donald and Cindy Napp are named as owners of the property, according to papers filed in the Chancery Division of state Supreme Court in Jersey City.

According to an attorney familiar with the filing, the Napps obtained an interest in the property in a previous foreclosure settlement with Reynolds.

Some Hoboken taxes to soar

By Jo-Ann Moriarty

Longtime Hobokenites who own one, two or three-family homes can expect their taxes to increase by at least \$2,000 this year, according to a cross-section sampling of new assessments.

Business Administrator Ed Chuis has maintained that taxes on the average will increase

by \$400 based on an anticipated tax rate of \$16.72 per \$1,000 of assessed valuation. The key word is average.

The sampling conducted by The Jersey Journal took one, two, and three family houses in the downtown and uptown areas of the city, as well as six-unit structures, 11-unit apartment houses, condominiums, commercial buildings and

buildings with both residential and commercial use.

The sampling showed that while uptown homeowners with three units or fewer will face tax increases of upwards of \$2,000, most condominium owners will see their taxes decrease by that amount.

People who stand to see the

See SOME — Page 6.

Hoboken zoning to be amended

By Ellen Moodie

Tonight's Hoboken City Council caucus meeting will likely begin a long, hot summer of debate for the Council and the Planning Board.

A delegation from the Board, with a planning consultant and attorney, will attend the meeting to answer questions about zoning amendments, part of the city master plan required by the state.

To the Board, it's a final draft, pounded out after research and analysis, consultations and compromise. To the Council, which must vote on the ordinances, it's something to be keenly scrutinized — and probably altered.

The document the Council will examine tonight is the 11th version; the document was last revised on March 19. Thirty pages long, it divides the Mile-Square City into zoning districts and subdistricts and defines what buildings and lots in those areas can look like and be used for.

The proposed revisions would limit the height of buildings in the city's Residential-1 district (part of Washington, Bloomfield, Garden and Park streets between First and 14th streets) to five stories. In the R-2 and R-3 districts (areas further west), the height would be limited to six stories with five of the six reserved for housing.

The Planning Board is recommending that nothing will be constructed between Fourth and Fifth Streets east of Stevens Park, and that nothing higher than 18 feet be built east of Elysian Park.

The proposal also rewrites zoning laws governing industrial development.

Chairman Peter Alicandri said in March after the Planning Board forwarded the revisions to the City Council that the current document represents the "best of all the minds who worked on it. We expect it to be accepted as it is. We feel it is a good document and should be swallowed whole."

Municipalities are required to update zoning requirements every five years; Hoboken last did it in 1979. The

delay is due to politics as much as the difficulty of the task in a congested, changing community, council members say.

They agree that the zoning is outdated — so outdated that everyone who wants to build or add on to existing structures must appear in front of the Planning Board and request numerous variances.

Councilman David Roberts believes that the previous administration of Mayor Thomas Vezzetti deliberately procrastinated because it was anti-development. "Now the majority of the City Council and the Mayor (Patrick Pasculli) would support sensible growth in the community," he said. He hopes this means that zoning changes will be approved soon.

Councilman Thomas Newman, who was a Vezzetti ally, agrees that the revisions are long overdue. "It's hard to make a decision. There's so much controversy. It's a politically difficult problem. I don't think that means we should do a sloppy job," he said.

He believes much more study and analysis is needed, and he doesn't expect any decisions until fall. "To do a careful job of zoning, you have to ask questions," he said. "I don't want to vote on this thing until we've done our basic homework. We have to answer to the public. . . . The city has a lot of homework to do. The Planning Board hasn't done its homework."

The revisions should reflect the changes in the city since zoning regulations were last approved by the City Council. They will determine where development can take place, where the city will have residential buildings and where commercial and business interests can expand.

Roberts wants to be sure that the amendments adjust the zoning to the city's transition from a manufacturing to residential base. He points to the huge industrial sector in the northwest quarter of the city. "Residential development should be allowed to take place there," he said. "My big issue is shrinking that industrial zone to where it's manageable."

Some taxes in Hoboken will soar, others to drop

Continued from Page 1

most severe tax increases are longtime Hobokenites who have done modest renovations and have had very low assessments on their homes in the past.

Homeowners who can expect modest increases are those who completed major renovations and took out building permits, thus having the assessments upgraded. The last citywide revaluation to assess properties at their full and fair market values was conducted 18 years ago.

According to the sampling, a two-family house on the 1200 block of Garden Street was assessed at \$15,000 before revaluation and paid \$3,161 in taxes last year. That house is now worth \$375,400 and with the anticipated tax rate of \$16.72, the homeowner will have a tax bill this year of \$6,272, according to records in the assessor's office.

A one-family house on the 900 block of Bloomfield Street was assessed at \$12,600 and paid \$2,600 in taxes last year. That property is now valued at \$257,000 and the homeowner faces a tax bill of \$4,300.

A three-family house on the 600 block of Bloomfield Street was assessed at \$17,700 and paid \$3,730 in taxes last year. With a new value of \$366,400, the homeowner may get a tax bill of \$6,126.

A two-family house on the 300 block of Madison Street was assessed at \$11,400 and paid \$2,500 in taxes last year. The property is now valued at \$186,500 and is expected to get a tax bill of \$3,118.

A six-family house on the 500 block of Adams Street was valued at \$16,600 and paid \$3,500 in taxes last year. The three-story building is now worth \$350,300 and faces a tax bill of \$5,857.

An 11-unit building on the 900 block of Willow Street was

valued at \$26,500 and paid \$5,565 in taxes last year. With a new value of \$400,300, the taxes are anticipated at \$6,693.

In contrast, a new condominium on Newark Street was assessed at \$29,200 and under the existing tax rate of \$210, paid \$6,150 in taxes last year. With a new assessment of \$221,700 and a \$16.72 tax rate, that tax bill will drop to \$3,700.

The same forecast is predicted for homeowners in renovated condo buildings.

One condo on the 700 block of Washington Street was valued at \$30,400 and paid \$6,407 in taxes last year. With a new value of \$216,000, the owner can expect a tax bill of \$3,611.

Another condo in the same area was assessed at \$22,000 and paid \$4,636 in taxes last year. With a new value of \$156,000, the unit will carry a tax bill of \$2,618.

A two-family house in the affluent section of Castle Point Terrace was assessed at \$36,400 and paid \$7,644 in taxes last year. The new value of \$443,800 will mean that taxes will decrease slightly to \$7,420.

A two-story commercial and residential building on the 400 block of Washington Street was valued at \$38,600 and paid \$8,135 in taxes last year. With a new value of \$525,000, the taxes are projected at \$8,778.

But a seven-story commercial building near the PATH station will have a large increase. The building was valued at \$197,400 and paid \$41,604 in taxes last year. Property in that area has skyrocketed and the building is now assessed at \$7.4 million and faces a tax bill of \$124,779.

Meanwhile, City Assessor Hugh McGuire said that his predecessor Woody Monte has accepted the new valuation figures which have been sent to the Hudson County Tax Board for review.

P.A. board OKs settlement

Continued from Page 1

first-rate waterfront project," he said.

"Mayor Pasculli and city officials are to be complimented for their forthrightness and professionalism in focusing on the real issues that needed to be resolved in order to allow us to move forward together," he said.

Commissioner J.G. McGoldrick said during the brief debate that the agreement "clears the air and tests the seriousness of Hoboken's desire" to develop its waterfront.

Pasculli announced last week that the city and the P.A. will formally begin negotiations June 20 on the waterfront development. The authority has \$115 million earmarked for planning, site preparation and infrastructure. Hoboken will have to repay the money as development proceeds.

Phil LaRocco, director of World Trade and Economic Development, will head the authority's team in negotiating with Hoboken.

LaRocco said yesterday that the authority has learned from its previous attempts to build a \$500 million waterfront development in Hoboken several years ago. The authority abandoned that plan because of fierce public opposition.

LaRocco said that the authority learned the importance

of public space and open space and about the "serious constraints in building the waterfront."

"We learned we've got to be very sensitive," LaRocco said, specifically on issues of corridor views.

In the negotiations, LaRocco, said the authority will "follow the city's lead. The action today creates a level table."

Pasculli said he will head Hoboken's negotiating team, which will consist of department heads, citizens and the council's Waterfront and Redevelopment Committee, chaired by Councilman David Roberts, a pro-development member of the council.

Pasculli, who is expected to run for election in November, is anxious to develop the waterfront to expand the city's tax base in order to lower taxes across the board.

P.A. Commissioner Howard Schulman, of New York, abstained because, he said after the brief meeting in the World Trade Center, that he "disagreed with the action." He declined to give his specific objections, saying only that for "personal reasons" he opposed the agreement.

According to the terms of the agreement, the P.A. will relinquish its claims to the city-owned piers.

P.A. commission OKs Hoboken settlement

By Jo-Ann Moriarty

Commissioners of the Port Authority of New York and New Jersey yesterday approved the terms of a litigation settlement with Hoboken over outstanding insurance money and the control of the three city-owned piers.

P.A. representatives and Hoboken officials are expected to present the settlement today to Superior Court Judge Burrell Ives Humphreys, who ordered last July that the parties settle their disputes.

The City Council and Mayor Patrick Pasculli approved the terms of the agreement last week.

"With the termination of this litigation, the issues of in-

surance proceeds and the pier lease are behind us," said Philip D. Kaltenbacher, commission chairman, in a written statement.

"This settlement paves the way for the Port Authority and the city to resume serious discussions about how our agency can use its financial and technical resources to help the city develop its waterfront in a way that improves the quality of life for the citizens of Hoboken," Kaltenbacher said.

"With mutual respect, statesmanship and professionalism, the city of Hoboken and the Port Authority can, I believe, fashion a public alliance to achieve an unparalleled,

See P.A. — Page 4.

School board makes great escape to wilds of Secaucus

By Ellen Moodie

Hoboken School Board officials, central office administrators, school management and various consultants have retired from the "real world" to discuss matters of moment today.

To escape from the Hoboken's political pressures, as well as shrilling telephones and sweltering asphalt, they've chosen to hide in the Secaucus Holiday Inn's Bergen Suite meeting room. About 20 people will commune for 10 hours, from 9 a.m. to 7 p.m., in a "retreat," as board secretary Tony

Curko calls it.

In seclusion, they'll discuss implementation of the Level 3 action plan. Level 3 is the final phase of state monitoring after a school system has not been certified. After two state committees pinpointed Hoboken's problems in a series of directives, the board drew up an action plan with corresponding objectives.

Hoboken's action plan has been approved by the state and is in the process of being implemented, according to Art Rusomano, executive assistant for the state Division of County and Regional Services.

Today's retreat in the wilds of western Hudson County should help the action plan executives focus their energies.

"It was one of the things that was suggested, that the board, administrators, and management consultants get together for a day without day-to-day interruptions, just the meeting," Curko said.

Holiday Inn's meeting room rates vary between \$150 and \$400 per day, according to a sales representative. The event is not catered, she added, but the hotel has a restaurant. Curko said they may serve a quick breakfast.

Barry puts his plans to council

By CHRISTOPHER AVE

Staff Writer

HOBOKEN—Faced with a report recommending a costly cleanup of the contaminated Observer Highway project site, developer Joseph Barry presented to the City Council last night plans for an alternative 300-unit project near the waterfront.

Barry is asking the council to designate him as the developer of the new project, which would be built around an existing, city-owned garage between River and Hudson streets here. Barry said the planned, 450-unit Observer Highway development is "at a standstill" because of high concentrations of lead and mercury in the soil at the site.

Barry distributed a report by a Massachusetts environmental consultant that recommended no development commence until the soil is removed — a process Barry said would be "very, very costly."

The city and Barry obtained a \$3 million federal grant for constructing 115 units of affordable housing on the project. If construction is not begun by September, the grant would be lost.

Barry's new plan is aimed at salvaging the grant — and making him the developer of a more lucrative site, within a few hundred feet of the waterfront.

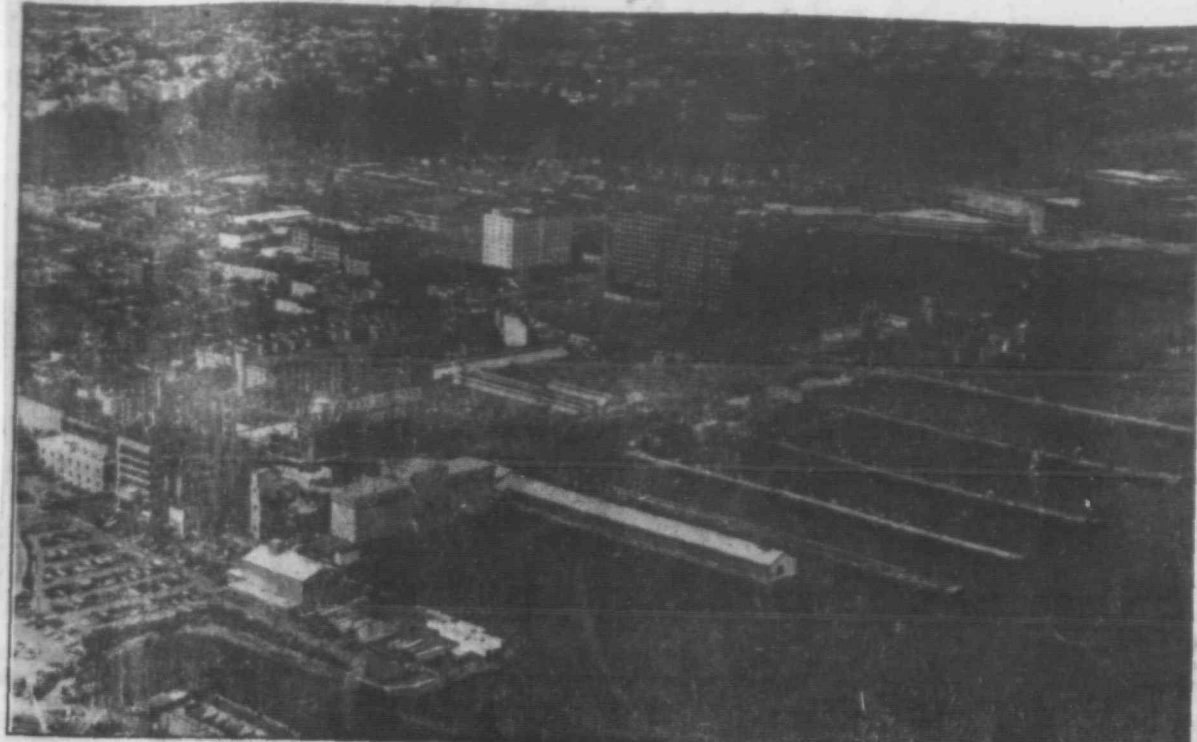
Under Barry's plan, one 115-unit structure for affordable housing would be built on the Observer Highway site, on a land portion with the lowest toxic levels. That, Barry said, would require approval of the state Department of Environmental Protection.

Barry would build another structure of 300 luxury units on the River and Hudson site, under his plan.

Barry's request came under sharp criticism from Councilwoman Helen Cunningham, who charged that even hearing it last night would give other potential developers the impression that "the deal has already been done."

Big riverfront proposals set

Dispatch 6-10-88



The northeast section of the Hoboken waterfront, seen from the air, is the site for big plans by three developers — Hartz Mountain Industries, Joseph Barry and Harry Grant.

Developers to unveil billion-dollar plans

By CHRISTOPHER AVE
Staff Writer

HOBOKEN—Plans for three massive waterfront projects — including a sprawling, \$1.2 billion development that could fundamentally change the face of the city and Hudson County's Gold Coast — will be unveiled here next week, The Hudson Dispatch learned yesterday.

By far the most ambitious of the three plans is being offered by Fort Lee developer Harry Grant. In an interview, Grant said his proposal calls for 2,800 units, a revolving restaurant, a 61-story condominium building and a public marina, all on about 64 acres of property on the northern part of the waterfront

owned by local developer Anthony Dell'Aquila.

Grant said he would announce the plan at 10 a.m. Monday in a City Hall press conference.

Two other projects to be unveiled next week, according to City Hall sources, are:

■ A proposal by Hartz Mountain Industries of Secaucus for a mixed-use development on city-owned waterfront land that could call for 1,200 residential units, to be introduced to the City Council on Wednesday. Hartz officials approached the city more than a month ago with

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EXCLUSIVE

Reynolds indicted on fraud charges

By Bill Campbell

Hoboken developer Patrick Reynolds, who in March was accused of misusing \$30,000 from a real estate escrow account, was indicted yesterday on three counts of fraud.

Reynolds, president of P.A. Reynolds Associates and the Koda Group of Hoboken, was the only person named in the one-page indictment by a Hudson County grand jury.

The indictment stems from charges filed in state Superior Court in March by three prospective condominium buyers who made deposits of \$10,000 each for units Reynolds was developing at 601 Willow Ave., Hoboken. According to the

complaint, Reynolds took the money from the account.

The indictment charges that from November, 1986 to February, 1987 Reynolds failed to make required disposition of received property and neglected to make required payment, according to assistant county prosecutor Frank DeStefano.

"It's only an indictment, it doesn't mean he's guilty," said Reynolds' wife, Nancy, when questioned about the charges yesterday at a Hudson County sheriff's sale. Reynolds, reportedly living in Manhattan, was not available for comment.

Authorities have been unable to arraign Reynolds because he closed his real estate office and went underground in April. "He's still a fugitive," DeStefano said.

In April, Hoboken authorities issued three arrest warrants for Reynolds when he failed to cooperate in a probe of the alleged wrongdoing.

If convicted, Reynolds faces up to five years in prison on each count.

The charges in the indictment were levied by Joseph DeLoreto of Newark, Rae DeLoreto of Lake Hiawatha and Ciro Mangione of Newark.

The three said the escrow money was placed in an account at The Trust Company in Hoboken. After Reynolds repeatedly refused to answer their phone calls the prospective buyers contacted local po-

lice who discovered that only \$150 remained in the account. Reynolds contacted the three and offered to make restitution, according to sources close to the investigation, but they decided to press charges anyway.

As recently as last week, Reynolds said he was working to "clear up" his legal and financial difficulties.

He owes creditors more than \$2 million, ranging from payments to contractors to installments on the leased Volvo he used to drive.

In addition, lenders have begun foreclosure proceedings on three properties for which Reynolds holds more than \$3 million in mortgages.

Yesterday, the Hudson County sheriff's office granted Reynolds' request to postpone the sale of the landmark Hotel Victor on Hudson Place in Hoboken until June 30. Reynolds owes the estate of the building's former owner, Kenneth Rivara, \$1.4 million, according to Donald Creighton, the attorney representing the Rivara estate.

He said that Reynolds stopped making payment on the property after acquiring it in December of 1986. He opposed the move to postpone the sale.

Reynolds wanted the sale delayed because he is still attempting to secure additional financing on the building, according to his wife.

HOBOKEN

CONTINUED FROM PAGE 1

the plan, which calls for the company to purchase about 17.5 acres for \$25 million. Hartz is expected to raise its offer now that the Port Authority of New York and New Jersey has abandoned its leasehold to the property.

■ A plan by local developer Joseph Barry, previously disclosed by The Hudson Dispatch, that would move part of the troubled Observer Highway development site to two city-owned lots on River Street, within a few hundred feet of the Hudson River. Barry, officials said, will probably detail this plan, which will include affordably-priced residential units, before the council Monday night.

Together, the three projects could bring thousands of new residents to the Mile Square City — sharply increasing demand on the city's aging infrastructure, clogging already congested city streets, and bringing hundreds of thousands of dollars to city coffers in taxes.

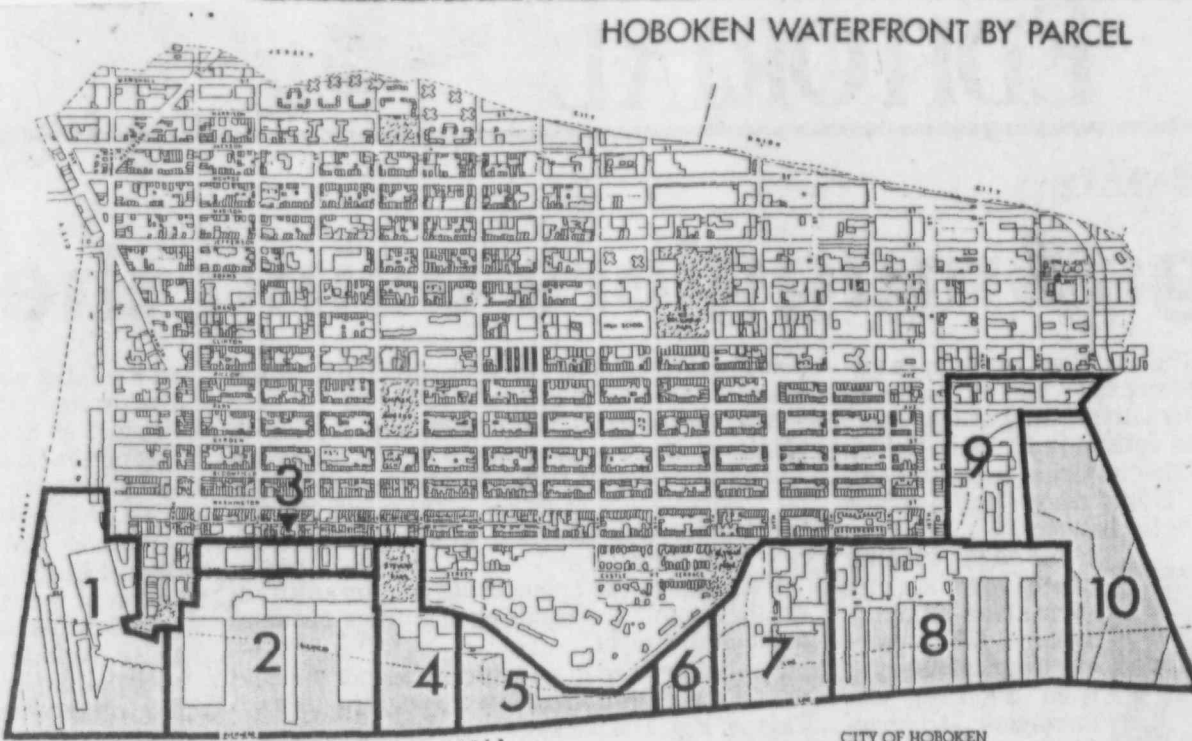
They also promise to become a central topic in governmental and political circles here, perhaps for years to come.

However, major obstacles stand in the way of each of the projects, according to city officials, including city and state regulations limiting waterfront development; alternative proposals that may be more attractive to city leaders; and, in Grant's case, the ability of the developer to deliver on his plans.

Grant himself brushed aside such concerns about his plans, saying only: "If you just see the model, you'll love it."

Grant said he and Dell'Aquila were equity partners in the Grant project, which he has entitled "Grant Marina." He would not divulge the percentages of ownership; however, he indicated that he, not Dell'Aquila, would be the majority owner.

"Harry Grant is everything," Grant said in the thick, sing-song accent of his Iraqi homeland. "He (Dell'Aquila) will have a share in the project."



New projects are planned for three sites at the Hoboken waterfront. Lots 8 and 9 would contain Harry Grant's billion-dollar "Grant Marina," including 2,800 units of housing, a marina and a 61-story building. Lot 2 would be the site of a mixed-use development built by Hartz Mountain Industries, including 1,200 units of housing. Two subdivisions of Lot 3 would house Joseph Barry's project, which calls for an undisclosed number of housing units, some of them affordably priced.

Dell'Aquila declined comment through his attorney, Frank Leanza of Hackensack. Leanza also declined comment, except to confirm that a project partnership exists.

Peggy Thomas, director of the city Community Development Agency, and Councilman David Roberts confirmed that they and Mayor Patrick Pasculli had discussed the plans with Grant. While not endorsing Grant's plan, both officials said they were pleased with Grant's interest and hopeful that development of some sort could begin soon.

Pasculli was out of town yesterday and could not be reached for comment.

Features of the massive project, according to Grant, include: the 61-story condominium tower, which Grant boasted would be the tallest condo on the Hudson waterfront; a 21-story hotel with a revolving restaurant; a public park and walkways, including 500 trees; a renovation of existing office buildings, which are to be covered with green marble import-

ed from Italy; 2,800 residential units and more than 1 million square feet of office space; and, atop one of the structures, huge neon letters spelling out the words GRANT MARINA.

"A complete city in itself — it is the largest project in the state of New Jersey," Grant exulted.

Grant said he had financing for the expected \$1.2 billion construction costs already lined up, coming from "several banks." That could not be confirmed yesterday.

Roberts, Thomas, Planning Board Chairman Peter Alicandri and other city officials cast varying degrees of doubt on Grant's ability to pull the project off. One city official, who did not want to be named, said of the plans: "What a wonderful never-never land."

Grant, a hugely successful developer in Israel before moving to Englewood Cliffs in 1976, is known as a big dreamer who has promised massive projects but has yet to see them through to completion. He has announced plans, for instance, to build the world's tallest building in New-



HARRY GRANT
Eyes 61-story condo

ark and a tunnel under the Hudson near the George Washington Bridge. Neither has been constructed.

But Grant has begun work on the 121-story Newark tower, and he does have an impressive string of projects of various sizes completed both in New Jersey and New York. And he is strikingly rich; according to financial forms filled out last January for Newark officials, he is worth \$56 million.

1,200 WATERFRONT UNITS

Hartz to air Hoboken plan

By CHRISTOPHER AVE
Staff Writer

HOBOKEN—Hartz Mountain Industries will ask the City Council tonight to consider a waterfront development proposal that excludes the Port Authority and its \$115 million in infrastructure money, sources said yesterday.

They said Hartz is proposing a development with 1,200 residential units on 17.5 acres on the Hudson riverfront. Hartz is asking to buy the property from the city for \$25 million over five years, sources said, and is ex-

pected to offer amenities such as open space, public access to the waterfront and affordable housing.

The land is occupied by three piers that had, until this month, been leased by the Port Authority of New York and New Jersey. The authority and the city reached an agreement two weeks ago for the authority to abandon its leasehold, and the two sides will begin talks June 20 to discuss jointly developing the site. But Hartz, city officials said, wants the city to exclude the authority from the site.

"They're saying, dump the

Port Authority," Councilwoman Helen Cunniff said. "It's very definitely anti-PA."

Authority officials have said they have about \$115 million in money committed to site preparation and infrastructure improvements to invest in the city's waterfront if the authority is a partner in developing the site.

Hartz officials refused to comment. Hartz spokesman Dennis Marko said only that the Secaucus-based developer will hold a 6 p.m. press conference in the City Council chambers in City Hall today to introduce their

proposal to the public. During the council meeting that is to follow, Marko said, Hartz will make a presentation to the council.

That move, which was requested by Hartz and permitted by Pasculli, enraged Cunniff, who charged that granting the opportunity gave the appearance that Hartz has an unfair advantage over other developers.

Cunniff charged that the Pasculli administration "is providing opportunities for certain developers to get a leg up on the competition."

Hoboken lacing 'boots' tighter

By Ellen Moodie

The Hoboken Parking Authority has beefed up its enforcement of non-resident parking restrictions by hiring three new officers and replacing 36 auto immobilizers with new, more adaptable "boots."

The three new employees, two part-time evening workers and one full-timer, began their watchdog duties Monday, according to Parking Authority Chairman Donald Pellicano. They join three full-timers already on staff.

The new boots, some of which will fit smaller, foreign tires as well as conventional and larger ones, should be in

from the Manhattan-based Double Helix company sometime next week, Pellicano said.

The officers roam the city in search of parked vehicles that do not have resident permits in their windows or business permits or visitor cards on their dashboards. If an out-of-town auto is in the same street space after four hours, a steel, spiked boot is fitted onto a tire. Only a \$50 fine, half of which goes to court costs, will free the car.

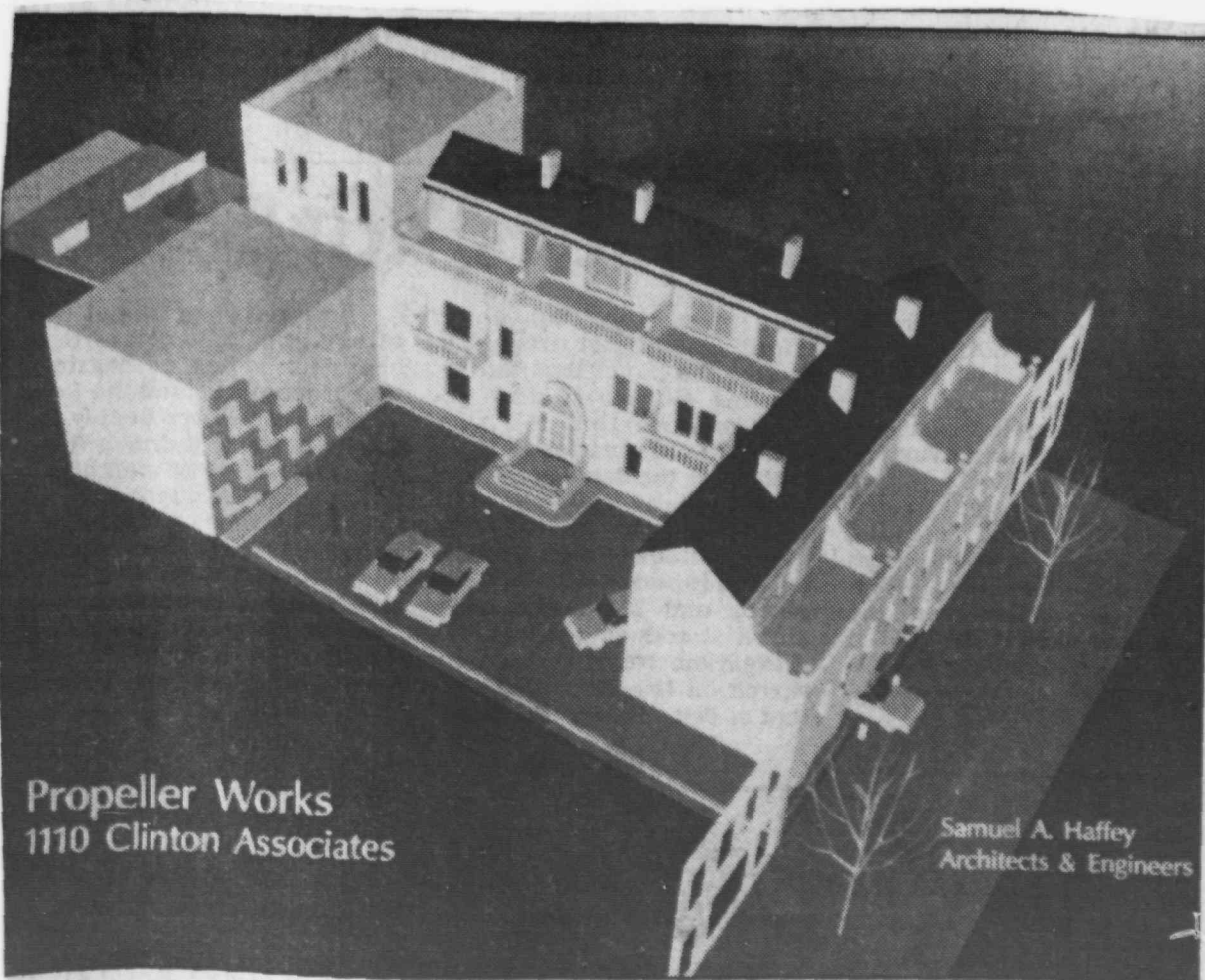
The autonomous city agency kicked in full-blown enforcement of the four-hour limit in late May, after selectively patrolling certain areas.

That month boots were at-

tached 118 times to illegally parked cars, according to permit parking coordinator Louise Taglieri. Of those, 96 were removed for the full fee and 17 were removed before the owners returned because they were not properly fitted to the cars, according to Director Pat Caulfield. The others, most likely placed in late May, remained clamped on cars into June.

Since June 1, 75 boots have been placed, 54 have been removed, and 15 were still immobilizing cars late yesterday. Four boots were removed after it was determined that they were on abandoned vehicles.

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Propeller Works
1110 Clinton Associates

Samuel A. Haffey
Architects & Engineers

This is an artist's rendering of the proposed Propeller Works condominium project in Hoboken's once heavily industrial northwestern region.

Condos crowd industrial sites

Jersey Journal June 9th 1988

By Bill Campbell

The loss of Hoboken's manufacturing base has been a boon to residential real estate developers as condominium projects continue to encroach on the last remaining industrial sites in the city.

Hudson Harbours Associates of Hoboken has unveiled plans to develop a 21-unit condominium project in the shadow of the Ferguson Propeller yards in the once heavy industrial northwestern section of the city.

Called The Propeller Works, the project at 1110 Clinton Street calls for the conversion of an empty turn-of-the-century building into luxury condominiums, according to a statement from the developer. A secretary at Ferguson

Propeller said yesterday she was surprised the condominium project was named for the propeller yard.

The project, which was begun in May, is expected to be completed next spring, according to Saul Weinberg, Hudson Harbour's president.

"Nearly a half dozen condominium projects are under way or completed in the remote industrial region near the Weehawken border.

The growing residential boom has sparked concern from planners and business leaders.

Alan Hanson, Ferguson's president, was unavailable for comment on The Propeller Works project.

In an interview several years ago, however, he said the growth of residential develop-

ment in the industrial region posed a threat to area businesses.

Ferguson manufactures and produces propellers for private shipping firms and the federal government.

Hanson said the change in zoning and soaring property values undermined existing industries.

Weinberg was not in his office yesterday and did not return phone calls.

The project was designed by Samuel Haffey of New York City.

The condominium will be fronted by an open courtyard, which will fulfill offstreet parking requirements.

Units in the condominium project will be priced from \$80,000 to \$190,000, according to the developer.

Hoboken is lacing car 'boots' tighter

Continued from Page 1

The number of offenders per day varies, Pellicano said. "One day you'll get 9, then 12, then 6, another day 15."

The boots show up all over the city, too, he said. Non-residents don't favor any sector. Taglieri pulls out statistics from the official black three-ring binder to back him up.

Boot #3 has surprised drivers at 120 Bloomfield, 1021 Garden, 611 Monroe, 511 Grand and 213 Second streets; Boot #12's temporary addresses include 207 Bloomfield, 512 Madison, 11 Park and 423 Hudson streets.

The majority of offenders have New Jersey plates, although records list drivers from Connecticut and New York, as well as Arkansas, Delaware and Pennsylvania.

Non-residents caught lingering too long in Hoboken territory generally react pretty calmly to their fate, Taglieri said. She's seen only two people in almost 200 protest the fee.

"Most blame ignorance for not reading the sign," she said. A number of them are actually new residents in town, she added.

ed. But this weekend one person was angry enough that he actually lifted his car and removed the boot himself, according to police. Robert H. McFadden, 21, originally from Media, Penn., was arrested for theft of moveable property at 1:31 p.m. Saturday, when someone reported his actions to police.

The whole resident parking program, including salaries, equipment, benefits, vehicles and uniforms, costs the Parking Authority about \$100,000 a year, Pellicano estimated.

The Parking Authority is funded through parking meter fines and parking garage charges, as well as the \$5 for the resident parking permit.

The \$175 to \$180 cost of the new boots will be covered by the manufacturer, since they're modified replacements, Pellicano said.

Pellicano said he wouldn't judge the success of the program until the new boots have settled in. But so far, he said, he still hasn't seen much new parking space, at least not in the evenings.

Mammoth boom projected on Hoboken riverfront

By Jo-Ann Moriarty 6-11-88
With Hoboken and the Port Authority making their peace official this week, developers are knocking on City Hall doors with massive plans to create a new coast line complete with hotels, restaurants, office towers, a marina, condos and even a new police and fire precinct.

Residents can get a glimpse of the Related story on Page 6.

waterfront's proposed future next week when Hartz Mountain Industries unveils its plans to build office towers and 1,200 housing units on the southern portion of the waterfront and Anthony Dell'Aquila and his partner, Harry Grant, disclose a \$1 billion plan for the northern end which includes a 61-story condominium tower, 3,000 residential units, a 21-story hotel, a supermarket and a new police and fire precinct.

The interest is overwhelming, even to Mayor Patrick Pasculli who has been meeting with developers at a furious rate. Pasculli described the Dell'Aquila and Grant proposal as "very ambitious and at some point must come into size." Moreover, in an attempt to keep city control of the waterfront's future, Law Director Eugene O'Connell sent Grant a terse letter yesterday warning the would-be developer not to infer in his press releases "that you have the personal endorsement of many city officials, including the mayor."

"Most recently, we discovered that you were demolishing structures without obtaining the necessary permits. We have stopped this work until you comply with the Hoboken Municipal Code. Do not use either the mayor's name or any other city official on your correspondence without prior written approval," the three-paragraph letter warned Grant.

Grant on Monday morning will disclose a model for developing Dell'Aquila's 64 waterfront acres in a \$1 billion project that includes a revolving restaurant and a 12-story structure that will have a green marble facade imported from Italy, according to Ellen Edelstein, spokeswoman for Grant.

A total 3,000 housing units and 1.1 million square feet of office and retail space are planned for the development, including a supermarket, shopping center and a restaurant — with a roof that will open and close — at the 14th Street pier, and a new fire and police precinct, she said.

Pasculli said he will allow a model of the project to be on display in City Hall but that exhibit should not be misconstrued as an endorsement of the plans.

However, Pasculli said he does "welcome the part of the plan" that deals with establishing the new police and fire precinct, saying that "in my

authority as mayor I will encourage police presence."

The project would be called Grant Marina, named after the Iraqi native who moved to Israel as a child and began an overnight mail service as a young man and then a catering service. Most recently, he made his money in real estate, Edelstein said.

Peggy Thomas, community development director, said the Grant Marina project would be subject to Planning Board and City Council approval.

Moreover, she said pending state regulations limit construction on the waterfront to six stories.

Meanwhile Walter Smith, vice president of Hartz Mountain Industries, said yesterday that his company will disclose its waterfront plans for the southern end Wednesday night before the City Council.

Pasculli, who has been briefed on See MAMMOTH BOOM — Page 7.

Mammoth boom seen on Hoboken riverfront

Continued from Page 1
those plans, said that the development includes about 17 acres of waterfront property from the southern end of the city to Sixth Street.

He said that Hartz Mountain wants a 20-story office building near PATH and plans to build about 1,200 housing units in buildings eight to 10 stories tall, between First and Sixth streets.

Pasculli said his initial response to the Hartz Mountain proposal was that it is harmonious with his plans for that stretch of the waterfront.

Both projects will be sub-

ject to a review of a team of experts who, at the developers' expense, will study traffic impact, infrastructure demand, the effect on the environment and the need for public access.

Councilman David Roberts, head of the council's waterfront redevelopment committee, also lauded the Hartz project but described the Grant Marina proposal as "overzealous."

Councilman Steve Cappiello, a member of the waterfront committee, said he wants to see more proposals before the council votes on the Hartz plan.

Hoboken school board draws up code of ethics

By Ann Spina 6-11-88
An ethics code that outlines proper behavior for board members received unanimous approval at a Hoboken Board of Education meeting Thursday night.

The fate of some of the district's schools in the upcoming year, however, remains a mystery.

The two-page code of ethics lists 13 points outlining behavior for board members. Many of the points reflect those of the ethics code adopted in 1965 by the New Jersey School Board Association, according to board secre-

tary Tony Curko. The code must pass board approval after another reading before it is adopted, he adds.

Although the ethics code was approved unanimously, Curko said a few members said they thought the "patronage" issue might cause some conflict. According to the code, alleged violations should be reported in writing to the board president.

"If two people are equally qualified for a job and one gets it over the other, the board doesn't want to be bound on these close calls," Curko says. "This is especially difficult in Hoboken, where everybody knows ev-

erybody. It's hard not to."

The board also decided to meet Friday in Hoboken High school at 6 p.m. to decide whether to close a school, create a theme school, or take some other action, Curko says.

Loures Arroyo, vice-president of the board, has suggested that a theme school — one with emphasis on the arts or science — should be considered as a way to solve the high dropout rate among students.

"We want to create a school that offers all the academic subjects and also something extra to attract the parents and children," Arroyo says.

The School Programs Committee will meet Monday to discuss private funding for the project, a step necessary to prevent the school budget from increasing, Arroyo adds.

A day before they meet to discuss the fate of the schools, the board will gather for a closed meeting at the Holiday Inn in Secaucus from 9 a.m. to 7 p.m. Curko said "the retreat" will include school board officials, central office administration, management as well as parents and other persons involved in Level III, the final phase of state monitoring.

The board also issued certificates

to 7 local students who had participated in this year's Hudson County Science Fair.

One of the winners, Virender Dayal, also attended the International Science and Engineering Fair in Tennessee. Other students honored that evening include Rina Patel, Andres Torres, Reshma Patel, Barbara Meijas, Keyur Patel, and Sara Dayal.

Trustee James Farina got money reinstated for summer recreation, \$28,000 allocated for summer programs, \$10,500 for football camp and another \$35,000 to install bleachers at the stadium.

Hoboken pier pact going to governors

By Emily M. Smith

An order legalizing the settlement between Hoboken and the Port Authority of New York and New Jersey over waterfront property won't be signed until June 28th to give the governors of both states time to consider vetoing the agreement.

The settlement was presented to Superior Court Assignment Judge Burrell Ives Humphreys in Jersey City yesterday.

Terms of the litigation over insurance money and control of three city-owned piers were approved by the Port Authority Thursday. The Hoboken City Council and Mayor Patrick Pasculli gave the nod to the agreement last week.

The yet-to-be-signed order settles financial questions surrounding the authority's past investments and claims to the property but does not preclude a role by the P.A. in future development.

Pasculli announced last week that the city and the P.A. will begin negotiations on waterfront development June 20. The P.A. has earmarked \$115 million for planning, site preparation and infrastructure. Hoboken will repay the money as development on the property proceeds.

The cost of removing the remains of the demolished Pier B is estimated at \$500,000 which will be paid out of insurance proceeds, according to the order. The P.A. will get the balance of the insurance proceeds.

The P.A. also will get \$1.5 million — insurance money paid out as a result of a fire which destroyed Pier B — as repayment for the 1984 loan of the property to Hoboken, the order states.

The rest of the insurance money, nearly \$3.2 million, will go to Hoboken.

CHOICE NARROWS TO 3

Hoboken to select school to close

Dispatch 6-16-88
By CHRISTOPHER AVE
Staff Writer

HOBOKEN—The Board of Education is expected to decide tomorrow night which of the city's seven elementary schools will be closed, and board members agreed that one of three buildings on Garden Street probably will be chosen.

In the face of sharply declining student enrollments, the board resolved last year and again in March that a school would be closed and its students placed elsewhere before classes begin in September. Yesterday, board Presi-

dent Joseph Rafter said tomorrow is the deadline for a decision.

"You have kids to move, teachers to be assigned," Rafter said. If a school is not chosen soon, "you'll have people going through the whole summer not knowing where their kids are going to be," he said.

Trustee James Farina — frequently at odds with Rafter in other matters — agreed.

"If we go past Friday, we're going to be in big trouble," Farina said.

Both trustees agreed that either the David E. Rue School, the A.J. Demarest School or the Joseph F. Brandt

School were the most likely candidates because they are located within blocks of each other on Garden Street, making it easier to transfer students.

According to a report prepared earlier this year by Schools Superintendent Walter J. Fine, Rue has the fewest students at 238, down from 267 five years ago. Demarest has 282 and Brandt has 409, down from 551 and 631 five years ago. The drops in enrollment mirror that of the entire district, where student numbers have fallen from 5,500 in 1983 to less than 4,000 today.

In his report, Fine recommended that the Rue School be closed because of the

low enrollment and the proximity of the other two schools.

However, some board members and community activists have questioned that recommendation because renovations costing more than \$1 million were completed on the school in the last five years.

Farina said he expected a hoard of parents demanding that whatever school their children attend remain open. "Nobody wants their school closed, so it's back to square one," Farina said.

The board's \$27.3 million budget, which was defeated at the polls April 5

and cut by the City Council, is currently being negotiated by the council and school board. Some board members, such as Rafter and three new trustees elected in April, want substantial cuts, to include the closing of two schools.

But given the majority view of the board and public sentiment against such a move, that seems unlikely. Rafter said the board has not yet agreed on a figure it wants excised from the budget. If no agreement is reached, the matter must be solved in litigation.

Tomorrow's meeting is at 6 p.m. at Hoboken High School.

Caparra plans 'affordable' project

By Ellen Moodie 6-16-88

The nonprofit organization that pioneered the nation's first housing development to combine moderate-income ownership with low-income rentals is trying a new twist to the formula in Hoboken.

Hoboken's Caparra Homes Project is putting together a package of market-rate and moderate-income "affordable" units on a lot at the corner of First and Grand streets.

This summer Caparra plans to propose that the Hoboken City Council follow suit and allow them to develop similar projects on city lots, said Fourth Ward Councilman and Caparra homeowner Edwin Duroy.

"It's a pilot program demonstrating to the city what they

can do with some of the last vacant land in Hoboken," he said.

Caparra is targeting city properties at Third and Jackson streets, Third and Madison streets, and an old, dormant garage on Jackson Street between First and Second streets.

The First and Grand project, 410 First St., will be divided into six units, according to Abraham Lao, president of Caparra. Two three-bedroom apartments, one two-bedroom apartment and one one-bedroom duplex would be classified "affordable," with price tags between \$60,000 and \$80,000. Another one-bedroom unit and a studio apartment would be sold at market rates, estimated by Lao to be between \$95,000 and \$110,000.

Whether they're affordable

or market rate, he warned, Lao said: Caparra's building units are not condominiums. "We don't want to use that term — that's very negative."

He expects to start building in the autumn, and be finished within six or seven months.

The profit from the market-rate units should subsidize the others, Duroy said. He called the concept "cross-subsidizing: marketing some units at the market rate to write down the cost for moderate-income families."

The families would need to qualify with income guidelines, about 120 percent of the median in Hoboken, or between \$20,000 and \$40,000 annually, Duroy said. For the first project, Caparra will cull names from waiting lists it al-

ready has, Lao said.

Caparra's earlier projects include 20 two-family homes completed in 1985, located in the block between Grand and Adams streets and First and Newark streets, and on Jefferson between First and Second streets. The owner-occupied homes house tenants receiving federal subsidies toward rent.

The \$2-million development was the first to combine moderate and low-income families and to utilize financing from Urban Development Action grants, Section 8 federal subsidies and private sources.

If the City Council approves its plans, Caparra would seek additional funding sources so that more than half of its new units could be sold below market rate.



J.J. 6-18-88
The walls came tumblin' down
Nothing but rubble remains of the once-thriving Bethlehem Steel Shipyards at 14th and Hudson Streets, Hoboken, after the wrecking ball completed its work yesterday, clearing the way for the \$1 billion, 94-acre waterfront development planned by Anthony Dell'Aquila.

Riverfront project unveiled

Dispatch June 14-88



Developer Anthony Dell'Aquila, left, state Sen. Matthew Feldman, D-Teaneck, and Hoboken Mayor Patrick Pasculli listen yesterday in City Hall as developer Harry Grant explains the model he displays for Grant Marina. At right stands the project's architect, Howard N. Horii. DON MACOY, THE HUDSON DISPATCH

Billion-dollar plan may rival Newport

By CHRISTOPHER AVE
Staff Writer

HOBOKEN—As developers yesterday unveiled a model of a massive project planned for the northern section of the waterfront, several city officials predicted that the venture will fail unless its scale is reduced.

The model, which Fort Lee-based developer Harry Grant and local businessman Anthony Dell'Aquila displayed in the lobby of City Hall, calls for a \$1.2 billion mixed-use project on 94 acres of Dell'Aquila's property here. The plan, details of which were released last week, calls for, among other things: a 61-story condominium tower, 2,800 residential units, a 42-story office building, more than 1 million square feet of office space, new police and fire stations, a

Dell'Aquila breaks silence, builder study hit — Page 4; Barry plan eyed — Page 10

revolving restaurant and a public marina.

The project would rival Newport in Jersey City as Hudson County's biggest development.

"Everyone will know where is the city of Hoboken," Grant, a native of Baghdad, Iraq, said in a heavy, sing-song accent.

The model drew an ambivalent response from city officials. Some pointed to project aspects such as its open space, public access to the waterfront and park and marina space. Others said they were horrified at its massive size. All agreed that the

Please see PROJECT Page 22

PROJECT

CONTINUED FROM PAGE 1

heights — particularly of the 61-story tower — were too high to be approved.

"Sixty-one stories is too high for the waterfront," Peggy Thomas, director of the Community Development Agency, said.

Thomas said current state guidelines call for about six stories within 50 feet of the waterfront — where the tallest of Grant's towers would be placed.

"He's done some good things with it — it's not as intrusive as it might be," Thomas said of the plans. "But I can't imagine anyone agreeing with 61 stories."

Mayor Patrick Pasculli, who has championed development as a way to increase the city's tax base, was notably non-committal about the plans. Without directly commenting on the project, Pasculli said he welcomed the interest in the waterfront and said the plans would be submitted to the Planning Board, which Pasculli said will hire consultants to study them.

"There has to be a series of

very intense planning and professional reviews," Pasculli said. Asked how he felt about the project, Pasculli said: "I would say it's very ambitious." He added that he expected the plans to be scaled down before final approvals.

City Council Members Joseph Della Fave and Helen Cunningham were less diplomatic. Both said the plan was out of scale with neighboring structures in the northern part of the city and would have to be greatly reduced before they could support it.

Grant, stressing the esthetic points of the plan, pledged that he would obtain the necessary city and state permission.

Dell'Aquila, breaking a habit of avoiding public statements on his projects, refused to speculate on plans to reduce the project if necessary. Dell'Aquila said he had signed a deal with Grant "about 10 days ago." Neither partner would reveal details, except to say that both were equity partners.

Pasculli is pushing for Barry plan

By Dominick Calicchio

Lobbying for project on Hudson Street

Hoboken Mayor Patrick Pasculli last night told a group of First and Fourth Ward residents that he has enough City Council support to transfer the aborted Observer Highway housing project to two vacant lots adjacent to three municipal garages on Hudson Street.

Following the meeting, however, when asked to identify the supporting council members, Pasculli adjusted his remarks, saying he is still lobbying for support for the transfer.

In March, the city awarded developer Joseph Barry and Hartz Mountain Industries a contract to develop 450 units of mixed-price housing along Observer Highway at the southern end of the city. The package included the sale of city land for \$4.7 million and the use of \$3 million in federal grants and \$1 million in state grants.

But, last month, the developers pulled out of the project

after learning that high levels of mercury and lead were found in the soil of the proposed site. This week Barry told the council the problem could be solved.

Under state law, the tainted soil would have to be removed for the project to be built. Pasculli said last night that the city wasn't obligated to remove the soil until then, citing county test results stating

there was no immediate health danger to the community.

Pasculli spoke at a special meeting called by City Councilmen Thomas Newman and Edwin Duroy and the Planning Board to address concerns of residents regarding Observer Highway and waterfront development projects, plus the city's parking situation.

Most of the questions were answered by James Starrett, a

Planning Board member, and by Ralph Seligman, consultant to the board.

Chief among resident concerns were the height and lot coverage for proposed developments. Ron Hine, representing Downtown Residents for Sane Development, presented a chart which, he said, outlined a recent tendency by the Planning Board to permit developers to build taller buildings

that cover a greater area of their lots.

"They have no studies to justify this increase in density. None," Hine said. "The traffic study's not complete, they haven't projected what the population of Hoboken's going to be."

Seligman, defending the Planning Board, said developers of larger projects are required to meet specific criteria and that taller projects were permitted in the Observer Highway area because of the

See PASCULLI — Page 13.

Pasculli pushes for Hudson Street project

Continued from Page 1

highway's greater vehicular capacity and its proximity to Hoboken Terminal and its access to commuter trains and buses. Seligman also said the city

is anticipating construction of a "perimeter highway," on the western end of town that would absorb much of the traffic presently clogging city streets.

During the portion of the

meeting devoted to the parking problem, a woman suggested that the city have a two-tier system for municipal garages. Commuters would park there during the day, at a high rate, while city residents would park at night, at a lower rate.

Starrett mentioned that there is support in the city for additional city garages, to be built at scattered locations in-

stead of on adjacent property, as are the Hudson Street garages downtown.

The next community meeting will be at 7 p.m. Wednesday at the YMCA. It will be conducted by Second Ward Councilman Joseph Della Fave. That meeting will address waterfront development in the northern end of the city, Della Fave said.

ANTHONY DELL'AQUILA

Tycoon breaks silence

HOBOKEN—After years of avoiding the public eye, local businessman Anthony Dell'Aquila burst into the spotlight at City Hall yesterday to push his latest venture — a \$1.2 billion development planned for construction on his 94 acres of waterfront property.

Dell'Aquila, who is teaming up with flamboyant Fort Lee developer Harry Grant for the project, sounded like a seasoned politician as he managed to promote his plans and deflect questions he did not care to answer.

Asked how long it would take the pair to receive governmental approvals, Dell'Aquila answered: "Both of us would like to proceed yesterday."

Asked how long ago he asked Grant to begin planning the massive project: "I can tell you, what takes someone else one and a half years, it takes him a week."

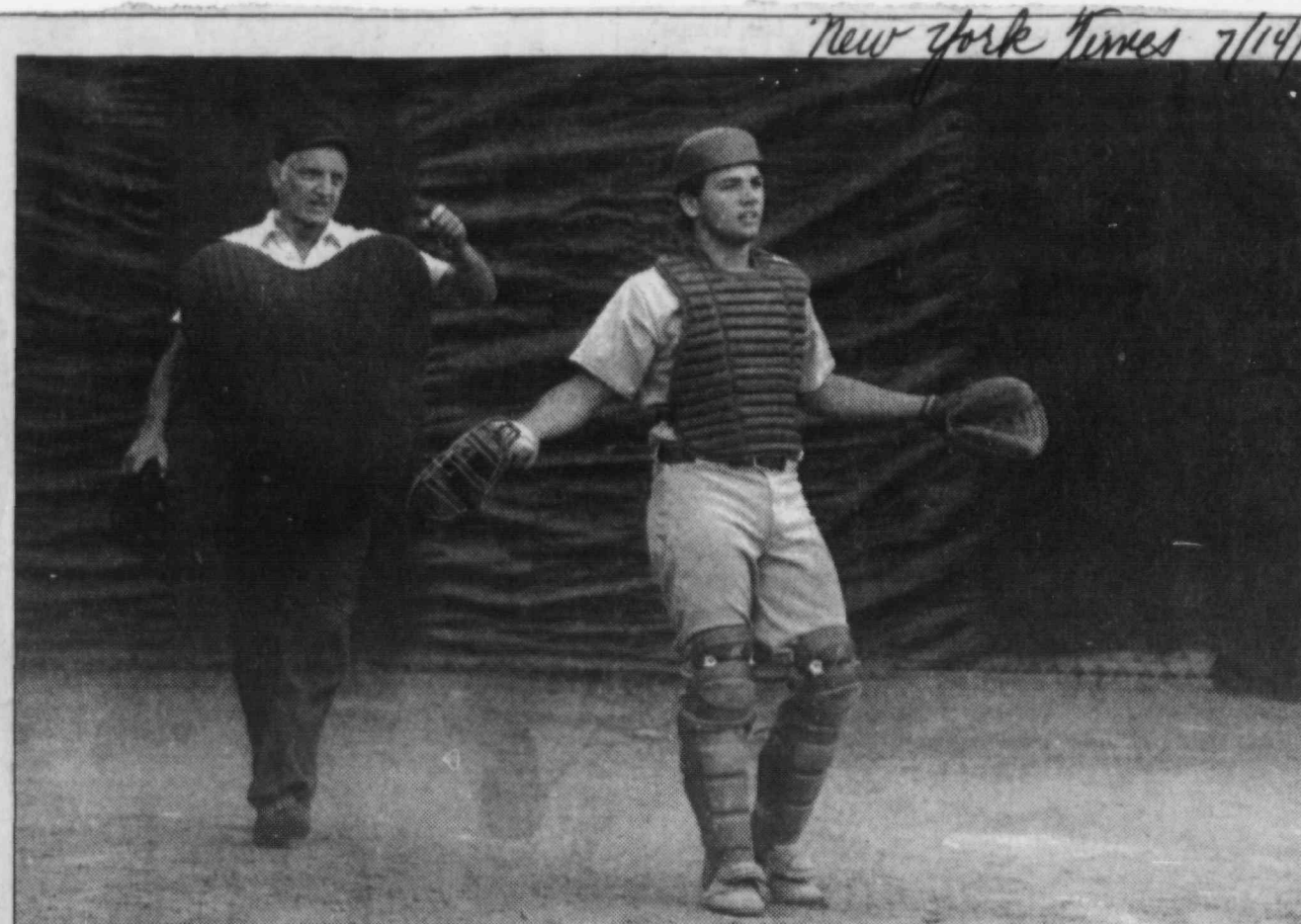
Asked what kind of project deal existed between the two: "A very good one for both of us."

His project, to be called Grant Marina, "would directly benefit every citizen of Hoboken," he said. And as for whether he would support Mayor Patrick Pasculli in the mayoral election this November, the self-made millionaire answered: "That's a political question, isn't it? That's a question for later."

Traditionally, Dell'Aquila has avoided all contact with the press. But as he worked the City Hall lobby yesterday in his impeccably tailored Italian suit, pressing the flesh and planting kisses, he looked more like a public figure than Pasculli, who spoke briefly and left.

The heretofore quiet businessman, who quirked his way through the garment industry to become a major developer here, said he is considering holding press conferences "once a week." Asked why he so abruptly changed his mood, Dell'Aquila had no answer. He did note, however, that yesterday, for Catholics, was St. Anthony's Day — "My namesake," he said with a grin.

— CHRISTOPHER AVE.



Marc Taglieri, a member of the Hoboken team of high school baseball players who are to play in the Soviet Union.

Mighty Hoboken at the Bat (in Moscow)

By ROBERT HANLEY

HOBOKEN, N.J. — For Mike Purvis, Joe Shearn, Marc Taglieri and young friends, life in the last two years has meant little but baseball. They have played for championships in Pennsylvania, Puerto Rico and, some of them, in France.

Now, on the eve of their 15th and 16th birthdays, they await their grandest trip — a journey to the Soviet Union in mid-August for two weeks of baseball in three cities.

This has led to some odd interludes in their preoccupation with fielding and hitting. One recent evening Bob Lewinter, baseball umpire, teacher of Russian history and language and a veteran of seven

Teen-agers are preparing to take on the Russians.

trips to the Soviet Union, went to the Elks club to offer a cram course on Russian history, culture and language. It was the first of six weekly lectures.

There were slides about Lenin, Engels and Marx; about the pre-revolutionary czars and their fetich for gold crowns, and about Moscow's graffiti-free subways.

Mr. Lewinter also handed out a sheet

containing the Russian alphabet and urged the boys to start studying. "Russia?" muttered Chipper Benway, the team's second baseman and wiseguy. "I can't pass English."

Thus these sons of single-parent homes and the working class started preparing to go to a land they know nothing about to represent their gritty old waterfront city and, in a far broader sense, teen-age baseball in the United States. In this era of glasnost and regular Washington-Moscow summits, the Hoboken team will be the first group of American high school baseball players to play in the Soviet Union. Only a team from Johns Hopkins University has preceded them.

The boys — tough, streetwise and ag-

Continued on Page B3



Developer Harry Grant, left, and architect Howard N. Horii beam over the model of their proposed waterfront development.

Officials greet mammoth Hoboken project warily

By Jo-Ann Moriarty

A model of a 10-year plan for a \$1 billion development on the northern end of the Hoboken waterfront was unveiled yesterday by the developers. The project includes a 1.5-million-square-foot office space, 61-story tower with 3,000 luxury condominiums and 21-story hotel with 1,050 rooms.

The development partners are Harry Grant of Fort Lee, who has done extensive work in Newark, and Anthony Dell'Aquila, a Hobokenite who went from rags to riches in real estate and the garment trade.

At the unveiling in the City Hall lobby, the pair brushed aside immediate problems to the mammoth proposal, specifically its height and density.

Even Councilman Steve Cappelletto, a pro-development member of the council, joked when he viewed the model of the 61-story condo building for the water's edge.

"Now where is he going to put the other 53 stories," joked Cappelletto, alluding to state regulations that limit construction to six stories on piers.

Dell'Aquila, who owns most of the 94 acres targeted for development, dismissed the state regulations as a serious obstacle, saying, "There aren't any state laws yet."

Grant was even more confident that the Grant Marina model will be built: "Harry sees this, and Harry will have it."

The state Department of Environmental Protection is rewriting its regulations to control the height of waterfront structures by a formula that would tie height to requirements for open space and public access.

Those new regulations should become official next month, Jeanine Mosely, DEP spokeswoman, said yesterday. The developers will need to secure a permit from DEP as well as the approval of the Planning Board and City Council before construction can begin.

Grant said that the project, which will encompass the renovation of the Lipton Tea building and former Bethlehem Steel Co., has started with the

demolition of several structures on Dell'Aquila's property.

Moreover, Grant has ordered more renovations on 1501 Park St., which Dell'Aquila had already refurbished because the finished structure was not done to Grant's liking. "My style is a Rolls Royce," he said.

Dell'Aquila obtained a \$1.7 million federal Urban Development Action Grant to refurbish the building for industrial use. The federal Department of Housing and Urban Development is reviewing Dell'Aquila's application to use the money for commercial use, Community Development Director Peggy Thomas said yesterday. The city is expecting Dell'Aquila to repay the grant, she added.

It will be used as an executive corporate center and its facade will be green marble imported from Italy, according to the developers.

Grant conducted the press conference, which was delayed an hour because Mayor Patrick Pasculli was in class teaching, while Dell'Aquila elected to make no public statement.

Grant was particularly pleased with the 61-story condo structure, describing it as "the key for this city. That is how they are going to see the City of Hoboken from New York City."

"Everybody will know where Hoboken is," he added.

State Sen. Matthew Feldman, D-37th District in Bergen County, lauded the proposal and Grant. "When he speaks you know why they call him Hurricane Harry," Feldman said.

"You are going to be proud, prouder of Hoboken," with the development, Feldman told the several dozen spectators who attended the morning press conference.

Grant plans to begin planting 1,000 trees and will hold an open house July 1 to mark the beginning of a ferry line from the 14th Street pier to Manhattan.

Pasculli, who has been cautious not to endorse or discourage the project, commented that he was "glad to see renewed interest in our waterfront development."

But Pasculli was quick to add that he will assemble — at the developers' expense — a technical team to review the project's feasibility in terms of its economics, the infrastructure and its effect on the environment.

"We have escalating taxes and we need to expand our tax base to generate extra revenue," Pasculli said.

Several council members attended the unveiling, including president Robert Ranieri who described the proposal as positive. "It is impressive but I don't believe anyone could give it a formal blessing until we know all the design studies."

Councilman Francis Raia said: "I think it is good. It's not blocking people's light that much and you have a view corridor."

Councilman Edwin Duroy commented, "There is no question about it, we could use the ratables," but added that he believed the proposal "needs some scaling down."

Meanwhile, Cappelletto said that the higher the structures are, the more land can be used for open space and public access. "The land is so valuable that they will get the best use going higher to use the land for open space."

Grant Marina, over a 10-year period, calls for a total of 3.6 million square feet of housing in 3,000 luxury condominiums. Some would be located in the 61-story plus another 1.1 million square feet in a renovated existing warehouse. The architect is Grad Partnership of Newark.

Also, the plans include a 42-story office tower, another 30-story office tower, a 21-story hotel featuring a 16-story atrium, a marine restaurant on the eastern tip of the 14th Street Pier, a public promenade with retail mall and restaurants, a nursery school and playground, a police and fire department, cinema complex and health club.

A marina is planned, garages and parking decks, a heli-stop and two ferry crossings. After the press conference, City Clerk James Farina looked at the model, which will be on display, for Grant Marina and dubbed it "Farina Marina."

From Hoboken Ballfields, Youths Get Ready for the Summit

Continued From Page B1

gressive — are approaching their journey with a sense of mission, both athletically and diplomatically; a mix of humility and swagger, and the realism of 15-year-olds.

"I'll miss my pizza and cookies and candy," said Mike Purvis, one of the team's five pitchers. "But I think it'll be a great experience to learn about another culture. And we might even get to see a movie."

Dominick Dellafave, an outfielder, had a different concern.

"I just hope we don't have a world crisis while we're there," he said.

'Sort of Ambassadors'

For their games in Moscow, Kiev and Tbilisi, a Russian vacation spot near the Black Sea, the boys have renamed themselves the "Ambassadors."

"Well, we're sort of ambassadors," said Joe Shearn, an outfielder and pitcher. "Maybe we could make a difference in peace. People tend to believe Communist countries are terrible. Now we'll be able to judge firsthand for ourselves."

Athletic prowess and a little New Jersey braggadocio produced this trip. Last summer the boys swept aside all local opposition and then won both the New Jersey and the North Atlantic Championship in the

The players, 'sort of ambassadors,' will take on older Russian teams.

Sandy Koufax League, a division of the American Amateur Baseball Congress.

In the national championship series in Puerto Rico, they lost to the eventual winner, California, 5-4. And only the players insist, because Mike Purvis's shot to deep center hit the top of the fence and bounced back onto the field instead of going over for a home run.

The Toast of the Town

But never mind. They were the toast of the town. Senator Frank Lautenberg, Democrat of New Jersey, and Mort Goldstein, a vice president of Hartz Mountain Industries, a major developer in Hudson County, talked up the team during a trip to a trade show in Moscow last August.

Before going, they had read a news article about the Russians insisting they had invented baseball. Naturally they offered the Hoboken boys as a challenge.

Since then, scores of letters and messages have passed between the two cities, ironing out lodging, travel, meals and other logistical details. Just what Russian teams the boys will play is still unknown. But informally officials have been told the players will probably be in their late teens and early 20's and only a year or two into learning the game.

Eyes on the Olympics

"I think they're trying to learn from us for the 1992 Olympic Games; we want to catch them now," said Joe Reinhard, a Hoboken police detective and one of the team's coaches. The others are a fellow detective, Walter Lebrink, and Bill Culhane, an equities broker and son of a policeman.

Outwardly the boys don't seem fazed about being overmatched by older Russian teams.

"The Russians could be a little stronger, but they can't hit," said Blair DeGaeta, an infielder. "And they probably don't even know what a curve ball is."

"When we play, we'll play hard, but not to show, like, we hate them or anything," Dominick Dellafave said.

To old-timers here, the boys' devotion to the game is a reminder of the glorious baseball past of pre-gentrification Hoboken, when the streets were tough, the waterfront tougher and boys played baseball all day long, even on the piers.

After all, Hoboken insists, baseball's first "match game" was played here on June 19, 1846, Abner Doubleday in Cooperstown, N.Y., notwithstanding.

Although only about a mile square, Hoboken over the decades has produced four major league players: Tom Carey of the old St. Louis Browns; Bill Kunkel, who pitched for the Yankees and later was an umpire in the majors; Leo Kiely, a Red Sox pitcher, and John Romano, a catcher for Cleveland.

All were coached by Tony Calland, now 85 years old and full of memories. From 1918 to 1935, he played for 12 semi-pro teams and even got into two exhibition games with Babe Ruth and Lou Gehrig in 1930. After his playing days, Mr. Calland coached for 37 years until 1972.

"These boys are good," he said the other day.

How has Hoboken produced so many good players over the generations?

"It's a miracle," Mr. Calland said. "You know, you don't make ballplayers. Either they have it or they don't. These kids have it. Plus they got better bats and gloves than we had."

Weeks of fund-raising and appeals to corporate sponsors have just about produced the trip's expected cost of \$75,000, according to the main organ-

izer, Laurie Fabiano, an aide to Hoboken's late Mayor, Tom Vezzezzetti.

Parents have been soliciting ads for a journal. The boys have been selling souvenir T-shirts and logos. They raised \$1,600 one night playing a benefit softball game against a team from radio station WNEW.

Elaine DePinto, an assistant clerk in the city's Violation Bureau, solicited \$2,000 from merchants. A decade ago the team's coaches coached her two sons.

"It's my thank-you for their being there for my boys," she said.

Mr. Lewinter's recent lecture included a list of do's and don'ts for the trip as mothers scratched notes furiously. Among his admonitions:

"Russian kids love to trade for chewing gum and science fiction books, especially by Isaac Asimov, because it's a Russian name. Bring them."

"Don't expect to get what mom cooks. It's not a gourmet's delight. But you'll eat better than any Russians eat."

GIVE SUMMER TO A CHILD: GIVE TO THE FRESH AIR FUND

Hartz President Gene Heller, who presented the plans, drawings and a model to the City Council last night, portrayed his project as a financial boon to the city and an aesthetic dream to its citizens.

"It's a dream that Hoboken, I think, always wanted," Heller said.

Highlights of the plan include:

- Three office towers on Pier A of between 10 and 30 stories, beneath which would be 2,000 parking spaces.

- A row of 12- to 16-story residential buildings on River Road.
- A public walkway and a restaurant on Pier B.

- Some 225 units of four- to six-story townhousing on Pier C.
- Eight acres of public space and 100,000 square feet of retail space.

- A 300-room hotel.
- Two towers of housing, of 24 and 19 stories each, just south of Stevens Tech.

The developer would pay \$25 million for the land over five years, and would not be adverse "to paying even more," Heller said. Additionally, Hartz would unit in lieu of providing affordable housing. All residential units, Heller said, are planned to be luxury rentals, cooperatives or condominiums.

Heller said Hartz was not asking for a tax abatement, and promised after five years to pay the city \$4.5 million per year in taxes, and after 10 years, \$9 million in taxes, regardless of the progress of construction.

Not counting taxes, Heller said, the incentives Hartz offered would total \$54 million after five years and \$260 million after 35 years.

Heller was adamant in insisting that the city exclude the authority from its plans. He charged that the authority was biased against New Jersey, and said it would use its \$115 million to conduct needless work, which the city would pay for in what he called the project's reduced financial incentives.

Heller in his presentation compared his financial incentives against those offered by the authority in a project deal the city had rejected last year. Heller said the authority offered only \$11 million in incentives over the first five years of the project, compared to Hartz's \$54 million.

"Leave the Port Authority home," Heller said. "Leave the driving to us."

City officials gave the Hartz project a decidedly mixed reaction. City Councilwoman Helen

Cunning criticized Mayor Patrick Pasculli for allowing the presentation because, Cunningham said, it creates the impression that "one developer has a leg up on another."

"It almost appears to be a done deal," Cunningham said. "To leave your model here suggests someone's endorsing it."

Pasculli said he liked the Hartz plan but was not ready to reject the authority's infrastructure money. He said he was preparing for a June 20 negotiation session with the authority on possible joint plans.



Artist's rendering of Hartz Mountain Industries' proposal for the Hoboken waterfront.

HOBOKEN PIERS

Hartz unveils Hoboken development plan

By Christopher Ave
Staff Writer

HOBOKEN—Hartz Mountain Industries unveiled a \$500 million proposal for a mixed-use development on the city's waterfront last night — the third major

development proposal introduced here in three days.

The Hartz plan, which calls for 1,200 residential units and 1.7 million square feet of office space, joins Port Lee developer Harry Grant's \$1.2 billion proposal and local developer Joseph Barry's River

Street housing plan, among developments proposed here this week.

Hartz's proposed development would be built on 17.5 acres of city-owned land between Newark and Fifth streets, the sight of three abandoned piers. The plan includes no role for the Port Authority of

New York and New Jersey, which until this month held a lease to the piers and is now offering the city \$115 million in infrastructure money if the two bodies can agree on a development plan.

Please see HARTZ Page 23

Pasculli names city waterfront team members

By Jo-Ann Moriarty

Hoboken Mayor Patrick Pasculli yesterday named his negotiating team to deal with the Port Authority of New York and New Jersey in developing the city's waterfront. He described his appointments as "both an administrative and political balance."

"I think they represent both an administrative and political balance," Pasculli said when disclosing the City Council appointments. They are President Robert Ranieri, Thomas Newman, E. Norman Wilson and David Roberts.

Initially Pasculli had planned to appoint the council's Waterfront and Redevelopment Committee, headed by Roberts, which members also include Councilman Steve Cappiello, Helen Cunningham and Frank Raia.

But Pasculli said yesterday he wanted a blend of council members.

"Now, I have two of my own and there are two independents," Pasculli said, adding that he considered Roberts and Wilson his allies while Ranieri and Newman are politically independent.

Pasculli also named five citizens to the committee who also represent political appointments of the late Mayor Thomas Vezzeiti administration and the Cappiello mayoral tenure.

They are Mayme Jurkat, the former chairman of the waterfront advisory committee under Vezzeiti; Paul Rotundi, the former chairman of the WAC under Cappiello; Lewis Fretz, the present chairman who was appointed by Vezzeiti; and Morgan Cline, a member of the Municipal Ethics Board appointed by Vezzeiti.

He also appointed Richard Seltzer, an attorney who represented citizens who sought a lawsuit against the Port Authority for outstanding insurance money.

Seltzer participated in the negotiations between the city and P.A., which recently settled their lawsuits over the \$5 million from insurance money and rights to the piers.

Pasculli will meet with the newly-appointed negotiating team Thursday to develop strategy in dealing with the authority.

He said the first meeting will outline the city's role and the authority's part in developing the waterfront and he

wants members to define the public sector alliance between the city and the P.A.

The negotiating team will also form a design approach for development, a financial plan, an outline of city services, needs for infrastructure and the need for public access and open space, Pasculli said.

Pasculli said that the team will inform the City Council on issues of height, density, public access and open space before the city enter into a formal agreement with the Port Authority over the waterfront development.

Sewage woe on agenda in Hoboken

By Jo-Ann Moriarty

Hoboken's sewage problems are expected to get stickier tonight.

City Council President Robert Ranieri, furious over a new bill for \$800,000 from the sewer engineers, will ask the council whether it wants to continue its contract with the Lawler, Matusky and Skelly engineering firm.

"This bill (for \$800,000) represents a 40 percent overrun on their original contract for \$2 million. And their design work was unbuildable, unaffordable and unbuildable," Ranieri said.

LMS had projected a construction cost for the waste water treatment plant between \$40 and \$60 million.

But the city only received one bid on the project, from NAB Construction and at a cost for \$115 million.

The Hudson County Utility Authority subsequently rejected that bid because its cost was prohibited and LMS is working on redesigning the bid to split the operations of treating the sewerage and disposing of the solid sludge.

Ranieri will ask the council tonight whether it should continue its contract with LMS. The engineers have told the city it will cost another \$360,000 to redesign the original bid specifications.

"The question is: Do you continue with the same design engineer or do we change," Ranieri said he will pose to the council.

Meanwhile, Mayor Patrick Pasculli yesterday described the new bill as "completely unacceptable" and said that he will meet with the firm to discuss the bill next week.

The \$800,000 represents additional design work the city requested the from the engineers on the waste water treatment plant such as designs for an administrative offices for the Hoboken, Weehawken and Union City, and for odor controls and a parking area.

In addition, the city is examining the idea of sending their sewage to the Passaic Valley Sewerage Commission facility in Newark via Jersey City.

Hoboken is under a state and federal deadline to upgrade its primary treatment facility for secondary treatment. The state has imposed a moratorium on further sewer hook-ups, which stymies new development, until the plant is constructed.

Hoboken school trustee weeps as board closes Rue School

By Earl Morgan

By 6-1 majority the Hoboken School Board, at a meeting at Hoboken High School last night, voted to close the David F. Rue Elementary School at the end of this month. Trustee Lourdes Arroyo, who abstained on the vote, and has consistently opposed closing any of the city schools, broke down and cried at the end of the meeting.

Arroyo, who is Hispanic, said she does not believe the board would have voted to close the Rue School if the student population was overwhelmingly white instead of

Hispanic. "That is just how I feel," she said. After listening for nearly an hour to some 50 parents, the board voted to close Rue with its 27 classrooms and transfer the approximately 250 students to another school in September.

The resolution, proposed by Trustee Gerry Costa, decries the closing of the school but asks the Port Authority to transfer the building to the city. An amendment, proposed by Trustee Richard England, directs that the building be rented but not sold.

After the meeting, Arroyo, in a quavering

See HOBOKEN ED BOARD — Page 8.

Hoboken settles objectives for P.A. waterfront project

By Jo-Ann Moriarty

The negotiating team charged with the task of developing Hoboken's waterfront released a list of objectives yesterday along with a timetable that would make the Port Authority a business partner with the city by mid-October.

Meeting for the first time in Mayor Patrick Pasculli's office, the team agreed on guidelines which members believe will benefit Hoboken in terms of housing opportunity, employment, economic strength and cultural prospects to urban life here.

"We have set up and identified a group of objectives and an overall approach to seek a public sector alliance with the Port Authority," Pasculli said.

The team's general approach is similar to the waterfront guidelines of the late Mayor Thomas F. Vezzeiti, who also wanted the development to create local jobs, provide for affordable housing, and establish a cultural life for city residents.

And while Vezzeiti made clear his desire to strictly limit the height and density of the future development, Pasculli said yesterday that his team's stand on the issues will be publicly known by the end of August or early September.

The Hoboken team, which will meet with the P.A.'s team next Monday, agreed that the waterfront development should expand public access and open space; that the development should provide job opportunity and a system for job training and that it should attract industries to make Hoboken their corporate headquarters, Pasculli reported at an afternoon press conference.

The team, which includes five citizens, municipal directors and City Council members, also want a guarantee that "the new development is integrated with the existing city," Pasculli said.

Members want the development to provide affordable housing units as well as luxury housing opportunities, he said.

The group set criteria for improvements in infrastructure, such as a water and sewer system and a traffic network, and the exploration of developing a light rail system, Pasculli said.

Another criteria was to establish cultural programs on

the waterfront, he said.

The group also wants to set up a system of using public funds to attract private investment to the waterfront, he said.

And members want the city to ask the Port Authority to consider the New Jersey Transit property in the development of the waterfront. That property is located near the Erie Lackawanna terminal.

"These objectives we will be taking to the table Monday. We have to decide what Hoboken wants and what Hoboken needs," Pasculli said.

Initially, when the two parties sit at the negotiating table, the Hoboken team and Port Authority will have to establish their roles in the development, such as which party pays for what and how much will each entity will share in the profits of the development, he said.

That relationship will be defined in the public sector alliance, Pasculli said, adding that he hoped both parties' development roles and financial contributions can be resolved by the end of July.

Then the Hoboken team and Port Authority team will have to come to an understanding on an overall design for the waterfront, a financial plan and iron out control issues by that time, he said.

With that accomplished, the two bodies will set out to develop a draft plan, which will consider issues of height, density, open space and number of housing units, as well as a financial package in the municipal investment of the waterfront, he said.

Pasculli is hoping that the draft plan will be available for public viewing and comment in late August or early September.

The team, he said, wants to offer the City Council a final plan for its approval by mid-September or early October. Council members, at that time, will have to approve the relationship between Hoboken and the Port Authority and their development approach for the Hudson River.

When those steps have been completed, the city will then issue request for proposals from developers, he said.

The Hoboken negotiating team, headed by Pasculli, includes the directors of community development, finance, business, public works and law.

IN HOBOKEN

Board closes school

Dispatch 6-18-88

238 pupils at Rue

will be relocated

By CHRISTOPHER AVE

Staff Writer

HOBOKEN—With little discussion or opposition, the Board of Education last night ended a

three-year odyssey by closing the David F. Rue School on

Third and Garden streets.

In the face of declining enrollments and ballooning budgets, the board has discussed closing one of the district's seven elementary schools since 1985. But the board did not commit itself to the move until March, when it

passed a budget with money allocated for only six schools.

Rue School's 238 pupils will be diverted when classes begin again this September, probably to the A.J. Demarest School or the Joseph F. Brandt School, both of which are also on Garden Street.

The facility will not be sold, according to the resolution passed by the board. The body will try to locate an educational or community group to rent the facility, and board members said they would look for a one-year lease so that the district could easily reclaim the building if enrollments warranted it.

Last night, the board took the stage at Hoboken High School at 6 p.m. before a crowd of nearly 200 people, many of them children. But almost every speaker addressing the issue was from the Salvatore Calabro school, and they all asked only that the school be kept open.

Calabro is the district's only elementary school that offers nontraditional educational programs and is generally thought of as the city's best elementary school. A lottery selects Calabro's students; enrollment is open to students from throughout the city.

Calabro was never a serious candidate for closing. Board

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SCHOOL

CONTINUED FROM PAGE 1

members earlier this week told The Hudson Dispatch that a Garden Street school would probably be selected for closing. But that did not daunt the children and parents from Calabro, many holding cardboard signs, from urging the board not to choose their school.

"That's a model school," one parent declared. "If you close that school, you close a model of excellence."

After about a dozen Calabro speakers, Trustee Gerard Costa made a motion to close Rue. He said his selection was based on Rue's small enrollment — the lowest of any of the district's schools — and on the ease with which its students could be transferred to other schools.

Trustee James J. Farina, frequently an opponent of Costa, seconded the motion, signalling his broad support. Board member Richard F. England Jr. then proposed and amendment requiring the board to seek an educational facility that would rent it. Costa suggested including community groups in the search, and an agreement was at hand.

As the board was preparing to vote, however, parent Thomas Schultze lambasted the board for not providing to the public enough technical information from which it was basing its decision.

"I haven't seen any information at a public meeting about closing a school," Schultze said.

Pasculli wants pier plan ready by September

By CHRISTOPHER AVE
Staff Writer

HOBOKEN—Mayor Patrick Pasculli yesterday said he wanted the city and the Port Authority to agree on a development plan for the city's waterfront property by September, and hoped to put the project out to bid by October.

The dates were part of a timetable Pasculli and his waterfront negotiating team drew up in a closed meeting yesterday, four days before the group meets with the Port Authority of New York and New Jersey. The two sides hope to reach an agreement for co-planning a mixed-use project on 17.5 acres of city-owned land between Newark and Fifth streets on the Hudson River waterfront.

In announcing the timetable and a list of city objectives compiled during the City Hall meeting of the 15-member team, Pasculli confirmed his commitment to "walking down the road" with the authority over waterfront plans.

Pasculli said the authority's \$115 million in infrastructure money available for the project weighed heavily in his inclination to deal with the authority before dealing with private developers.

Pasculli said he was committed to "hammer out ways to form a public alliance" with the authority.

While complimenting \$500 million plans for the property unveiled Wednesday by Secaucus developer Hartz Mountain Industries, Pasculli said: "We cannot have a developer tell us what the plan is going to look like. We have to be in the driver's seat."

He added he would welcome Hartz's interest in competing for the plans once the city and authority agree on them.

Among the city objectives for a waterfront project listed by the negotiating team yesterday were:

- Providing public access to the waterfront, open space and structures that are easily integrated with the rest of the city.
- Increased revenue for the city and jobs for city residents, partially provided by a major corporate headquarters.
- Traffic-control measures and infrastructure improvements, including aid for the city's decrepit sewage system and aging water system.
- Creating job-training and cultural programs.
- Increasing the city's housing stock, including affordably-priced housing.

Phil LaRocco, director of world trade and economic development for the authority,

said he welcomed the team's list and Pasculli's timetable.

"It's a comprehensive list, but it's a logical list, quite consistent with discussions we have had," LaRocco said.

Meanwhile, confusion reigned yesterday over the City Council's representation on the negotiating team. Originally, Pasculli had selected a council contingent of David Roberts, E. Norman Wilson, Thomas Newman and council President Robert A. Ranieri.

But Wednesday night, Ranieri and Councilwoman Helen Cunningham both asserted that it was



PATRICK PASCULLI
Setting timetable

the council's right to choose its representatives on the team, and Ranieri directed Roberts to choose members from the council's Waterfront and Development Committee. Late yesterday, Roberts said he had not decided what to do, and suggested he may ask Ranieri to name Pasculli's original choices.

Sewer authority choices scored

By Jo-Ann Moriarty

"Without a doubt," Councilman Thomas Newman says, the City Council appointments to the new sewer authority this week were "the dumbest thing the council has ever done, and that is saying a lot."

Both Newman and Councilman Joseph Della Fave, who voted against the three appointments, charged yesterday that the council was irresponsible in its choice of candidates and they said that the council's poor judgment may cost homeowners and industries millions of dollars.

The city had the opportunity to make "blue ribbon" appointments to the authority, but instead opted for political ones, they said.

The council rejected appointing a local resident whose job is setting up sewer authorities, a vice president at Stevens Institute for Technology and two executives from one of the largest industries in Hoboken, they said.

Instead, the council appointed its own member, Councilman Frank Raia, former city engineer James Caulfield and Richard Wolff, who is a business executive at a Manhattan financial communication and public affairs firm.

"These are political appointments made on the basis of political lobbying and not on the qualification of the candidates and it sends a message to the private sector that the issue of sewers is tied into politics," Della Fave said.

Councilman Norman Wilson, who lobbied for Wolff's appointment, objected to having Raia serve on the authority because Newman said Raia's

position as a councilman may come in conflict with his position on the authority.

However, Weehawken and Union City have named elected officials to the newly-formed authority.

"We have to convince two sectors — the sewer industry and the financial industry — that Hoboken is serious and professional and when it is perceived that we are not, bid prices will go up and the public will pay," Della Fave said.

Sewer issues are probably not heated debates over kitchen tables, but Della Fave and Newman believe that the issue is the most critical one facing the city.

They point to the state Department of Environmental protection placing a moratorium on sewer hook ups, thus halting new development, until the city upgrades its existing waste water treatment plant for secondary treatment capability.

Moreover, the federal Environmental Protection Agency has slapped hefty fines on Hoboken for failing to upgrade its existing system. Hoboken, Weehawken and Union City have agreed to form a tri-municipal sewer authority to oversee the construction of a new plant and to administer the plant's operation by setting rates and collecting fees.

Only one company, NAB Construction, submitted a bid on the work at a cost of \$115 million, nearly three times the amount the municipalities expected to pay. That bid was rejected by the Hudson County Utility Authority and Hoboken has directed its sewer engineers to rewrite the bid specification.

Hoboken ballplayers eager for mission to Moscow

By Ellen Moodie

Some people stuff their suitcases with Levis. Others lug luggage bulging with Bibles.

When Hoboken's Chipper Benway touches down in Moscow, his bags will be stuffed with potato chips, Reese's Pieces and Pepsi.

The 15-year-old, second baseman for the champion Sandy Koufax League baseball team of Hoboken, says he knows what's good for him. "We used to

play two, three times a day, and all we had to go on was a couple of hot dogs and candy bars."

Exactly two months from today, at 5 p.m., Benway and his 16 teammates, three coaches, two chaperones, a number of parents, press, and trip coordinator Laurie Fabiano, hope to take off from John F. Kennedy International Airport in a Swiss Air jet. About 14 hours later, they'll land in Moscow.

That is, if the money's there. Organizers are still soliciting donations.

They're compiling a souvenir journal, in which supporters may pay as much as \$5,000 for a "gold page," or as little as \$25 for fan space. They hint that soon a major sponsor will materialize.

They need at least \$70,000 for the two-week excursion, according to Fabiano, who was the late Mayor Thomas Vezze's chief aide.

While Fabiano's tight-lipped on fundraising figures, she stated, "We don't have any trepidation about being able to raise the money."

Fundraising efforts were temporarily slowed, she said, when a team from Johns Hopkins University became the first Americans to demonstrate the sport in the USSR.

In the meantime, the organizers will hold a series of workshops on Soviet history, language and culture.

"They won't be able to run around and go to McDonald's and Burger King," said Coach Joe Reinhard — something

See HOBOKEN TEAM — Page 13.

Hoboken team eager for trip to Moscow

Continued from Page 1

at least Chipper Benway already knows.

They'll also have a refresher class on American civics, just in case people ask questions.

The trip was the idea of Morton Goldfein, vice president of Hartz Mountain Industries in Secaucus. While on a human rights mission to Poland and the Soviet Union with U.S. Sen. Frank Lautenberg, he read about a Russian claim to have invented the game. What better cultural ambassadors, he thought, than a championship team from Hoboken, where the game was really first played?

Renamed "The Ambassadors" and sporting new red, white and blue uniforms, the 14

and 15-year-olds will play teams in Moscow, then Kiev, then Tbilisi. Their opponents will be a bit older than they are — between 18 and 20 years old — but they're new to the American pastime.

All this detail stuff zips right by the players. They're ready to board the plane right this minute.

"I'm excited, very excited. At first I really didn't think we were going to go," said third baseman and catcher Derek England, 15, a lifelong Hoboken resident. "But as we get closer, it just keeps building up, building up. I didn't really expect to go. It seemed too good to be true."

At first rightfielder Joe Shearn, 15, another lifelong Hobokenite, wasn't sure he

wanted to go. "I thought it would be cold there," he laughed. "When you see it on TV, they only show the bad parts of Russia." A film about the country and a talk by a peace marcher has changed his mind. "It looked beautiful. It seems like it would be a day in the country."

"I think the people are going to be nice. I hope," added infielder Blair DeGaeta, 15, also born and raised in Hoboken.

Benway, a lifelong Hobokenite, too, but an admitted Baltimore Orioles fan, has also opened his mind to the Soviet Union.

"We thought they have no freedom at all, always miserable, didn't have much," he said. Now he looks forward to

seeing how they really live, he said.

But the main thing is, they'll be there to play ball. To win. On other trips — Warren, Pa., and Puerto Rico — they fooled around like they were on vacation, they didn't focus, Benway said. Coach Reinhard's warned them that this time it will be different, because when the Russians learn a game, they learn it well.

"I don't think they're going to show any mercy on us," DeGaeta said. But then, he added, his team, which placed fourth in last year's national championships, hasn't been known to show mercy either.

"We had a saying all last year," Benway said. "Seek and destroy. Nobody was going to get in our way."

Yuppies invade my bookshelf

By WINNIE BONELLI

Staff Writer

The yuppies are accused by longtime Hoboken residents of turning good landlords into "greedy, conniving people."

They are also chastised for such annoying habits as women wearing sneakers with dresses and business suits, apartments with little furniture, mattresses on the floor and no curtains on the windows, plus expensive foreign cars squeezed into too-small parking spaces.

The character defamation leveled against Hoboken's old-timers is equally potent, beginning with charges that they are noisy pagans celebrating a religious feast with ear-shattering bombs. There are also allegations of being bad drivers, corrupt politicians and old-fashioned, backward-thinking ethnic people.

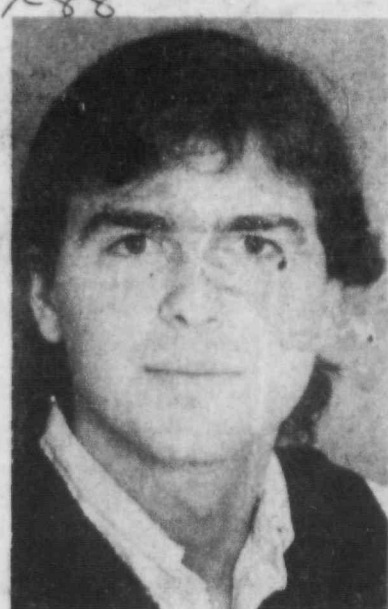
The lines are definitely drawn, but rather than resorting to physical violence both sides funneled their wrath into literary channels, writing letters to the The Hoboken Reporter, the community's free semi-weekly newspaper.

With letters pouring in at the rate of 1,000 a year, publisher and editor Joseph Barry began to consider turning the correspondence into a book. The one hitch was that his targeted author, John Derevlany, wasn't buying the idea.

It seems the 23-year-old editor was already up to his neck writing about the results of gentrification, and quite frankly, he admits, "I wasn't into it at the time. That was April 1986, but once Joe gets an idea he never forgets. Every few weeks he'd mention it, and my only defense was 'Not this week, I'm working on something else.'"

The stall continued until Derevlany, himself, was converted by what he labels "The Feast Letters." The Feast of the Madonna dei Martiri is "a combination midnight Mass and the Fourth of July," he says.

In 1984, one letter was received complaining about the feast bombs. In 1986, the controversy exploded with a fallout of 30 to 40 letters a week and by



JOHN DEREVLANY
Compiled the letters

1987, there was a two-month wait for publication.

To accommodate the onslaught, Derevlany began publishing a separate "Feast Letters" section, sometimes running up to four pages, and what he received in return were letters of thanks from readers who found it more entertaining than a soap opera.

"Though the feasts received a lot of attention, I think they acted more as a springboard for people to express their frustrations and conflicts. It served to open up the dialogue and was good for the community," said the Bayside, Queens, native who moved to Hoboken during 1985.

Finally convinced that a book would be the next logical step, Derevlany started to wade through the thousands of letters in February 1987. The field was narrowed down to 200 letters, printed between November 1983 and last June.

"I wanted to keep it in chronological order so that readers got to see not only the original letters but the negative and positive responses they generated," stated the winner of the 1987 Truth is Stranger than Fiction Award from the North Jersey Press Association.

Last June, he left his editorial position to devote his time to the book, aptly called "Yuppies In-

vade my House at Dinnertime" and subtitled "A tale of brunch, bombs and gentrification in an American city" (Big River Publishing \$7.95).

The title, itself, is derived from a letter signed, "Once lived on a tree-lined street" and dated July 9, 1986.

The letter reads, "I'm a Hoboken resident for 35 years, losing my home to yuppies. Seeing these weird people with sneakers and dresses every morning, dashing for a crosstown bus just turns my stomach. But please have some compassion for my privacy. Realtors coming to show my apartment at supertime without notice is unpleasant. Again I have to see sneakers and dresses and men with shoulder bags and cameras only in my house at a special time. Give me a break — or a little advance notice."

While the book initially encountered some difficulties, attributable to marketing problems, sales are now described as brisk, thanks to rave reviews.

"While 'Yuppies' focuses on

Hoboken, the letters might well depict what is going on in other major cities such as New York, Boston, Philadelphia and San Francisco, in fact any place where new money and new people are moving into an older, urban area," Derevlany says.

"Though buildings and businesses are upgraded and rents and property values rise, this rebirth has several negative effects including the displacement of longtime residents and merchants who can no longer afford the area."

Whether or not it's any consolation to longtime Hobokenites, Derevlany foresees an eventual mass exodus to the suburbs by the yuppies.

"The Yorkies that were young and single when they moved to Hoboken are now married and discovering that the city is not necessarily the ideal place to raise kids," he said.

As for Derevlany he intends to stay put, at least for the time being, as he applies the finishing touches to a screenplay based on "Yuppies Invade my House."

Mrs. Cappiello 'can't be located'

By Janet Wilson

The Hudson County Sheriff's Office can not find Hoboken Councilman Steve Cappiello's wife, Dorothy, to serve papers on her in a wrongful death suit.

She is being sued by a former tenant from 318 Hudson St., Jayantial Amin, whose mother died of smoke inhalation after trying to escape a fire inside the building last October.

Twenty-three people were displaced by the Hudson Street blaze, and are suing both Steve and Dorothy Cappiello in a separate suit. The second suit alleges that he, not she, was the true owner of 318 Hudson St.

The Hudson Street building was sold in January for \$650,000, and is being converted into condominiums. Steve Cappiello has consistently said it was his wife's building.

Both Steve and Dorothy Cappiello have lived at 530 Adams St., a neat, stucco and aluminum sided house, for more than 30 years. But a special deputy sheriff said he was unable to reach her or anyone from the corporation that owned the Hudson Street building on four different days in late May and early June. The deputy sheriff, who could not be reached for comment yes-

terday, tried at several different times, from 7:30 a.m. to 9 p.m.

Amin's attorney requested on April 15 that the sheriff's office serve papers on Dorothy Cappiello, a co-owner, Goia Marciano, and the superintendent of the burned building, Antonin Melian.

Special Deputy Sheriff George Roselle tried to reach Marciano at the Cappiello's home at 530 Adams St. on the morning of April 22. He was told she no longer lived there.

Mon-Tut Corporation, the listed owner of the burned Hudson Street building, was recorded as being housed at the Cappiello's home.

The deputy sheriff tried to reach Dorothy Cappiello at the same address, close to two weeks later, on Tuesday, May 3 at 9 p.m. He got no response, according to his report. The same report indicates he tried on two other occasions, once at 7:30 in the morning, and once at 8:30 at night, to reach someone, although it is not clear who.

The superintendent could not be located, either; the Hudson Street building was padlocked shortly after the fire, and no one has moved back in.

Neither Cappiello could be reached by phone yesterday, and no one answered the door at mid-afternoon.

HOBOKEN WATERFRONT

PA to fund project study

By CHRISTOPHER AVE

Staff Writer

HOBOKEN—The Port Authority will pay for city consultants to study the potential of a joint development project on the city's waterfront, Mayor Patrick Pasculli said after a negotiating session yesterday.

The move draws the city and Port Authority of New York and New Jersey still closer to a deal to plan a development together on the site of three city-owned piers.

Pasculli said he would ask the City Council to authorize a preliminary agreement with the au-

thority on June 29, the council's next meeting. The agreement, Pasculli said, would establish guidelines for talks about a possible project to be planned by both parties.

"Let's say we're just going steady," Pasculli said after the 3 p.m. meeting.

The authority recently vacated its leasehold on three piers sitting on 17.5 acres of lucrative, city-owned property between Newark and Fifth streets. Although the city rejected a \$500 million development plan for the land that the authority proposed in 1984, the two sides have both

said they want a new plan.

Phil LaRocco, the director of world trade and economic development for the authority, said yesterday's meeting was "relaxed and serious." He said the authority agreed with the city's objectives announced last week by Pasculli and his negotiating team, composed of administration officials, council members and the public.

LaRocco also said the authority would pay for an undetermined number of consultants to help the city examine the impact of a large-scale project.

ministration's role in encouraging the developers. Mayor Patrick Pasculli and his supporters, while admitting that the projects probably will be reduced in size, maintain that they will add vital revenue to city coffers in tax money and other financial incentives.

Pasculli and his supporters argue that such proposals are evidence that the mayor has stimulated interest among developers, an interest they charge was stifled by Pasculli's predecessor, Mayor Thomas F. Vezze. While listing open space and public access to the waterfront as objectives, Pasculli says that financial considerations are the most important aspect of any proposal, and that they show a healthy interest in in-

vesting in the city.

"It does rejuvenate the economic thinking of our community," Pasculli said last week, adding pointedly that such interest was "long overdue."

PASCULLI'S OPPONENTS cite near-certain increases in demand on the city's aging infrastructure following such development as evidence that the projects do not necessarily translate into lower taxes for city residents.

They lambaste Pasculli for allowing the developers free rein in displaying their plans in City Hall last week, before any governmental approvals had been secured or, in the case of projects slated for city-owned land, before a de-

veloper had been selected.

Pasculli, his enemies charge, is stifling competition by letting certain developers have such opportunities. City Council members Helen A. Cunningham and Joseph Della Fave charge that Pasculli has kept the council in the dark about his plans for the three projects.

"He does his business through the papers," Cunningham said. "Patti has handled them all privately, and that's detrimental to the city."

Meanwhile, both sides admit that, not enough studies have been done to determine how much money the infrastructure can take, how much money the city wants out of such projects, and how the two issues interrelate.

3 waterfront projects stir debate

By CHRISTOPHER AVE
Staff Writer

HOBOKEN—A trio of waterfront development proposals unveiled last week — which, if built as planned, could increase the population here by as much as 20 percent — have left local officials debating what kind of Mile Square City they want.

The project plans, two proposed for city-owned land on or near the southern riverfront and one suggested for private land on the northern end, call for a total of 4,300 luxury living units. The plans have renewed a long-standing dispute about how much development is appropriate here, and have sparked a fresh fight over the Pasculli ad-

Bus access road to tunnel could jam Hoboken traffic

The following guest editorial is by Tom Newman, First Ward councilman, Hoboken.

The opinions of the writer are not necessarily the opinions of this newspaper.

In a recent communication, Hazel Gluck, New Jersey commissioner of Transportation, denied a request by the City of Hoboken regarding the interim roadway the State plans to build along the Conrail right-of-way on our western perimeter. The state has a plan to build a giant "transitway" along this right-of-way which will combine a light-rail system with a four-lane automobile highway and an exclusive bus lane.

In their most optimistic projections it will not be completed until the year 2,000. In the meantime there is room for an interim two-lane road which would share the right-of-way until Conrail relocates its trains in the Meadows to the west.

Hoboken's request, which Gluck denied, was that the interim use of this right-of-way serve the needs of the developing waterfront region as a north-south transportation artery.

Without such an artery, all regional commuter traffic will be forced to flow through the Hoboken street system. The Commissioner wants to use this roadway as an exclusive bus lane to take commuters from central Jersey into New York via the Lincoln Tunnel. It is part of an over-all strategy to get more New York commuters out of their cars and onto buses.

This state scheme will devastate Hoboken and will seriously cripple all new development up and down the "Gold Coast."

There is no good way to get through Hoboken. All of our streets are narrow (33 feet or less) and residential. There is no route which does not pass at least one school.

If the state has its way, not only will our streets be clogged with regional commuter traffic, but the perimeter road will inevitably be backed up with idling buses jammed at the tunnel.

We will suffer from all the ills of traffic congestion: polluted air, noisy streets, and dangerous pedestrian conditions. In short, we will become like midtown Manhattan during rush hour. The light-rail transitway is held out to us as a pie-in-the-sky which, if it ever does get built, will come too late because we will have been poisoned by carbon monoxide from central Jersey commuters in the meantime. Furthermore, since transportation is the key to regional development, the renaissance of the Gold Coast will be put on hold indefinitely.

To make this crime even worse, there is no rational need for this extra bus lane. The Lincoln Tunnel is presently operating at full capacity. Adding more access lanes to its approach will not increase its capacity. There are only so many vehicles per hour that can be stuffed through it.

The state's problem is to increase bus ridership and discourage automobile use. The obvious solution is to take the existing lanes and turn more of them over to bus-only traffic. Adding more approach lanes

(as Gluck would do with the Conrail right-of-way) will only add to the size of the traffic jam in the communities around the tunnel entrance.

It seems that Hoboken (and

the region as a whole) is to be a sacrificial lamb as the state plays a trick on the suburban commuter.

All the talk by Gluck and other state officials about help-

ing the region develop as a rationally planned urban concentration is empty rhetoric when it gets down to a tough political choice where the needs of urban Hudson County clash with

the suburban bedroom communities. This is truly an issue when everyone in the region — environmentalists, developers, and public officials — must unite to defend our interests.

The state must not plunder the old railroad rights-of-way for some politically gutless non-solution of their own mismanaged commuter traffic problem.

Planned complex riles residents

By Steve Kalcanides

Hoboken residents, at first confused and concerned over the \$1 billion development proposed for the northern end of the Hoboken waterfront, came away from last night's Second Ward community meeting angered and determined to stop the development.

The meeting at the YMCA on Washington Street was called by Second Ward Councilman Joseph Della Fave to answer questions about the proposed development. It was also attended by members of the board and representatives of Anthony Dell' Aquila, who owns 34 acres of waterfront property which includes the development site.

Residents seemed confused, scared and even stupefied by the massive size and density of the project. The development, which has not yet been presented to the planning board, would include 1.5 million square feet of office space, a 61-story tower with 3,000 units of luxury condominiums and a 21-story hotel with over 1,000 rooms.

City residents attacked the proposal and the developer for presenting a project that will worsen existing traffic, water and sewage problems in the city. Residents pointed to the

backed up sewer lines on 14th Street that they said are unable to handle the current sewage needs.

Others just objected to the immense size of the proposed development.

"Do you know by how many times the density of your proposal exceeds the maximum density allowed under existing ordinances?" Michael Lenz, a resident, asked Allen Truesdale, an architect for the Grad Partnership of Newark, which is working on Dell' Aquila's proposal.

Truesdale, who had planned to discuss the design of the development, never got a chance as Lenz and other residents hammered away at the magnitude of the project.

Della Fave, who acted as a mediator between Dell' Aquila's representatives and the public, angered the crowd when he said traffic was the main concern.

"Wrong, there are other considerations and traffic is not the major one," Jim Vance, a resident, shouted at the councilman. "That's YOUR opinion," he said. Vance's statement drew applause from the crowd as Della Fave resinded his words.

Residents expressed fear that the massive development will become a reality because

the planning board is already seeking to amend waterfront zoning ordinances that will allow for such a massive project.

Current waterfront zoning limits the maximum height of any structure to no more than eight stories and requires that the waterfront be accessible to the public and that streets ending at the riverfront not be blocked by any new structure.

Concerned residents wondered whether Dell' Aquila would be granted a variance that would allow him to ignore the current ordinance and build the development, which is to be called Grant Marina, after the developer, Harry Grant.

"If the planning board OKs a variance for a 61-story building, is that all it takes?" asked Jack Rummel, another resident. "That's the ballgame, right?"

Others expressed concern that their own property might be swallowed up by the development. Charles and Diana Schott, whose condominium unit is located in a six-story rowhouse built in 1885, were angered to find their properties within the boundaries of the development. Under current plans, the rowhouse would

be razed to make room for the development, according to Truesdale.

"I consider this developer arrogant in marking land I own in his proposal," Charles Schott said. "I won't sell."

Other points brought up during the three-hour meeting involved the demolition of a machine shop on the waterfront. The developer had started demolition of the structure, which served during the early shipping days of the waterfront, even though a proper permit had not been secured to do so. The city law director had sent Grant a warning letter earlier this month about unauthorized demolition.

"I wouldn't want to be in a situation with a developer who razes buildings at night," Diana Schott said, referring to the recent evening razing of the structure. Schott was sitting in a restaurant on Hudson Street when she noticed demolition equipment carrying chunks of the structure into the street.

"All this dust was floating everywhere as trucks came out into the street," she said. "There were no tarpaulins on the trucks — no consideration for the community."

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WATERFRONT TALKS

Newman to push for seat on panel

By CHRISTOPHER AVE

Staff Writer

HOBOKEN—Councilman Thomas Newman yesterday said he will ask his colleagues to override City Council President Robert A. Ranieri's decision not to include Newman on the mayor's waterfront negotiating team at next week's meeting.

Newman represents the city's 1st Ward, site of most of the city's waterfront property. Mayor Patrick Pasculli last week chose a 15-member group to negotiate with the Port Authority of New York and New Jersey for a development there, and included Newman.

But Ranieri, asserting his right to choose the council's representation on the team, directed Councilman David Roberts to choose council members only from the panel's standing waterfront committee,

which does not include Newman. So Newman fired off a tersely worded letter to Ranieri, charging him with keeping him off the team for political reasons.

"No ward councilman would sit still for this," Newman said. "I'll make a motion to override the chair, and I'll win. He knows that."

Ranieri yesterday conceded Newman had a "valid reason" to be on the committee, but said he would refuse to reconsider. "Certainly all nine council members would like to be on the committee," Ranieri said. "It cannot be done."

Pasculli said he wanted Newman on the team. "I fully agree," Pasculli said. "The development does lie predominantly in his ward."

However, the mayor conceded that membership is up to Ranieri.

HOBOKEN CONTRACT

Feds probing sewer project

By CHRISTOPHER AVE

Staff Writer

HOBOKEN—The FBI and the U.S. attorney in Newark are conducting an investigation into the city's handling of sewerage concerns, sources close to the investigation said yesterday.

The investigation is "at least three weeks away" from yielding subpoenas, a source said. He would not elaborate on the extent of the inquiry, and it could not be learned whether city or Hudson County officials are part of the investigation.

The city is about to rebid a contract to build a secondary sewage treatment plant, after receiving a single proposal to build the plant for \$115 million, almost twice the amount expected.

Those plans were drawn up by Lawlor, Matusky and Skelly of Pearl River, N.Y. LMS was awarded the design contract for the city's plant after the late Mayor Thomas F. Vezzeiti refused to sign payments for Mayo Lynch & Associates, a Hoboken firm that had been hired to

Please see PROBE Page 16

PROBE

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create the plans.

Assignment Judge Burrell Ives Humphreys of Superior Court in Jersey City subsequently threw out the Mayo Lynch contract, citing the city for improperly advertising bids for the job. Mayo Lynch has brought suit against the city, and depositions are being taken in the matter.

Meanwhile, the city hired LMS, which drew up plans of its own. When the city opened bids on the construction of the project earlier this year, LMS estimated the cost at about \$62 million. But the bid the city received, from NAB Construction Co. of Queens, was almost twice that amount.

The city has directed LMS to redraft the bid, separating it into two or three different phases in hopes of lowering its cost and increasing competition among contractors.

One source said the investigation began more than six months ago, and might involve Mayo Lynch. But another source said the State Commission of In-

vestigation had launched an examination of LMS and of Joseph A. LeFante, the former executive director of the Hudson County Utilities Authority.

Neither version could be confirmed yesterday.

George W. Crimmins Jr., the current HCUA director, said neither he nor his office had been approached by any state of federal investigators.

Mayor Patrick Pasculli and Public Works Director Roy Haack also said they had no knowledge of such an investigation.

But a source close to U.S. Attorney Samuel A. Alito Jr. said the inquiry was in the "information-gathering stage." The spokesman said no one had been subpoenaed in connection with the investigation, but said some unnamed people may be summoned next month.

The source called published reports yesterday that a joint federal team was investigating the city "almost absurd."

"There is no task force," the source said, adding "I don't understand it."

Hartz unveils \$500M waterfront plan

Continued from Page 1

cannot build as quickly or as cost effectively as Hartz Mountain Industries.

If the city approves the plans, Heller promised, Hoboken will receive \$9 million in taxes in the first 10 years whether or not the development is built.

City Council President Robert Ranieri seemed to sum up the council's sentiment toward the amount of money Hartz promises the city. "It's a lot of bird seed."

Only Councilwoman Helen Cunniff injected any criticism toward the Hartz representatives by faulting them for being

premature in their presentation because the city has not developed its guidelines on the development of the Hudson River.

The presentation, complete with hefty press packages, a model, and visual displays on financing, represents a sizable investment in the development on the part of the developers, she said.

"It suggests an inside track — I'm not saying it is," Cunniff said, who added that the city should be cautious about the development "because this is our land, our future."

She said the presentation suggests that Hartz had a "leg up" from other potential developers on Hoboken's waterfront.

"To leave the model here, suggests we endorse it and discourages other developers," Cunniff said, adding that although developer Anthony Dell' Aquila has a model in the City Hall lobby for his \$1 billion plan to develop the north end, that is a different scenario because he owns the 64 acres.

Mayor Patrick Pasculli described the plans as "pleasing."

"It's a sensitive plan, sensitive to the city's needs in terms of housing, open space and public access," Pasculli said. "It is in line with what a sensitive development should look like."

But Pasculli said he will move forward his negotiations with the Port Authority in reaching an agreement on the waterfront development be-

cause, he said, he wants to tap the authority's "vast resources in its planning and financial capability."

"I thank Mr. Heller and Mr. (Leonard) Stern (Hartz chairman) for showing their interest. But I want to make clear from the start an honest and open competition process on Hoboken's waterfront development and that process will begin tomorrow," Pasculli said, referring to today's meeting of the mayoral-appointed waterfront negotiating team with the Port Authority.

Saying his company can build infrastructure and develop plans cheaper, Heller said he objected to having to repay the Port Authority \$115 million for the agency's investment toward the city's infrastructure and site preparation.

Hartz wants to build three towers, the tallest one 28 to 30 stories, of offices at Pier A near the Erie Lackawanna terminal and a 300-room hotel behind that complex at First Street. The base of the office towers will include 2,000 parking spaces.

Between First and Fourth streets, the developers plan to build two triplet buildings, with the highest point at 16 stories, for 580 units of housing and another nearby smaller building, at 12 stories, to include 145 housing units.

A restaurant will be located at the end of Pier B and a marina which will include 250 slips.

On Pier C, developers plan 225 housing units between three and five stories along the pier's edge and six stories in the center of the development.

Between Fifth and Sixth streets, developers want to build a 24-story housing tower and another 19-story tower to provide nearly 300 housing units.

ACCUSED OF STEALING

Hoboken developer is indicted

By CHRISTOPHER AVE

Staff Writer

HOBOKEN—After announcing an indictment against embattled local developer Patrick Reynolds, the Hudson County Prosecutor's Office yesterday said attorneys for the two sides will discuss an arraignment date next week.

Reynolds, who was accused of three investors in March of stealing \$300,000, was indicted by a grand jury Thursday in connection with the charges, First Assistant Prosecutor Frank DeStefano

said yesterday.

A warrant was put out for Reynolds' arrest last month, and the troubled developer has eluded police since then. If Reynolds does not surrender to authorities soon, DeStefano said, he will be arrested and incarcerated.

"If he's caught before he comes in, his lawyer will have to scurry around to try and meet bail," DeStefano said. "He's still wanted."

SOURCES CLOSE to the case said lo-

cal lawyer Dennis McAlevy has been in contact with the Prosecutor's Office in connection with the case. DeStefano would not confirm that, although he said an attorney for Reynolds had contacted him.

"I'm sure something will be worked out next week," DeStefano said. "His attorneys have been in touch with us."

McAlevy would not comment on the report, refusing to confirm or deny he was representing Reynolds.

Reynolds was charged in March of taking about \$30,000 from an escrow ac-

count in which three prospective condominium buyers deposited down payments. The three investors — Joseph DeLoreto and Ciro Mangione, of Newark, and Rae DeLoreto of Lake Hia-watha — charged that Reynolds seized control of the money as it languished in an account in the Trust Co. of New Jersey at Third and Washington streets here.

THE THREAT became suspicious after Reynolds failed to answer repeated telephone calls, and contacted police,

who reportedly found about \$150 in the account.

The indictment charges Reynolds of three counts of fraud, DeStefano said yesterday. The maximum prison sentence is five years per charge.

Reynolds reportedly owes creditors more than \$2 million from various projects, and lenders have begun to foreclose on three properties whose mortgages total more than \$3 million.

Reynolds was not available for comment.

Waterfront negotiators selected

By Jo-Ann Moriarty

As the heat wave broke yesterday, tempers cooled between the Hoboken City Council and the Mayor, who had been wrangling over who should serve on the mayor's waterfront negotiating team.

The first meeting with the Port Authority is scheduled for Monday afternoon in Hoboken.

The council's latest — and final — picks are councilman Steve Cappiello and councilwoman Helen Cunningham.

On Tuesday, Mayor Patrick Pasculli had announced that Councilmen Thomas Newman and E. Norman Wilson would serve on the team as well as City Council President Robert Ranieri and David Roberts, head of the council's waterfront and redevelopment committee.

On Wednesday, Ranieri informed Pasculli that it was up to the council president, not the mayor, to pick the council members.

Pasculli, in a private caucus with Ranieri, yielded.

Ranieri then delegated the selection to Roberts, who describes himself as the closest council ally to Pasculli.

Roberts appealed to Ranieri late Thursday night to renounce on his stand that the selection had to come from the waterfront redevelopment committee — Cappiello, Cunningham and Frank Raia. Roberts asked Ranieri if he could choose from the entire council in the hopes that he could secure the mayor's choices of Newman and Wilson.

Ranieri refused. Yesterday, Roberts announced his selection — Cappiello and Cunningham.

Roberts said he was pleased with the council composition on the negotiating team because he believed that he, Cappiello and Cunningham represent three distinct philosophies toward developing the southern end of the waterfront. Cappiello is viewed as a development enthusiast, Roberts is considered pro-development and Cunningham has a reputation for having a cautious approach.

"I am very pleased too," Cunningham remarked when she learned of Roberts' decisions.

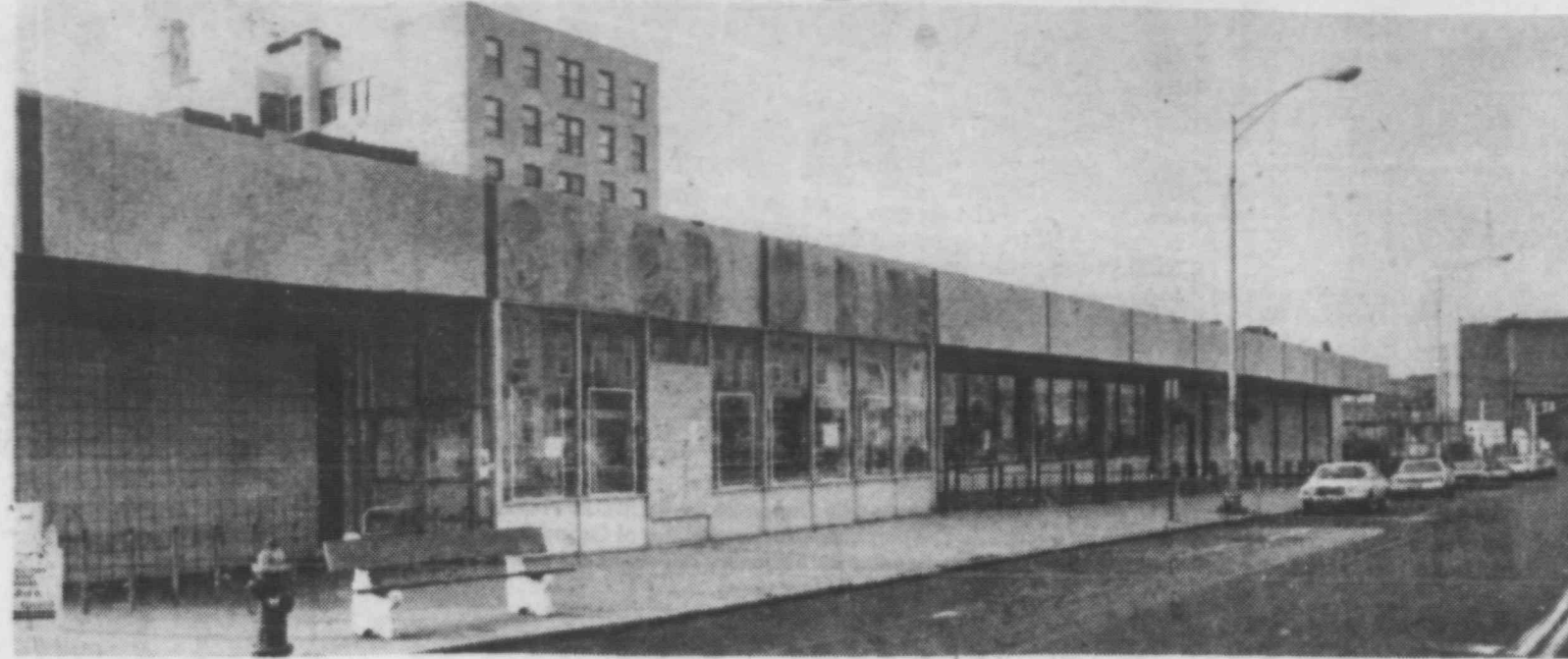
In terms of a development approach, Roberts said that he will decide his position on height and density after a team of consultants analyze the city's infrastructure and its future ability to absorb more housing units and traffic without destroying Hoboken life as residents know it.

"We need to know what we would like to receive annually from the waterfront development and then we have to look at what kind of development is needed to arrive at that kind of revenue," he said.

"There comes a time for a compromise, everything in moderation," Roberts said, adding that he is not especially impressed with the work Hartz Mountain Industries has done in Weehawken. Hartz has offered to build a sweeping, \$300 million development on the Hudson River in Hoboken.

Cunningham promises to bring a "common sense approach to developing and planning our waterfront" to the negotiating team.

Shop Rite land goes for record price per acre



The closed Shop Rite supermarket presents a barren appearance on Hoboken's main thoroughfare.

Photo by Steve Golecki

Shop Rite land nets a record price per acre

By Bill Campbell

Three small parcels of prime, undeveloped property in downtown Hoboken have been sold for more than \$7 million, according to documents filed with the Hudson County Register.

The property, the 1.3 acre site of the former Hoboken Shop Rite supermarket at 51-83 Washington Street, was sold to Court Street Plaza Associates by Singer Supermarkets, Inc. for \$7,375,000.

The price per acre — \$5.3 million — is believed to be the highest ever paid for property in Hoboken.

"Without a doubt, that's the highest price I've ever seen here," said Bill Stack, a local property appraiser. Stack said the amount may have set a record in Hoboken, but may fall in line with waterfront property in Weehawken and Jersey City.

In Jersey City, waterfront property has been assessed at about \$3 million an acre, with some parcels at the old Colgate-Palmolive complex being assessed at \$6 million an acre.

"I've always heard they paid a lot, but with that amount I'm sure it raises questions about the economics and feasibility of the project," said Peggy Thomas, executive director of the Hoboken Community Development Agency.

Court Street Plaza Associates, a subsidiary of West Bank Construction of Hoboken, is planning to develop the site for a mixed-use commercial and condominium project.

See SHOP RITE — Page 7.

Planners eye development

Continued from Page 1

Other concerns, such as public access to the waterfront and affordable housing, were also discussed but will be dealt with either by ordinances or by the board itself.

According to Board Member Thomas Mooney, who chaired the meeting, "development along Hoboken's most important piece of real estate has to be conducted in a careful, orderly fashion."

Some board members expressed concern over whether the public will have access to the waterfront once development has ended. City Planner Ralph Seligman pointed out that at Battery Park City in Manhattan the public has access to the waterfront park without impinging on the privacy of the development's residents.

Seligman also told the board that further guidelines will be coming regarding the open space question once new regulations are published July 15 in the state's official newspaper, the New Jersey Register.

The board's next meeting is set for next Thursday at 7 p.m. Waterfront development guidelines will again be the subject of discussion.

FISHING

CONTINUED FROM PAGE 1

Pier C itself would become the base for 225 townhouses.

Hartz's plan is the first of what are likely to be many proposals to develop the trio of piers, which were leased until earlier this month by the Port Authority of New York and New Jersey.

Both the city and the authority, which had its own development plan rejected last year, are negotiating over the project, and both could accept one of the proposals as early as October. In the process, Hoboken stands to gain \$115 million in improvements for its aging infrastructure.

According to Mayor Patrick Pasculli, any development will include provisions for park improvements along River Road. Hartz's development, for example, calls for public recreation areas near the piers.

But local anglers say that gain overshadows the potential loss of Pier C.

"When the Second World War was going on, it was open," said Gerald Louis Morales, 26, among the youngest members of a group of several dozen fishermen who are more often retired senior citizens. "Now, they don't wanna open it. It's not right."

Since the authority began leasing Piers A, B and C in 1952, Pier C has been officially closed to fishermen, said authority spokesman Allen Morrison.

Still, many of the anglers claim to have learned to fish on the pier decades ago. "Otherwise we'd be out on the streets creating mischief," said Cassin, a sardonic old-timer wearing a battered navy cap as blue as the thick veins that press through his leathery forearms. "Here, we're fishing. We're drinking beer like gentlemen. We need this place."

The fishermen have also remained on the scene, catching

and eating crabs, bluefish and other salt-water prizes despite 1985 advisories from the state Department of Environmental Protection concerning toxins in the water and the fish.

Only a few years ago, at least one River Road fishing pier was leveled on orders from the federal government. Still, Hoboken's fishermen remained. And they would like to be able to say the same of Pier C.

"We want to know where old men go," said Cassin, a former shipyard worker. "I was active all my life. I'll die on a rocking chair."

PRIZE SPOT ENDANGERED

Fishermen find there's a catch in the pier plan

By JEFFREY RUBIN

Staff Writer

HOBOKEN—To city officials, a lucrative plan to develop three abandoned piers could be the catch of the day.

But to local fishermen, who for decades have braved both the law and the Hudson River's health hazards, the proposal could turn a favorite River Road pier into the big one that got away.

Pier C, closed to fishermen for at least 36 years, has nevertheless been a popular fishing spot for those wily enough to cajole wandering guards or sneak past them. Further out into the Hudson, the fishermen say, the fish are bigger, the breezes cooler and the good times a little bit better.

"I been out there many times," said veteran angler Walter L. Smith, 63, who first went fishing with his father on Pier C half a century ago. "I fell out there many times, too. Loaded. I was loaded."

Smith's 78-year-old fishing mate, Robert "Whitey" Cassin, said he always knew how to get past the pier guards.

"Give 'em a six-pack, for Christ's sake," he rasped.



Robert "Whitey" Cassin, 78, takes a break from fishing on the Hoboken waterfront yesterday.

DON MCCOY THE HUDSON DISPATCH

By the end of this year, however, drastic changes at Pier C could render that particular strategy obsolete.

Last Wednesday, Hartz Mountain Industries introduced a proposal to build 1,200 residential units and 1.7 million square feet of office space along the Hudson River.

Please see FISHING Page 22

Planners eye development impact

By Steve Kalcanides

With no guidelines currently existing to regulate development on Hoboken's waterfront, the planning board last night held a special meeting in City Hall to discuss the impact of proposed developments.

The board pinpointed four types of impact it said must be studied before any new development can go up on the city's undeveloped riverfront.

Two major developments are currently being proposed. One involves a 10-year, \$1 billion project that includes a 61-story condominium tower, 21-story hotel and 1.5 million feet of office space.

The other is a \$500 million plan that will develop 17.5 acres of southern waterfront, include 1,200 luxury housing units, a marina and a hotel.

Among the areas targeted are:

- Traffic — the board has hired Wilbur Smith Associates, of Woodbridge, to study how traffic in the city will be handled once a development goes up. The study should be ready in three weeks.

- Air Pollution — the board wants to be certain future developments don't increase the already high air pollution in the area.

- Financial Benefits to Hoboken — Board Business Ad-

ministrator Edward Chiusi will put together a study outlining the city's current fiscal situation and how future development will benefit the city's economy.

- Jobs — besides the short term benefits that come with construction of the developments, the board wants to be certain permanent jobs are created for residents.

See PLANNERS — Page 10.

Cappiello lawyer to take complaint

By Jo-Ann Moriarty

The attorney representing Hoboken Councilman Steve Cappiello's wife will accept a civil complaint filed by the family members of a woman who died in a fire at a building once owned by Mrs. Cappiello, the Third Ward councilman said yesterday.

Dorothy Cappiello is a principal officer in the Mon-Tut corporation, the company that formerly owned 318 Hudson Street.

Mrs. Cappiello's corporation is being sued by Amin, a former tenant from 318 Hudson

St., whose mother died of smoke inhalation after trying to escape a fire inside the building last October.

"I spoke to the fellow representing the Amin family who said he couldn't serve my wife papers. I told him he could send service (the civil complaint) to the (attorney) Frank Marciano law office and I gave him the telephone number," Cappiello said.

The attorney representing Amin is Robert Pennachio of Englewood. He has refused to comment on the case.

Attorney Marciano, whose mother Goia Marciano is also a

principal officer in Mon-Tut, said yesterday that Mrs. Cappiello's attorney, Rose Mary Todaro, has agreed to accept the civil complaint but that "she wasn't served yet."

Marciano, who said his mother has not been served papers, said his law office is in the same building as Mon-Tut's attorney.

He said the summons will be turned over to Mrs. Cappiello's insurance company, which in turn will handle the litigation.

"We have no problem accepting service. If they want to hand it to me, I would give it to

my wife," Councilman Cappiello said.

"We will cooperate with the attorneys from the insurance company," he said.

The Amin family has also requested an inquiry into the death.

"There is nothing wrong with that. If they want to have an inquiry that is fine, we welcome that," Councilman Cappiello said.

Dorothy Cappiello was out of town yesterday visiting their daughter, the councilman said after reports she couldn't be found to receive the complaint from the Amin family attorney.

Hoboken trio to get \$25,730 rent refunds

By Jim Kopchans

The Hoboken Rent Leveling Board has upheld the city's rent officer and returned more than \$25,000 in unlawful rents to three tenants.

The board agreed with the officer, Lourdes Arroyo, that the owners of 931 Garden St., had unlawfully charged more than \$400 per month more than they were allowed to for two apartments in the 10-unit building.

The owners, Anthony and Antonia Mancante, of Union City, charged \$650 rents for the apartments. Arroyo claimed that these rents had not been approved by the board and that a base rent of approximately \$193 per month should have been charged.

In voting 4-to-2 with one abstention, the board agreed to refund \$13,730 to roommates Russell Hoover and Robert Hartlein to make up for the excess rents they were charged from Jan. 1, 1986 to May of this

year. Another tenant, Laurie Rovtar, received about \$12,000 in refunds.

Hoover and Hartlein's attorney, David Fleisher, said he would try to meet with Vincent LaPaglia, the attorney for the Mancantes, to work out a payment plan. If this fails, he said he would file suit in Superior Court to obtain the money.

The building's owners have 45 days to appeal the vote to Superior Court, Fleisher said. "I'm happy for my clients. Unfortunately, the landlords did not follow the rules and regulations, but I don't think they intentionally meant to gouge the tenants," Fleisher said.

Under the city's rent control ordinance, landlords may increase rents by 25 percent when a new tenant moves in. To receive more rent, the landlord has to file with the rent board. However, no approval was issued for these landlords, Fleisher said.

Pasculli: Outsider for finance post

By Ellen Moodie

Mayor Patrick Pasculli says he has several strong prospects for the finance director position vacated by Catherine Rush — all from outside city government.

The mayor said he expects to announce a candidate by the July 6 City Council meeting.

While some council members are lobbying for administration insiders to fill the slot, Pasculli plans to hire someone from outside of city government but inside the city limits, he said.

The city was required to create the position of finance director as one of the conditions for receiving Distressed Cities money. Responsibilities of the job include financial planning and analysis, city investments, bond issues and state and federal funding applications, and overseeing the city comptroller and tax collector.

Third Ward Councilman Steve Cappiello has suggested that the comptroller, Matt Canarozzi, or the tax collector, Lou Picardo, would be strong selections. Pasculli disagrees. While insiders may be qualified, he said, he wants someone "well-versed in finance" who will come in with "a new approach."

The position, spun off that of business administrator, has been hard to fill. Rush resigned recently to stay home with her eight-month-old first child. She was originally selected for the spot by the late Mayor Thomas Vezetti, but a week after she started, Pasculli told her he was replacing her with his own appointee, accountant Joseph Lisa.

After Lisa backed out, saying his business partners didn't want him to leave, Pasculli asked Rush to return.

Political, private activities chart a path to trouble

By Janet Wilson

The lines between Third Ward Councilman Steve Cappiello's political and real estate careers have sometimes crossed, possibly harming city finances in one case, and possibly violating state law in another case.

Hoboken officials spent nearly two years selecting a developer and designing a huge housing project on city-owned land along Observer Highway. Finally, on March 1 of this year, the City Council voted to select a joint partnership formed by Applied Housing and Hartz Mountain Industries. The developers promised to pay \$4.7 million for the city land, in time for inclusion in this year's budget.

A Superior Court judge ruled the project invalid because Cappiello voted on the selection. He owns a parking lot less than 200 feet away at 163-165 Newark St. According to state statute, Cappiello's vote represented a conflict of interest because he could possibly benefit from increased values on his property because of the nearby development.

Since the ruling, the developers have discovered mercury, a highly toxic chemical, on part of the land, and have abandoned attempts to acquire this site. The developers are now trying to persuade public officials to sell them city land elsewhere.

Cappiello was aware of the suit filed against the project, claiming he should not be involved in the selection process, before the council's selection of a developer. Yet he chose to vote anyway.

In another instance, the former mayor may have violated state bribery and corrupt influence laws.

For the last nine years, Cappiello signed checks as mayor or voted as a councilman to approve city funds for Citizens United for New Action, a controversial social services organization with offices at 918-920 Willow Ave.

State and county records show an out-of-town corporation formed by Cappiello in 1966 owns the decrepit buildings where CUNA is housed. He and his wife, Dorothy, had been awarded the buildings for \$100 in court foreclosure proceedings the same year the corporation was set up.

The Cappiellos had loaned \$4,100 to the couple who owned the buildings, payable on demand with 6 percent interest, in August 1965. In October, the Cappiellos demanded repayment. The couple was unable to pay. By February 1966, less

than a year after the original loan, the Cappiellos were awarded the buildings by the court.

Three months later, a corporation was set up that took control of the buildings. Steve and Dorothy Cappiello, along with a local realtor named Luke J. Antonacci, were listed as partners on the incorporation papers in Trenton.

In 1968, Steve Cappiello was made president and Samuel Marciano, Cappiello's attorney, was made the principal agent and secretary, according to state records. In 1981, Samuel Marciano was listed as president on an incomplete annual report card. No annual report cards have been filed with the state since then, although they are supposed to be filed annually, according to the Secretary of State's office in Trenton.

The Hoboken City Council has voted to approve funds for CUNA, the non-profit on the first floor of 918-920 Willow Ave, since 1979. The most recent vote was for \$15,000 in July 1987. That funding was hotly contested, because a state agency had cut other funds to CUNA for mismanagement, and the arrest and conviction record of Juan Garcia, the executive director of CUNA, had been publicized.

Cappiello voted for the funding, which according to CUNA's application was to cover costs, including \$600 rent for six months.

State criminal and civil laws make it illegal for a public official to vote for anything which could directly or indirectly benefit him, according to state enforcement officials. They said rent paid to an official from public funds would clearly count as a benefit.

Cappiello denied a conflict of interest in voting funds for an organization in the Willow Avenue building, saying he is no longer involved in the corporation that owns the property.

"I got out of that years ago," said Cappiello. "That's Sam Marciano's." Cappiello conceded that he did not have anything on paper to show when he had severed his connection to the property.

But even if Cappiello is no longer a partner in the corporation, he is still a business partner of Marciano's in a real estate agency, according to the state Real Estate Board. Under state laws, elected officials also may not vote on anything that would benefit a partner.

A state enforcement official said it would be the responsibility of the Hudson County prosecutor to examine such a potential conflict.

Rue closing called loss in 'family'

By Ellen Moodie 6-21-88

Principal Myriam Pugliese calls it the "on the road again" syndrome.

For a number of teachers, the closing of the David E. Rue Elementary School has been another shuffle in a worn deck. Some have been bounced from Rue to the nearby Demarest School, back to Rue and now, possibly back to Demarest again.

For the students it's the breakup of a little family.

Last Friday the Hoboken Board of Education voted to close the grammar school at the corner of Third and Garden streets. Yesterday, while students mourned the loss of their second homes, the school's central administration office began plotting out their own futures and teachers reflected on the loss of the well-equipped and brightly painted facility.

Fifth-grader Robert Hernandez has been attending Rue since it reopened three years ago. When his parents told him his school was closing, he said, "I was mad! Because I don't want to go to no other school. I want to be with my friends!" At Rue, he said, "The teachers are nice, the school's nice and clean, and there are hardly no fights."

His classmate Anayra Calderon has heard some scary things about Demarest. "They said most of the rooms have cockroaches!" she said, her eyes wide.

With fellow fifth-graders Luis Leon and Maribel Gonzalez, they also likened Rue to a second family, their teachers to kindly mothers and fathers. Joseph E. Miele, their current teacher, is one of their favorites. "He's the best! He acts like Elvis Presley!" Leon exclaimed.

At Rue, they all admitted, school was actually fun.

Their principal, who could take much of the credit for the

See RUE — Page 27.

Cappiello profits from two careers

By Janet Wilson

Third Ward Councilman Steve Cappiello, who as a powerful three-term mayor helped transform Hoboken into a condo boom town, has earned a small fortune from real estate there, county and state records show.

A review of mortgage and real estate records reveals that Cappiello, his wife Dorothy, and their business partners have sold four Hoboken properties for a total of \$1.4 million since 1982.

But the former mayor has worked on his real estate business as long and as carefully as his political career. As Cappiello scrapped his way up from being a city street painter in the '50s to being a savvy mayor with an iron rule in the '70s, he was quietly buying properties.

Cappiello said he went into real estate because it cost so little to buy buildings in the '50s and '60s. County records show Cappiello, who is a licensed real estate broker, began buying and mortgaging property in the 1950s for a few thousand dollars at a time. His first purchase in 1954, 206 Garden St., is a condominium today.

In 1956, he and his wife, his brother and sister-in-law and another couple bought 530 Adams St. for a third share each. Cappiello often boasts that he bought the first co-op in Hoboken. Born in the back edge of Hoboken, Cappiello, 65, still lives in that modest white aluminum-sided house and dresses in plain brown and beige suits. He also owns a summer house in Bayville.

While the former mayor's political fortunes have faded in the last few years, he and his wife's real estate investments have flourished. The largest sale, \$650,000, was for a double tenement building this January from which half of the tenants had been displaced by a deadly fire of disputed origins.

Other sales include \$400,000 for a

See CAPPIELLO — Page 8.



Cappiello and his wife bought this garage in 1970 for \$49,000. They sold it in 1984 for \$97,000, to a partnership whose secretary was Lucille Mercado, wife of school board trustee Mario Mercado. Last June the new owners sold it to fugitive developer Pat Reynolds for \$750,000.

Demolition furor returns to court

By Jo-Ann Moriarty

Hoboken officials and developers Anthony Dell' Aquila and Harry Grant will be back in Superior Court today to determine whether the developers have demolished four buildings on the eastern end of 14th Street in compliance with state environmental laws.

Hoboken Law Director Eugene O'Connell said yesterday that the city wants a stop order on the demolition of buildings on property owned by Dell' Aquila until he and his partner prove that any asbestos in the structures is being disposed of properly.

O'Connell said he will request that an official of the state Department of Environmental Protection monitor the demolition to insure that the asbestos is removed and disposed of according to state environmental laws.

The buildings are within the 94 acres earmarked for a \$1.2 billion mixed-use develop-

ment. The city placed a stop order on the project last week, but the developers subsequently filed for a show cause order before Judge Maurice Gallipoli in Jersey City, asking that the city prove why the demolition must stop.

Meanwhile, Ellen Edelstein, spokeswoman for Grant, said yesterday that the developers will not begin ferry service Friday from the 14th Street pier to lower Manhattan as planned.

She said that the developers will also postpone the scheduled Fourth of July fireworks celebration because the city's stop work order on the demolition has delayed the project.

Edelstein said that the developers had hoped to clear the area and plant trees before the weekend.

She said the ferry service will be delayed for a couple of weeks and that the developers will set off fireworks at a later date.

Rue closing seems like end of family

Continued from Page 1

atmosphere, is still reeling about Friday's decision.

"I was totally shocked when I found out that Rue, which was one of the nicest kept buildings in the whole district, was going to be closed," Pugliese said.

Between 1982 and 1985 Rue students attended Demarest while the three-story building underwent a \$4 million renovation. The state had decertified the facility for its substandard conditions, according to board Secretary Anthony Curko.

The improvements included the addition of an elevator, special bathrooms for the kindergarten and pre-kindergarten, refurbished labs, a modern library and home economics classroom. The school boasted extensive special education and bilingual programs as well as a daycare center.

"It's the equivalent of losing a five-star hotel," Pugliese said.

"You invest all that money to try to give the children a good environment and then you

take it away?" asked Trustee Lourdes Arroyo, who abstained on the 6-1 Board vote.

Pugliese suggested that they may have chosen to close Rue for just that reason. It would be easier to rent out a well-kept building.

But Board Clerk Anthony Curko said that the Board of Education plans to rent to a community-based service. The Nuestros Ninos Day Care Center may be able to stay in the building, he said.

Arroyo has proposed creating a "theme school," perhaps focusing on performing arts or science and technology. Trustee Perry Belfiore has said the building would be ideal for the Hudson County Area Vocational-Technical School. Rue's renovation included the installation of about \$400,000 in vocational training and laboratory machinery, much of which sits unused.

Like Arroyo, who shed tears at the meeting that sealed Rue's fate, Pugliese believes that the school's large Hispanic population influenced the

Board's decision.

"You have to realize, our parents are passive, because this is the way we've been taught ... I think that made it easier for them to close it."

"I feel another door is closed for the Puerto Rican community," Arroyo said yesterday. "It was symbolic to me."

The enrollment at Rue has plummeted since a decline at each of the seven grammar schools. Today just 238 children in pre-kindergarten through eighth grade fill Rue's classrooms. A February board mission report noted that four of Rue's 27 classrooms are empty, while Demarest has 17 empty rooms.

Pugliese expects the regular students to be reassigned to the Demarest School, a block away. The special education classes may be divided among several schools.

Curko said no decisions have been made to lay off any teachers, other than the 98 in the district who were given notice in April. Some staff members say they've heard other-

wise. Staff members express opinions ranging from circumspect shoulder-shrugging to bitterness and sadness.

"I feel that we're very disappointed ... it was like a family," said Ann Meo, a basic skills improvement program teacher.

"Morale's low anyway. The on and off, the uncertainty," said Gail Grownay, a second-grade teacher. "And now you don't know if the materials are going to be moved with you, and you have paperwork to do, and the children will be here until the last minute."

"I'm disappointed, but not surprised," said Anthony Andreano, a basic skills math teacher. "Rue is easiest to close, it would disrupt the least amount of people. Demarest, since it's a large building, could take us."

Child study team member Ed Huff said Rue has a special atmosphere he'll miss. The special education classes mixed with mainstream students, and both benefited from the interaction, he said.

Vocational program is filling up

By Ming-Yuen Fong 6-22-88

Norberto Melendez, a ninth-grader at Hoboken High, is thinking more seriously about his career, thanks to a summer vocational training program.

"It (the program) helped me learn computers and other skills," he said. "I also made lots of friends, that's for sure."

He plans to attend vocational school next year.

The pilot vocational program Norberto was in will be fully operational for the first time this summer.

The 350 students in the new Remedial and Vocational Exploration Program will be paid \$4.50 per hour to strengthen basic reading and math abilities, in addition to learning skills useful for jobs.

RVEP is a new addition to the county Summer Youth Employment Program. Both programs provide low-income youths with job opportunities every summer, together employing 1,100 teenagers for eight weeks between July and August. The teens in the regu-

lar program will work for 24 hours a week at \$4 per hour.

"This year we're putting in kids who are most in need," said Edward Farrelly, executive director of the Hudson County Office of Employment and Training, which sponsors the youth programs. Last year, kids were accepted not necessarily on demonstrated need, but rather a desire to learn.

Last summer's pilot program met with enthusiasm from the teens. More than two-thirds of them, like Norberto, expressed interest in attending vocational school and many wanted to return this summer, according to Kathy Taylor, assistant coordinator of the summer program.

The administrators expect this year's program to be more tightly organized than last year's.

"We'll have (better) pre-testing and post-testing for the students," said Farrelly, to measure the program's effectiveness.

Both programs target teens between the ages of 14 and 21. Federal income guidelines for eligibility also set a maximum

of \$13,520 for a family of four.

So far, more than half the 1,100 spots have been filled, with the application deadline slated for next Monday. Students in the vocational program must also demonstrate academic need since the program is designed to help those who need the remedial training.

Students in RVEP will have an opportunity to learn auto-mechanics, cosmetology, data processing, computer programming, drafting, masonry and carpentry. Each will be learning at least six different skills, while students in the regular program will work at libraries, hospitals, parks and other public service assign-

ments, the choice of which depends on their prior work experience.

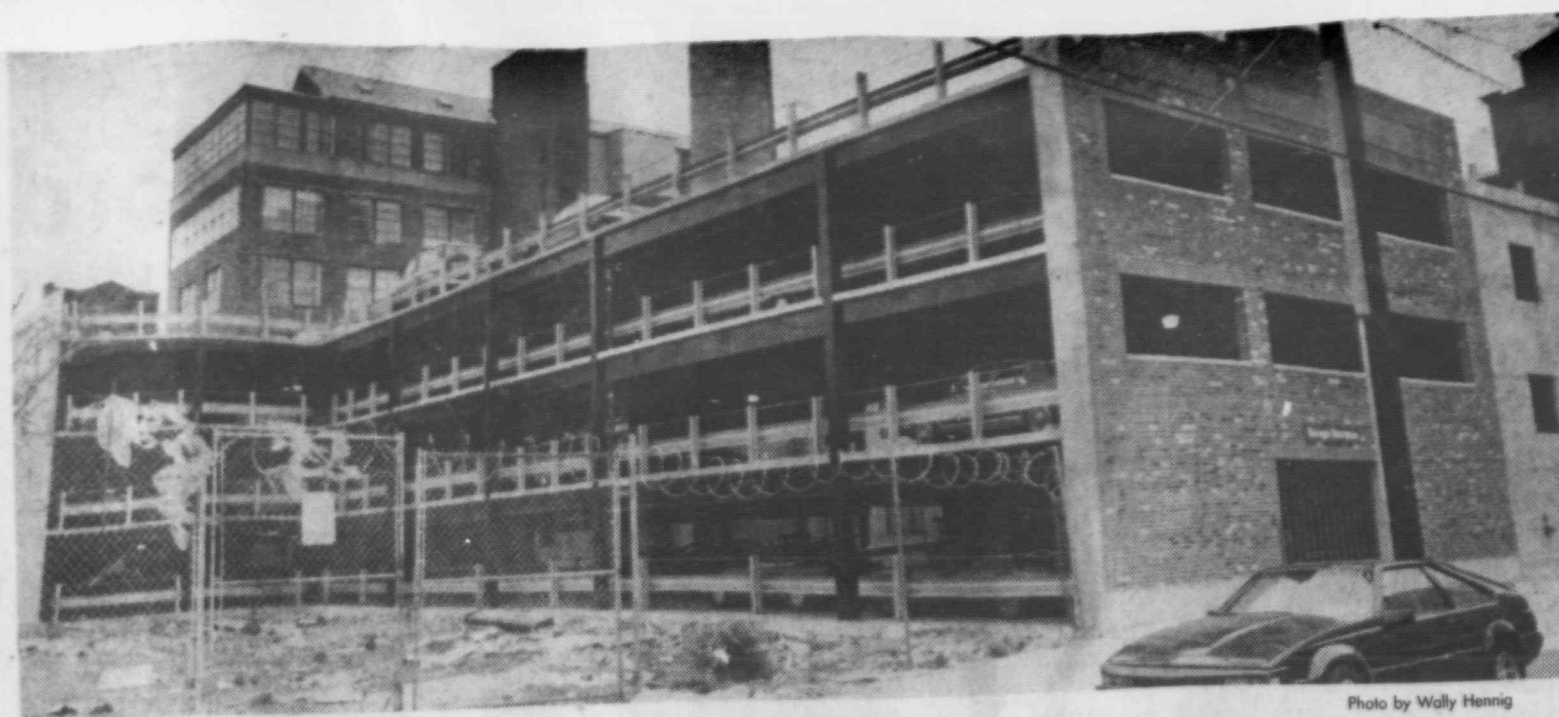
HCOET has recently opened a regional employment outreach office in North Hudson to help both teens and adults who are unemployed in the northern Hudson area.

Meanwhile, the vocational training of the summer program will take place at the Hudson County Area Vocational-Technical School in North Bergen and at the Bayonne Vocational School.

Interested teens should contact the Hudson County Office of Employment and Training in Hoboken at 659-0689, or the new office in North Hudson at 392-0258.



A couple lost this double-brick tenement at 918-920 Willow Ave. when Cappiello and his wife foreclosed after they failed to repay a \$4,100 loan in 1965. Cappiello and his wife were awarded the building by the Hudson County Sheriff in 1966. The first floor is the headquarters of Citizens United for New Action, a controversial community organization. At the time, the councilman has voted to fund several times, in possible violation of state laws.



The lot this garage stands on at 317 Adams St. was purchased by Cappiello for \$2,000 in 1982. In February 1986 he signed it over to his wife, and six months later she sold it for \$250,000. The purchaser, Richard Miller of Grand Adams Development Corp., said "I paid too much" for the lot, but said it was the last piece he needed for his luxury development project, and that the cost would even out within a few years.

Cappiello profits in his two careers

Continued from Page 1

Washington Street building last August, \$250,000 for a vacant lot on Adams Street in 1987 and \$97,000 for a garage at Newark and Garden streets in 1982.

Cappiello shrugged off the sales, saying he had made very little compared to private developers in Hoboken. "If I was smart I would have really loaded in the properties several years ago, and I'd be doing great now."

Real estate observers believe that is exactly what Cappiello has done — taking advantage of skyrocketing property values and in one case even displacing tenants, according to court papers.

On October 20, 1987, fire struck 318 Hudson St., a worn brick tenement building on one of new Hoboken's most desirable streets. A 55-year-old grandmother visiting her son's family died from smoke inhalation after she could not crawl down a fire escape fast enough, and 23 people were burned out of their homes.

Three months after the fire, on Jan. 15, Cappiello's wife and Goia Marciano, the wife of Cappiello's longtime business partner Samuel Marciano, sold the partially burned building for \$650,000 as the displaced families hired attorneys in hopes of regaining their homes.

Construction code official Alfred Arezzo, a Cappiello appointee, had closed the building saying that the damage caused by an electrical fire was so severe that the tenants could not return to their homes. But an independent master electrician hired by the tenants said the fire was not caused by what city officials said caused it. A structural engineer hired by the tenants inspected the building twice, and found only cosmetic, easily correctible damage.

Steve Cappiello announced at a City Hall meeting with tenants after the fire that his wife had no intention of selling the building for condominium conversion, but that it would take six months to two years for repair work to be done.

Michael Sciarra, one of the purchasers, said he plans to convert the buildings to condominiums by the end of next year.

The displaced families have received \$13,000 each from the new owners, \$3,000 of which went to pay their legal fees, and have moved elsewhere.

The tenants are suing the Cappiellos in state Superior Court in two separate cases in Hudson County. One suit

charges the Cappiellos with fraud, and with "wanton and willful misconduct...taken with total disregard for plaintiffs' health, safety and welfare." The second suit, for wrongful death, is being brought by the man whose mother died.

The tenants' attorneys allege that Steve Cappiello, not his wife, is the true owner of the property. Cappiello would not comment on the suits, but has said publicly several times that it is his wife who owns the property.

Cappiello said his wife and Marciano's wife assumed control of Mon-Tut Corporation, the listed owner of 316-318 Hudson St. in the '70s, and took control of the buildings at the same time. County records show the two buildings were purchased by Mon-Tut in 1972 for \$100,000.

Mon-Tut's original partners were Hoboken Tax Assessor Woodrow S. Monte and Samuel Tuttle, a Fort Lee investor. No records of the change in ownership could be located. Asked to comment on the sale, Cappiello said his wife was unhappy with the \$650,000 sale price because she had received much higher offers in the past.

Another deed shows that in November 1982, while he was mayor, Cappiello and his wife bought 317 Adams St. for \$2,000 from Sam Tuttle, the man who was half of Mon-Tut originally. Tuttle and his wife had bought the lot in 1971 for the same \$2,000, when Hoboken proper-

ties were at rock bottom prices.

In February 1986, Cappiello signed the lot over to his wife, according to a deed filed with the Hudson County Register. Less than six months later, she sold it for \$250,000 to Grand Adams Development Corp., who needed it for a parking garage for their luxury housing project. At the height of the building boom, his wife had made a 1,500 percent profit.

Cappiello said he did not buy the building from Tuttle in 1984, as is stated on the deed, but in the early '70s, explaining why Tuttle had been willing to sell him the lot for no profit. Asked why he had not recorded the sale for more than 10 years, Cappiello said "I didn't feel like it." Pressed to clarify, Cappiello said "I don't know."

County records show that on the same day in 1971 that Tuttle had bought 317 Adams St. from his family's business for \$2,000, he bought 105-119 Adams St. for \$18,000. On April 10, 1972, Tuttle and his wife sold 105-119 Adams to the city of Hoboken for \$35,325, yielding him a close to 100 percent profit in less than a year. The buildings are now the site of Capparra Homes, townhouses built with federal grants.

Cappiello said Tuttle was "an old friend," but that he had no idea where he could be reached for comment.

Last August, Steve Cappiello and Amalia Kenna sold 522 Washington St. for \$400,000, according to a county deed. He had bought the building with

Kenna, where she and her daughter lived, in 1984 for \$30,000, while he was mayor, according to another deed.

Cappiello described Kenna as "a friend," and said it was Kenna, not he, who reaped the profit. Yet it was he, not she, who gave the dentist who bought the building a substantial purchase money mortgage, according to records in the county register's office. Kenna, who moved to a state subsidized apartment in Marine View Plaza three months after the sale, could not be reached for comment.

In December 1984, the Cappiellos sold their garage at the corner of Newark and Garden streets, across from the Newark Street parking lot they still own, for \$97,000. They had bought the lots the garage stood on for \$5,000 in 1967.

The garage was sold to a partnership, Kar Kare Service Center II Inc., whose secretary is listed as Lucille Mercado, wife of school board member Mario Mercado, who are residents of Capparra Homes.

Cappiello maintains that the driving up of property prices and gentrification of Hoboken through sales such as those that benefitted him and his wife have done nothing but benefit the city.

When asked about the sometimes violent displacement that occurred during his administration and since, he said the condition of housing in Hoboken was so abysmal that drastic change was required.

Cappiello property dealings at a glance

Here are some of the properties that Steve and Dorothy Cappiello have acquired and in some cases sold in Hoboken:

206 Garden St., bought by Steve and Dorothy Cappiello from John Monahan on May 8, 1954, for \$4,237. The Cappiellos sold and then bought back the property from another couple, for "\$1 and other good and valuable consideration", in 1956.

530 Adams St., bought by Steve, Dorothy, Lena and Daniel Cappiello, Anthony and Antonetta Petrozelli from Carmine and Eleanor D'Anduono on July 23, 1957.

918-920 Willow Ave., awarded to Steve and Dorothy Cappiello in Hudson County Court proceedings by the Hudson County sheriff for \$100 on March 28, 1966, after Nicholas and Maria Tarabochio, owners of the building, were unable to repay a \$4,100 short-term loan.

The property was signed over to a corporation on April 28, 1966. Steve and Dorothy Cappiello, along with Luke J. Antonacci, were listed as the principals of the corporation. In 1968, Steve Cappiello was made president and Samuel Marciano, Cappiello's attorney, was

made the principal agent and secretary of the corporation.

163-165 Newark St. bought by Kar Kare Inc. from Condenser Services Engineering Co. Inc. on February 13, 1970 for \$50,000. Kar Kare Inc.'s president and secretary were listed as Steve and Dorothy Cappiello.

80-82-84 Garden St., bought by Kar Kare Inc. from Isador and Shirley Cutler of Linden on Oct. 6, 1970 for \$49,000. Cappiello ran a garage on this site for many years, pumping gas even as a Councilman in the '70's. It was sold to Kar Kare Service Center II for \$97,000 on December 13, 1984.

317 Adams St., bought by Dorothy and Steve Cappiello on November 17, 1982 for \$2,000, according to deed filed with Hudson County Register. Steve Cappiello signed over his share to Dorothy on February 19, 1986. On August 7, 1986, Dorothy Cappiello sold the property to Grand Adams Development Association for \$250,000.

400 Grand St., bought by Steve and Dorothy Cappiello on July 11, 1984 for \$55,000 from Virginia Salomone of Weehawken.

REMOVAL SLATED

Asbestos stalls Grant project

By CHRISTOPHER AVE

Staff Writer

HOBOKEN—The city Law Department yesterday halted demolition on northern waterfront property slated for a towering development project because asbestos was found in a building on the site.

The asbestos was found, according to developer Harry Grant of Fort Lee, after workers began tearing down walls in an abandoned structure at the eastern end of 14th Street. Mayor Patrick Pasculli said

the state Department of Environmental Protection had been notified, and said demolition work would not resume until the DEP certifies that the asbestos is removed. Grant said he would follow DEP guidelines in cleaning out the dangerous fiber, and said he expected work to begin again today or tomorrow.

"I believe this will be done tomorrow morning," Grant said yesterday. "This is normal construction life."

Please see ASBESTOS Page 8

ASBESTOS

CONTINUED FROM PAGE 1

Grant and partner Anthony Dell'Aquila, who owns 94 acres on the northern waterfront, have begun demolishing about a dozen buildings along River Street near 14th Street. They plan to build a sprawling, \$1.2 billion mixed-use development on the site, to include a 61-story condominium tower, a 42-story office tower, a public marina and 2,800 units of housing.

But the developers have yet to submit the project to city planners. Towering structures such as those called for in the plans violate proposed zoning for the area, which would limit waterfront buildings to heights of only eight stories. Current zoning for the area — which will soon be replaced — does not even allow residential structures.

The plans and the demolition have ignited controversy among neighborhood residents, who met Wednesday night in a steamy room in the Washington Street YMCA.

Councilman Joseph Della Fave, who represents the 2nd Ward, site of the planned development, called the meeting to discuss such development plans. Della Fave said yesterday that the project was far "out of scale" with the surrounding neighborhood.

"It has to go back to the drawing board. It's outrageously too big," Della Fave said. He added that he would form a citizen's committee to monitor development on the northern waterfront.

About 75 people attended Della Fave's meeting, where

residents criticized the building demolition that began more than two weeks ago.

The developers began the demolition without proper permits, Della Fave told the crowd, but permits were subsequently obtained. Residents questioned whether Grant could be trusted to obey city zoning laws.

"He's flown in the face of the demolition regulations," one resident asserted. "What guarantee do we have that he won't fly in the face of zoning requirements?"

City Planner Ralph Seligman told the group the Grant proposal would meet neither current nor proposed zoning for the northern waterfront. He also said that state guidelines for waterfront heights would be violated by such a proposal.

Personal 'bank' offers interesting local loans

By Janet Wilson

In addition to their real estate business, Third Ward Councilman Steve Cappiello and his wife have acted as a personal bank for many Hudson County residents. They have given numerous short-term loans in their own names to small homeowners and constituents, some at much higher rates of interest than a bank would charge.

Cappiello, 65, earns \$12,246 a year as Third Ward Councilman, and \$27,900 a year from his pension benefits, according to the state Division of Pensions, Public Employees Retirement Service. His wife, Dorothy, raised their three children, and handles monthly billing on the loans, according to one debtor accustomed to seeing her handwriting on the monthly notices. She is otherwise unemployed.

Cappiello and his wife have made at least two dozen loans to homeowners since the 1960s. They also prefer to "loan" money to people who purchase property from them, rather than receiving payment in one lump sum. They and two business partners are currently garnering \$1,685 a month from nine different loans and sales. Although Cappiello earns only \$40,100 a year, he loaned \$75,000 to Carl Lancelotti, the owner of the Bottom of the Barrel bar in Union City, in February 1986, according to mortgage papers filed with the Hudson County register.

The loan must be repaid with 10 percent interest by March 1, 1989 or Cappiello could force the sale of the property, located on Bergenline Avenue, one of the most lucrative shopping strips in Hudson County.

See RESIDENTS — Page 8.

Residents have friendly financier

Continued from Page 1

ty, to collect his money.

Last year, Cappiello earned the same \$40,100 in salary and pension. Yet he gave a \$70,000 loan at 16 percent interest to a couple from Little Ferry, and a \$24,000 loan at 18 percent interest to a couple on Clinton Street in Hoboken, according to mortgage papers in the Hudson County Register's office.

Local banker Alan Williams of Guttenberg Savings and Loan, who also is president of the Hudson County Savings League, said interest rates of 16 and 18 percent were "very, very high. I'd say unusual." Williams said interest of 12 or 13 percent would be more normal on higher risk second and third mortgages. Williams was not speaking specifically about the Cappiello matter, but was commenting only on general practices in the business.

Eugene J. Sherman, chief economist and senior vice president for the Federal

Home Loan Bank of New York, agreed with Williams. He also said it was difficult to understand why homeowners would take such high interest loans in the last two years, unless they were extremely bad credit risks, and could not obtain money through normal channels.

"Why did people take a loan from a politician? You really have to wonder, with all the TV advertisements, all the media everywhere about cheap money being available, why they chose to borrow from a politician at such a high rate," said Sherman.

Cappiello said he and his wife plan to use their profits for their "later years."

Asked why he and his wife had given dozens of mortgages and loans over the last 30 years, Cappiello said, "I always wanted to start a bank. I still want to."

Some think Cappiello has already achieved his wish. "They made themselves into a bank for anyone in the

Third Ward, or anyone really, who needs some money," said one City Hall insider, a Hoboken native who has watched Cappiello since his days as a young police sergeant.

Cappiello said it was safe to give the loans because he always received a mortgage in return, with a building as collateral. Because of the property boom during his political reign and since, property is an extremely valuable commodity in Hoboken.

Cappiello's wife has also assumed tax liens and paid outstanding water and sewage bills on several Hoboken properties at different times. Among these was the Madison Hotel which was formerly owned by the late Mayor Thomas Vezetti, and later sold to her nephew and local firefighter Charles Roberts.

By paying the outstanding taxes and bills, the Cappiellos gain the right to foreclose on the properties after four years, according to state law.

HOBOKEN PLANT

State agency also examining sewerage plan

By CHRISTOPHER AVE

Staff Writer

HOBOKEN—The State Commission on Investigations is "making inquiries" into the city's attempts to build a sewage-treatment plant, a source close to the agency said yesterday.

The commission's inquiry marks the third into such matters, according to sources who spoke on the condition they not be identified. Sources told The Hudson Dispatch on Wednesday that the U.S. Attorney's Office in Newark and the FBI are in-

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SCI

CONTINUED FROM PAGE 1

The SCI investigation — characterized as preliminary by the source — is centered around the city's attempt to build a secondary sewage treatment plant, the source said. He added that the inquiry "may or may not be followed up" with a full investigation.

He did not say whether city officials were being questioned in the matter, although he noted that the agency deals in civil, not criminal wrongdoing.

The city is preparing to rebid a contract to build the plant, after receiving a single proposal of \$115 million, almost twice the amount expected.

The plant plans were drafted by Lawler, Matusky and Skelly of Pearl River, N.Y. LMS was

awarded the contract by the City Council after the late Mayor Thomas F. Vezetti refused to sign payments to Mayo Lynch & Associates, a city firm that had originally been hired.

The state had rejected Mayo Lynch's plans as incomplete, and a Hudson County Superior Court judge affirmed Vezetti's action, citing improper advertising for the design job. The matter is currently the topic of complex litigation brought by Mayo Lynch against the city.

A source not connected with the SCI said on Wednesday that Joseph A. LeFante, former executive director of the Hudson County Utilities Authority, may have been involved in the SCI investigation. But the SCI source

refuted that yesterday.

The source said yesterday that LeFante, now special assistant to the commissioner of the Department of Environmental Protection, was not a target of the inquiry.

However, the source said both LMS and Mayo Lynch were "inextricably linked" to sewerage matters in the city, and that the firms may be questioned.

George W. Crimmins Jr., the current HCUA director, repeated yesterday that he had not been contacted by any authorities seeking information, investigating the city's sewerage concerns, and that subpoenas may be issued in connection with that investigation next month.

City seeks P.A. link on waterfront

By Jo-Ann Moriarty

Hoboken Mayor Patrick Pasculli will ask the City Council next week to enter into a business relationship with the Port Authority to develop 17.5 acres of city-owned waterfront property on the Hudson River.

But Pasculli yesterday characterized the proposed agreement as permission to go steady with the Port Authority rather than officially tying the two parties into a marriage.

A marriage, termed "municipal consent," would leave the city financially liable for any investments the authority made to the waterfront.

The agreement that Pasculli will ask the City Council to ordain June 29 will seek a public acknowledgment from the city of any money that the Port Authority invests in assisting Hoboken in developing its fallow, waterfront land. In that agreement, the city would not necessarily be financially liable for any investment the authority would make for planning, design, traffic or infrastructure.

"We are in the process of putting together an agreement," Pasculli said following a two and a half hour closed door negotiating meeting with the Port Authority yesterday in the Marine View building on First Street. "It is not a final marriage, it will be a workable arrangement. Just say we're going steady," Pasculli said.

Pasculli is hoping to make the Port Authority an official partner by October. And the two parties will meet again this week in a private session.

The terminology is important to both Hoboken and Port Authority officials because the P.A. sunk about \$10 million into planning a \$500 million waterfront project several years ago without municipal consent.

When the plan was aborted because of fierce public opposition, the authority sought reimbursement for its investment while the city maintained that it wasn't liable because it had never given the P.A. permission to develop the waterfront.

That argument has not been resolved and both parties have agreed to let it be presented to a non-binding state arbitration panel, known as the Center for Dispute Resolution, which consists of a committee

See CITY SEEKS — Page 27.

U.S. halts demolition jobs

By John Petrick

The U.S. Environmental Protection Agency yesterday ordered Hoboken developers Anthony Dell' Aquila and Harry Grant to halt demolition of abandoned buildings at the site of a planned \$1.2 billion mixed-use complex until they remove asbestos from the structures according to legal guidelines.

The order echoes an agreement that the developers already made Tuesday before state Superior Court Judge Maurice Gallipoli. Attorney

Frank Leanza, representing Dell' Aquila, said yesterday that the EPA's order does not add any new conditions to the agreement his client made in court.

Hoboken issued a stop-work order last Thursday after asbestos was discovered in one of the buildings being torn down on the 65-acre northern waterfront site. The developers maintain they thought all asbestos had been removed from the structure prior to demolition. But more of the substance was exposed as walls were torn down.

Mayor to ask OK for project

By CHRISTOPHER AVE

Staff Writer

HOBOKEN—The City Council will be asked in a meeting tonight to designate local developer Joseph Barry as builder of a 300-unit luxury housing project on two city-owned lots, as the future of Barry's ill-fated Observer Highway project remains in limbo because of soil contamination.

Mayor Patrick Pasculli wants the council to approve Barry's new project now so the city can include part of the selling price — which has not yet been determined — in next year's budget. Pasculli said he would use \$2.5 million of the sale money in the budget, lowering the expected tax rate of \$16.72 per \$1,000 of assessed valuation to about \$15.

Barry's latest proposal is for construction on two lots between River and Hudson streets that lie on either side of a municipal garage. Barry's plans, which he presented to the council on June 13, call for two towers of 12 stories or fewer, open space and parking.

Barry also wants to build a single structure of 115 units of

affordable housing on Observer Highway, salvaging a \$3 million federal grant the city received for that purpose. Barry had been planning a 450-unit development on Observer Highway between Willow Avenue and Bloomfield Street, but mercury and lead contamination found in the soil there has put the project on hold.

Pasculli said city officials and Barry will meet later this week with the state Department of Environmental Protection to determine whether part of the site can be made safe for a smaller housing project.

If the council votes to sell the River Street lots to Barry, it will anticipate \$2.5 million of the selling price as revenue in the city's \$31.7 million budget. The budget, which was introduced last month, has not been approved by the council, nor has it been submitted to the state.

The city has missed several deadlines set by the state Division of Local Government Services for budget approval, but city Business Administrator Edwin Chius said yesterday the division supports the effort to include revenue from the land sale in the budget.

After company takeover

Levolor has new leaders

By JUDY TEMES

Business Writer

Levolor Loretzen Inc., which was purchased this spring by an investment group, yesterday named a new chairman and president to replace outgoing chairman Eric Loretzen.

But the top-level management changes are expected to have no impact on the closing of the company's Hoboken plant, where only 200 employees of a workforce of 600 remain, a company spokesman said yesterday.

Charles A. Lynn will become president and chief executive officer on Aug. 1, when the Hiller Group and Dean Witter Capital Group take over as new owners. Stanley Hiller Jr., the key member of the Hiller Group, will become chairman.

Dean Witter and the Hiller Group agreed to purchase the Parsippany-based window blinds manufacturer at the end of May after three years of family infighting led to a decision to sell the privately-owned concern. The sale settled a long-standing feud among Loretzen family members, heirs of the late Hans K. Loretzen, a Danish inventor who started the company in the 1930s.

The new management team is expected to streamline operations and expand the product line to reverse lagging sales in an industry hurt by low-priced imports. The company reportedly lost \$14.9 million last year on sales of \$259 million.

"We believe the company has many strengths that do not appear on the balance sheet," Hiller said in a prepared statement. Those include solid production capacity, a large and loyal distribution network, a quality product and a well-recognized brand name, the new chairman said.

"The challenge is to take advantage of these while working with the great management team to repair identifiable shortcomings and weaknesses."

The Hiller Group is an association of executives and investors that seeks out established, but ailing companies to revitalize. Its other successful ventures include Reed Tool Corp., G.W. Murphy Industries Inc. and York International, where Hiller is now chairman and CEO.

Lynch, 60, has been chairman and CEO of DHL Airways Inc. of Redwood City Calif., a mail courier service, and has been executive vice president and a board member of W.R. Grace & Co.

LIMITED APPROVAL

Dell' Aquila demolition OK'd

By JEFFREY HOFF

Staff Writer

One day after the Hoboken Law Department halted demolition at Anthony Dell' Aquila's waterfront site because asbestos was found, a judge yesterday permitted limited work to continue today.

Four buildings can continue to be destroyed between 7 a.m. and 1 p.m. today, Judge Maurice J. Gallipoli of Hudson County Superior Court in Jersey City said yesterday, but no debris may be removed from the site.

Neighbors of the site near 14th Street at Hudson Street had been critical of the demolition which Councilman Joseph Della Fave said began without a permit more than two weeks old.

A permit was later secured, but city officials say asbestos was found at the site Thursday. The city asked that state Department of Environmental Protection officials be called in to determine if the asbestos, a known carcinogen, presented a hazard.

Dell' Aquila's attorney, Richard Leanza, said state guidelines for asbestos removal

will be followed and no hazard exists except for that presented by the partially destroyed buildings.

The judge ordered the attorney to file briefs Monday and return for a full hearing Tuesday to determine if work is proceeding properly.

Last week, Dell' Aquila announced plans to build a \$1.2 billion mixed-use development including a 61-story condominium and 42-story office tower at the 94-acre site. The developer would be Harry Grant of Fort Lee. Plans have not yet been approved.

City seeks aid from P.A. on waterfront property

Continued from Page 1

of retired New Jersey judges. Pasculli and Phil LaRocca, director of development for the Port Authority, emerged from the private bargaining session in good spirits with LaRocca often deferring public statements to the mayor.

"We have gotten the show on the road in a very positive state. We placed our objectives on the table and discussed each of them and they were well received and agreed to by

the Port Authority," Pasculli said.

The Hoboken negotiating team, led by Pasculli and comprised of City Council members and five citizens as well as municipal directors, put together last week 13 objectives the city wants from the development of the waterfront.

Pasculli said the authority has agreed to those objectives which include housing opportunity, employment, economic strength and cultural

prospects. The Hoboken team also wants a guarantee that the waterfront development is "integrated with the existing city."

Hartz Mountain Industries presented a \$500 million plan last week to the City Council, which consists of 2,000 luxury housing units and several of office towers, including one at 30 stories near the PATH.

The agreement Pasculli will seek next week will clear the way for the Port Authority

to lend its planning experts in design, traffic and infrastructure to Hoboken, Pasculli said.

At the same time, the two parties will be negotiating a "public sector alliance" that will define a physical and financial plan for the waterfront, and it will clarify issues of control — "which party decides what" for the waterfront — as well as set a timetable for "what happens when," Pasculli said.

Pasculli last week said that

he wants to develop by the end of July a design plan, which will consider issues of height, density, open space, the number of housing units, as well as a financial package in the municipal investment on the waterfront.

Pasculli is hoping that the

draft plan will be available for public viewing by the end of August or early September and he wants a final plan ready by mid-September, or early October. At that point Pasculli said he will ask the council to officially endorse the Port Authority as a business partner on the waterfront development.

Environmental panel views Hoboken's future darkly

The Hoboken Environment Committee is tired of developers coming in and presenting their ambitious waterfront plans to the public as fait accompli, members say. And they're galvanized by the possibility of a bus-only highway along the western border of Hoboken.

So at this year's fair, Aug. 14 and 15, says committee chairman Don Carter, "It's no more Mr. Nice Guy." The committee plans to set up a display of local cartoonists' conceptions of what the city might look like in five years, if all the proposals grow up as proposed along the Hudson River.

One of the latest proposals — a towering multi-use project by Hartz Mountain Industries — threatens part of their own "turf," the area between Fourth and Sixth streets where they've held the River City Fair since 1971. The committee has

been pushing for a permanent park in the plot; they even have a scale model by Manhattan's OSM architects for a park on the site.

Since last year's fair, Carter says, "The waterfront exploded," at least in the heads of politicians and developers. "That's frightening, that's scary, that kind of stuff — that whole attitude is frightening," he said.

He expects the cartoonists to commit the visions of a waterfront wall blocking most views of Manhattan, of historic brownstones hiding in the shadows of towering office buildings, of air choked with exhaust fumes, to inform the public of what might happen.

"I want to show people what Hoboken will look like, in cartoon form, in five years," Carter said.

And then, he added, the

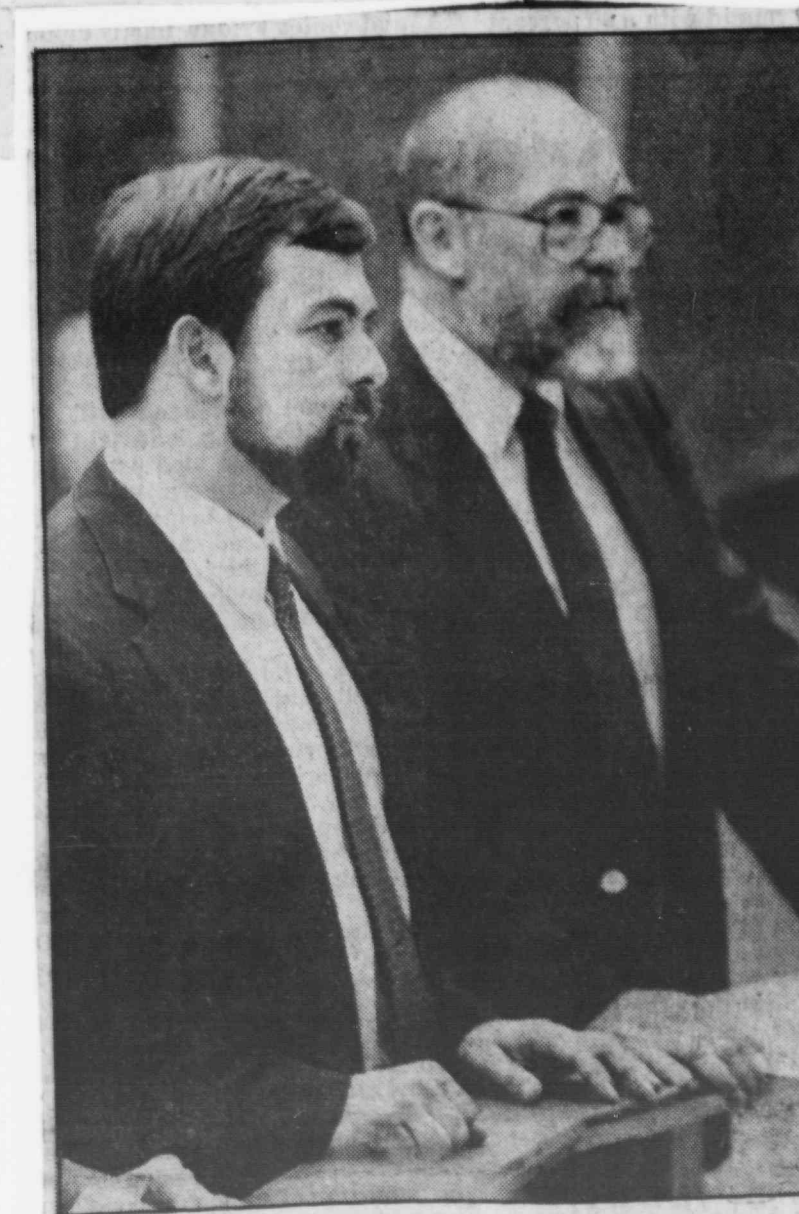
logical thing is to present alternatives. So they'll include in the display two sets of guidelines: by the late Mayor Thomas Vezetti's Waterfront Advisory Committee, and by the state Department of Environmental Protection.

The Advisory Committee had recommended limiting buildings to between eight and 12 stories, keeping blocks between Fourth and Sixth streets open, and restricting cars in the waterfront area.

"To me, that's sane, and that's still development," Carter said.

Along with the cartoons, the fair will feature stage entertainment, a cabaret, ferry boat rides, food, a flea market, and possibly a biogarden and fireworks, Carter said. The theme will be "Recycling," and the city's simplified recycling plan will be unveiled, he said.

— By Ellen Moodie



Patrick Reynolds, left, is accompanied by his attorney, Dennis McAlevy, during arraignment yesterday.

Fugitive developer gives up

By Bill Campbell

Hoboken real estate developer Patrick Reynolds, who went underground in March after being accused of stealing money from an escrow account, surrendered to the Hudson County Prosecutor yesterday and pleaded not guilty to charges that he misused the funds.

Dressed in a blue pinstripe suit and flanked by his attorney Dennis McAlevy of Hoboken, Reynolds pleaded not guilty to charges that he stole \$30,000 from a real estate escrow account.

Reynolds was indicted by a Hudson County grand jury on three counts of fraud last Thursday and had been sought by Hoboken police since April when he vanished after failing to cooperate with their probe of the charges.

Superior Court Judge Kevin Callahan released Reynolds on \$10,000 bail. A court hearing on the charges has been scheduled for July 26.

Reynolds, who was also accompanied at the arraignment by his wife, Stephanie, left the courtroom quietly, refusing to speak to reporters.

He faces three to five years in prison on each count if found guilty, according to First Assistant Hudson County Prosecutor Frank DeStefano.

Reynolds' surrender ended three months of life on the lam for the elusive developer. In March, he closed his real estate office in Hoboken after three prospective condominium buyers accused him of stealing their security deposits for units on a building he was developing at 801 Willow Avenue in Hoboken.

In court papers, they charged that Reynolds took their deposits out of an account at the Trust Company bank in Hoboken. They said he offered to pay back the money but never did so and the building is now being foreclosed by a local bank.

Hoboken police issued arrest warrants for Reynolds in April after he failed to answer the charges.

The indictment stems from a grand jury investigation of the matter.

Reynolds has reportedly been living in an apartment in New York City and a house on Long Island for the past three months, avoiding Hudson County.

Reynolds' wife has been representing him in local business matters during his absence.

Reynolds decided to turn himself in after his wife read a newspaper account of the indictment on Friday, according to McAlevy. The attorney said the developer contacted him later that day and he agreed to handle the case.



Construction equipment is idle at Hoboken demolition project.

Photo by Steve Golek

Asbestos stops Hoboken demolition

By Jo-Ann Moriarty

A second stop order was slapped on the demolition of buildings on Anthony Dell 'Aquila's 14th Street property yesterday after the Hoboken Law Department was given records indicating the structures contained asbestos.

The records were reportedly provided by one of the developer's former associates.

The city has requested state Department of Environmental officials to examine the site today to evaluate the severity of the problem and to assure state monitoring of the demolition. Law Director Eugene O'Connell said yesterday.

"Late last night, I became aware of a rumor that there was asbestos at the site and I received written proof of the allegation of the asbestos this morning," O'Connell said.

"I want an investigation because I am not convinced that everything is up to snuff," said O'Connell. He issued a stop order on the demolition yesterday morning.

O'Connell said the informa-

tion about the asbestos was given to him by Murray Connell, Dell 'Aquila's former business associate who had hoped to develop the 64 acres of waterfront land with the local developer.

Instead, Dell 'Aquila announced that he would build a \$1 billion project with Fort Lee developer Harry Grant.

"I issued the stop order and no work will be done until DEP officials inspect the site," O'Connell said yesterday.

"DEP is sending an inspector (today) to inspect the site and they will make the decision of what procedure will have to be followed," he said.

But Grant and Attorney Frank Leanza, who represents Dell 'Aquila, both maintained yesterday that asbestos had been removed from the area, including the Bethlehem Steel Building, in February.

During the recent demolition of the buildings on 14th Street, more asbestos was noticed inside walls and pipes, Grant said yesterday.

Grant said that the state DEP officials were notified and state inspectors monitored fur-

ther asbestos removal.

O'Connell said federal Environmental Protection Agency authorities contacted "the Grant people on Friday, June 17 and were told that asbestos was on the site and they had to take proper precautions to remove it."

"This information was not transmitted to Hoboken," O'Connell said.

Grant said he believed that EPA would have relayed that information to local officials.

Unaware of the EPA directive to the developers, the city stopped demolition last Friday because a proper permit had not been issued, O'Connell said. After the developers supplied more information on the demolition plan Monday, they secured a permit, he said.

Leanza said he believed the reason for the most recent stop order "was that somebody had provided the Law Department with an old report with regard to asbestos in the building. That somebody appears to

be a disgruntled employee, one of Mr. Dell 'Aquila's former business associates."

"Since that report was issued, all of the asbestos mentioned in the report has been removed under state supervision at the site. Almost daily a representative from EPA has been monitoring and they have no problem with the demolition and as far as they are concerned, we can continue," Leanza said.

He said that some traces of the substance have been found behind the walls and that a certified asbestos remover has properly disposed of the asbestos at a certified dump.

"We are very upset by this whole thing because men, machinery and heavy equipment was ready to go this morning and they were stopped because of misinformation," Leanza said.

O'Connell is critical of the developers "for not communicating with us."

Pasculli expects OK for P.A. deal

By Jo-Ann Moriarty J.J. 6-22-88

Hoboken Mayor Patrick Pasculli is confident he will secure the City Council's authorization Wednesday to advance the city's relationship with the Port Authority to develop the waterfront property on the Hudson River.

But whether the council will let him take money from the bi-state agency or use its professional talent, still remains to be seen.

A resolution will be proposed to the City Council that would give me authority as mayor to further negotiate with the Port Authority," said Pasculli in an interview before the weekend.

What still is not clear is the exact language of the resolution. Pasculli hedged when asked to define what specific powers the resolution will grant him, particularly dealing with the use of P.A. resources.

Pasculli, who appointed a

15-member negotiating team, is already negotiating with the P.A. The two parties met twice last week in private negotiating sessions.

"The resolution is simply another step forward on the stepping stones across the pond," said Pasculli.

And while a majority of the city council members are willing to formally grace the mayor with authorization to negotiate with the bi-state agency, at least six councilmen said last

week they oppose tapping the P.A.'s abundant financial and professional resources.

They said it was premature to accept P.A. money or planners at this time because it would be tantamount to making a commitment to the P.A.

Pasculli had said last week that he would ask the council to give public acknowledgement of any money the P.A. invests assisting Hoboken in develop-

See PASCULLI — Page 6.

Church loses school lease

By Dominick Calicchio J.J. 6-24-88

The Riverside Assembly of God Church in Hoboken must find a new place to conduct services beginning in August.

Last night, the city Board of Education voted 6-1 to terminate the church's lease for weekly use of the Demarest School.

The Rev. Gerard J. Cleffi, pastor of the church, did not attend the meeting and was unavailable for comment when called at home afterward.

The Riverside Church took out a "temporary" lease on the Demarest space about five years ago and has used the school for religious services and youth activity meetings, according to school board Secretary Anthony Curko. The

church has also stored some of its property in the school, he said.

But because of last week's school board decision to shut the David E. Rue School, there will no longer be room in Demarest to accommodate the church's belongings, said Superintendent of Schools Walter Fine.

Most Rue students are scheduled to be transferred to Demarest beginning in September and Fine said the school system needs to make sure there will be enough room for the pupils.

"We're not out to displace anybody because of religion or anything else," he said, advising the board that "all leases should be terminated until all students in the public schools are placed."

"After that," he added, "we'll do anything we can to help the community."

The lone vote against terminating the church's lease was cast by trustee James Farina, who said he voted no because he helped the Riverside Church acquire the Demarest space in the first place.

Farina said he disagreed that the church's property was taking up too much space inside the school.

"I don't know what they could possibly have in the building. Maybe a podium and some chairs," Farina said. "I feel that they're just getting kicked out."

In other business the board awarded a \$52,550 contract to Northeastern Analytical Corp. of Medford to conduct asbestos testing in the school system. Northeastern was the lowest

bidder among four firms. The highest bid was \$139,474.

Since last year, when asbestos was found in the basement and stairwells of Brandt School, parents of the city's school children have been concerned that the material may still be present in other schools.

Hoboken schools were believed to be asbestos-free after removal work was done several years ago. Asbestos is a cancer-causing material that for years was used to insulate walls and pipes inside buildings.

The board also voted to accept bids on new bleachers for Kennedy Stadium.

The board also formally adopted a 13-point Code of Ethics, written by trustee Gerard Costa. The code stipulates that each trustee and employee should put the needs of the students first and should avoid letting political or familial ties influence decisions.

Prior to a unanimous vote, Farina asked rhetorically why the board had to follow a 13-point ethics code when God issued only 10 commandments.

LYNCH

CONTINUED FROM PAGE 13

covery in the case, which was supposed to end in March, is only about halfway completed, and no trial date has been set.

As the case drags on, Lynch's enemies — especially City Council members Thomas Newman, Joseph Della Fave and Helen Cumming — continue to assert that Lynch acted incompetently in connection with the project. Lynch maintains that the officials are out to get him for political reasons.

The city now is waiting for its new sewage engineering firm — LMS — to redraw the specifications so they can be out for bid.

Hoboken rehires 25 teachers, staff

By Ming-Yuen Fong J.J. 6-30-88

The Hoboken Board of Education voted 5-0 with two abstentions last night to rehire 25 laid-off school teachers. By the same vote it also approved, in a separate resolution, the rehiring of 21 laid-off clerical and administrative personnel.

However, the board tabled discussion of the asbestos issue pending further review of solicited bids for an asbestos removal contract. The postponement of discussion and vote came at the request of Board member Gerard Costa who wanted more time to study the bids and the specifications defined by the board's Request for Proposal. Discussion of and a vote on the issue are expected at the July 19 meeting.

According to City Clerk James Farina, who is also a member of the board, there are 60 teachers still laid off on top of the 25 who are rehired. The argument to rehire the teachers has to do with the perception of a staff shortage. "Every year we're cutting our staff," Farina said. "Now we're down to the bone."

Walter Fine, school super-

intendent, argued last week that if the laid-off teachers were not rehired as quickly as possible there may be a chance that they would be absorbed elsewhere, resulting in a loss to the schools involved, according to Costa.

The two abstentions on the rehiring resolutions came from Costa and Vivian Flora-Distaso who were both elected in April as part of a reform coalition. Costa questioned "the prudence" of such rehiring resolutions on both the budgetary level and the practical level.

"The rehiring is being done without determining first whether the money is coming," Costa said. In April, the board voted on \$1.3 million in cuts. But both the City Council and the board's budget committee recommended an additional \$2.8 million in cuts. If the \$2.8 million additional cuts go through, the rehiring would be jeopardized and possibly terminated. Both Costa and Flora-Distaso feel that further staff increase would be redundant.

Right now, the school budget is still up in the air, according to Flora-Distaso. Since the board has appealed the City

Council's vote to cut \$2.8 million from the school budget, the outcome of the debate rests with the state education commissioner and the courts. Depending on when the commissioner makes his decision, the final budget may not be determined until late September or October, according to Costa.

On the asbestos issue, Farina suggested that one of the reasons the board voted with Costa to table the issue was to avoid alienating Costa and the other newly elected members.

In response to that, Costa replied that "they never stood on protocol before. The real reason was that there were no better reasons to oppose (the motion)," Costa said.

"I certainly don't want to delay an asbestos management contract," Costa said, "but I also don't want to accept what may be wrong for the schools."

Costa explained that he noticed the bid recommended by Tony Curko, the board's secretary and business administrator, proposed the lowest number of asbestos sampling of all the received bids. Other bids proposed doing more sampling to arrive at a plan for the asbestos removal.

Elected in April on a reform slate, Costa wants to see more active board member participation in determining contracts appropriate for the school system. "My responsibility is to be sure that I'm voting on the right thing," he said.

Flora-Distaso agreed. Even though the recommended bid is the lowest in terms of cost, the concern is for the best results balanced with costs. "Sometimes they (contractors) would lowball you," she said. "We just wanted to make sure that doesn't happen."

Engineer: I'm conspiracy victim

By CHRISTOPHER AVE DispaTch 6-27-88

Staff Writer

HOBOKEN—Joseph Lynch, head of Mayo Lynch & Associates, says he is convinced his engineering firm is the victim of misplaced anger by local officials and misunderstanding by the public.

"It's always some cheap shot that's amazing," the head of the small firm said of the controversy, his voice rising. "It's going on, and on, and on, and there's a reason for it."

George W. Crimmins Jr., the executive director of the Hudson County Utilities Authority, said he has an idea. Crimmins, who is known as a critic of Mayo Lynch, said: "I'm not against Mayo Lynch. I'm against bad engineering."

The comments from the two men are indicative of the wildly divergent views of what is a prolonged, entangled dispute about Mayo Lynch's role — or lack of a role — in the city's struggle to upgrade its sewage treatment. Depositions are being taken now in a lawsuit Lynch brought in Superior Court in Jersey City against Hoboken, which hired and then fired the firm from a job designing plans for a secondary sewage

treatment plant.

As the case moves closer to trial, both sides contend that events of the past two years bolster their theories on the origin and maturation of the controversy.

Lynch and his employees claim that there is a conspiracy of city and Hudson County officials, together with private companies, who have campaigned to keep the firm from the lucrative contract to build the sewage treatment plant, and to smear Mayo Lynch's reputation.

Lynch said his troubles started when the HCUA in 1985 passed over his company and hired a competing firm, Lawler, Matusky and Skelly of Pearl River, N.Y., to design a countywide plan for sewage.

Lynch subsequently won a contract to design plans for the city's secondary treatment plant. It was the decision of the city and the HCUA to apply for a federal grant slated partially for "innovative technology," Lynch said, that proved to be one of the moves most damaging to his company.

The technology — which involved turning the sewage sludge into dry chunks that could be used for fuel — was not to Lynch's

liking. Lynch said he asked the vendor who designed the process, James Ginesi of Hoboken, for details of the plan. Ginesi asked that Lynch agree not to divulge details of the plan, Lynch refused.

In the meantime, Lynch's plans for the plant were rejected by the state because they could not be bid or built, and the city's application for a federal grant to pay more than half the estimated cost of the project was rejected.

Lynch's enemies — who include officials of the late Mayor Thomas F. Vezzeiti's administration — blamed that on Lynch. They said the firm botched the plans, nearly costing the city some \$30 million in federal grant money it received for plans drawn by LMS after Vezzeiti fired Lynch in 1986. And they dismiss Lynch's conspiracy theory as a ploy.

"Anybody who disagrees with him is in on a conspiracy," Crimmins said.

Lynch filed a lawsuit in September 1986 after Vezzeiti refused to sign over payment to the firm: A judge ruled in Vezzeiti's favor, but the suit broadened. Pretrial dis-

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Elysian Savings targeted for new federal audit

By Bill Campbell J.J. 6-22-88

Elysian Federal Savings Bank in Hoboken, which was placed under federal monitoring last year after losing \$32 million in assets, has become the target of another audit, officials said yesterday.

Eugene Sherman, chief economist and vice president of the Federal Home Loan Bank in New York, said yesterday that federal banking officials are auditing the thrift institution's records.

A spokesman for the bank denied knowledge of the audit, but later admitted there has been "some activity"

between the thrift and federal auditors.

Sherman said he could not comment on the scope of the audit, which is part of the ongoing monitoring program, but sources close to the bank said the investigation was related to suits filed earlier this year against Elysian by three Hoboken real estate developers.

In February, the developers — Perry Belfiore and Alan Richards and Patricia Touhy — filed suit against Elysian and its officers, alleging that they conspired to undermine various condominium projects. The complaints, filed in U.S. District Court in

Newark, charged the thrift's management with violating the federal Racketeer Influenced Corrupt Organizations Act.

The bank has declined to comment on the charges.

"All I can say is there is a meeting between the Elysian and the supervisors," Sherman said. "The meeting stems from events that occurred a few months ago."

Sherman said he could not elaborate further.

Robert Nolan, vice president of marketing for Elysian, said yesterday he had no information on the Federal Home Loan Bank audit. But when

asked about the link between the audit and the lawsuits he said he was aware of "some activity."

"It's something close to that, but it may be premature," he said. "Maybe something will happen by the end of the week."

The FHLB began monitoring Elysian last summer following the sudden resignations of the thrift's president, Ernest Badaracco Jr. and his chief assistant, Catherine Brownlee. The two resigned after a routine audit of the bank's books and amid reports of a federal probe of lending procedures at the institution.

Elysian was forced to borrow \$14.6

million last year from the FHLB, which regulates thrifts. The mutually owned bank reported in February that it had lost \$32 million in assets, falling from \$289 million in 1986 to \$257 million in 1987.

The bank's net worth plunged from \$14.3 million in 1986 to \$1.8 million last year as loans and real estate holdings were devalued.

According to Sherman, the FHLB cannot reveal whether Elysian has had to borrow this year.

Pat Grant, a banking analyst, said banks under the FHLB monitoring program are sometimes required to undergo quarterly audits.

Hoboken bonding company is fined

By Bill Campbell J.J. 6-30-88

John Twomey Booth and his Hoboken-based Jersey Capital Group have been fined by the National Association of Securities Dealers for rules violations.

Booth, whose firm last month underwrote \$6 million in Hudson County bonds, and Jersey Capital were fined \$30,000 by NASD. Booth agreed to accept the sanction without admitting or denying the allegations, according to NASD spokesman Craig Thompson.

Booth was not available for comment.

According to NASD, Booth and Jersey Capital were cited for various violations includ-

ing: modifying business activities without notifying NASD, improperly registering associates, neglecting to properly disclose compensation, failing to adhere to Security and Exchange Commission rules and failing to disclose customer options agreements.

Thompson said he could not elaborate on the specific charges, but said the firms weren't placed on probation or being monitored more closely.

Jersey Capital was founded by Booth in 1983. He had been a vice president of a major financial firm. According to a release issued by the company last year, Jersey Capital is one of the nation's leading underwriters of municipal bonds.

Reasons abound on Rue closing

Continued from Page 1

skills teachers are also partly paid through the State Compensatory Education funds, which are distributed based on student testing levels. For the 1989 fiscal year, Chapter 1 funds will increase by about \$189,000, from \$1,744,000 to \$1,933,000, but state money will fall by about \$20,000, from \$1,269,000 to \$1,249,000, McGorty said.

Costa listed a variety of reasons culminating in the decision of Rue. With 238 students, it has the smallest population, and the potential move to Demarest School less than a block north would cause the least disruption.

"The major reason I proposed Rue was, it would entail the least number of redistricting," he said. In fact, he said, three years ago Rue students attended Demarest, between 1982 and 1985 while the school was undergoing a renovation.

A study compiled by Gail Tuzman of Hoboken, facilitator of a parent group called the Fact Finding Committee, determined the number of classrooms available in the district if a particular school closed. Considering buildings only, and leaving room for growth, Tuzman recommended that a medium-sized building, like Connors or Kieley, be closed.

But she sees Rue as a reasonable compromise. "The advantage is the fewest number of students are displaced. The biggest loss was the money put into it."

Most of the other board members apparently agreed. "The way the schools were situated, the kids can go to Demarest," said Trustee James Farina. He said the extensive renovation at Rue was unfortunate, much wasted on an aborted plan for a vocational school.

Superintendent Walter Fine confirmed that the regular students will most likely move to Demarest. He's still considering relocation for the special education students and the bilingual group. Extra rooms in Demarest are being painted and prepared now, said board Secretary Anthony Curko.

With Rue's closing, Fine said, next fall every school except Calabro, the magnet school, will have a population between 435 and 508. Calabro currently has 366 students. Demarest will have close to 480 with the new students.

Fine had opposed closing any school, he said. He ultimately recommended Rue. But it was inevitable if the vacant building was to be rented.

One potential Rue tenant is a St. Mary Hospital's Community Mental Health Center. Hospital spokesman Ed Cappuccini confirmed that the outpatient services center, which plans to expand its adolescent substance-abuse program, is considering moving

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Board offers varied reasons for closing Rue

By Ellen Moodie

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Builder says he's innocent

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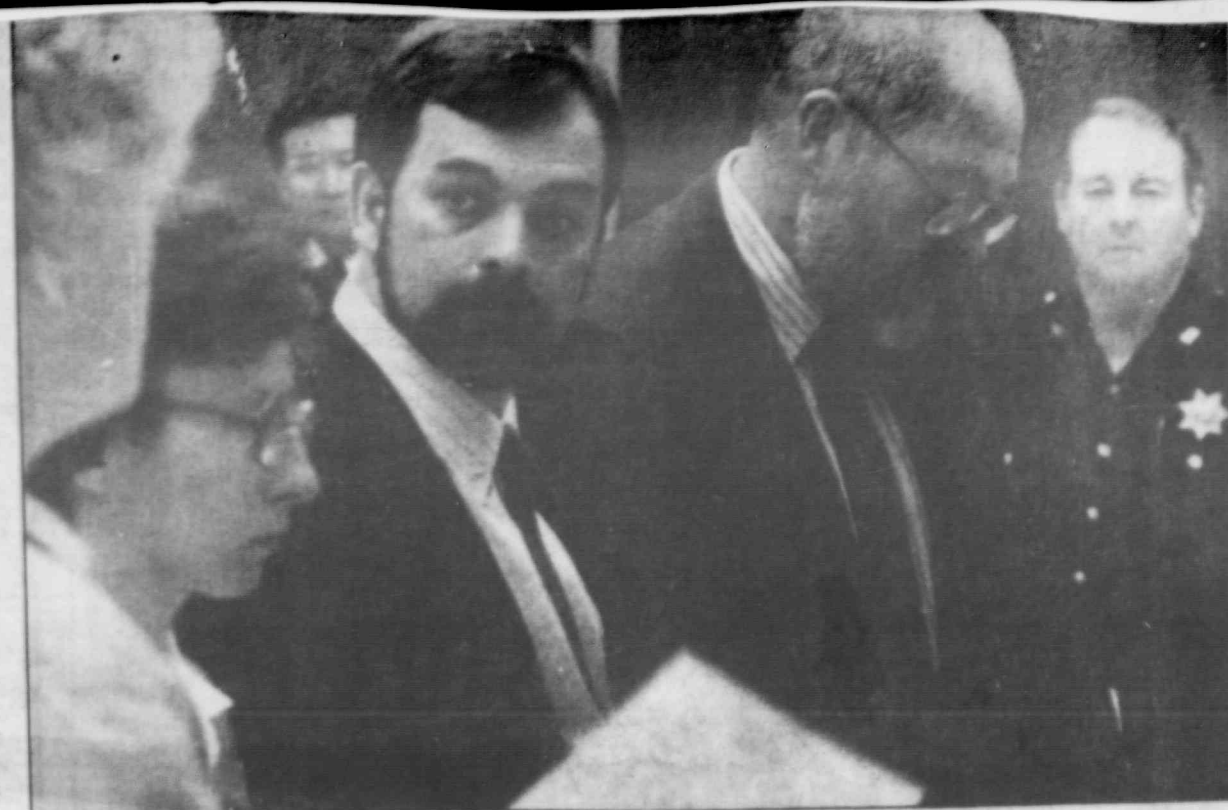
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Reynolds, wearing a navy-blue pin-striped suit and accompanied by his wife, told Callahan only that he had lived on Manhattan's Park Avenue for the past four years. Reynolds looked relaxed as he joked with reporters before and after his court appearance yesterday.

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Hoboken developer Patrick Reynolds looks questioningly at a court aide as he prepares to enter a plea of not guilty to fraud yesterday in Hudson County Superior Court in Jersey City. Next to him is his attorney, Dennis D.S. McAlevy of Hoboken.

REYNOLDS

CONTINUED FROM PAGE 1

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Federal probbers target Hoboken

By Janet Wilson

A joint federal task force has launched an investigation in Hoboken, the U.S. Attorney's office in Newark confirmed yesterday.

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An assistant U.S. Attorney refused to confirm or deny whether the probe covered Hoboken public officials.

However, the federal official said he was examining a recent package of stories in the Jersey Journal that focused on Third Ward Councilman and former Mayor Steve Cappiello.

"We took great interest in the stories that appeared on Cappiello," said the federal official. The stories concerned Cappiello's real estate business while he was a politician, numerous loans that he had given to Hudson County homeowners, and in at least two cases possible conflicts of interest between his duties as a public official and his status as a private property owner.

The U.S. attorney's office would not say if subpoenas had been issued or if they would be in connection with the investigation.

The Hudson County Prosecutor's office is not part of the task force team.

Council resists P.A. partnership

By Jo-Ann Moriarty

Although Hoboken Mayor Patrick Pasculli is ready to advance a formal partnership with the Port Authority over waterfront development, City Council members — whose permission the mayor needs — are reluctant to move forward toward an exclusive relationship with the bi-state agency.

Eight out of the nine City Council members were interviewed yesterday and only two — Steve Cappiello and David Roberts — gave the mayor a green light in his quest to formalize a partnership with the Port Authority. Pasculli and the P.A. have been negotiating over the future development of 17.5 acres of city-owned, waterfront land.

In contrast, Councilmen E. Norman Wilson, Edwin Duroy and Thomas Newman, in separate interviews, questioned whether the city should proceed in forming a public alliance with the P.A. instead of looking for other potential partners such as private developers.

"As I've said before, I have real serious problems with the Port Authority. They're inefficient, they are hard to control and they come with strings attached," Newman said.

"Those are some of the problems that make me very leary," he added.

Wilson, who combined forces in fighting the P.A. with Pasculli during the last three years, said he is still cautious of approving a resolution to begin good faith negotiations with the Port Authority.

"I don't know if that means it would be bad faith to talk to anyone else," Wilson said. "I have to see what they have

See COUNCIL — Page 6.

Hoboken recycling has mixed results

By Patricia Scott

Caroline Carlson feels something like a modern-day Don Quixote tilting at windmills made of garbage.

The Hoboken recycling coordinator has worked since March 1 in her attempt to inform Hoboken businesses and residents about the importance of recycling.

"We see tremendous accomplishment on one hand," she says. "But then we look at the general figures and realize most people, despite the successes, still aren't getting it at all."

And although Carlson has overseen the recycling of almost 600 tons of waste products in the four months since mandatory citywide recycling went into effect, only a portion of the public has cooperated with the program.

Since March, the LaFera garbage hauling firm under contract with the city has picked up and forwarded on for recycling 565 tons of aluminum cans, scrap metal, glass, cardboard and paper.

Hoboken saved about \$18,000 in cash that would have been spent on landfill costs during that period and also earned \$19,000 in cash by selling the recyclable refuse to various agencies in return for money. Glass is sold to the Pace company, paper goes to Hoboken Recycling, metal refuse goes to PSN in Jersey City and aluminum cans are donated on behalf of St. Barnabas Burn Center by city firefighters.

But only about 10 percent of Hoboken residents are cooperating with the citywide order to recycle, a figure that has Public Works Director Roy Haack and Carlson in a quandary.

"I've been amazed at the benefits we're seeing after just a few months of recycling and with only a fraction of the public cooperating," said Haack. "It could be an awesome success if everybody did it."

Separation of glass garbage remains voluntary for residents, but all Hobokenites are under order to separate their aluminum cans, metals and cardboard for special pickup.

Enforcing the law has been a different story, though.

"The Hoboken tradition is to take any garbage you have and get it out of your house," says Dennis O'Connor, Public Works Supervisor of Recycling. "It's a Hoboken tradition — get it out on the street in any condition and do it fast. People just don't realize those days are over and they have to look at the garbage a new way."

Haack said he is hopeful that today's likely passage in the state Assembly of a bill that will raise Hudson County landfill tipping fees from the current \$28 per ton to as much as \$85 to \$105 per ton could have a positive effect on public consciousness.

"Residents might wake up to the seriousness of recycling when they get hit financially with figures like this," said Haack.

Carlson said Hoboken businesses have had a 50 percent recycling compliance rate. She said she is planning a publicity blitz this summer, via newspaper advertisements, fliers and a recycling theme for the August 13-14 River City Fair.

Additionally, after Labor Day, residents will be asked to place all their colored glass, tin and aluminum cans in a single large container for pickup one night every week under a new approach called "comingled recycling."

Homeowners will be legally ordered to purchase such a container and property owners with multi-family buildings will be ordered to supply one container for every five member family at their site. Hoboken residents will receive brochures and letters about the comingled recycling plans next month, and will also receive decals to stick onto the containers.

Hoboken is finalizing plans to receive a \$4,000 state grant that will allow the city to put more garbage cans on street corners and hire local teenagers to collect and sort through the trash for recycling preparation.

"The more people learn about recycling, the more agreeable they are to it," said Carlson. "It's a case of educating the public."

Council OKs P.A. talks

Continued from Page 1

Other speakers were adamant against developing the waterfront to the extent that has been proposed. The P.A. aborted plans several years ago to develop a \$500 million waterfront project because of fierce public opposition. Hartz Mountain Industries submitted similar plans to the city two weeks ago.

Resident Daniel Thompson accused officials of selling out the city and said they would be liable for destroying the quality of life that exists.

"Developers are swarming around Hoboken like sharks around a bleeding carcass," Thompson said.

Thomas Illing, former member of the Waterfront Advisory Committee, said the city could explore negotiations with the P.A. without committing the city to that action in the form of a resolution.

"This is not an engagement to the Port Authority, you are already getting Hoboken pregnant," Illing snapped.

Despite a combative council with members accusing the mayor of not informing them about the waterfront in terms of heights and density and for not making clear his objectives,

Pasculli was successful in pushing through the resolution.

Councilman Edwin Duroy maintained that the "full council hasn't been kept abreast of objectives and negotiating items on the table. You come back from the negotiating table and say: 'Here this is what we have been negotiating and you have to accept this.'"

Only Councilman E. Norman Wilson voted against allowing the city to negotiate with the P.A. and giving the mayor and council the authorization "to investigate the costs involved before entering into any joint agreement with the Port Authority."

A motion by Councilman Joseph Della Fave to table the resolution until a work session is held between the council and the administration resulted in a tie, thus killing the measure.

Wilson voted against tabling. Voting to table were council members Della Fave, Helen Cumming, Edwin Duroy and Frank Raia. Councilman Thomas Newman could not attend because of a conflict in his schedule.

Council members overwhelmingly voted the resolution after being assured by Law Director Eugene O'Connell that the language would not commit the city to financial obligation.

Council OKs P.A. talks

By Jo-Ann Moriarty

The Hoboken City Council rescinded last night a resolution banning the Port Authority's involvement in developing the city's waterfront replacing it with one that authorizes the mayor and council to negotiate a partnership with the bi-state agency.

The votes came after a cantankerous debate between City Council members and Mayor Patrick Pasculli and after a dozen Hobokenites told officials that negotiating with the P.A. was a bad idea.

"You can't be so naive to believe that the Port Authority

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Council resists P.A. partnership

Continued from Page 1

in writing and read it line-by-line to get every nuance and to know exactly what is being agreed to. And, I will need the opportunity to question the mayor," Wilson said.

"I have been down this street before and I approach it now with caution," Wilson said. "The Port Authority is a big organization and we should tread lightly when dealing with them. I want every 'i' dotted and every 't' crossed."

Pasculli will ask the City Council next week to revoke its ban on negotiating with the Port Authority and to give him permission to use the authority's planning and design experts.

City Council President Robert Ranieri and Councilmen Joseph Della Fave and Frank Raia said it was premature for the city to accept a team of planning experts from the P.A.

Ironically, Pasculli will ask

the city council next week to revoke a resolution that he as council president successfully pushed last October excluding the P.A. from any Hoboken waterfront development project.

Law Director Eugene O'Connell, who is writing the resolution, said the mayor will ask the "City Council to authorize the City of Hoboken to negotiate in good faith with the Port Authority in order to attempt to enter into a joint agreement to develop the waterfront."

But O'Connell does not want the resolution, which will be presented to the council June 29, to revoke the standing resolution that excludes the P.A.'s involvement in Hoboken.

He said the language he is preparing would pave the way for the council to reverse the earlier resolution at a later time.

Moreover, Pasculli is hoping to secure a resolution from the council to publicly recog-

nize any financial investment the authority may make by lending its planning experts so that the city can begin studies in design, infrastructure and traffic impacts.

"Talking about finances is premature but I am working out an agreement in principal setting technical assistance so Hoboken can bring forth a well-thought out, well-planned and sensible development," Pasculli said yesterday.

"Hoboken at this time does not have the financial reserve and capabilities to contract that work and we have to be able to plan our waterfront instead of having developers win and dine in the city of Hoboken each week," he said.

Ranieri is ready to negotiate in good faith for a partnership but he said he is not willing at this time to commit the city to publicly acknowledge any investment the Port Authority may lend to the city in the form of planning experts.

Councilmen Della Fave and Frank Raia expressed similar views.

Duroy maintains that the city should explore partnerships with private developers, including Hartz Mountain Industries, which presented a \$500 million plan last week and promised it could improve infrastructure quicker and more cost efficiently than the Port Authority.

"I have to look at the situation. Hartz Mountain came in with some attractive numbers. Other developers could make similar offers. The concern with the Port Authority is that it has capabilities. Hartz Mountain has capabilities. We need to draw open other developers. I am not committed to the Port Authority."

"I was one of the five votes to move against the Port Authority. Now seven or eight months later, we want to get engaged to them. I don't know at this point."

Reasons abound on Rue closing

Continued from Page 1

skills teachers are also partly paid through the State Compensatory Education funds, which are distributed based on student testing levels. For the 1989 fiscal year, Chapter 1 funds will increase by about \$189,000, from \$1,744,000 to \$1,933,000, but state money will fall by about \$20,000, from \$1,269,000 to \$1,249,000, McGorty said.

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Please see REYNOLDS Page 22



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Board offers varied reasons for closing Rue

By Ellen Moodie

Why Rue? Why did the Hoboken Board of Education choose the David E. Rue School for closing a week ago?

Among the reasons, suggests one board member, is an anticipated increase in federal basic skills education funding that could utilize the extra rooms at the larger Demarest School. Other Board members point to the easiest transition for Rue students, who'll likely move into nearby Demarest School.

It was a decision mulled

over for three years in the Hoboken School district, suddenly catapulted to urgency when the old board in March chose to top \$1.3 million off the budget. That's about the amount it costs to run one school, according to board President Joseph Rafter.

The trustees present at last week's meeting voted 6-1, with one abstention, to close the 27-room building at Third and Garden streets. The action caused Lourdes Arroyo, who had abstained, to break into tears and accuse the board of anti-Hispanic sentiment.

Trustee Gerard Costa, who

sponsored the resolution after lamenting the need for such a decision, is mystified by her reasoning. Trustee James Farina noted that all schools have Hispanics. In fact, the district lists 61 percent of its enrollment in that category, he said. Costa's said a decision needed to be made, no matter how painful. "For three years, they've been talking about it. We just have to finally stop abusing people," he said. "We have to make some hard decisions."

In his initial presentation to the board, he emphasized that the closed building should

be rented out to a community-based organization, a view later formalized into amendment by Trustee Richard Englar.

But why Rue? Board President Joseph Rafter said the logistics worked out better. Closing Rue, with four empty classrooms, and keeping Demarest, with its 17 vacant rooms, open, offered the greatest possibility for expansion.

He said that federal Chapter 1 funds, money for basic skills teachers who augment, rather than supplant regular classroom teachers, may increase. "If funds loosen up, we

wanted to keep the door open," he said.

Given extra rooms, basic skills teachers could instruct students in separate classrooms, he said. Currently some pull students out of the regular classroom while others teach groups in a corner of a room, according to Assistant Superintendent Francis E. McGorty.

All Hoboken schools are eligible for Chapter 1 funding, which is determined by the number of people receiving Aid to Families with Dependent Children in an area. Basic

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REYNOLDS

CONTINUED FROM PAGE 1

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By Jo-Ann Moriarty

Although Hoboken Mayor Patrick Pasculli is ready to advance a formal partnership with the Port Authority over waterfront development, City Council members — whose permission the mayor needs — are reluctant to move forward toward an exclusive relationship with the bi-state agency.

Eight out of the nine City Council members were interviewed yesterday and only two — Steve Cappiello and David Roberts — gave the mayor a green light in his quest to formalize a partnership with the Port Authority. Pasculli and the P.A. have been negotiating over the future development of 17.5 acres of city-owned, waterfront land.

In contrast, Councilmen E. Norman Wilson, Edwin Duroy and Thomas Newman, in separate interviews, questioned whether the city should proceed in forming a public alliance with the P.A. instead of looking for other potential partners such as private developers.

"As I've said before, I have real serious problems with the Port Authority. They're inefficient, they are hard to control and they come with strings attached," Newman said.

"Those are some of the problems that make me very leary," he added.

Wilson, who combined forces in fighting the P.A. with Pasculli during the last three years, said he is still cautious of approving a resolution to begin good faith negotiations with the Port Authority.

"I don't know if that means it would be bad faith to talk to anyone else," Wilson said. "I have to see what they have

See COUNCIL — Page 6.

Hoboken recycling has mixed results

By Patricia Scott

Caroline Carlson feels something like a modern-day Don Quixote tilting at windmills made of garbage.

The Hoboken recycling coordinator has worked since March 1 in her attempt to inform Hoboken businesses and residents about the importance of recycling.

"We see tremendous accomplishment on one hand," she says. "But then we look at the general figures and realize most people, despite the successes, still aren't getting it at all."

And although Carlson has overseen the recycling of almost 600 tons of waste products in the four months since mandatory citywide recycling went into effect, only a portion of the public has cooperated with the program.

Since March, the LaFera garbage hauling firm under contract with the city has picked up and forwarded on for recycling 565 tons of aluminum cans, scrap metal, glass, cardboard and paper.

Hoboken saved about \$18,000 in cash that would have been spent on landfill costs during that period and also earned \$19,000 in cash by selling the recyclable refuse to various agencies in return for money. Glass is sold to the Pace company, paper goes to Hoboken Recycling, metal refuse goes to PSN in Jersey City and aluminum cans are donated on behalf of St. Barnabas Burn Center by city firefighters.

But only about 10 percent of Hoboken residents are cooperating with the citywide order to recycle, a figure that has Public Works Director Roy Haack and Carlson in a quandary.

"I've been amazed at just the benefits we're seeing after just a few months of recycling and with only a fraction of the public cooperating," said Haack. "It could be an awesome success if everybody did it."

Separation of glass garbage remains voluntary for residents, but all Hobokenites are under order to separate their aluminum cans, metals and cardboard for special pickup.

Enforcing the law has been a different story, though.

"The Hoboken tradition is to take any garbage you have and get it out of your house," says Dennis O'Connor, Public Works Supervisor of Recycling. "It's a Hoboken tradition — get it out on the street in any condition and do it fast. People just don't realize those days are over and they have to look at the garbage a new way."

Haack said he is hopeful that today's likely passage in the state Assembly of a bill that will raise Hudson County landfill tipping fees from the current \$28 per ton to as much as \$85 to \$105 per ton could have a positive effect on public consciousness.

"Residents might wake up to the seriousness of recycling when they get hit financially with figures like this," said Haack.

Carlson said Hoboken businesses have had a 50 percent recycling compliance rate. She said she is planning a publicity blitz this summer, via newspaper advertisements, fliers and a recycling theme for the August 13-14 River City Fair.

Additionally, after Labor Day, residents will be asked to place all their colored glass, tin and aluminum cans in a single large container for pickup one night every week under a new approach called "comingled recycling."

Homeowners will be legally ordered to purchase such a container and property owners with multi-family buildings will be ordered to supply one container for every five member family at their site. Hoboken residents will receive brochures and letters about the comingled recycling plans next month, and will also receive decals to stick onto the containers.

Hoboken is today finalizing plans to receive a \$4,000 state grant that will allow the city to put more garbage cans on street corners and hire local teenagers to collect and sort through the trash for recycling preparation.

"The more people learn about recycling, the more agreeable they are to it," said Carlson. "It's a case of educating the public."

Council OKs P.A. talks

Continued from Page 1

Other speakers were adamant against developing the waterfront to the extent that has been proposed. The P.A. aborted plans several years ago to develop a \$500 million waterfront project because of fierce public opposition. Hartz Mountain Industries submitted similar plans to the city two weeks ago.

Resident Daniel Thompson accused officials of selling out the city and said they would be liable for destroying the quality of life that exists.

"Developers are swarming around Hoboken like sharks around a bleeding carcass," Thompson said.

Thomas Illing, former member of the Waterfront Advisory Committee, said the city could explore negotiations with the P.A. without committing the city to that action in the form of a resolution.

"This is not an engagement to the Port Authority, you are already getting Hoboken pregnant," Illing snapped.

Despite a combative council with members accusing the mayor of not informing them about his approach to develop the waterfront in terms of heights and density and for not making clear his objectives,

Pasculli was successful in pushing through the resolution.

Councilman Edwin Duroy maintained that the "full council hasn't been kept abreast of objectives and negotiating items on the table. You come back from the negotiating table and say: 'Here this is what we have been negotiating and you have to accept this.'"

Only Councilman E. Norman Wilson voted against allowing the city to negotiate with the P.A. and giving the mayor and council the authorization "to investigate the costs involved before entering into any joint agreement with the Port Authority."

A motion by Councilman Joseph Della Fave to table the resolution until a work session is held between the council and the administration resulted in a tie, thus killing the measure.

Wilson voted against tabling. Voting to table were council members Della Fave, Helen Cunningham, Edwin Duroy and Frank Raia. Councilman Thomas Newman could not attend because of a conflict in his schedule.

Council members overwhelmingly voted the resolution after being assured by Law Director Eugene O'Connell that the language would not commit the city to financial obligation.

Council OKs P.A. talks

By Jo-Ann Moriarty

The Hoboken City Council rescinded last night a resolution banning the Port Authority's involvement in developing the city's waterfront replacing it with one that authorizes the mayor and council to negotiate a partnership with the bi-state agency.

The votes came after a cantankerous debate between City Council members and Mayor Patrick Pasculli and after a dozen Hobokenites told officials that negotiating with the P.A. was a bad idea.

"You can't be so naive to believe that the Port Authority

like a leopard can change its spots," said Ken Lenz.

William Strangeman and others said it made no sense for the city to negotiate with the P.A. because the bi-state agency by its constitution is not designed to be a competitive entity.

He and other speakers recommended that the city open development of the waterfront to nationwide competitive bidding.

Sada Fretz said the resolution the council approved last year against the P.A. ended "a long and terrible marriage."

See COUNCIL — Page 19.

Council resists P.A. partnership

Continued from Page 1

in writing and read it line-by-line to get every nuance and to know exactly what is being agreed to. And, I will need the opportunity to question the mayor," Wilson said.

"I have been down this street before and I approach it now with caution," Wilson said. "The Port Authority is a big organization and we should tread lightly when dealing with them. I want every 'i' dotted and every 't' crossed."

Pasculli will ask the City Council next week to revoke its ban on negotiating with the Port Authority and to give him permission to use the authority's planning and design experts.

City Council President Robert Ranieri and Councilmen Joseph Della Fave and Frank Raia said it was premature for the city to accept a team of planning experts from the P.A.

Ironically, Pasculli will ask

the city council next week to revoke a resolution that he as council president successfully pushed last October excluding the P.A. from any Hoboken waterfront development project.

Law Director Eugene O'Connell, who is writing the resolution, said the mayor will ask the "City Council to authorize the City of Hoboken to negotiate in good faith with the Port Authority in order to attempt to enter into a joint agreement to develop the waterfront."

But O'Connell does not want the resolution, which will be presented to the council June 29, to revoke the standing resolution that excludes the P.A.'s involvement in Hoboken.

He said the language he is preparing would pave the way for the council to reverse the earlier resolution at a later time.

Moreover, Pasculli is hoping to secure a resolution from the council to publicly recog-

nize any financial investment the authority may make by lending its planning experts so that the city can begin studies in design, infrastructure and traffic impacts.

"Talking about finances is premature but I am working out an agreement in principal setting technical assistance so Hoboken can bring forth a well-thought out, well-planned and sensible development," Pasculli said yesterday.

"Hoboken at this time does not have the financial reserve and capabilities to contract that work and we have to be able to plan our waterfront instead of having developers win and dine in the city of Hoboken each week," he said.

Ranieri is ready to negotiate in good faith for a partnership but he said he is not willing at this time to commit the city to publicly acknowledge any investment the Port Authority may lend to the city in the form of planning experts.



Casella's Restaurant at First and Jackson streets in Hoboken yesterday. Restaurant critics noted the establishment for its tortellini. Federal investigators noted it for being the alleged site for planning of mob hits.

Eatery cited for pasta and plots

By JEFFREY RUBIN
Staff Writer

HOBOKEN—Nine years ago, Casella's Restaurant on First Street garnered a two-star rating from New York Times food critics, who praised it for its tortellini but weren't partial to the salads.

On Tuesday, the Italian restaurant earned an entirely different sort of distinction as law enforcement agents dubbed it one of two locations

where a host of reputed mobsters laid out plans to run several illegal rackets and murder some of their fellow racketeers.

According to a 42-count indictment handed up by the U.S. Attorney's Office and the FBI, Casella's and the Village Coffee Shop in Jersey City provided the backdrop for an elaborate, \$2,000-a-day gambling operation in Hudson County.

Please see CASELLA Page 39

These are 3 targets of feds

Continued from Page 1

he became the department's photographer. He photographed crime scenes, took mugshots of people arrested, fingerprinted them and did clerical work, said Hoboken Police Chief George Crimmins.

Daniello's rank as lieutenant was assigned with the post. As in all specialized police jobs, the rank was given because the salary was commensurate with that of a police lieutenant, Crimmins said.

Daniello was dismissed from the department after his conviction in 1972 on charges that he conspired to unlawfully obtain airline tickets. The details of the scam were not available because Daniello's record and the indictment detailing the charges were expunged from court records.

State law allows for records to be cleared 10 years from the date of the conviction if the individual has no prior or subsequent conviction. Convictions for major crimes, such as murder, manslaughter, rape and kidnapping, cannot be expunged.

Daniello was convicted of official misconduct. Sources said that Daniello never served prison time.

After he was dismissed, Daniello worked in the security field. He was head of security at Marine Village Plaza for a while but was dismissed in October 1986 when management changed.

Crimmins joined the force around the time that Daniello did. "He was really a nice guy, very generous. I thought him to be humorous."

"I never expected it of him," Crimmins said of Daniello's part in the airline scam.

"I never heard one word against him," a city hall source said. "He was always cooperative. He always paid his (parking) tickets and he paid everybody else's."

A few weeks ago Daniello paid \$180 worth of tickets—but they weren't all his. As for Daniello's "Dipsy" moniker, the source said, "If you knew him you could almost understand why. He fooled around a lot. But he was very bright."

"I'm really sad to hear all this," said the source, who also knew restaurant owner Casella. "They just seemed like such nice people."

RICHARD DESCISCIO

Richard (Bocci) DeSciscio, 46, of Bayonne, was described as a "significant criminal associate of the Genovese Crime Family" in state police evidence heard during U.S. Senate hearings on organized crime in 1983. That record stated that DeSciscio "has a proclivity toward violence and was a prime suspect in the murders of Frank Chin and Richard Santos."

Who's who in indictments

By The Associated Press

Here is a list of defendants, with their ages and hometowns where available, named in two federal indictments unsealed yesterday, according to information provided by federal authorities:

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James "Jimmy Nap" Napoli, 72, of Brooklyn.
Rocco J. "Rocky" Napoli, 42, of Secaucus.
John Derrico, 27, of Hoboken.
Patsy "Fingers" Riccio, 49, of Jersey City.
Orlando "Richie" Cusimano, 60, of Secaucus.
Thomas "Trolley Car" Fallacara, 50, of Jersey City.
Edward J. "Moe" Molta Sr., 52, of Little Ferry.
Frank "Dipsy" Daniello, 67, of Hoboken.
Dorothy "Mickey" Horan, 56, of Upper Saddle River.
Joseph Speranza, 59, of Willowbrook, Pa.
David Renninger, 41, of Westtown, Pa.
Frank "Frankie Vig" Viggiani, 55, of Secaucus.
Maurice "Moe" DeStefano, 52, of Jersey City.
Dominick "Dom" Guerra, 59, of Palisades Park.
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CASELLA

CONTINUED FROM PAGE 1

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Among those arrested in pre-dawn raids Tuesday were Casella's 71-year-old owner, Martin "Motte" Casella of Secaucus, and 27-year-old Hoboken resident John Derrico, a Casella's employee who reportedly contributed his two cents to the Gotti caper with advice about how to kill the Gambino bigs.

But despite these arrests and the detention of the two men at the Metropolitan Correctional Center in Manhattan, employees of Casella's took a business-as-usual attitude yesterday afternoon. Although closed on Tuesday, the restaurant was open yesterday, even if mouths there were shut tight.

"We're just watchin' the place until he (Casella) gets back," said an elderly anonymous man with a high black pompadour and thick white sideburns who was manning the black marble bar.

His associate, a muscular man in a red T-shirt, was less diplomatic toward visitors who asked questions about Tuesday's indictment. "We're innocent people," he said insistently. "We don't wanna talk at

nothing." In the absence of Casella, a big, florid man with loud ties pictured in several framed pictures around the restaurant, the reputed Genovese adviser's presence is still felt by employees who have apparently been sworn to silence.

Despite such vows, Casella's has emerged in law enforcement annals as a hot spot for Cosa Nostra gatherings. In 1981, IRS agents linked the restaurant, then called Marty's Mile High Tavern, to a 1964 numbers operation and mounted an unsuccessful attempt to collect \$500,000 in back taxes from Casella.

In 1983, an FBI affidavit described Casella's Restaurant as "a regular meeting place for

known felons and members of the Genovese La Cosa Nostra family."

The affidavit, filed in an attempt to link Paramus resident Robert Fischetti to Manna and other Genovese figures, also called Casella a conduit of information and money for Manna.

To those local diners who are unaware of the elegant, dimly lit restaurant's darker side, news of this week's indictment came as a shock.

"As a matter of fact, I've eaten there several times," said lawyer Matthew Connolly, whose office is across the street from Casella's.

"They've got pretty good food," said Connolly, who favors the tortellini alfredo.

These are 3 targets of indictments

Of the 22 people named Tuesday in two federal racketeering indictments, 13 are from Hudson County. What follows are brief profiles of three:

FRANK DANIELLO

For 21 years Frank Daniello photographed and fingerprinted the criminal element in Hoboken. Tuesday, the former police lieutenant who was dismissed 10 years ago for his part in an airline ticket scam, was on the other side of the camera and ink pad.

Daniello was one of 22 alleged members of the Genovese crime family who

were arrested on racketeering charges.

Two other Hoboken figures also were arrested: Martin Casella, 71, owner of Casella's Restaurant, and John Derrico, 27, of Jefferson Street, who, sources said, worked at the restaurant as a cook.

Daniello, 67, lives on Grand Street. He has two children, a son and daughter both in their 30s.

Daniello, who was named as a conspirator in the plot to kill Gambino crime family leaders John Gotti and his brother Gene, apparently made bail. Neighbors said that yesterday he made a brief stop at his home at about 1 p.m. He was dropped

off from a four-wheel drive vehicle, went inside and later walked down the block. His sister, however, said that she had not seen him all day.

Sources said that Daniello, affectionately known as "Dipsy," was a regular at Casella's, one of the restaurants the federal government bugged. "That's where he always was," the source said, adding that Daniello may have worked there because he was seen moving tables.

Daniello joined the Hoboken police department in 1946 as a patrolman. In 1950,

See THESE ARE 3 — Page 17.

FBI warning

Mob war brewing

Indicted trio's rivals may seize vice empire

By MATTHEW DIETRICH

Staff Writer

The mob war for control of Hudson County's gambling and labor rackets could begin as soon as tomorrow, depending on whether three reputed crime bosses indicted Tuesday are held in federal custody until their trials, a federal official said yesterday.

FBI Special Agent John C. McGinley said yesterday that if three alleged Genovese family kingpins — Anthony Louis "Bobby" Manna, Martin "Motte" Casella and Richard "Bocci" DeSciscio — are denied bail at a detention hearing tomorrow, rival families could move quickly to assume control of waterfront vice.

He said that if Manna was not allowed to stay out and in control of his street operations,



ANTHONY L. MANNA

Bail hearing is key competing families could move quickly to put their people in place.

McGinley said, however, that he expects the rival gangs will restrain themselves until the dust settles from Tuesday's indictment.

Please see MANNA Page 39

Including 25 teachers

66 rehired by school board

By JOHN ROFE

Staff Writer

HOBOKEN—The Board of Education last night rehired 66 school employees including teachers and administrators, leaving 52 out of work, at least until the state Board of Education rules on whether \$2.8 million should be reinstated to the city's school budget.

The board voted to hire back 25 teachers, most of them in special education, 20 administrators and supervisors, and 21 non-certified employees in a well-attended meeting at the Wallace School.

By rehiring the administrators and supervisors, who were laid off in April, the board assured that personnel will be in place during the summer to begin implementing the state Department of Education Level 3 monitoring plan, according to Trustee Gerard Costa. The district is one of three in Hudson County in the last level of evaluation before the state can contemplate a take over.

Costa and Schools Superintendent Walter J. Fine said the administrators rehired last night would work on the curriculum portion of the testing. Noting that he did not know

how long the district had to adhere to state education standards, Costa said "The improvement plan is in place. We are in the process of implementing it." Costa and Trustee Vivian Flora-DiStasio abstained on one of the two resolutions to rehire the school employees, saying that they were unsure whether the district needed them. Costa and Flora-DiStasio are normally joined by Lourdes Arroyo, who voted with the majority last night.

"Our position is that the school district has been used as an employment service," Costa said. "The ones that were let go were the ones recently hired."

Costa said he expected much of the \$2.8 million cut by the City Council to be reinstated to the budget when the state education department rules on the local board's appeal of the cuts.

In other business, the board delayed review of a proposal for an asbestos survey of school buildings. Costa said he had questions about one of four proposals submitted to the board but received the information he needed just the night before the meeting and had not had time to review it.

Council has big agenda tonight

By Jo-Ann Moriarty

6-29-88

The Hoboken City Council will consider an ambitious agenda tonight with items ranging from a \$31 million municipal budget to developing the waterfront and buying a police van.

The 6 p.m. special meeting was called by Mayor Patrick Pasculli who has asked the council to approve a \$1 million bond to buy public works equipment and a police van for \$140,000 to curb drug dealing in the Monroe and Third streets area.

Pasculli said he is also hoping that the council will approve a resolution allowing him to negotiate about the city-owned waterfront land with the Port Authority.

The resolution prepared by the Law Department also requests that the mayor and City Council President Robert Ranieri be given the authority to "investigate the costs involved

before entering into any joint agreement with the Port Authority."

However, City Clerk James Farina said yesterday that a vote tonight on the P.A. resolution would be improper because, in the public notice of the special meeting, Pasculli used the language "discussion on City/P.A. initiatives for waterfront development" rather than giving public notice to a vote on the resolution.

The mayor also has posted a public notice about a discussion to give a progress report on the city's attempt to build a secondary waste water treatment plant. The city is under a deadline from the state to build the plant and the state Department of Environmental Protection has placed a moratorium on hookups to sewers until the plant has been built.

Pasculli is also requesting that developer Anthony Dell'Aquila be given a platform to

present his plans for a \$1.2 billion development on waterfront land he owns in the northern end of the city.

The public hearing on the municipal budget will follow.

The budget is up \$3 million over last year because solid waste removal costs increased by \$1.1 million, and the city must pay an extra \$1.6 million in collective bargaining agreements, and a further \$740,000 in employee benefits, Pasculli said.

He said the budget does not cut city services but calls for the appointment of another 20 foot patrolmen.

The 1988 budget Pasculli introduced maintains the local tax levy, Pasculli said.

Business Administrator Ed Chuis has said that taxes on the average will increase by \$400, but owners of three families houses or less, will see more dramatic increases in their property taxes.



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Eatery cited for pasta and plots

By JEFFREY RUBIN
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HOBOKEN—Nine years ago, Casella's Restaurant on First Street garnered a two-star rating from New York Times food critics, who praised it for its tortellini but weren't partial to the salads. On Tuesday, the Italian restaurant earned an entirely different sort of distinction as law enforcement agents dubbed it one of two locations

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Continued from Page 1

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RICHARD DESCISCIO

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DeSciscio was also arrested in a Jersey City arson which resulted in the death of Gerald (Napp) Napilitano who sources said, was associated with the Genovese crime family. The torching occurred Nov. 1, 1973 inside a six-family frame house on Armstrong Avenue. DeSciscio was arrested March 6, 1974 and indicted by a grand jury, but found not guilty of the charge, Bayonne police said.

Bayonne police records show that since he was 18, DeSciscio was also arrested outside of Bayonne on charges of assault, stolen vehicle, stolen property, burglary and larceny. No dates or convictions were available on these records. State Police evidence heard at the Senate hearings also included gambling, loansharking and collusive theft charges against DeSciscio.

Bayonne police have on record that DeSciscio was arrested February 19, 1982, in North Hackensack but police in Hackensack and nearby River Edge could not confirm that yesterday.

He was arrested by Bayonne police March 10, 1983 on a Jersey City Municipal Court warrant for failure to appear.

On police records, he listed truck driver as his occupation, but at the time of his arrest DeSciscio was unemployed. Bayonne police detectives said yesterday they never knew DeSciscio to be employed by a trucking company.

State police evidence heard before the U.S. Senate stated that DeSciscio served as a courier between the late reputed mob figure John DiGillo and Genovese caporegime Venero "Benny Eggs" Mangano.

DeSciscio's Bayonne address, as listed on the federal indictment, on West 23rd Street, is a two-family brick attached apartment, part of a U-shaped, six-building complex surrounded by trees and grass.

DeSciscio was born and raised in Jersey City. Since coming to Bayonne, police said, he has lived in a few uptown and downtown residences. For the last 10 years, they said, he

chauffeured the late John DiGillo.

THOMAS FALLACARA

Thomas "Trolley" Fallacara, 50, may be a gangster as far as federal officials go, but on Jersey City's Second Street where he lived and operated a cafe he was known as "a good man with a good family."

Fallacara, swept up with 21 other alleged mobsters in federal raids Tuesday, is considered by many of the people of Second Street and some who drank coffee in the Village Coffee Shop, as the kind of guy who would buy you lunch and help you get into the construction trade.

Pete, an ex-Marine and daily visitor to the coffee shop said he has been around Second Street all his life and never has heard harsh words about the man federal officials say allowed the shop he worked in to be used as a meeting place for mobsters plotting the murders of John and Gene Gotti.

"In all the time I've been going in there (the coffee shop) I've never seen anything that would indicate or imply that mobsters from New York were involved. Trolley was just a nice guy who would do anything to help the next guy," said Pete, who would not give his last name.

A mother and daughter sitting on the stoop of a home near Fallacara's house were protective of their neighbor. The mother said, "He was a good guy with a good family that minded its own business. The government has hurt that family, that's all."

Another Jersey City man who pulled up in a big black car and peered into the local Democratic club two doors away from the coffee shop said, "I don't believe that. I don't think he was with them (the other people arrested). He was just a construction worker—all his life."

That same man said "Trolley" never got into trouble. "He ran a place where union construction workers would shape up and go to work," he said.

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By The Associated Press

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Among those arrested in pre-dawn raids Tuesday were Casella's 71-year-old owner, Martin "Motts" Casella of Secaucus, and 27-year-old Hoboken resident John Derrico, a Casella's employee who reportedly contributed his two cents to the Gotti caper with advice about how to kill the Gambino bigs.

But despite these arrests and the detention of the two men at the Metropolitan Correctional Center in Manhattan, employees of Casella's took a business-as-usual attitude yesterday afternoon. Although closed on Tuesday, the restaurant was open yesterday, even if mouths there were shut tight.

"We're just watchin' the place until he (Casella) gets back," said an elderly anonymous man with a high black pompadour and thick white sideburns who was manning the black marble bar.

His associate, a muscular man in a red T-shirt, was less diplomatic toward visitors who asked questions about Tuesday's indictment. "We're innocent people," he said insistently. "We don't wanna talk at

nothing."

In the absence of Casella, a big, florid man with loud ties pictured in several framed pictures around the restaurant, the reputed Genovese adviser's presence is still felt by employees who have apparently been sworn to silence.

Despite such vows, Casella's has emerged in law enforcement annals as a hot spot for Cosa Nostra gatherings. In 1981, IRS agents linked the restaurant, then called Marty's Mile High Tavern, to a 1964 numbers operation and mounted an unsuccessful attempt to collect \$500,000 in back taxes from Casella.

In 1983, an FBI affidavit described Casella's Restaurant as "a regular meeting place for

known felons and members of the Genovese La Cosa Nostra family."

The affidavit, filed in an attempt to link Paramus resident Robert Fischetti to Manna and other Genovese figures, also called Casella a conduit of information and money for Manna.

To those local diners who are unaware of the elegant, dimly lit restaurant's darker side, news of this week's indictments came as a shock.

"As a matter of fact, I've eaten there several times," said lawyer Matthew Connolly, whose office is across the street from Casella's.

"They've got pretty good food," said Connolly, who favors the tortellini alfredo.

These are 3 targets of indictments

Of the 22 people named Tuesday in two federal racketeering indictments, 13 are from Hudson County. What follows are brief profiles of three:

FRANK DANIELLO

For 21 years Frank Daniello photographed and fingerprinted the criminal element in Hoboken. Tuesday, the former police lieutenant who was dismissed 10 years ago for his part in an airline ticket scam, was on the other side of the camera and ink pad.

Daniello was one of 22 alleged members of the Genovese crime family who

were arrested on racketeering charges. Two other Hoboken figures also were arrested: Martin Casella, 71, owner of Casella's Restaurant, and John Derrico, 27, of Jefferson Street, who, sources said, worked at the restaurant as a cook.

Daniello, 67, lives on Grand Street. He has two children, a son and daughter both in their 30s.

Daniello, who was named as a conspirator in the plot to kill Gambino crime family leaders John Gotti and his brother Gene, apparently made bail. Neighbors said that yesterday he made a brief stop at his home at about 1 p.m. He was dropped

off from a four-wheel drive vehicle, went inside and later walked down the block. His sister, however, said that she had not seen him all day.

Sources said that Daniello, affectionately known as "Dipsy," was a regular at Casella's, one of the restaurants the federal government bugged. "That's where he always was," the source said, adding that Daniello may have worked there because he was seen moving tables.

Daniello joined the Hoboken police department in 1946 as a patrolman. In 1950,

See THESE ARE 3 — Page 17.

FBI warning

Mob war brewing

Indicted trio's rivals may seize vice empire

By MATTHEW DIETRICH

Staff Writer

The mob war for control of Hudson County's gambling and labor rackets could begin as soon as tomorrow, depending on whether three reputed crime bosses indicted Tuesday are held in federal custody until their trials, a federal official said yesterday.

FBI Special Agent John C. McGinley said yesterday that if three alleged Genovese family kingpins—Anthony Louis "Bobby" Manna, Martin "Motts" Casella and Richard "Bocci" DeSciscio—are denied bail at a detention hearing tomorrow, rival families could move quickly to assume control of waterfront vice.

He said that if Manna was not allowed to stay out and in control of his street operations,



ANTHONY L. MANNA
Bail hearing is key

competing families could move quickly to put their people in place.

McGinley said, however, that he expects the rival gangs will restrain themselves until the dust settles from Tuesday's in-

Please see MANNA Page 39

Including 25 teachers

66 rehired by school board

By JOHN ROFE

Staff Writer

HOBOKEN—The Board of Education last night rehired 66 school employees including teachers and administrators, leaving 52 out of work, at least until the state Board of Education rules on whether \$2.8 million should be reinstated to the city's school budget.

The board voted to hire back 25 teachers, most of them in special education, 20 administrators and supervisors, and 21 non-certified employees in a well-attended meeting at the Wallace School.

By rehiring the administrators and supervisors, who were laid off in April, the board assured that personnel will be in place during the summer to begin implementing the state Department of Education Level 3 monitoring plan, according to Trustee Gerard Costa. The district is one of three in Hudson County in the last level of evaluation before the state can contemplate a take over.

Costa and Schools Superintendent Walter J. Fine said the administrators rehired last night would work on the curriculum portion of the testing.

Noting that he did not know

how long the district had to adhere to state education standards, Costa said "The improvement plan is in place. We are in the process of implementing it."

Costa and Trustee Vivian Flora-DiStasio abstained on one of the two resolutions to rehire the school employees, saying that they were unsure whether the district needed them. Costa and Flora-DiStasio are normally joined by Lourdes Arroyo, who voted with the majority last night.

"Our position is that the school district has been used as an employment service," Costa said. "The ones that were let go were the ones recently hired."

Costa said he expected much of the \$2.8 million cut by the City Council to be reinstated to the budget when the state education department rules on the local board's appeal of the cuts.

In other business, the board delayed review of a proposal for an asbestos survey of school buildings. Costa said he had questions about one of four proposals submitted to the board but received the information he needed just the night before the meeting and had not had time to review it.

Council has big agenda tonight

By Jo-Ann Moriarty

6-29-88

The Hoboken City Council will consider an ambitious agenda tonight with items ranging from a \$31 million municipal budget to developing the waterfront and buying a police van.

The 6 p.m. special meeting was called by Mayor Patrick Pasculli who has asked the council to approve a \$1 million bond to buy public works equipment and a police van for \$140,000 to curb drug dealing in the Monroe and Third streets area.

Pasculli said he is also hoping that the council will approve a resolution allowing him to negotiate about the city-owned waterfront land with the Port Authority.

The resolution prepared by the Law Department also requests that the mayor and City Council President Robert Ranieri be given the authority to "investigate the costs involved

before entering into any joint agreement with the Port Authority."

However, City Clerk James Farina said yesterday that a vote tonight on the P.A. resolution would be improper because, in the public notice of the special meeting, Pasculli used the language "discussion on City/P.A. initiatives for waterfront development" rather than giving public notice to a vote on the resolution.

The mayor also has posted a public notice about a discussion to give a progress report on the city's attempt to build a secondary waste water treatment plant. The city is under a deadline from the state to build the plant and the state Department of Environmental Protection has placed a moratorium on hookups to sewers until the plant has been built.

Pasculli is also requesting that developer Anthony Dell'Aquila be given a platform to

present his plans for a \$1.2 billion development on waterfront land he owns in the northern end of the city.

The public hearing on the municipal budget will follow.

The budget is up \$3 million over last year because solid waste removal costs increased by \$1.1 million, and the city must pay an extra \$1.6 million in collective bargaining agreements, and a further \$740,000 in employee benefits, Pasculli said.

He said the budget does not cut city services but calls for the appointment of another 20 foot patrolmen.

The 1988 budget Pasculli introduced maintains the local tax levy, Pasculli said.

Business Administrator Ed Chavis has said that taxes on the average will increase by \$400, but owners of three families houses or less, will see more dramatic increases in their property taxes.

Demolition to proceed under pact

By John Petrick 6-29-88

Demolition of abandoned buildings containing asbestos on a 65-acre tract in Hoboken will proceed in line with state and federal guidelines under an agreement reached in state Superior Court yesterday between the city and developers Anthony Dell' Aquila and Harry Grant.

Hoboken Law Director Eugene O'Connell said, however, that the city will file violations against the developers for "false and misleading statements" and for beginning demolition without a permit on June 1.

The developers are demolishing structures on the property, located between the Maxwell House building and the Wechawken border, to make way for a \$1.2 billion mixed-use development.

Dell' Aquila previously had the buildings examined for asbestos and had an asbestos-removal contractor clear the structures of the substance.

This spring, the developers began demolition and discovered additional asbestos in one of the half-razed buildings. The city's building department alerted the state Department of Environmental Protection and Federal Environmental Protection Agency, which sent inspectors to the site.

According to briefs filed by the developers' attorneys, those inspectors said demolition should proceed and that any debris containing asbestos should be separated and handled in line with legal requirements.

The city's Law Department, according to O'Connell, learned of the asbestos last Thursday and issued the stop-work order.

The developers retained a licensed asbestos removal contractor, according to attorneys. Hoboken, however, still refused to rescind its order.

Dell' Aquila and Grant filed a stop-work order before Superior Court Judge Maurice Gallipoli Friday, and the judge allowed DEP-monitored demolition to continue pending the outcome of further court proceedings.

The developers dropped their suit yesterday, and stated in a consent order that they will:

- retain the DEP-licensed firm NAACO of Paterson.
- receive certification from a licensed asbestos removal contractor that no asbestos is present in a building to be demolished.
- obtain authorization from the EPA and DEP to proceed with asbestos removal from those buildings that do contain the substance.
- comply with EPA and DEP regulations in removing all debris.

O'Connell said that by the developers' own admission, they proceeded with demolition on June 17 before obtaining the permits, they supplied the city on June 22 with documents and certifications stating that there was no visible signs of further asbestos in the buildings.

O'Connell said yesterday the city will penalize the developers for starting work without permits, and for misleading statements about the lack of asbestos inside the abandoned structures.

Frank Leanza, attorney for Dell' Aquila, noted that "the certification said there were no visible signs of asbestos — and that was not false."

Alexandra Callam, assistant regional counsel for the EPA in New York City, said yesterday the agency is considering whether to file a suit seeking fines from the developers for failing to remove all asbestos prior to demolition.

She said if the EPA goes through with such a suit, it would be "a long way down the line."

Designer Eckstut is Pasculli pick

HOBOKEN—After a meeting yesterday with Port Authority officials, the city is poised to hire urban designer Stan Eckstut to help draw up preliminary ideas for a waterfront project, a source said yesterday.

Mayor Patrick Pasculli said only that the Port Authority of New York and New Jersey has agreed that the city should hire an unnamed urban planner. But a source close to Pasculli said Eckstut, a Manhattan engineer who designed Battery Park City in Lower Manhattan, is Pasculli's choice.

The authority and the city are discussing forming an alliance to plan a project on 17.5 acres of city-owned waterfront property. Yesterday's meeting between the two sides was one of several during the past few weeks concerning a possible joint project.

—CHRISTOPHER AVE

Some teachers to regain jobs

By Patricia Scott 6-29-88

The Hoboken Board of Education is tonight expected to re-hire some of the school district's laid-off teachers and to choose a firm to conduct studies on asbestos removal procedures at two public grammar schools.

A total of 56 public school teachers received lay off notices in April shortly after the resounding defeat of the board's proposed \$27.3 million budget. Many of those instructors may be hired back tonight, according to school board members.

"Frankly I'd like to see them all hired back," said trustee James Farina. "My group is going to be pushing to re-establish the employee level we had, which is the only way to proceed positively, considering we're still in Level III." Farina is aligned with former board president Richard England and trustee Geraldine Pantoliano.

Hoboken's public schools remain under state monitoring and, although state Education Commissioner Saul Cooper last month said he has no plan to initiate a takeover of the local school system, constant surveillance by the state continues.

The board's most recently elected trustees, however, have been stressing frugality and budget-trimming and are expected to oppose any massive hiring-back of laid off faculty.

Trustees Gerry Costa, Vivian Flora-DiStaso, Felix Rivera and Board President Joseph Rafter have pledged to cut the fat from the school budget and dispense with excessive employee ranks across the board.

Trustee Lourdes Arroyo, once closely aligned with Rafter and other members of the Committee for A Quality Education organization, has vocally opposed both major faculty cutbacks and last week's decision to close Rue School, the Garden Street facility that only a few years ago underwent a \$2 million renovation job.

"I honestly have no idea how many teachers they'll decide to hire back (tonight)," said School Business Administrator Tony Curko. "It could go either way at this point."

The board is definitely expected, however, to choose the Northeast Analytical Corporation of Medford to conduct studies on asbestos removal at two grammar schools, the Brandt and Rue schools.

Four firms bid for the job, and NAC submitted the lowest figure of \$52,550.

For that money, NAC will conduct asbestos testing at the seven grammar schools, high school and Kennedy Stadium and present the school board and state with detailed reports on where asbestos should be removed and the best removal methods. Either NAC or another firm will then carry out the removal project this fall.

The company, if chosen tonight, has until Oct. 12 to complete its asbestos reports and submit them to board officials and the state.

Historic hotel sold

By Bill Campbell 7-1-88

The landmark Hotel Victor in Hoboken, purchased two years ago by developer Patrick Reynolds for \$1.5 million, was sold yesterday at a Hudson County Sheriff's sale for \$725,000.

Reynolds, who was indicted two weeks ago by a Hudson County grand jury on three counts of fraud, did not attempt to reclaim the building. The family of the building's late owner foreclosed on Reynolds he after defaulted on the mortgage.

Donald Creighton, representing the estate of Kenneth Rivara, outbid Hoboken developer Richard Miller for the

five-story Queen Anne style building on Hudson Place.

The sale comes after months of uncertainty over the fate of the building and after several aborted attempts to auction it off. Creighton was unavailable after the sale to comment on the building's future.

Before the proceedings, Roger Lowenstein, Creighton's law partner, said he expected Reynolds to ask for another postponement. Two weeks ago, Reynolds' wife won a postponement claiming her husband was attempting to refinance the building.

Reynolds, who did not at-

See HISTORIC — Page 12.

Historic hotel sold

Continued from Page 1

tend the auction, was unavailable for comment. In previous interviews, he said he planned to renovate the historic building as an upscale hotel. Reynolds said he planned to add two to four stories to the building which sits one block from the Erie-Lackawanna Terminal and the PATH.

Miller, who developed the Grand-Adams, a luxury rental project on Third Street, said he wanted to develop the Victor, but "the price was too high."

Creighton started the bid-

ding at \$500 which increased in \$5,000 and \$10,000 increments. Miller and Creighton were the only two bidders.

Miller said any plans to renovate the building would be costly because of the small floor space and lack of elevators. He said the entire building contains only 8,500 feet of selling space.

The Victor was built in the 1880s and sold to the Rivara family in 1926. When it closed two years ago, the building was one of only two single-room occupancy hotels in Hoboken.

Sewer suds a Hoboken puzzler

By Patricia Scott 7-1-88

Hoboken's Public Works Department will test next week to determine where soap-filled sewage that has been washing up from sewers at 11th and Hudson streets is coming from.

Department director Roy Haack said Boswell Engineers will lend city workers several testing machines to take samples at local factories.

"We have four or five big industries we want to look into," said Haack. "All of them said they have no knowledge of the problem, but sample-testing will allow us to pinpoint what's happening."

Residents have complained that sewers outside their homes are spewing dirty

bubbles of foam and soap suds every day.

The dirty foam has been flowing up out of the sewers every morning, residents said, and city employees have made twice-daily trips to the area to hose down and disinfect the

street. Haack said it was first thought to be a sewer backup but now the substance appears to be a concentrated liquid detergent. "We have no idea what it is, but we want it gone," he said.

11th Street residents said the area was washed down yesterday morning by the Public Works Department, but the bubbles erupted again at noon. Haack said his department will continue cleaning up the foam until the cause is found.

Gans tells why

West Bank won't drop 2 Park Avenue towers

By JUDY TEMES

Business Writer

HOBOKEN—The developer who lost a three-year fight last week to build a multimillion-dollar condominium project on the city's northern edge said yesterday he plans to press ahead with his project.

West Bank Construction, which hopes to build the two 25-story towers at 1600 Park Ave., plans to appeal a Hudson County Superior Court decision last week that nullified a variance granted for the project on January 1985.

Daniel Gans, a principal in West Bank, said yesterday he also plans to bring the project

before the Zoning Board of Adjustment again.

Construction on the project has been blocked since 1985 by a suit filed by developer Anthony Dell'Aquila, who claimed that the project would play havoc with traffic coming in and out of the city, and that the two 25-story towers would block the view from his project — a \$1.2-billion development proposed for the waterfront that also includes a 61-story condominium tower.

Judge Maurice J. Gallipoli of Superior Court in Jersey City ruled on Thursday that the variance given for the project deviates too much from the city's

zoning code. Gans said the ruling will set him back significantly, but he is not giving up.

"We're not walking away from this," he said. "It's still a viable project, and it holds a lot of benefits for the city."

Gans said the project could generate \$2 million a year in taxes for the city.

Gans said he has settled another lawsuit filed against the project last week by investor Doris Palumbo, who made a \$275,000 down payment on the property in 1984. She claimed that West Bank now owes her \$183,333 because she received no profit from her investment.

Spurned developer says Dell' Aquila broke word

By John Petrick

Hoboken developer Murray Connell yesterday filed civil suit in Superior Court against former business associate Anthony Dell' Aquila, claiming that broken promises between friends has sent millions of dollars down the drain.

Connell, Connell Contracting and Eastern Security Management say they have suffered damages of at least \$3.5 million because Dell' Aquila dumped them from participating in a sprawling mixed-use development to be constructed along Hoboken's northern waterfront.

According to the suit, Connell spent two years preparing for the project after Dell' Aquila made repeated promises that they would be partners.

Dell' Aquila is currently developing the 65-acre site with Harry Grant of Fort Lee.

Dell' Aquila approached Connell in July of 1986 about forming a partnership to develop the property, according to the suit. "With the knowledge and consent of Dell' Aquila, Connell and Connell Contracting thereafter committed their personnel virtually on a full-time basis to the development of the properties..." the suit states.

The work included development of a preliminary master site plan, obtaining engineering feasibility studies, devising marketing studies, preparing budgets and archi-

tectural designs, and exploring potential financing.

Connell, according to the suit, obtained loans totaling \$12 million for property cleanup and acquisition costs.

On July 31 of last year, the two agreed in a "letter of intent" to form a limited partnership called Waterfront Center, the suit states. Connell provided a \$1 million deposit. According to the plaintiff, a certificate of limited partnership was filed with the Delaware and New Jersey Secretary of State offices.

As part of the agreement, plaintiff Eastern Security Management would perform all management services for the properties. Connell Contracting was to perform all necessary renovation work.

According to the suit, Dell' Aquila promised Connell, Connell Contracting and Eastern that they would remain an equal participant in the project should another party be brought into the joint venture. If the project was sold, Dell' Aquila promised to return Connell's \$1 million deposit.

"Connell believed the representations and promises made by Dell' Aquila because of the close friendship, trust and confidential relationship existing between them..." the suit states.

But on June 2 of this year, Dell' Aquila reneged on his promise by entering into a contract with Grant and dropping the plaintiffs from the project.

What's more, according to the suit, Dell' Aquila announced that the plaintiffs "would not now receive any payment for work, labor and services they had performed, reimbursement for expenses incurred or return of the \$1 million deposit and might never receive such payment."

The plaintiffs charge Dell' Aquila with breach of contract, unjust enrichment and fraud.

An attorney for Dell' Aquila could not be reached for comment.

In illustrating the close personal relationship the two entrepreneurs once shared, the suit describes Dell' Aquila as Connell's "most trusted friend and the godfather of Connell's infant son."

In a separate matter, attorneys said yesterday they have put on hold a suit filed against Connell by one of his partners in Madison Restoration Associates for allegedly diverting \$320,000 that was earmarked for renovation of the old Madison Hotel on Washington Street.

According to the civil suit, 46 percent of the money to be spent on the Madison has been reallocated for other purposes. Some of the money, according to the suit, was transferred from Connell to Dell' Aquila.

Attorneys representing the plaintiffs in that case say they have entered into negotiations with Dell' Aquila and hope to reach a settlement.

Tower loses court fight

Continued from Page 1

city and additional parking spaces to the area and that it will bring other "general social benefits" to the city.

Gallipoli was particularly critical of the board's lack of common courtesy to the inquiring public. He said that, judging from a transcript of the board's January 10, 1986 meeting, "It seems civility was a non-entity here. There was discourtesy abounding."

Dell' Aquila asked the board at the January meeting to continue hearings on the variance request until he had more time to review the application, but the board denied the request.

The judge questioned why the board did not continue the matter. He noted that it is the public whose interests should have been the board's overriding concern, and that sufficient time should have been given to let Dell' Aquila voice his concerns.

Attorney Roger A. Lowenstein, attorney for West Bank principals Daniel Gans and George Vallone, said a new application will be filed with the board. "I think time is of the essence. We'll have to go back and correct the appearance of defects," he said.

"There is nothing substan-

tively wrong with this project," he added. "The data is there, the project is a good one. The only person who doesn't think so is Anthony Dell' Aquila."

The developers began razing an abandoned warehouse on the site several months ago, and they advertised for occupancy to begin next summer.

It was learned following yesterday morning's hearing that Doris Palumbo, an investor in the project, has filed a suit asking for two-thirds of her money back because West Bank's option to buy the property from 61 Associates — a New York corporation — expired on June 13.

As a result, the suit states, her joint venture with Gans and Vallone failed "and no profit was or can be achieved."

Palumbo, wife of former Hoboken City Attorney Frederick Woeckener, invested \$275,000 in the project in 1984. Palumbo entered into a contract with Frank Lambie Realty Company to buy the property on the contingency that the Board of Adjustment approved the development.

Gans, Vallone, and Woeckener — who is acting as Palumbo's attorney — could not be reached to explain the fate of the development in light of assertions made in the suit.

Broker names self as victim

By NINA SHAPIRO

Staff Writer

HOBOKEN—A stockbroker here has added his name to the list of those allegedly swindled by local developer Patrick Reynolds, police said yesterday.

Police charged Reynolds with theft by deception in a summons sent to the developer's attorney, Dennis D.S. McAlevy of Hoboken. Reynolds is to appear in Hudson County Central Judicial Processing Court in Jersey City on a date not yet determined.

The developer, indicted two weeks ago in connection with the defrauding of three investors of \$30,000, allegedly stole \$19,500 from stockbroker Joseph Falk, police said. Falk, 25, of the 200 block of Park Avenue, paid the money to Reynolds in installments from October 1986 to October 1987 as a down payment for a \$115,000 condominium at 209 Bloomfield St., police said.

Reynolds neither made good on the condominium nor refunded the money, police said.

Neither Reynolds nor his attorney could be reached last night.

Police said Falk complained to police on the advice of his at-

torney, with whose help he is bringing a civil suit against Reynolds. Falk allegedly attempted a closing on the condominium three times. Each time, a title search revealed liens on the property. The last closing attempt was in October.

Reynolds — who could not be found for three months after the initial charges surfaced in March and eventually turned himself in to the County Prosecutor's Office on June 21 — pleaded not guilty to three counts of fraud later that day in Superior Court in Jersey City. He was released on his own recognizance after posting a \$10,000 bail bond.

Reynolds told Judge Kevin G. Callahan that he lived on Park Avenue in Manhattan, but refused to explain his elusiveness to the judge or reporters. A hearing before Callahan is scheduled for July 26.

The indictment charges Reynolds with taking about \$30,000 from an escrow account which held down payment money from three prospective condominium buyers: Joseph DeLoreto and Ciro Mangione, both of Newark, and Rae DeLoreto of Lake Hiawatha.

Hoboken condo variance voided

By JEFFREY HOFF
Staff Writer

After three years of legal gyrations, a proposed Hoboken highrise residential complex overlooking the Manhattan skyline was dealt two damaging blows yesterday, one by a judge and another by a major investor.

The variance given for the proposed 25-story, 412-unit condominium at 1601 Park Ave. in 1985 was declared null and void by Judge Maurice J. Gallipoli of Hudson County Superior Court in Jersey City.

Developers Daniel Gans and George

jeopardized by a lawsuit first revealed in court yesterday filed by Doris Palumbo, who made a \$275,000 down payment for the property in 1984. Palumbo charges in her suit that Gans and Vallone now owe her \$183,333 because she has received no profit from her investment. The suit maintains that the initial contract to purchase the property became invalid June 13 because the developers never secured a variance to build.

Lowenstein refused to comment on that suit, maintaining he did not negotiate the contract to purchase. Gans and

Vallone were visibly shaken as they listened to the decision which threatens their multimillion-dollar project. "I don't know what we will do," Gans said as he walked out of court with his head down. He would make no other comment.

However, the developers' attorney, Roger Lowenstein of Hoboken said he will recommend to his clients that they go back immediately before the city Zoning Board of Adjustment with the same proposal for which they received the variance on Jan. 21, 1985.

The project apparently was further

Vallone did not return phone calls to discuss the suit made to the office of their Westbank Construction Co. in Hoboken.

Palumbo is the wife of Frederick L. Woelckner, the former city law director.

Gallipoli said he nullified the original variance because no satisfactory or detailed reasons were given for allowing the project's great deviation from the city's zoning code. The judge raised questions about the propriety of the wife of the city law director being in the position to profit because of the vari-

ance, but said these questions did not influence his decision.

Yesterday's decision was sparked by a nearly 4-year rivalry between Westbank and another major waterfront developer, Anthony Dell'Aquila, who owns a substantial plot just to the east of Westbank's.

Gallipoli's decision, and an appellate court decision of May reversing an earlier Superior Court ruling, criticized the actions of both parties' attorneys and the zoning board. The judges also raised questions about Woelckner's propriety.

AREZZO

CONTINUED FROM PAGE 1

'anything we needed' Mr. Arezzo 'would do' and if there was 'anything we needed,' we were to let Mr. Arezzo know, with respect to said demolition," the letter states.

"However," the letter continues, "Mr. Arezzo made it clear his aforementioned 'cooperation' would be contingent upon my hiring City Construction Development Inc. to perform the demolition work."

A copy of City Construction Development's bid, attached to the letter, shows a \$125,000 price for the demolition of a one-story steel building. Grant said yesterday he hired three other companies to complete the demolition. He said the companies proposed to demolish the building for \$15,000.

The president of City Construction Development, Frank Moscatto, could not be reached yesterday for comment.

Grant's letter also states that the city issued a stop-work order for the site on the day after the developer chose not to hire City Construction Development.

But Grant said yesterday he had begun demolition at the site before obtaining permits from the Department of Buildings. After the stop-work order was issued on June 17, city officials said they stalled the project because the developer had not completed necessary paperwork.

Work at the site has slowed at a crawl since that date. The city issued a second stop-work order less than a week later, after workers discovered asbestos in buildings set for demolition. Limited work was later approved by a Hudson County Superior Court judge.

Ex-cop familiar probe target

By Peter Weiss

Frank Daniello, the former Hoboken police lieutenant indicted this week on racketeering charges and allegedly a member of the Genovese crime family, is no stranger to federal investigators.

Nearly three decades ago Daniello was taped by federal investigators who were focusing on New Jersey mob boss Ray DeCarlo. Daniello was dismissed as a cop in 1972 after a conviction in an airline ticket scam.

Daniello was recorded with DeCarlo several times, according to a 1975 book about those tapes, "The Jersey Mob," by Henry Zeigler.

On at least three occasions Daniello and other Hoboken policemen, including Tipsey Drew, met with DeCarlo.

Also on some of the tapes is Louis (Bobby) Manna, the alleged leader of a scheme to murder rival John Gotti. Manna, the reputed mob boss of Hudson County, was also among those arrested this week.

In a Nov. 14, 1961 tape, Daniello talks with DeCarlo about how to organize an illegal gambling operation in Hoboken. Two months earlier, Daniello is part of a conversation about loansharking.

In the conversation about loansharking, Daniello suggests a way to deal with someone who has not been paying back one of the illegal loans.

"Tipsey wants to send him

to jail. Frame him or something. He needs a trip up."

Daniello is asked what he means by "frame him?"

"Oh, hit a judge's car or something," replies Daniello.

At one point Drew tells Daniello, "Frank, you're so far over the line, you never wore out a straight line yet."

Daniello also talks to De-

Carlo about getting charges dropped for an acquaintance's son who had been arrested for

pulling a fake gun on a Hoboken bartender during a dispute. They talk about problems with dropping the charges because they don't get along with an unnamed police official who handles those matters.

In an undated conversation, DeCarlo complains to Manna that he's disgusted with running illegal crap games because the underlings in charge are inefficient and it is costing too much for protection.

Builder: I was cut out of project deal

By JUDY TEMES
Business Writer

HOBOKEN—It was less than a year ago that Murray Connell beat out a New York City real estate tycoon to develop a prime piece of the Gold Coast waterfront with Anthony Dell'Aquila.

But what appeared like a David versus Goliath story at the time has gone awry.

Connell on Friday filed a six-count, multimillion-dollar lawsuit in Hudson County Superior Court in Jersey City against Dell'Aquila, the man he chose to be the godfather of his infant son, claiming — among other things — that the millionaire garment industry executive stripped him of his rights to the \$1 billion project and cut him out of a partnership deal after promising to include him.

Connell is seeking \$25 million in lost profits, \$3.5 million in services for the project and \$1 million a year in lost revenues for his real estate management company. He also wants the return of a \$1 million deposit that he gave Dell'Aquila in exchange for the rights to develop the project.

Connell, who said he has considered Dell'Aquila a "most trusted friend," said yesterday he filed the lawsuit only after it became apparent that Dell'Aquila was not going to keep his word. "There was no other alternative," he said.

Dell'Aquila, however, dismissed the suit yesterday as "sour grapes," saying he made no promises to Connell. He said Connell took a legitimate business risk and lost.

"It's frivolous," he said in an interview from his office yesterday. "It's not material. There were no promises to make him a partner. He had an opportunity to bring a deal to me, and he couldn't come up with the money. ... I understand his feelings. No one likes to be disappointed. The opportunity was there, but it doesn't stay forever."

Connell alleges in the suit that he committed two years of full time to the planned \$1 billion development, and the resources of his two companies — Connell Contracting Inc. and Eastern Security Management — and spent \$2.3 million on the project hiring lawyers and architects.

His attorney, Frederick Nicoll of the Morristown firm of Shanley and Fisher,

said the two men signed a letter of intent and formed a limited partnership to develop Dell'Aquila's 63-acre tract on the city's northern border. Under the agreement, it was Connell's job to round up financing for the project. Through no fault of Connell, several attempts to obtain \$75 million in loans fell through, Nicoll said, until a Sept. 30 deadline passed.

According to Nicoll, both men agreed to an extension, and a \$100 million loan commitment was in the works when Dell'Aquila signed on with developer Harry Grant of Fort Lee, leaving Connell in the cold.

Grant and Dell'Aquila announced a \$1.2 billion development plan for the site last month. Dell'Aquila said Grant has financing lined up through the end of the project.

PASCULLI

CONTINUED FROM PAGE 1

are getting these monstrous proposals."

The November race is a special election to fill out Vezzetti's unexpired term, which ends in May. Vezzetti, who died of a heart attack March 2, was succeeded by Pasculli, who was the City Council president and a frequent foe of the late mayor. Pasculli was chosen by the council to serve until Nov. 8. If he loses, the victor's term will begin Nov. 9 and end after the regularly scheduled May election.

Also up for grabs in the election is Pasculli's at-large council seat.

The following is a short synopsis of the likely mayoral candidates' political affiliations and November plans:

■ Pasculli. A definite candidate who raised about \$25,000 in a fund-raiser two months ago. As a councilman, Pasculli ran with Vezzetti in 1985, splitting from the reform mayor only two weeks after the pair took office.

Pasculli said he will focus his campaign on his efforts to reduce taxes, stimulate development and improve city services. He has the firm support of Councilmen David Roberts and E. Norman Wilson, and, at least so far, the tepid support of Councilman Steve Cappiello, a former mayor, and council President Robert A. Ranieri. Although local elections here are nonpartisan, Pasculli has the support of the local Democratic

organization, led by his friend and adviser, Assemblyman Bernard F. Kenny Jr. Pasculli said he has not picked a running mate for council, and is considering running without one.

■ The reform movement. The followers of Vezzetti have yet to announce their mayoral candidate, although Della Fave — who Vezzetti considered a son and whose base is Vezzetti's 2nd Ward — seems the most likely. Also contending for the position are Councilwoman Helen Cunningham and Councilman Thomas Newman.

The reformers' campaign focus will be twofold: to attack Pasculli for his opposition to a landmark affordable-housing ordinance and for his appointments; and to discuss housing and other ordinances passed under Vezzetti.

Deprived of the luxury of incumbency by Vezzetti's death, the reformers are hoping to duplicate Vezzetti's upset win in 1985. They lack the support of an established political organization; instead, they plan to attract a mix of tenants, new condominium owners and old-time homeowners.

■ Robert King. The lifelong city resident and Manhattan teacher declared his candidacy for mayor last week. King, considered the dark horse, is running on a platform of fiscal restraint.

Violations Bureau goes hi-tech in scofflaw fight

By Patricia Scott

The Hoboken Violations Bureau will move upstairs in City Hall next week to newly-revamped, computerized quarters where it can zero in on traffic scofflaws.

The bureau has been mailing 3,000 "failure to appear" notices weekly to those who have not paid overdue parking tickets.

With the move, they will have three computerized networks, instead of one, to mail 5,000 notices weekly.

Marian Roland, chief violations clerk, said she has also launched a parking warrant system. Any scofflaw who fails to respond to a failure-to-appear notice will get an arrest warrant within 30 days and, if that is ignored, the driver's license will be revoked.

"The new approach has been working wonders," said Roland. "We've gotten almost entirely rid of the backlog of old and very old tickets. Now

we're dealing mostly with tickets from 1987 and this year, so people easily remember getting them."

A private data entry firm has computerized the city's entire backlog of unpaid parking tickets, entered more than 200,000 unpaid tickets on its computerized rolls.

By the end of this month, Roland said, she will know how many of such tickets have been paid.

Last month, officials estimated that there were 250,000 unpaid tickets in Hoboken. Applying a law of averages, there are at least 10 unpaid tickets for each of the 10,500 cars registered in Hoboken, she said.

The unpaid ticket problem also faces Jersey City and Union City.

In Jersey City, officials said, there are 72,000 registered cars and close to \$10,000,000 in unpaid tickets. There is \$300,000 in unpaid tickets in Union City, according to court officials.

Jersey City is now considering installing a computer sys-

tem similar to those in Hoboken and Weehawken.

Hoboken officials acted on their ticket crisis before it reached the level North Bergen faced two years ago, when the county was forced to take over all daily operations of the Municipal Court and Violations Bureau for more than six months.

That takeover occurred when thousands of dollars in ticket fees were unaccounted for, and other records were missing. County court officials investigated and found North Bergen's system chaotic and improperly handled. The county training teams, guided by Administrator John Clarke, worked with North Bergen court employees for months, training them on a new computerized system which has since been put into full effect.

The downstairs City Hall area which had served as the Violations Bureau is now Municipal Court Judge Ross London's new chambers.

Mayoral campaign analysis

Development is Hoboken's top issue

By CHRISTOPHER AVE
Staff Writer

HOBOKEN—As the midpoint of Patrick Pasculli's eight-month term as mayor arrives this week, the political players here are already planning their roles and defining the issues in the mayoral campaign — and waterfront development heads the list.

All sides agree that the manner in which the administration deals with such construction plans has become a key question. Pasculli and his supporters say they will portray the mayor's moves as purposeful action designed to speed building plans, in-

crease rates and lower property taxes.

"I am a more proactive mayor, instead of a bureaucratic mayor," Pasculli said, taking a dig at his predecessor, the late Mayor Thomas F. Vezzetti, who Pasculli has accused of being "good at term papers" but not at carrying out policy.

Pasculli's opponents, mainly self-styled reformers who had been allied with Vezzetti, described Pasculli's efforts at stimulating development as disorganized and thoughtless — aimed at helping developers at the expense of the city.

They especially object to Pasculli's sup-

port of development plans by Joseph Barry, a local businessman and newspaper publisher, and the permission Pasculli granted to developer Anthony Dell'Aquila of Hoboken and Hartz Mountain Industries of Secaucus to display models of their sprawling waterfront projects in City Hall. All this has occurred, the opponents charge, as Pasculli has refused to discuss what he wants on the waterfront.

"He's not expressing what the city needs in clear terms," Councilman Joseph Della Fave said of Pasculli. "Because of that, we

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PATRICK PASCULLI
He's running Nov. 8

Hudson opens probe of Arezzo

By CHRISTOPHER AVE

Staff Writer

HOBOKEN—As the city construction code official denied accusations yesterday that he tried to force a developer to hire a Jersey City contractor, the Hudson County Prosecutor's Office launched an investigation into the matter.

The official, Alfred N. Arezzo, yesterday denied charges lodged last week by developer Harry Grant of Fort Lee, who claimed that Arezzo told Grant to use a Jersey City contractor

to demolish buildings on property Grant is developing on the northern waterfront here.

When Grant rejected the contractor, City Construction Development Inc., as too expensive, Arezzo slapped a stop-work order on the demolition, according to Grant.

Mayor Patrick Pasculli said yesterday that officials of the Prosecutor's Office questioned Arezzo and other officials today in connection with Grant's accusations.

Please see PROBE Page 8

PROBE

CONTINUED FROM PAGE 1

But Grant's version of events was challenged yesterday by Arezzo, who called the charges "ridiculous" and asserted that Grant was trying to evade a total of four stop-work orders the city has issued to the developer during the past three weeks.

"I've been around too long to play these kinds of games," Arezzo said. "Just because he's a big-time developer — that doesn't mean he's gonna intimidate me."

Arezzo denied he had lobbied for City Construction, and charged that Grant's partner, Anthony Dell'Aquila of Hoboken, suggested Grant use the contractor, in a meeting the three had more than two weeks ago.

Arezzo said he was telling the partners how to apply for demolition permits when Dell'Aquila suggested City Construction.

"He said, 'Al knows them, don't you, Al?'" Arezzo quoted Dell'Aquila as saying.

"I said, 'I have no problem with them — they've done a lot of work in town before.' And that was it."

Dell'Aquila yesterday refused to comment on Arezzo's version of events, except to say he agreed with "whatever Harry put in the press release," referring to Grant's accusations, which were sent by facsimile machine to The Hudson Dispatch on Friday.

Records filed in the City Clerk's Office show that City Construction was awarded six

Hoboken contracts in the past two years, but that only one, for the "emergency" demolition of a burned-out tenement at 121 Willow Ave., was selected and approved by Arezzo.

As construction code official, Arezzo has the right to choose contractors for demolition in such cases, according to city Law Director Eugene O'Connell.

The Willow Avenue contract paid City Construction \$67,500.

Also yesterday, the city Law Department issued Grant and Dell'Aquila a summons for improper demolition — making it the fifth time that officials have either stopped demolition or slapped fines on the developers in connection with their project planned for the northern waterfront.

The project, dubbed "Grant Marina," is planned for 94 acres of property owned by Dell'Aquila. Demolition of existing buildings there began last month before proper permits were obtained. After the permits were granted, asbestos was found in the buildings, sparking a flurry of stop-work orders from city, state and federal authorities, who voided all such permits until buildings were tested for asbestos.

Yesterday's summons, according to O'Connell, was issued because a one-story building on the site, known as the Sullivan Building, was demolished since last week, before a permit was obtained.



Hartz Mountain Industries president Gene Heller and former Stevens Institute of Technology president Kenneth Rogers on the site of the proposed \$60 million research and technology center in 1987.

Hartz, Stevens Tech to file site plans for \$60M center

By Bill Campbell

After a series of lengthy delays, Hartz Mountain Industries is set to file a final site plan for its \$60 million research and technology center on the Hoboken waterfront.

The project, a joint venture between Hartz and Stevens Institute of Technology, has been in limbo since last year when state environmental regulators began drafting guidelines for waterfront development.

Although the guidelines won't be released until later this summer, Walter Smith, vice president of real estate for Hartz, said site plans for the ambitious project will be filed with Hoboken planners by Friday.

"We are optimistic and ready to go," Smith said. "We believe the new (state) rules will provide flexibility for buildings constructed on platforms."

The state Department of Environmental Protection has proposed waterfront regulations to assure public access to the Hudson River and preserve views. The proposals have delayed plans by Hartz to construct the research and technology center on 12.5 acres of

waterfront land Stevens owns between Sixth and Ninth streets.

In January of 1987, Stevens signed a 95-year lease with Hartz to construct 10 and 13-story buildings containing 600,000 square feet of office space, 20,000 square feet of retail space and a seven-story garage. Most of the project would be built on steel decking over the Hudson River.

Hartz's plans to start the project last July were set back by the pending DEP guidelines. The guidelines, expected to be adopted next month, restrict the height of buildings on piers to 60 feet to protect views from the Palisades and require developers to provide public access to the waterfront.

The DEP's Division of Coastal Resources, which is drafting the regulations, won't comment on the final guidelines. The proposals have been generally well received by local residents and environmentalists, while many developers say the guidelines will stifle future waterfront development.

But Smith said he and other Hartz executives are "opti-

mistic" the joint-Stevens plan will work.

Smith said the Stevens project, unlike many other waterfront developments, will be constructed on a steel platform, not an existing pier. "The (state) waterfront guidelines classify all pile supports as piers, which are basically long and narrow. While the Stevens project involves some pile construction, it will be constructed on a platform," Smith said.

Smith said he believed the new guidelines will "provide more flexibility" for structures built on platforms.

In addition to local and DEP approval, the Hartz-Stevens plan must be sanctioned by the U.S. Army Corps of Engineers.

Smith said that Hartz, which has also proposed a \$500 million project on Hoboken's southern waterfront, is discussing Stevens plan with prospective tenants. He said the project would attract engineering and scientific concerns which would "coexist" with Stevens.

Smith said groundbreaking would begin once all municipal and state permits have been issued.

No testing of suds for at least a week

By Patricia Scott

Residents of 11th Street in Hoboken who are enraged over soap bubbles washing up from sewers in the Washington and Hudson Street area won't be getting any relief for at least another week.

The Boswell engineering firm was supposed to start collecting liquid waste samples at local factories yesterday in an effort to determine where the soap is coming from, but the project won't get started for another 7 to 10 days, according to Public Works Director Roy Haack.

Since last month, inches of filthy, foul-smelling soap foam have been flowing from sewers at the 11th Street site, and residents have complained about the problem to city officials. They are now starting a petition drive. Enraged residents yesterday complained that the hot weather has worsened the problem and that the odor from the suds is nauseating.

Theresa Conway, a 10th Street resident who passes the foam-filled corner twice daily, said she hasn't let her two children play on the streets for two weeks.

"I don't know what's in that stuff," she said. "It could be just soap, but it smells like garbage. I don't think anyone should let kids play anywhere near it."

Haack yesterday said his hopes of beginning the testing program this week have been sidelined.

"We won't get the instruments in place for another week or a little longer," he said. Haack said he received clearance yesterday from the state Department of Environmental Protection to go ahead with the sample-testing, and next week the Boswell firm, under contract with the city, will start bringing in sampling machines.

Thirty local industries will be tested, Haack said.

The machines will be connected to each factory's sewage system hookups and will remain in place seven days, taking continuous readings on the wastes being discharged from each site.

"It's a big project to get organized and the testing is pretty extensive," he said. "That's why it's taking longer to get started."

Haack said Public Works employees will continue hoisting the streets down daily until the testing is conducted.

Hoboken police seek more info on Pace

By Patricia Scott

Hoboken police now know who Kenneth A. Pace is.

Their quest is to find others who also know the man.

Pace, who since June 15 has been in critical condition at Hoboken's St. Mary Hospital, was a mystery man for close to two weeks as police sought his identity. He had no identification when he was found while suffering a convulsion near the Eric Lackawanna tracks. He lapsed into a coma en route to the hospital.

Hoboken police had only his fingerprints and a photo. After the picture appeared in The Jersey Journal, a former work colleague of Pace called detectives and identified him.

Police Sgt. Edward Mecka tracked down Pace's background and found he had worked as a part-time New York Times delivery man and had owned a red 1985 Toyota truck. He also found outstanding driving violations and discovered Pace had been hospitalized before.

Mecka has now learned that Pace has an apartment in Newark at 284 Ridge St.

Police are hoping Newark residents might know friends or relatives of Pace and have some way to alert them of his whereabouts.

Pace, 46 years old, remains in serious condition at the hospital, spokesmen said. Police are asking that anyone with possible information about Pace's relatives or friends contact them at 420-2100.

Hoboken won't sell land

By Jo-Ann Moriarty

Hoboken will not sell its 17.5 acres of dormant waterfront property but rather will lease the land, Mayor Patrick Pasculli said yesterday.

Pasculli, who met with his negotiating team and the Port Authority of New York and New Jersey in a marathon session yesterday, said that his 15-member negotiating team has come to the consensus that the city will not sell its property.

"We have agreed that it is not in the best interest of the city to sell its most valuable asset and we will be looking at a lease arrangement," Pasculli said.

The mayor said it was premature at this time to discuss the specifics of a proposed lease agreement.

But Pasculli stressed the city was negotiating joining with the Port Authority in a public alliance, which most likely would preclude the possibility of leasing the land to the bi-state agency which would serve as the master developer and in turn sublease the land to private developers.

That arrangement with the Port Authority was under consideration during the final years of the administration of former Mayor Steve Cappelletto but was never resolved because he was defeated at the polls.

His successor, the late Thomas Vezetti, inherited that proposal and his administration rejected that offer and began negotiations to form a public-private partnership that would involve both the Port Authority, New Jersey Transit and private developers.

It appears that Pasculli is following the negotiations that were being pursued in the later months of the Vezetti administration, although no involvement of the NJT has been mentioned to date.

In another development, Pasculli, with the consent of the negotiating team, has decided to hire Stanley Eckstut, formerly of Cooper-Eckstut Associates, the New York plan-

ning firm responsible for Battery Park City.

Eckstut also designed the \$600 million huge Hudson Center project for the Port Authority which the bi-state agency unsuccessfully tried to build on the Hoboken waterfront during the Cappelletto administration.

The Port Authority withdrew that plan because of fierce public opposition during the Vezetti administration.

Pasculli said he will ask the City Council next week to hire Eckstut with money the city received from the Port Authority in an insurance settlement from a 1980 fire at Pier B.

He said Eckstut will be asked to plan three schemes and a financial expert will later determine the revenue each

scenario would create for the city.

He said the city now talking with Eckstut "a scope of services to basically help us look at alternatives for scale and density. We've asked for a mini scale, a moderate and a maximum scale."

Eckstut will present plans for a mixed use development for a 2.5 million square foot project, a 3.5 million square foot project and a 4.5 million square foot plan, Pasculli said.

"A financial consultant will be retained by the city to see the revenue for each level," he said.

Again, Pasculli emphasized that the city, not Eckstut, would set the design plans and that city would mandate requirements of open space and public.

4 youths indicted on murder count in Indian's death

By John Petrick

The case that has triggered rage and fear among members of the Asian Indian community came one step closer to trial yesterday, as four youths charged as adults with killing Jersey City resident Navroze Mody were indicted by a Hudson County grand jury.

Hoboken residents Ralph Gonzales, Daniel Luis "Gungio" Acevedo, William "Chinito" Acevedo and Luis "Louie Louie" Padilla are each charged with murder in the indictment.

"We are very satisfied that the case is moving forward," said Jamshid Mody, the victim's father. "Finally, we see that justice is taking place

slowly but surely. This is the first I've heard anything about the case in some time."

Mody, 30, died on Oct. 1 from injuries he suffered in a beating on Sept. 27 outside a Hoboken bar. The four youths were arrested in late October.

On Feb. 26, Superior Court Judge Sal Bovino ruled that the defendants be charged as adults. At the time, Gonzales, Padilla and William Acevedo were 17 and Luis Acevedo was 15.

Had they been tried and convicted as youths, they could have been incarcerated for as little as one year. As adults in the eyes of the law, they now face life in prison if convicted.

Hoboken drug sweep nets slaying defendant

By John Petrick

One of four youths charged with murdering Navroze Mody last year was arrested yesterday on drug charges in Hoboken.

The youth, 17, was free on \$2,500 bail when he was arrested at 6 a.m. yesterday and charged with selling narcotics to an undercover agent from the Hudson County Prosecutor's Office.

He was arrested in a sweep by the prosecutor's Narcotics Strike Force on Third Street near Monroe and Madison streets. Some 30 investigators arrested 14 adults and five juveniles on drug distribution charges.

Judge Kevin Callahan yesterday revoked Ralph Gonzales' former bail and raised it to \$25,000 cash or bond only. Callahan granted Assistant Prosecutor Don Gardner's request to raise the bail because the latest arrest, he said, increases the likelihood that the youth will flee. According to Prosecutor Paul DePascale, Hoboken's Third Street neighborhood has become infested with low-level drug dealers.

Undercover officers made a total of 29 drug purchases before the sweep. The arrests followed a three-week investigation.

The drugs included co-

caine, marijuana and PCP. DePascale said that each sale occurred within 1,000 feet of a school, which is a separate criminal violation. Five of the defendants were also charged with using juveniles to distribute drugs.

Investigators used a special night-vision video camera during their three-week investigation. The adult defendants charged with distributing drugs and distribution within 1,000 feet of a school were Jersey City resident Luis Gutierrez, 22, of Palisade Avenue; Hoboken residents Felix Sanchez, 20, of Madison Street; Jesus Cordova, 19, of Madison Street; Juan Maldonado, 27, of Monroe Street; Mario Vega, 22, of Madison Street; Aida Acevedo, 22, of Harrison Street; Edwin Marrero, 24, of Jackson Street; William Velez, 26, of Jackson Street; and Robert Sanabria, 19, of Madison Street.

Also facing those charges and additional charges of using juveniles in the distribution of drugs are Hoboken residents Manuel Olavarria, 27, of First Street; Javier Marrero, 25, of Jackson Street; John Leak, 19, of Jackson Street; Edwin Lopez, 18, of Jefferson Street; and Daren Figueroa, 22, of Harrison Street.

Because the remaining defendants are juveniles, their names were not released.

Former law director

D'Amelio ruling due Sept. 12

Dispatch 7-8-88

HOBOKEN—The amount that former Law Director Salvatore D'Amelio Jr. owes the city will be decided Sept. 12, a Hudson County Superior Court judge ruled yesterday.

D'Amelio has already been found guilty of conflict of interest for negotiating a building sale dependent on his securing a city permit. D'Amelio and three others, including his girlfriend, netted \$100,000 from the sale of 201-203 Bloomfield St.

How much D'Amelio himself profited is still unknown and will be calculated during the September trial before Assignment Judge Burrell Ives Humphreys in Jersey City. The judge already has ruled that the former law director must turn over his profits from the sale to the city.

—NINA SHAPIRO

Midrise towers planned

Hartz to include walkway and span

By CHRISTOPHER AVE

Staff Writer

HOBOKEN—Hartz Mountain Industries is set to submit plans to the city today for two midrise office towers along Frank Sinatra Drive on the waterfront, the developer said yesterday.

The plans are similar to those Hartz unveiled for the site 18 months ago, according to company spokesman Dennis Marco. The plans have been held up, Marco said, by proposed state guidelines that would limit building heights and densities on the waterfront.

Those guidelines will not be adopted or released until later this month, but Marco said the Secaucus-based developer has been "told informally" by the state that its plans will qualify.

Under the Hartz plans released in January of last year, the developer would build a \$60 million office complex, including two towers of 10 and 13 stories, 600,000 square feet of office space and a 1,000-car garage. The 3.5-acre site is owned by Stevens Tech, an engineering institute that now uses the land for surface parking, a physical plant and a plumbing facility.

A pedestrian bridge 37 feet above Sinatra Drive would be built to link the development to the campus. A public walkway would line the Hudson River to provide access to the waterfront.

Hartz also has proposed a sprawling, \$500 million mixed-use development on 17.5 acres of city-owned waterfront land just south of the Stevens Tech site. In a presentation to the City Council on June 15, Hartz President Gene Heller promised the city \$25 million for the land, full taxes and other incentives, including a per-unit payment and a 20 percent equity in the project. Not counting taxes, Heller said, his project would pay the city \$54 million after five years.

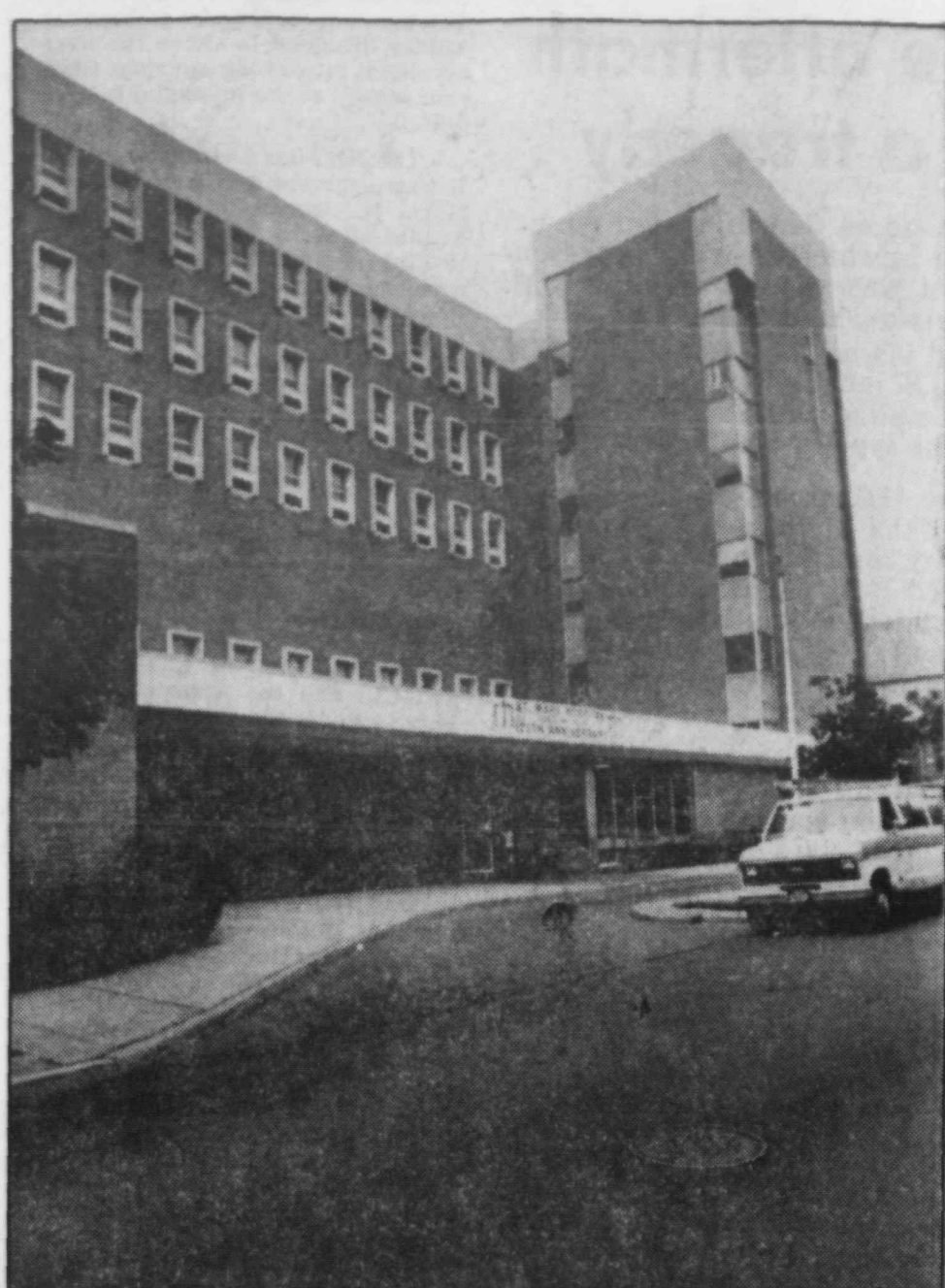
THEN AND NOW



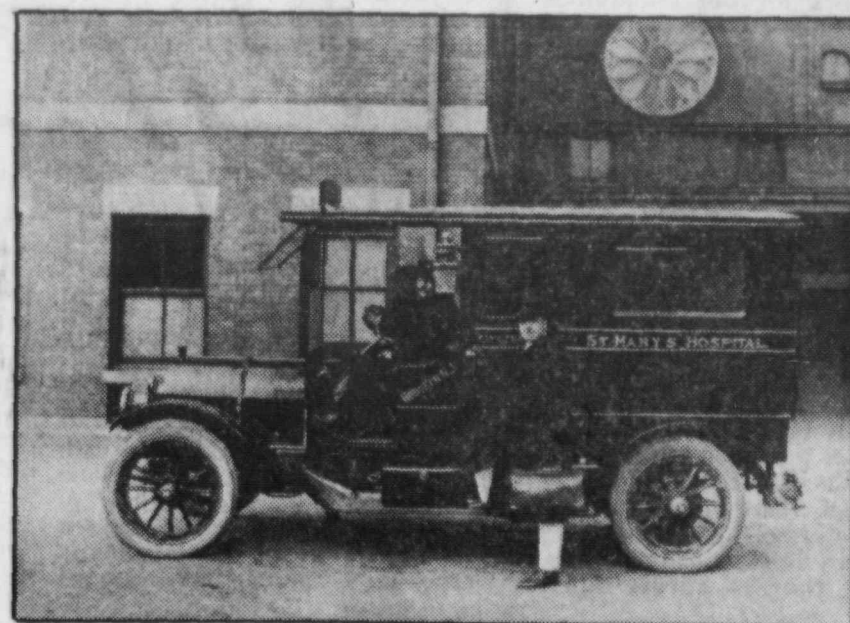
Historical photos courtesy St. Mary Hospital

First Hospital - 1863.

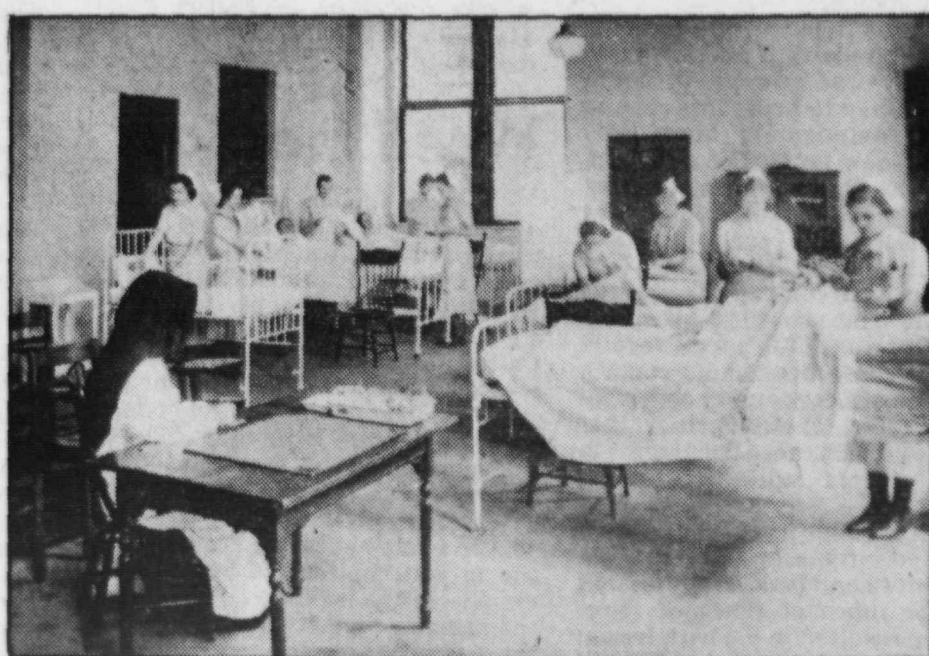
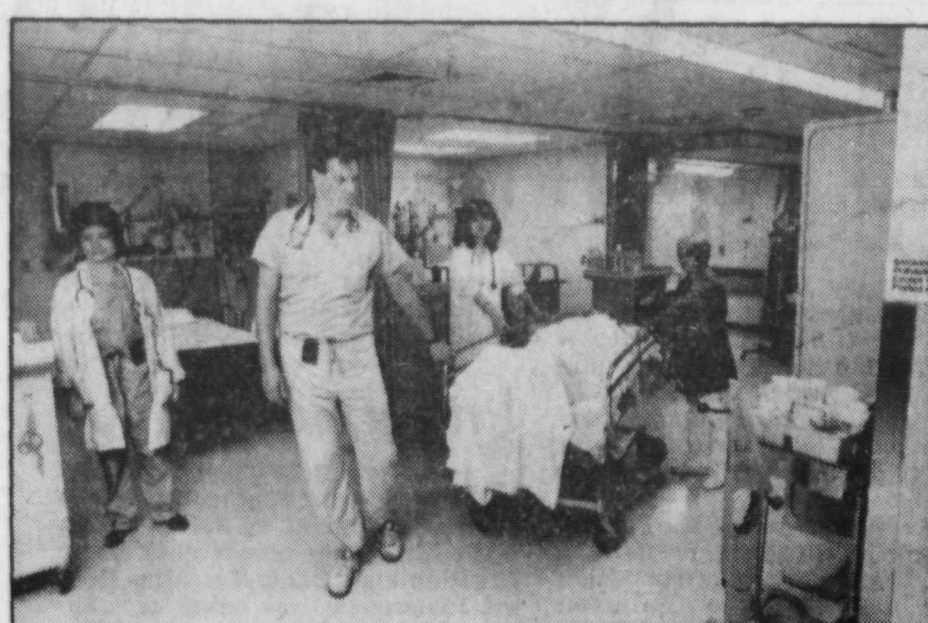
St. Mary Hospital in Hoboken, the first Catholic hospital organized in New Jersey, celebrates its 125th anniversary this year. It was opened in 1863 — when Abraham Lincoln was president — by the Franciscan Sisters of the Poor and is now operated by the Franciscan Health System of New Jersey Inc. Above are photos of the original hospital building, a 12-room house at 134 Meadow St. (now 326 Park Ave.), and the current site at 308 Willow Ave. The dedication of a 125-bed facility at the current site was in 1866. Additional expansions in 1870 and 1882 brought the capacity to 250. In the 1970s, it was enlarged to its current capacity, 330 beds.



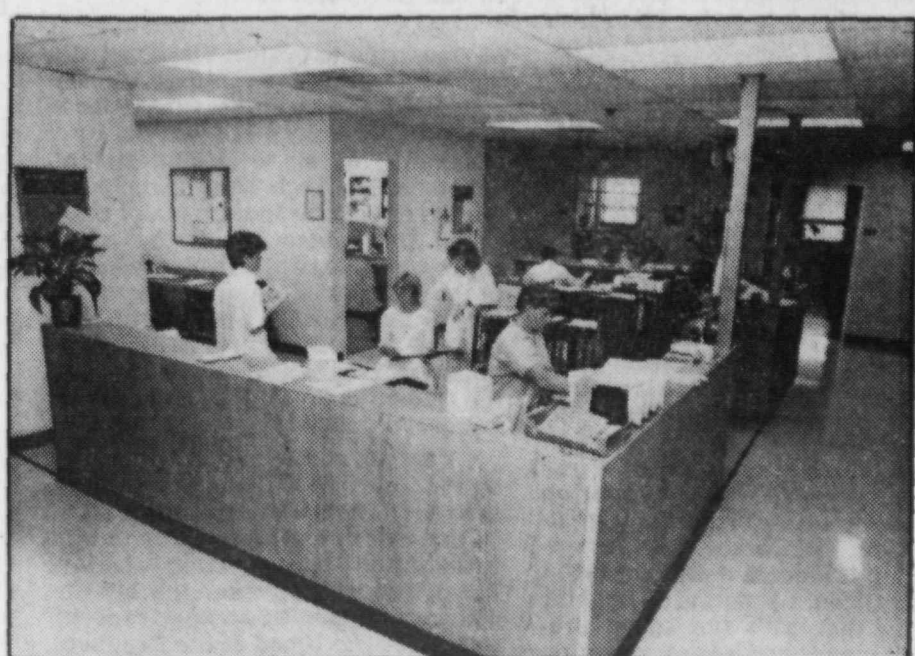
Current photos by Steve Golecki



The ambulance crew in the undated photo at left took patients to a very different scene than the current emergency room, filled with modern technology, at right. Directing the staff in the current photo is Dr. Brian Carroll.



Beginning in 1921 and lasting nearly 60 years, St. Mary Hospital had its own School of Nursing. The students, shown at left in an undated photograph, played a major role in the development of the hospital. At right is a typical nursing station today.



Rue School holds last commencement

By Patricia Scott 7-11-88 J.J.

Youngsters at Hoboken's doomed Rue School have paraded through their classrooms for the last time, as the school celebrated its last eighth-grade graduation and formally closed down operations.

The school, which only three years ago was totally renovated by a previous Board of Education at a cost of more than \$2.5 million, is officially closed and Rue's 250 students will be transferred to other city grammar schools for the fall semester.

School board officials are

dealing with the monumental logistical hassles of closing a school, handling paperwork for several hundred student transfers and getting classrooms readied at the other schools which will be forced to absorb the flow of Rue students in eight weeks.

In addition, the dozen special education and/or special needs students who attended Rue School will need a facility with an elevator in the fall, and nearby Demarest School, a block away from Rue, does not have one.

Special needs children may have to attend classes as

far away as the Brandt School which is across town.

"Closing a school and dealing with all the transfer problems is a very big job and it should have all gotten started sooner," said Anthony Curko, school business administrator.

"Just getting all the new classroom space we'll need cleaned up and ready is a big deal."

Most Rue students are transferring to Demarest School, which has 500 students and can hold several hundred more. Brandt School is also expected to take in dozens of transfer students.

Critics have attacked the

school board's decision to close Rue School, a move the board made three weeks ago by a 6-1 vote. Only Lourdes Arroyo, a trustee since 1986, abstained from voting and remained steadfastly opposed to the school's shutdown.

Administrators at the Calabro School, the only city grammar school which has open enrollment citywide and chooses students by a lottery system, said concerned parents have been eagerly trying to enroll children there and the annual enrollment lottery this year had more than 100 applications.

Grant's promises include parking

By Earl Morgan

"After you see what Harry Grant is going to do for you, you will say, 'I love Harry Grant.' That's what the developer of the proposed Grant Marina told a skeptical audience of nearly 200 Hoboken residents at a meeting in the Applied Housing complex last night.

The meeting was ostensibly called to confront Grant, who calls himself the "number one developer in the country," about the possible danger posed by removal of asbestos from buildings being demolished to make way for the proposed 94-acre, mixed-use development on the eastern end of 14th Street.

But during the course of the meeting, Grant told the doubting residents that he intends to end a chronic traffic and parking problem on the town's northern end by allowing his neighbors to park on his

property free of charge. He also said he will provide access to his development of office towers, condominiums and a shopping mall to the residents and their children.

During a question and answer period, Grant took some heat from angry residents of Applied Housing, located directly across the street from the development site.

At the urging of another developer, Joseph Barry, Grant promised not to resume demolition without obtaining the proper permits and notifying city officials.

Grant also promised to provide 24-hour air sampling on the site and to make the data available to the public through Mayor Patrick Pasculi's office.

Also at the urging of Barry, who developed and owns Applied Housing, a low- and moderate-income complex, the ten-

See GRANT — Page 8.

Grant's promises include parking

Continued from Page 1

ants formed their own committee to monitor the demolition on the neighboring site.

Grant and his partner, developer Anthony Dell'Aquila, were taken to court several times by the city recently in an attempt by officials to stop the demolition of several buildings on the site. Recently, the U.S. Department of Environmental Protection stepped into the matter and is monitoring the work to see that any asbestos found is removed in compliance with law.

The residents were skeptical of Grant's statements of free parking and access to the plazas and facilities of the proposed Grant Marina.

"You tell us that you're going to have people living in \$300,000 and \$400,000 con-

dominiums and you're going to let our children run all over it. I don't believe you," said one of the residents.

Pasculi and Councilman David Roberts were at the meeting. Councilwoman Helen Cunningham attended and read a letter from Councilman Joseph Della Fave, supporting the tenants' demand that demolition be halted until the proper procedures are implemented and provisions for stricter monitoring of the site are implemented and adhered to.

Pasculi said he is not in favor of the development as presented because of its size and density. While Barry several times during the meeting said he took no position on the development, at one point he conceded he is not completely happy with the plans.

Charges blast demolition

By Jo-Ann Moriarty J.J.

Developer Harry Grant, who wants to build a \$1 billion waterfront project in Hoboken, claims the city's building inspector is criminally unethical.

Hoboken's mayor, however, yesterday warned the Fort Lee developer that it is he who may be subject to criminal penalties, for the demolition of a building without proper permits.

Based on complaints made by Grant, Hoboken Building Inspector Alfred Arezzo is being investigated by the Hudson

County Prosecutor's office after the developer accused the city official of "underhanded and unethical business practices."

Meanwhile, the city Law Department yesterday sent police to the 14th Street site where Grant wants to build his mammoth project to stop demolition work on yet another building, a nine-story structure near the Maxwell House coffee plant.

"I'm going to have them arrested," vowed Law Director Eugene O'Connell yesterday when he learned of reports that

Grant and his partner, Anthony Dell'Aquila, were continuing demolition without having the proper permits and despite a recent court order.

Yesterday's action marked the sixth time the city either stopped work or slapped fines on the developers since they announced plans three weeks ago to build a sprawling complex on 64 acres of northern waterfront land owned by Dell'Aquila.

The city issued the developers a summons Tuesday for

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Developer alleges unethical conduct

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demolishing a building over the weekend without a permit.

The developers were demolishing a nine-story building near Maxwells bar yesterday.

In a letter to Mayor Patrick Pasculi, Grant charged that Arezzo said he would be cooperative in issuing permits if the Fort Lee developer used a demolition company recommended by Arezzo.

Grant said he contacted Frank Moscato, president of City Construction Development in Jersey City, as recommended, and was quoted a price five times the amount other companies charged for the work.

"I tried to negotiate the price with Mr. Moscato, however, Mr. Moscato did not find the prices I was willing to pay acceptable. Strangely enough, the next day a stop-order was issued by the City of Hoboken for all demolition at the Grant Marina to cease," Grant wrote to Pasculi.

Moscato could not be reached for comment.

The city stopped work last week after Murray Connell, Dell'Aquila's former partner, supplied the city with reports showing the existing structures contained asbestos.

Carmen LaBruno of the prosecutor's office, said yesterday that the mayor informed the prosecutor's office of a complaint the Fort Lee developer made against Arezzo.

Grant's complaint was that Arezzo said he would be cooperative in issuing demolition permits "contingent upon my hiring City Construction Development Inc. to perform the demolition work."

La Bruno said yesterday that the prosecutor's office was "making inquiries into that office (the building inspector's) and we have been in touch with Hoboken city officials and Mr. Grant."

LaBruno said the prosecutor's office looked at records in the building inspector's office but added that he was "not at liberty at this time to discuss the focus of the inquiry."

Pasculi said that Arezzo, who was on vacation yesterday, has denied the charges.

Meanwhile, Pasculi, saying that he was "taking my gloves off," sent Grant a harsh letter yesterday reprimanding both Grant and Dell'Aquila for violating municipal, state and federal laws by continuing to demolish without permits.

"You did not act in a professional nor businesslike manner and may be subject to federal criminal and civil penalties," Pasculi wrote.

O'Connell said that the developers are under a Superior Court order to halt demolition until the federal Environmental Protection Agency has examined the site for the presence of asbestos and has monitored removal of the hazardous substance.