

Appendix D: Local Tax Base

D. LOCAL TAX BASE

D.1 Existing Conditions

The local tax base is under the jurisdiction of each municipality. Assessed value of property varies based on a number of factors, including overall size, location and type of use contained on the parcel. The assessed value of property is not comparable to, and is generally significantly less than its full market value. Each municipality utilizes different methods for property assessment, and as such these values cannot be used as appropriate tools for comparison. In order to compare property values amongst different communities, equalization rates are applied to the property assessments. The equalization rates make adjustments for differences in municipal assessment techniques and other potential variations in calculations to produce equal or “full value” for properties. For the purposes of this discussion, property values will be calculated and discussed at full valuation, while property taxes levied are determined by utilizing assessed value, as shown in Table D-1.

For the 2008 tax year, the full (equalized) value of all properties within the six municipalities that have the potential for land acquisition totaled \$22,222,706,627. As seen in Table D-1, each municipality applies a general tax rate to non-exempt properties per every \$100 of assessed value. For the 2008 tax year, a total of \$377,547,832 in property taxes was levied in the six municipalities. The breakdown by municipality is shown in Table D-1.

Table D-1: Existing Local Tax Base (2008 Tax Year)

| Municipality | Aggregate Assessed Value ¹ | Equalization Ratio | Equalized Value | General Tax Rate Per \$100 | Total Property Tax Levied ² |
|---|---------------------------------------|--------------------|-------------------------|----------------------------|--|
| North Bergen | \$2,489,963,745 | 41.54 | \$5,994,135,159 | 4.185 | \$108,590,583 |
| Ridgefield | \$1,852,804,740 | 84.62 | \$2,189,558,899 | 1.490 | \$27,600,443 |
| Palisades Park | \$2,539,387,939 | 95.21 | \$2,667,144,143 | 1.412 | \$35,863,699 |
| Leonia | \$715,216,769 | 44.32 | \$1,613,756,248 | 3.964 | \$28,353,475 |
| Englewood ³ | \$5,222,506,856 | 95.63 | \$5,461,159,527 | 1.881 | \$99,449,636 |
| <i>Total for Study Area for Light Rail to Englewood Route 4</i> | <i>\$12,819,880,049</i> | | <i>\$17,925,753,976</i> | | <i>\$299,857,835</i> |
| Tenafly | \$3,006,577,770 | 69.97 | \$4,296,952,651 | 2.584 | \$77,689,996 |
| <i>Total for Study Area for Light Rail to Tenafly (Preferred Alternative)</i> | <i>\$15,826,457,819</i> | | <i>\$22,222,706,627</i> | | <i>\$377,547,832</i> |
| Notes: 1. Generated from Net Valuation Taxable field in source data table 2. Generated from Total Levy on Which Tax Rate is Computed field in source data table 3. Englewood assessed value, equalized value, and property tax were included with Alternatives 1A and 2A since Englewood Town Center and Englewood Hospital Station areas do not require property acquisition | | | | | |

Source: http://www.nj.gov/dca/lgs/taxes/08_data/08taxes.xls

A percentage of these tax revenues is then allocated to the municipality’s respective county for the community’s share of the County tax which includes the County Open Space taxes. This represents a small portion of the municipality’s total property tax that has been levied. The largest portion of the property tax revenues levied by each of the six municipalities goes to the local school district. These percentages range from a low of 36.02 percent (\$39,113,248) in North Bergen to a high of 65.08 percent (\$50,563,455) in Tenafly. The remaining revenue is utilized by each municipality in order to pay for municipal operating and capital expenses. For the 2008 tax year, the percentage of total property tax

levied that was apportioned for this Municipal Purpose Tax ranged from 24.91 percent (\$19,355,860) in Tenafly to 44.72 percent (\$48,561,855) in North Bergen. The breakdown of property tax revenue distribution by the municipalities located along the segment of the Northern Branch corridor under study is contained in Table D-2.

Table D-2: Distribution of Total Property Tax Levied (2008 Tax Year)

| Municipality | Total Property Tax Levied | Total County Tax | County Open Space Tax | District School Tax | Total Local Municipal Tax Levy |
|---|---------------------------|------------------------|-----------------------|-------------------------|--------------------------------|
| North Bergen | \$108,590,583 | 19.26% \$20,915,480 | 0.51% \$556,754 | 36.02% \$39,113,248 | 44.72% \$48,561,855 |
| Ridgefield | \$27,600,443 | 13.91% \$3,839,352 | 0.75% \$208,229 | 55.39% \$15,288,924 | 30.70% \$8,472,166 |
| Palisades Park | \$35,863,699 | 13.33% \$4,781,190 | 0.73% \$260,069 | 51.50% \$18,471,482 | 35.16% \$12,611,027 |
| Leonia | \$28,353,475 | 9.97% \$2,828,249 | 0.54% \$153,176 | 57.64% \$16,343,007 | 32.38% \$9,182,219 |
| Englewood ¹ | \$99,449,636 | 9.94% \$9,880,819 | 0.54% \$535,946 | 46.18% \$45,930,462 | 43.88% \$43,638,355 |
| <i>Total for Study Area for Light Rail to Englewood Route 4</i> | \$299,857,835 | 14.09% \$42,245,091 | 0.57% \$1,714,175 | 45.07% \$135,147,122 | 40.84% \$122,465,622 |
| Tenafly | \$77,689,996 | 10.0% \$7,770,682 | 0.54% \$420,395 | 65.08% \$50,563,455 | 24.91% \$19,355,860 |
| <i>Total for Study Area for Light Rail to Tenafly (Preferred Alternative)</i> | \$377,547,832 | 13.25% \$50,015,773 | 0.57% \$2,134,569 | 49.19% \$185,710,577 | 37.56% \$141,821,482 |
| Note: 1. Englewood property tax was included with Light Rail to Englewood Route 4 since Englewood Town Center and Englewood Hospital Station areas do not require property acquisition. | | | | | |

Source: http://www.nj.gov/dca/lgs/taxes/08_data/08taxes.xls

D.2 No Build Alternative

Under the No Build Alternative, the acquisition of property and displacement of land uses along the rail right-of-way would not be necessary, resulting in no impacts to the current tax base and eliminating the need to displace residences and businesses along the corridor.

D.3 Build Alternatives

Implementation of the Build Alternatives would require the acquisition of property for the purposes of constructing proposed rail infrastructure, passenger stations and parking areas, and the Vehicle Base Facility. All properties or portions of properties that would be acquired under this proposed project would be purchased at fair market value. The properties currently contain residential, active or vacant industrial, freight rail, light manufacturing/warehousing, office or municipal uses, as well as parkland and vacant land. For the purposes of this analysis and to develop a conservative estimate of tax levy impacts, the total assessment value for the entire parcel was assumed even if only partial property acquisition is required. Therefore, the total acquisition values identified for each project component and each alternative represent a greater value rather than the actual anticipated value of the property acquisition for the project. Furthermore, acquisition or lease arrangements between NJ TRANSIT and CSX would be necessary for the Northern Branch rail line right-of-way and the locating of proposed station platforms and yard/vehicle base facility.

A detailed description of the properties at each station area is provided below and in Table D-3.

Table D-3: Land and Property Acquisition

| Station/Yard/VBF | Number of Parcels to be Acquired | Total Assessed Value | Total Equalized Value | Total Municipal Tax Revenue Lost (% of Total Property Tax Levied) | Alternative Affected |
|--|--|--------------------------|---------------------------|---|--|
| North Bergen VBF | 4 Properties | \$6,470,900 ¹ | \$15,577,516 ¹ | \$2,863 ¹ (<i><0.003%</i>) (3 parcels are tax exempt) | Both |
| 91 st Street Station Area | 1 Property | 1,548,000 ¹ | \$3,726,529 ¹ | \$64,784 ¹ (<i>0.06%</i>) | Both |
| Ridgefield Station Area | 5 Properties | \$6,110,200 | \$7,220,752 | \$74,274 (<i>0.27%</i>) (3 parcels are tax exempt) | Both |
| Palisades Park Station Area | 3 Properties | \$7,393,200 | \$7,765,151 | \$104,392 (<i>0.29%</i>) | Both |
| Leonida Station Area | 0 Properties ² | N/A | N/A | N/A | Both |
| Englewood Route 4 Station Area | 1 Property | \$9,500,000 | \$9,934,121 | \$178,695 (<i>0.18%</i>) | Both |
| Englewood Vehicle Base Facility (Optional) | 7 Properties | \$9,863,600 | \$22,041,564 | \$185,534 (<i>0.22%</i>) | Both VBF at Englewood Option |
| Englewood Town Center Station Area | 0 Properties | N/A | N/A | N/A | Light Rail to Tenafly (Preferred Alternative) only |
| Englewood Hospital Station Area | 0 Properties | N/A | N/A | N/A | Light Rail to Tenafly (Preferred Alternative) only |
| Tenafly Town Center Station Area | 1 Property | \$555,800 | \$794,340 | N/A (Exempt Municipally Owned Parcel) | Light Rail to Tenafly (Preferred Alternative) only |
| Tenafly North Station Area | 12 Properties | \$6,219,100 | \$8,888,238 | \$160,702 (<i>0.21%</i>) | Light Rail to Tenafly (Preferred Alternative) only |
| Notes: | 1. Includes total assessment for entire parcel even if only partial property acquisition is required 2. No property acquisition is required. "Air Rights" are required for the construction of a multi-level parking structure above an existing parking lot. | | | | |

Source: www.etaxmaps.com

North Bergen Vehicle Base Facility (Both Build Alternatives)

Construction of the North Bergen Junction Station, as well as a yard and rail infrastructure in the area generally located between Paterson Plank Road and 47th Street in North Bergen, would necessitate the acquisition of four properties, including one partial lots. While these properties have an aggregate equalized value of \$18,134,088, the total municipal tax levy reduction would be \$2,863 since five of these properties are owned by state and local government and railroad entities which are tax exempt. This represents a loss of less than 0.003 percent in property tax levied by the Township of North Bergen.

91st Street Station Area (Both Build Alternatives)

Under the Build Alternatives a portion of a property located on the southern side of 91st Street and just east of the Northern Branch right-of-way in the Township of North Bergen would be utilized for a surface parking lot. This property is currently part of a large-scale shopping center redevelopment project that was completed in 2010. The portion of the parcel to be acquired for parking is currently paved and vacant of structures. The aggregate equalized value of the entire parcel is \$1,548,000 and the total municipal tax base would be reduced by \$64,784 or 0.13 percent if the entire lot were acquired. However, since only a small portion of the site is required under the Build Alternatives the anticipated tax base reduction would be significantly less than \$64,784.

Ridgefield Station Area (Both Build Alternatives)

Construction of the surface parking lot at the proposed Ridgefield Station Area would necessitate the acquisition of five parcels containing a commercial/retail development. The parcel is located south of Remsen Place, between the right-of-way and Broad Avenue. While the aggregate equalized value of the parcels is \$7,220,752, three of the five parcels are tax exempt and the acquisition of these properties would result in a loss of \$74,274 for the total property taxes levied by the Borough of Ridgefield. However, this represents only 0.27 percent of the municipality's tax base.

Palisades Park Station Area (Both Build Alternatives)

The acquisition of three parcels would be required to construct the proposed surface parking lot under both Build Alternatives. The parcels comprise the block bound by Fairview Street, West Ruby Avenue, Grand Avenue, and the right-of-way. The parcels contain a number of buildings utilized for industrial and light manufacturing warehousing uses and commercial uses fronting Grand Avenue. The aggregate equalized value of the properties is \$7,765,151. Acquisition of these parcels would reduce the Borough of Palisades Park's property tax base by 0.29 percent or \$104,392.

Leonia Station Area (Both Build Alternatives)

The development of Leonia Station would involve the construction of a multi-level parking facility on a portion of a commercial site that currently functions as an existing surface parking lot and is located east of the rail right-of way. The development at this site would necessitate the acquisition of the "air rights" associated with the existing parking lot. The parking facility would be designed to provide parking needs for the Build Alternatives as well as the displaced office building parking. Land acquisition would not be required.

Englewood Route 4 Station Area (Both Build Alternatives)

Under Light Rail to Tenafly (Preferred Alternative) one property would be acquired for the purpose of constructing a surface parking lot for the Englewood Route 4 Station. Under Light Rail to Englewood Route 4 the property would be acquired for a multi-level parking structure. The industrial property lines

the southern edge of State Highway Route 4 and the western edge of West Nordhoff Place. The parcel has an equalized value of \$9,943,121. The acquisition of the property required for the construction of the parking facility would result in a 0.18 percent or \$178,695 reduction in the City of Englewood's tax base.

Englewood Vehicle Base Facility (Both Build Alternatives with VBF at Englewood Option)

Under the Englewood VBF Option, seven properties would be acquired for the purpose of constructing an VBF. The industrial and commercial properties line the southern edge of Route 4 and the eastern edge of South Dean Street. The parcels have an equalized value of \$22,041,564. The acquisition of the property required for the construction of this option would result in a 0.22 percent or \$185,534 reduction in the City of Englewood's tax base.

Englewood Town Center Station Area (Light Rail to Tenaflly (Preferred Alternative) only)

No property acquisition is required for the Englewood Town Center Station Area under the Light Rail to Tenaflly (Preferred Alternative) of the proposed project. No parking would be constructed.

Englewood Hospital Station Area (Light Rail to Tenaflly (Preferred Alternative) only)

No property acquisition is required for the Englewood Hospital Station Area under the Light Rail to Tenaflly (Preferred Alternative) of the proposed project. No parking would be constructed.

Tenaflly Town Center Station Area (Light Rail to Tenaflly (Preferred Alternative) only)

For the purposes of providing a passenger drop-off area at the Tenaflly Town Center Station Area, one municipally-owned property would be acquired under Light Rail to Tenaflly (Preferred Alternative). The parcel, currently used as a surface parking lot, is located just west of the right-of-way at the southeastern corner of West Clinton Avenue and Franklin Street. The equalized value of the parcel is \$794,340. The publicly-owned property status associated with the municipal parking lot would eliminate any potential impact to the municipality's tax base induced by the acquisition.

Tenaflly North Station Area (Light Rail to Tenaflly (Preferred Alternative) only)

The proposed construction of a surface parking lot at the Tenaflly North Station Area under Light Rail to Tenaflly (Preferred Alternative) would require the acquisition of 12 parcels in the Borough of Tenaflly, near the northern extent of the study area. The parcels comprising the three municipal blocks bordered by Summit Street, Hudson Street, Piermont Street, and Madison Avenue currently contain residential, commercial and industrial uses, as well as vacant land. The aggregate equalized value of the 12 properties to be acquired for the construction of the parking facility at the proposed Tenaflly North Station Area equals \$8,888,238 and would result in a \$160,702 reduction in the Borough of Tenaflly's tax base. However, this loss in property taxes levied would only represent a 0.21 percent reduction.

Summary of Consequences by Alternative

Table D-4 provides a summary of the number of parcels to be acquired for each Alternative and the total municipal tax revenue that would be lost. A description of each Alternative and the properties that would be acquired for each station is provided below.

Table D-4: Land and Property Acquisition by Alternative

| Alternative | Number of Parcels to be Acquired | Total Assessed Value ¹ | Total Equalized Value ¹ | Total Municipal Tax Revenue Lost (Percent of Total Property Tax Levied by the Municipalities) ₁ |
|---|----------------------------------|-----------------------------------|------------------------------------|--|
| No Build | 0 Properties | N/A | N/A | \$0 |
| Light Rail to Tenafly (Preferred Alternative) | 27 Properties | \$37,797,200 | \$53,906,646 | \$585,708 (0.16%) ² |
| Light Rail to Englewood Route 4 | 14 Properties | \$31,022,300 | \$44,224,068 | \$425,007 (0.14%) ³ |
| Light Rail to Tenafly (Preferred Alternative) with Englewood VBF Option | 30 Properties | \$41,189,900 | \$60,370,695 | \$768,380 (0.20%) ² |
| Light Rail to Englewood Route 4 with Englewood VBF Option | 17 Properties | \$34,415,000 | \$50,688,116 | \$607,678 (0.20%) ³ |
| Notes: 1. Includes total assessment for entire parcel even if only partial property acquisition is required. 2. Percentage of aggregate property tax levied by the six impacted municipalities along the proposed study corridor. 3. Percentage of aggregate property tax levied by the five impacted municipalities along the proposed study corridor. | | | | |

Source: www.etaxmaps.com

Light Rail to Tenafly (Preferred Alternative) with the North Bergen VBF would require 27 property takings. The estimated tax revenue loss would be \$585,710. This represents 0.41 percent of the aggregate property tax levied by the municipalities that would have property takings. The tax revenue loss for Light Rail to Englewood Route 4 would be \$425,008, representing 0.35 percent of the property tax levied by the five municipalities that would have property takings in this alternative. Therefore, no significant impacts to the municipal tax revenue are expected from property acquisitions for any of the four Build Alternatives. The option for locating the VBF in Englewood would increase the number of property takings by 2, and increase the estimated tax loss to \$768,381 and \$607,679, respectively.

D.4 Mitigation

Pursuant to the Uniform Relocation Assistance and Real Property Acquisition Policy Act of 1970, as amended, all Federal agencies must adhere to certain standards for the fair, consistent and equitable treatment of displaced residents and businesses resulting from federally supported actions. Displaced residents and businesses would be assisted by a locally administered and federally-funded relocation assistance program. Under the guidelines set forth in 49 CFR Part 24 “Uniform Relocation Assistance and Real Property Acquisition Regulations for Federal and Federally Assisted Programs”, assistance to all displaced residents and businesses would include helping residents and businesses complete forms required by lending institutions, the Small Business Administration and other entities involved in the leasing or purchasing of new locations and helping residents and businesses complete reimbursement claims following the relocation. In addition, NJ TRANSIT would assist displaced residents and businesses find suitable relocation sites and compensate for moving expenses. Individuals experienced in residential and business relocation and guidelines laid out in the “Uniform Relocation Assistance and Real Property Acquisition Regulations for Federal and Federally Assisted Programs” would be utilized during this process.