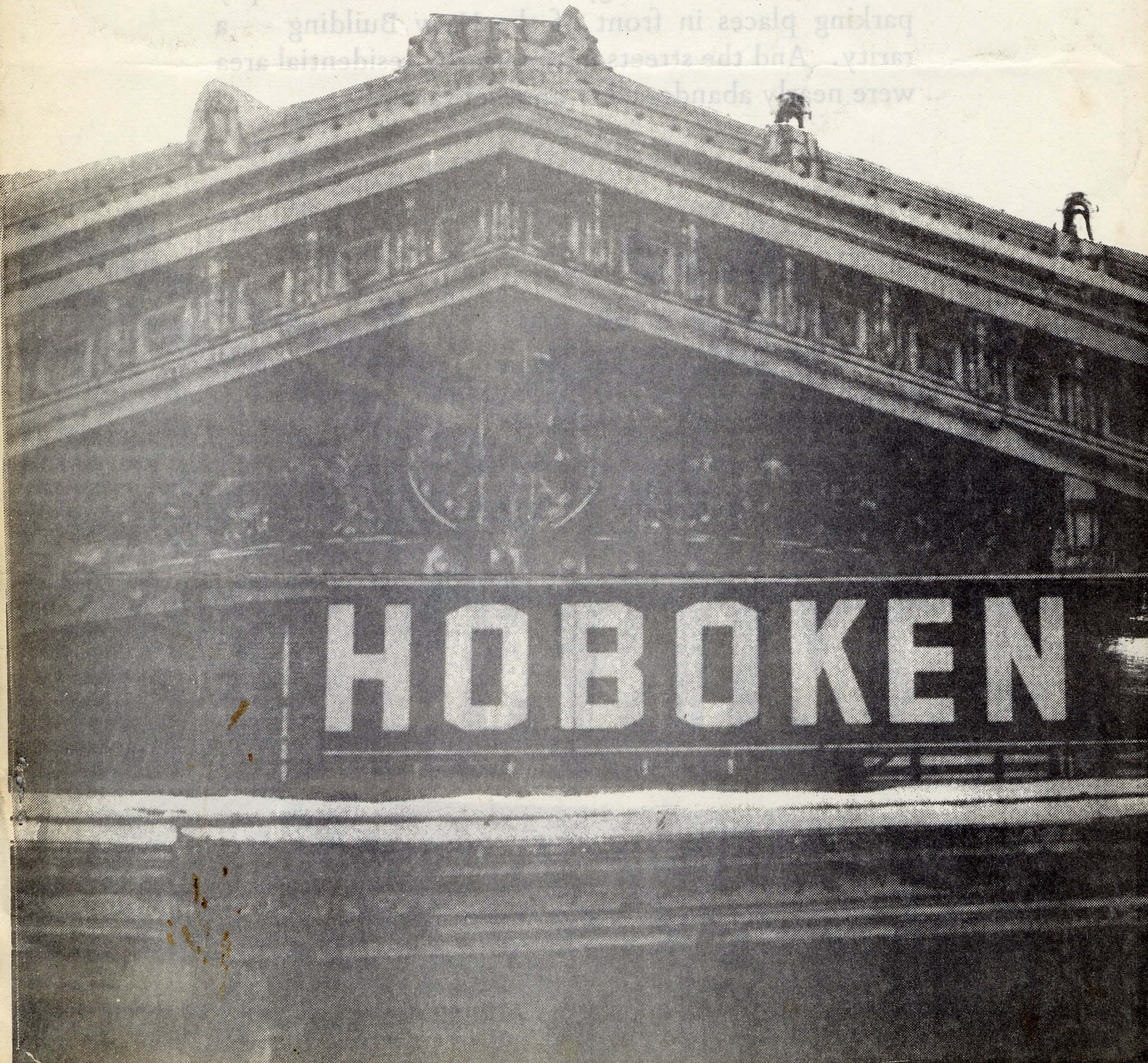


Mayo, Lynch is Bullish on Hoboken

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By DON DeMAIO
Of the Center staff

On a recent winter day, very little was moving in Hoboken except a cold wind which came whipping off the Hudson River and swirled through the streets. There was testimony to the cold snap everywhere in little signs, signs that might be missed by anyone except a long time Hoboken resident. For instance, on the campus of Stevens Institute of Technology, there were a few empty parking places in front of the Navy Building - - a rarity. And the streets in the nearby residential area were nearly abandoned - - another rarity.



Downtown, though, some things were proceeding as if there were no cold at all. The usual luncheon crowd was jockeying for Tables at the Clam Broth House. Further up on Washington Street, McDonald's was packed as usual, and an Arthur Treacher's Fish & Chips, only a few doors away, was empty as usual.

Most things happen as usual in Hoboken, despite the excitement of any particular moment. In the face of changing times, Hoboken remains a city of immigrants much as it was in the 1940s, the 50s and the 60s. It's true that the population is now 40 per cent Puerto Rican, rather than 40 per cent Italian, or Irish, or whatever, but the stability is there. It is still a city which echoes with foreign names, where immigrants mingle with the sons and daughters of other immigrants.

Faces of all nationalities rush by on Washington Street, the main drag, but the colors on the faces remain unchanged. And if you follow this bustling noon crew of shoppers, it will lead to shops with names like Tony Skelly, The Sandwich King; or Lohrman's Cutlery, Umbrellas and Fishing Tackle.

The mix of nationalities and styles lends an Old World Flavor and vitality which has not deserted Hoboken as has its industry. It stays, defying the 1970s and the contemporary air which blows from Manhattan, across the river. This Old World, provincial atmosphere even extends to the way the local government operates.

The mayor of Hoboken, Steve Cappelletto, probably knows about immigrants. He was the last of twelve children of an Italian bootblack. Before he was mayor he worked as a policeman. His office is in City Hall at 88 Washington Street, and across the street is an establishment with a handmade sign which reads Three Boys from Italy Pizzeria.

Next door to city hall is Goodman's Haberdashery, owned and operated by Robert Goodman. Goodman is also the chairman of the city's planning board, which means he does not have far to walk to get to the monthly meetings in city hall.

On the other side of city hall is 84 Washington Street, a building where many decisions important to the city are made. Among the offices in this building are those of the engineering firm of Mayo, Lynch and Associates. This is the only engineering firm in Hoboken and it gets every contract which comes out of city hall, with a few exceptions. In Hoboken, as throughout the state, there is no law requiring bidding for professional services. A lawyer, an engineer, an architect, or a planner can walk away with every contract a city gives out. A statute called the Local Public Contracts Law ex-

empts these services.

Therefore, the first thing that everyone in Hoboken wants to point out is that there is nothing illegal about Mayo, Lynch's contracts, and that Hoboken has been getting along fine for all these years without needing to change its relationship with the firm.

Yet, other taxpayers think the city and the engineering firm are flirting with conflict of interest. A case in point is a recent contract to draw up a new master plan. The new arrangement between the city and Mayo, Lynch calls for planning consultant services at the rate of \$6,000 a year. Ralph Seligman is the Mayo, Lynch employee who advises the planning board. Seligman has worked for the firm for fifteen years, and is competent by most accounts. One hesitates to call him a planner since Seligman has no license from the State Board of Professional Planners. He just applied recently to take the examination.

Seligman's job is to advise the planning board on complicated matters. Recently he told the board that, according to the new Municipal Land Use Law, the city was going to need a new master plan. The board was told that Mayo, Lynch's fee for a new plan would be \$30,000 (up \$10,000 from the same offer a year before). The contract was awarded to the firm with hardly any discussion.

A group called the Hoboken Environment Committee, which is devoted to following civic affairs in the city, complained that this contract award was a conflict of interest. The city attorney disagreed, and work began.

Helen Manogue is founder and head of the six year old environment committee. She feels the committee's original questions have not yet been answered, even though the issue is practically dead for now. She wonders whether the people working on the master plan will be licensed planners; but there is no answer from city hall or from Mayo, Lynch. Her committee asked why bids were not called for (especially in view of the fifty per cent increase in the company's price), but city hall is silent.

Seligman is anything but silent. He feels that Mrs. Manogue is a spoiler, a view that has gained some popularity around city hall. "After fifteen years of working in Hoboken at what I would call rather low pay," Seligman said, "I was shocked at the very idea of conflict of interest. I checked it out. I asked, not only the city attorney, but other attorneys as well. I'm not about to sacrifice those fifteen years of hard work on a conflict of



Hoboken scene: Zorba's, LaGrande, Schoning's and Lohrman's

interest charge. The answer from everyone was that there is no conflict of interest. More than that I don't know what to do."

What seemed to rankle Seligman further was the thought that he had been singled out. "If there was a conflict of interest, even morally," he said, "the number of planning consultants in the state who are indictable under that offense is legion." And yet it is human nature to be loyal first to the person who signs the paycheck.

There was once a time when Hoboken could grab more than its share of national headlines. For a city whose population hovered around 50,000, its name is known to millions throughout the world. It had a certain reputation; a romantic aura hung over the city. It was called "the square mile city." It was known as the town which gave Frank Sinatra to the world. Once, Marlon Brando, Lee J. Cobb, Karl Malden, and a lot of other people made a film there called "On the Waterfront." People joked about Hoboken -- in night club acts, on radio, even on the Borscht Belt circuit -- but behind

the jokes there was always a certain fondness for the town.

About 25 years ago, Hoboken started to hit the skids. It got a bad dose of the New Jersey economic-urban blight blues. Warehouses closed down. Factories moved. Times changed. One example is the old Keuffel and Esser factory ("Since 1906"). K&E once made precision drafting instruments -- things like triangular-shaped straight-edges with metric and English markings.

K & E was one of the country's largest manufacturers of slide rules. Remember them? K&E's slide rules were manufactured with polished bamboo: they were fine, precision instruments that survived 60 years of competition with lower-priced instruments but which finally lost out to the electronic calculator. When K & E closed its doors a few years ago, it was one of the largest buildings in Hoboken and it was empty.

Unemployment in Hoboken stands at sixteen per cent. The welfare roles are full. The tax rate of \$10.85 is the highest in the state of New Jersey, higher even than Newark.

There is no real argument over the quality of work which Mayo, Lynch performs. Nobody claims that the work is either inferior or superior.

Yet there is something about this town that separates it from other big cities in New Jersey. Hoboken is coming back. Its recovery is dramatic enough that once again it is attracting editorial attention across the country. As recently as January 17, 1977, a front-page article in the *Wall Street Journal* was headlined: "Hoboken, Target of Bad Jokes, Shows How to Make Good."

Seven years ago Hoboken applied for and received a Model Cities grant. At the time it may have seemed like an unambitious plan. The people involved in that original program disdained such fancy phrases as "urban renewal" in favor of their own "rehabilitation," or "rehab" as it is known locally. The philosophy seemed to be that they didn't want to build a new downtown; they only planned to rehabilitate the old buildings which were made of sturdy but ancient stock.

For example, the old K & E factory has now been revamped into a 176 unit apartment building. Another aspect of this program calls for federal funds to insure low-interest loans to tenement owners who wish to upgrade their property. It's not easy to find landlords interested in investing money to fix up their property -- unless it is someone else's money. Landlords tend to have a hard time understanding how they are going to get a fair return on money tied up in improvements. Yet, Hoboken landlords have responded to the program.

There are reasons why the program in Hoboken has worked better than those in Jersey City and Newark: The tight, ethnic communities in Hoboken tend to be stable and permanent. Hoboken is relatively crime-free and secure. The city's close proximity to Manhattan makes it attractive to young people who are disillusioned with the big city and looking for a way out.

Another reason is the people who administered the program. When Model Cities went out of business, funds continued to pour into Hoboken at the rate of about \$3 million a year under the Community Development Act. The agency which administers the funds is called the Hoboken Community Development Agency and is an adjunct of local government. A number of dedicated professionals were attracted to the rehab program initially. For the most part they are gone now. They operated fairly autonomously from city hall. They kept to them-

selves, had a reputation of hiring the best professional talent available. Many of their projects were let out to bid.

One spokesman who is familiar with the way things are done in Hoboken cites another reason for its success: "They never had much to do with Mayo, Lynch."

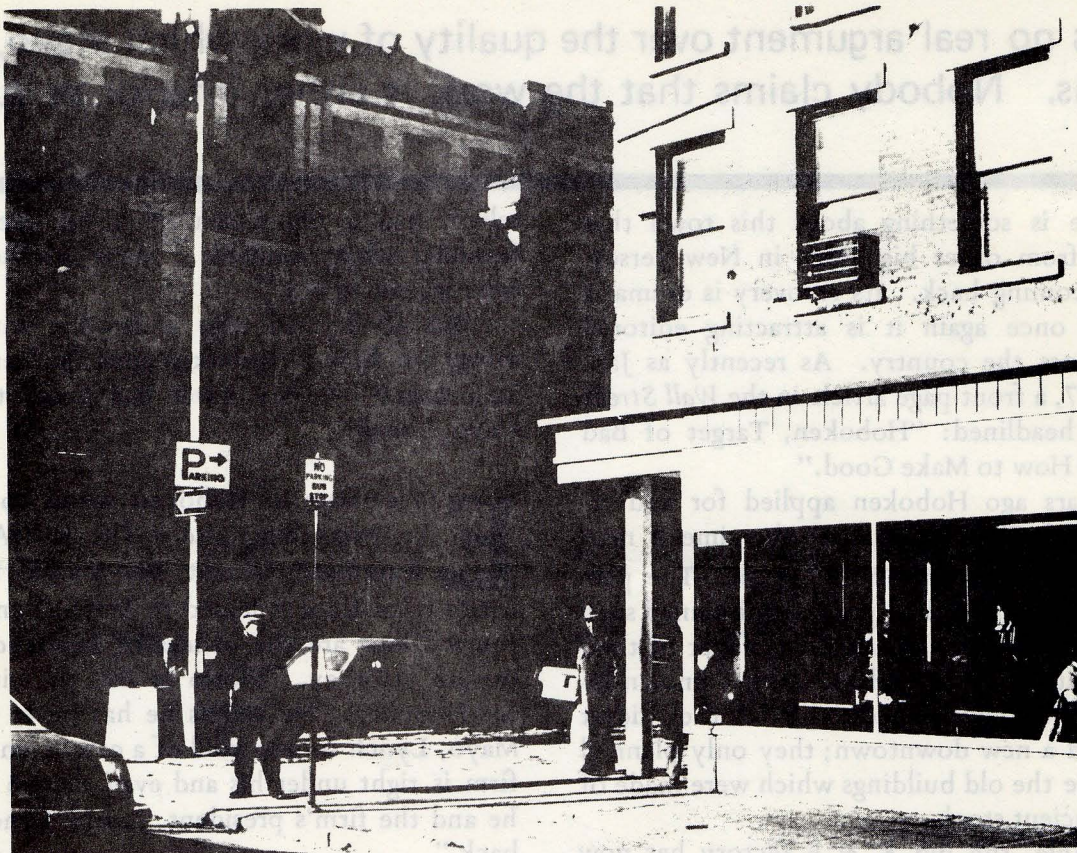
Everything in Hoboken seems to be related to everything else. The HCDA is on 84 Washington Street, the second floor. The entire third floor is leased to Mayo, Lynch. On the fourth floor are the offices of Lawrence Florio, a private attorney. Florio is also the city attorney for Hoboken. He claims he has never represented Mayo, Lynch in any kind of a case, even though the firm is right under his and even though Florio says he and the firm's president, Joseph Lynch, "go way back."

Mayo, Lynch drew up the city's original application in 1969 for Model Cities funds. It was the guiding architect of that grant application, but it did not get as many of the ensuing rehab contracts as it was used to getting from the city administration. For instance, in the area of planning, Seligman pointed out that the CDA had given out \$500,000 worth of contracts in seven years, and the \$30,000 master plan contract was the only one Mayo, Lynch has landed.

Under the CDA's first director, Michael Coleman, who now works for the city in a different capacity, the agency gained a reputation as a group of professionals who were bent on hiring the best talent available. Now, Coleman has resigned and the agency has a new director, a 30 year old lawyer named Fred Bado, who is active in local politics. He practices law in Jersey City, is a commissioner on the Hoboken Parking Authority and is a legislative aide of Assemblyman Thomas Gallo of Hoboken.

A few of Mayo, Lynch's recent contracts from the CDA are: engineer and architect for the \$1.5 million multi-service center, engineer for phases one (\$4.5 million), two (\$1.5 million), and three (\$4.3 million) of a new water system, architect for the Mt. Carmel Guild building, engineer to develop pilot sewerage disposal system for the city. The firm's fees from these jobs totaled more than \$1 million.

No bids were entertained for any of the con-



Hoboken City Hall, in background, and a local shop.

tracts. No one questioned the price the engineering firm set for the jobs, or the firm's abilities to do a whole range of activities.

The funny thing is that in Hoboken, where things go on as usual, some things change without explanation. Once Hoboken had a salaried city engineer. His name was Pat Caulfield. He was city engineer under the former mayor, Louis DePascale. When Caulfield retired, he had planned to install his son, James, as the new city engineer, but that never happened. In fact, the job was never filled. Some people say it was because the money wasn't good enough, but that doesn't sound right because James took a job as building inspector, which probably doesn't pay as well. Some people say it was because there wasn't enough work to keep a city engineer busy, but there had always been enough work before. Other people observe that, under the present system, Mayo, Lynch has been getting more contracts than ever before.

In the center of Hoboken (along Washington Street, naturally,) is a furniture store called Ranieri's. Sitting at a desk at the back of the store, Robert Ranieri, the owner, had just finished lunch. Covering the walls on two sides of him were the latest hit records by Anselmo Palermo and

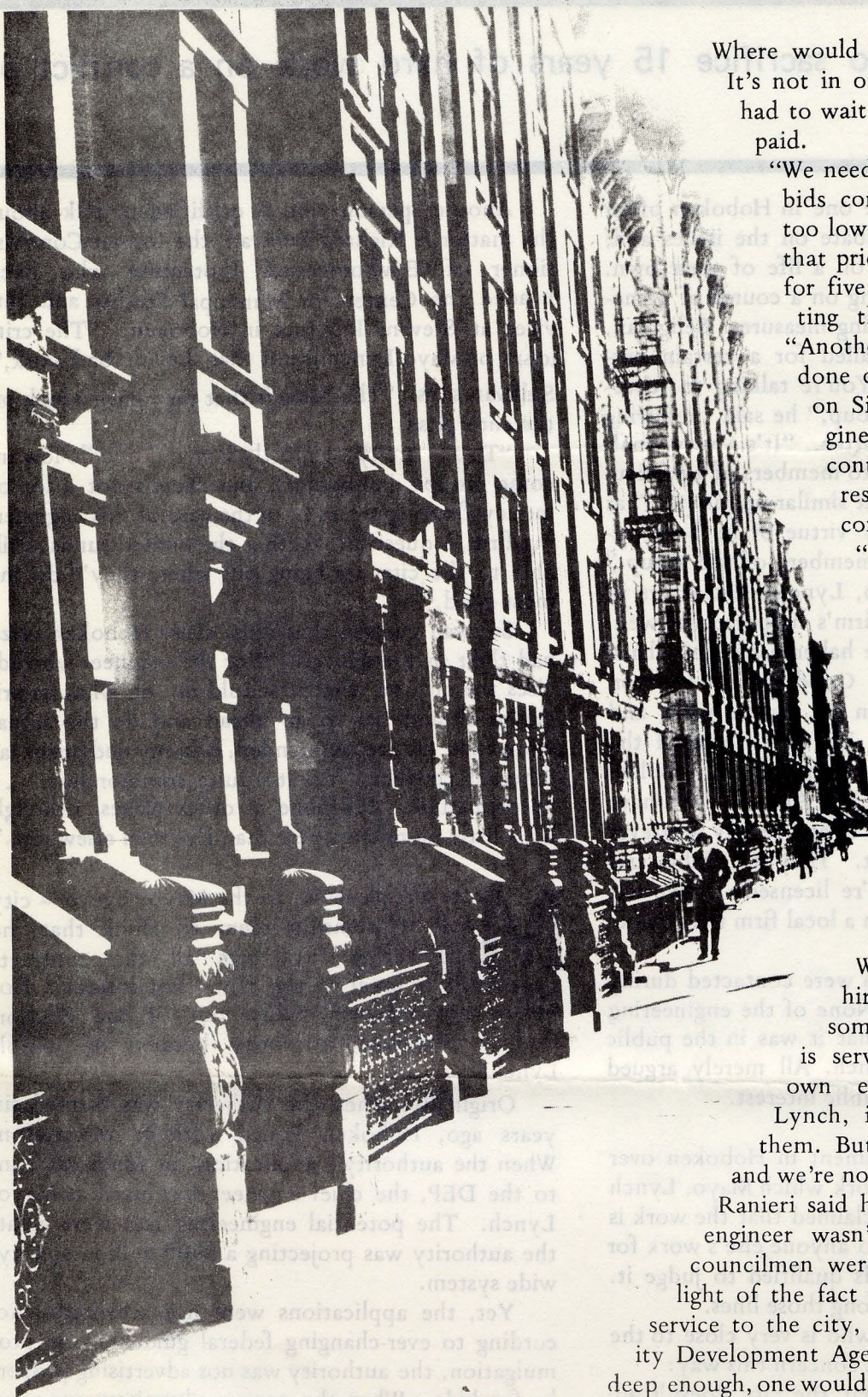
Frances Barbero. Ranieri is one of Hoboken's nine councilman. He is also trying to get the city to hire another salaried city engineer.

Ranieri tells the story of how he was part of a group a year and a half ago which studied the practicality of hiring a city engineer and ending Mayo, Lynch's domination over city council. "We studied other cities," he said. "We asked engineers if it were practical for us. We found out that CDA would pay for the engineer's salary. In fact, we discovered that it was within the CDA's guidelines to furnish office space for the engineer in their own offices. A majority of councilmen were for it.

"You might ask why we never hired an engineer. I don't know the answer. As often happens in Hoboken, nothing conclusive was ever done."

Ranieri complained that city council is now subject to the advice of a private firm. "That is no way to run a ball game," he said. "Want to hear what happens? Our municipal garage burned down. We hired an engineer to write the specifications for a new one. The bids come in and we're told - - by our consultant - - that they're too high. We call for new bids. The new bids come in, and they're twice as high. So we don't rebuild our garage.

"Meanwhile, the engineering consultant wants his four thousand dollars for writing the specs.



Where would we get that kind of money? It's not in our budget, we told him, so he had to wait until the new fiscal year to be paid.

"We need a new roof on city hall. The bids come in and we're told they're too low; they couldn't do the job for that price. We say okay, but get a bill for five thousand dollars just for writing the specs for the new roof. "Another time we needed some work done on the sewer pumping station on Sixteenth Street. The same engineering firm wrote the specs, the contract . . . and the (city council) resolution awarding them the contract.

"We spend hundreds of thousands of dollars every year on engineering services," Ranieri continued. "Some of this work is superfluous, a complete waste; some is questionable; some is necessary, but expensive; some obligates us in ways that wouldn't be necessary if we had our own department. The present system lends itself to conflict of interest. And it's expensive.

We could save money by not hiring outside engineers. We need someone whose sole responsibility is service to the city, and not his own employer. This firm, Mayo, Lynch, is a good firm and we need them. But we should be in command; and we're not."

Ranieri said he could not find out why an engineer wasn't hired since a majority of councilmen were in favor of it, especially in light of the fact that it would have been a free service to the city, compliments of the Community Development Agency. He hints that if one digs deep enough, one would find the touch of Mayo, Lynch.

At least two other councilmen in Hoboken — Frank Leahy and Bernard Scrivani — are known to favor the move. Scrivani said he especially liked the idea that the city would become owner of all documents and plans relating to the city once a municipal engineer were put in charge.

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Controversies like the one in Hoboken often start out with a debate on the issues and, over a period, take on a life of their own. The controversy speeds along on a course of name-calling and other self-defeating measures. Seligman, the planning consultant, called for a certain perspective on the matter. "You're talking to representatives of a particular group," he said, referring to the Environment Committee. "It's a very small village here, and if you talk to members of a particular group you're going to get similar opinions. That opinion becomes gospel by virtue of its being repeated so many times by members of the group."

If that is true of Mayo, Lynch's detractors in Hoboken, it is true of the firm's supporters as well. Take Robert Goodman, the haberdasher and chairman of the planning board. Goodman has been on the planning board for ten or twelve years and knows the work of Mayo, Lynch. He liked the firm's style. "The city has never had any problem with Mayo, Lynch. None at all. And if we did have a problem they would come in and rectify whatever it was they didn't do right. They're reliable and they're honorable and they're licensed . . . We felt we'd rather do business with a local firm than someone from out of town."

This was true of all who were contacted during the course of this article. None of the engineering firm's supporters claimed that it was in the public interest to hire Mayo, Lynch. All merely argued that it was not against the public interest.

There is no real argument in Hoboken over the quality of the work which Mayo, Lynch performs. Nobody claimed that the work is either superior or inferior to anyone else's work for the reason that no one feels qualified to judge it. The argument does not lie along those lines.

One federal spokesman who is very close to the Hoboken program voiced his concern this way:

"What bothers me is that the city doesn't advertise for bids. Certainly it would be prudent to request proposals, especially in this day and age when a lot of engineering firms are starving. A lot of them would be only too glad to submit proposals, just to hold onto their staffs, keep them going. It's a buyer's market. So why doesn't the mayor and council call for bids?"

Another person who is qualified to talk about the matter is Richard Sullivan, the former Commissioner of Environmental Protection who once headed the Center for Municipal Studies and Services at Stevens Institute in Hoboken. "The criticism of Mayo, Lynch is not that they do bad work," Sullivan says. "The thing is that they have a lock on the enterprise."

"This is a city of mostly low and middle-low income groups, immigrants, and there's not a lot of money floating around. In the case of this engineering firm, I question whether the limited funds available to the city are being put where they'll do the most good."

Sullivan guessed that most cities Hoboken's size had their own engineer. "For the engineer who advises the city on what it should do, on what its priorities should be, to go ahead and do the actual work that he's recommended, is in my judgment an inherent conflict. Yet it's quite commonplace . . . unfortunately. It's done in other places, although it's a little more crass here than I've seen elsewhere."

Most people close to the Mayo, Lynch - city hall relationship seem to think that the engineering firm gets all the contracts because it is loyal to the city. For instance, Hoboken has recently pulled out of the Hudson County Sewerage Authority because of Joseph Lynch's advice.

Originally, when the authority was formed six years ago, Hoboken joined without reservation. When the authority's application for funds came into the DEP, the chief engineer was listed as Mayo, Lynch. The potential engineering fees were great; the authority was projecting a \$400 million county-wide system.

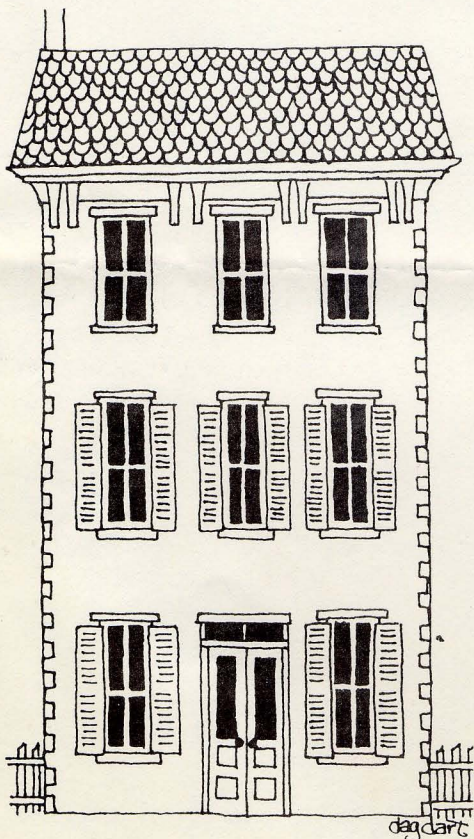
Yet, the applications were not accepted. According to ever-changing federal guidelines on promulgation, the authority was not advertising properly for bids. When the proper advertisements were made, Mayo, Lynch lost the contract to a lower bidder. Soon afterward, Hoboken pulled out of the authority.

The pullout was Lynch's idea, and a lot of people in Hoboken look up to him for that. The authority is being run by the Jersey City crowd and Hoboken people think everyone in Jersey City is a

crook. They are still smarting over the fact that Hoboken must buy its water from Jersey City and that their water rates have doubled in the past year.

Meanwhile, the Hoboken City Council voted a \$100,000 contract to Mayo, Lynch to come up with two pilot systems for Hoboken's weary sewerage system. This seems like wasted money, since both the state and the federal governments are warning that Hoboken won't be able to get away with its pullout from the authority. Everyone including the state concedes that Hoboken's gambit could work if the city can prove it can do its own sewerage treatment for less money than if it belonged to the authority. This would be hard to do, since no one has costed out Hoboken's fee under a county authority.

The reason the city council in Hoboken is backing the pullout is that they fear Hoboken's industry might be unduly taxed under a countywide system, a fear that may be real. In fact, Hoboken's largest industrial employer - - Maxwell House coffee - - has put up \$25,000 toward Lynch's fee in a gamble to produce lower sewage rates. The other \$75,000 will probably be sent to the CDA for payment, even though CDA is not supposed to be in the sewage treatment business. Even then, HUD people in Newark say they will probably pay the bill if it comes through.



If moves like this produce some esteem around Hoboken for Lynch, they also produce fat contracts. What the Hudson County Sewerage Authority mess adds up to right now is one pullout of a county agency, one perhaps unauthorized tab on HUD's bill, and another contract for Lynch - - a contract that was discussed at a closed meeting of city council and awarded without bids a scant two days later.

They don't get all the contracts," says Lawrence Florio, the city attorney. "They get most of them." Florio points to one program to restore city hall. "We hired another firm from out of town, Boston, I think to come in and do the work."

Ironic, but the person responsible for awarding that contract has been forced out of the Hoboken program.

Mrs. Manogue, who works for the Municipal Studies Center which gets part of its money from the city of Hoboken, has been threatened by the mayor with loss of her job if she continues with her activities. He called her one day in what seemed like a fit of anger. The message he gave her went like this: She was causing a lot of trouble around town, and so people close to the mayor were asking why the city should continue its contributions to the program which made her job possible.

Ranieri, the councilman who says he worked long and hard when he was first elected, is up for re-election this spring. He may not run. "I question whether it's worth it," he said. "I wonder how much good a person can do?"

These are the kind of feelings which are being generated in Hoboken today. On the one hand, a successful rehabilitation program that has made it a showcase; on the other, a return to usual political considerations.

It may be that, while the rehab program continues for a time with its success, behind it all is another kind of story waiting to play itself out. It is the kind of story that begins when someone with a strong self-interest gets "a lock on city hall," to use Sullivan's words.

It's already started: the disillusionment among civic-minded people, the inability to explain certain official actions which do not appear to have the public interest in mind. If the situation doesn't change, Hoboken may soon be generating another kind of headline.