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ENGLEWOOD CLIFFS

ATTORNEY SAYS MAYOR NOT IN CONFLICT

*But critics say he should
not participate in hearings*

BY CHRIS NEIDENBERG
CORRESPONDENT

Mayor Joseph Parisi Jr. said recently Planning Board Attorney Michael Kates has advised him that the fact he sits on the board of directors of a bank which could benefit from rezoning an area for higher office buildings is not a conflict and does not bar him from taking any votes related to the issue.

The mayor spoke after a highly-charged meeting at the Upper School auditorium, held to consider license professional planner Paul Phillips' recommendation that the board adopt a draft amendment to the master plan affecting LG's and 14 other tracts to permit taller buildings than currently allowed without a variance.

The board is expected to continue the hearing at some point to consider additional public comment.

"The board attorney said I do not have a conflict of interest," Parisi said after the board's April 30 meeting considering the proposal affecting some properties just east of Sylvan Avenue that would sit in a B2 Overlay Zone near Palisades Interstate Park should the board concur.

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Attorney: Mayor not in conflict

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"The fact is I have no ownership of the (ConnectOne) property," he said.

The mayor has repeatedly insisted that he is an advocate for his municipality's right to expand potential ratables, by promoting business development, in a way which will not harm the integrity of the Palisades.

But Carol A. Hoernlein, a former Tenafly councilwoman and environmental engineer, opposed to allowing any building exceed the Palisades' treeline in the region, sharply disagrees.

Speaking during the hearing, Hoernlein maintained the mayor's position on the bank's board is enough of a conflict to keep him away from the case.

The evening saw the absence of Board Chairman Edwin Fehre over a potential conflict of interest. The mayor told Northern Valley Press that Fehre voluntarily recused himself because he (Fehre) wanted to avoid the appearance of an impropriety.

"I cannot believe the mayor is being allowed to sit on this board," said Hoernlein, who noted she has extensive experience testifying before planning and zoning boards and could not recall a more blatant conflict.

She also noted that the ConnectOne tract (Block 207, Lot 7) is on property in the area proposed for rezoning. The draft master plan amendment only says a "bank" sits on the parcel, but does not identify it.

In her blog on the Epoch Times' website, Hoernlein alleged the situation puts the mayor in a position where "he may stand to

benefit by the rezoning."

Hoernlein's concerns about the mayor, and Fehre's recusal, come after original board planner Joseph Burgis forced the board to reconsider its earlier recommendation to create the zone (initially adopted by the borough council in 2012). The board is reconsidering the matter because Burgis also consulted LG on its proposal to build the eight-story 143-foot building that would exceed Englewood Cliffs' normally-allowed 35-foot limit.

About a year later, the Zoning Board (which has since been abolished) granted LG the variance. Burgis eventually recommended creation of the B2 Overlay Zone allowing additional buildings to exceed the treeline after leaving his post with LG and joining the Planning Board.

On her blog, Hoernlein posts, "Which begs the question. How many other officials, besides the mayor and the former planner (who had been hired by LG) might have business relationships that suggest the possibility of personal business gains and conflicts of interest in the LG case?"

Kates confirmed Parisi's statement in an interview with Northern Valley Press.

"Neither the mayor nor ConnectOne own that piece of property," he said, adding that ConnectOne only leases the building and the land it sits on.

"While the mayor sits on the bank's board of directors he is only one member of the board of directors," said Kates.

Hoernlein rejected Kates' permissive view setting property ownership as the standard for recusal. She claimed the mayor simply

looks bad sitting on the board in considering the rezoning — if the bank later seeks a vertical building similar to LG in any new zone.

"The granting of the variance to LG set a precedent," she explained. "Because of that, other businesses in the proposed zone might already feel they are entitled to similar treatment. If ConnectOne is one of those businesses, and the mayor votes for the rezoning, questions will be raised as to if he played a role in pursuing it, because he holds a prominent position with the bank."

Hoernlein maintained ConnectOne appears to have major plans to expand its brand, given it conducted an Initial Public Offering in 2013 which raised \$45 million from interested investors.

She said, "ConnectOne could view building a vertical structure, exceeding the Palisades' treeline with a prominent display of its logo facing Manhattan, as an excellent way to expand brand recognition."

Hoernlein described the scenario as "a New Jersey version of Manhattan's Citibank building," which, while much taller than the heights allowed under the borough's proposed rezoning, serves as an important marketing symbol for Citibank.

But Kates described ConnectOne as "a public entity" which answers to "stockholders" and not Parisi alone.

As for Fehre's absence April 30, the chairman declined to elaborate on the reasons for his recusal.

"It's personal business," he said.

Kates said board members removing themselves should disclose their reasons to the public.

"Mr. Fehre felt uncomfortable

because he has a daughter employed by the Palisades Interstate Park Commission," he explained, citing one property owner, in this case a public bi-state agency, which could be impacted by any rezoning.

Hoernlein, who has dealt with Kates professionally in other situations, said she has no issue with the board attorney.

"I believe Michael Kates is an ethical guy doing his very best under difficult circumstances," she said. "I also believe the reason he called for extending the hearing to one more meeting is because he was troubled by the fact that the borough did not advertise the April 30 meeting on its website.

"That had nothing to do with the decision," Kates replied, claiming the borough was not required, under New Jersey's Open Public Meetings Act to post the legal notice online.

"The reason we extended it is because we could not accommodate all the persons who wanted to comment on the matter given the auditorium's occupancy limit (350)," he said.

In a separate matter, Hoernlein, in her blog, raises Parisi's occupation selling insurance policies offered by LG Insurance as another potential red flag. LG was part of South Korea's LG Group (when it was called "LG Insurance") until 1999 and is based in Seoul. Its slogan is "Life is Great," while LG's is "Life Is Good."

Due to legal problems, press reports in South Korea have speculated LG Group (which includes LG Electronics) might make a bid to reacquire the company.

One of LG's American offices is based in Ft. Lee and Parisi's bor-

ough agency is one of three in Hudson and Bergen counties (the others in Englewood and North Bergen) contracted to sell its policies.

Hoernlein did not raise the LG issue during the April 30 board meeting. The mayor, however, publicly discussed it at a March borough council meeting when questioned by resident Manny Wittels.

While he initially told Wittels the two entities are currently related, Parisi adamantly denied that alone represented any conflict because LG Insurance has nothing to do with LG's proposed building.

But upon further conferring with LG, Parisi later reversed himself, stating he learned the two are now wholly separate entities.

"LG assured me that it has absolutely nothing to do with LG Insurance," he told Northern Valley Press following the council's April 9 meeting.

Hoernlein insisted that while they may now be separated legally, the two entities are still linked.

"They are run by members of the same (Koo) family in South Korea," she said.

LG Electronics USA spokesman John Taylor denounced Hoernlein's rationale. He countered that her citing common family ties (between LG and LG's ownership groups), as an argument to keep Parisi from advocating for the proposed new building on behalf of his municipality is a desperate stretch.

"Even when LG was part of LG Group, the businesses had absolutely nothing to do with each other," said Taylor, an LG Electronics USA vice president, noting that the LG Group conglomerate currently includes about 60 companies with diverse business interests.