



OFFICE OF THE CITY ASSESSOR
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Eduardo Toloza
Tax Assessor

May 26, 2016

John J. Ficara
Acting Director Division of Taxation
State of New Jersey
Department of Treasury
Division of Taxation
P.O. Box 240
Trenton, New Jersey 08695-0240

Re: IMO the April 4, 2016 Order to Implement a Municipal-Wide Revaluation in the City of Jersey City to be Completed on or before November 1, 2017, to be Effective for the 2018 Tax Year

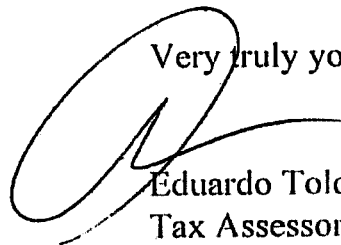
Dear Director Ficara:

Receipt is acknowledged of your letter dated May 19, 2016. In this regard, this correspondence will memorialize the City's efforts in complying with your Order entered on April 4, 2016. As discussed yesterday with you; representatives of the Division of Taxation; and City Corporation Counsel, Jeremy Farrell, Esq., the timeline imposed to complete the revaluation before November 1, 2017, to be effective for the 2018 tax year, is impractical. Nevertheless, as represented to you yesterday by City Corporation Counsel, the City in good faith will make every effort to meet the following deadlines and complete the revaluation as ordered. The proposed revaluation timetable is part of the enclosed narrative of the Compliance Plan. Also enclose hereto

is the City's Revaluation Compliance Report (Form 18 RCR) evidencing the City's efforts undertaken to date to comply with your Order entered on April 4, 2016.

Should you have any questions or require any additional information, please call me directly.

Very truly yours,

A handwritten signature in black ink, appearing to be 'Eduardo Toloza', written over the typed name.

Eduardo Toloza
Tax Assessor

Cc: Jeremy Farrell – Corp. Counsel
Robert Kakoleski – Business Administrator
Don Kenny – County Tax Administrator

AN ORDER TO IMPLEMENT A MUNICIPAL-WIDE REVALUATION

MUNICIPAL COMPLIANCE PLAN

JERSEY CITY MUNICIPAL-WIDE REVALUATION

Overview and Purpose

Jersey City is the State's second largest municipality with a diverse community of 21.1 square miles; 14.9 square miles of land and the remaining 6.2 square miles consist of lands underwater. It is composed of over 51,750 taxable line items and since it is the site of most charitable organizations and government offices, there approximately more that 1,900 exempt properties from local taxation.

The City of Jersey City has been experiencing local growth and development for the last revaluation it had in 1988. The fluctuations in the local and or national economy cause a lot of changes in real estate values. The rate and pace of progress in real estate values vary from neighborhood to different sections of the City that ratios and coefficient of deviations are from ideal as prescribed by Law.

For the last several years, the number of sales, coefficient of deviation, and Director's Equalization Ratio have been as follows:

| Tax Year | Director's Ratio | Coefficient of Deviation | Number of Sales |
|-----------------|-------------------------|---------------------------------|------------------------|
| 2016 | 27.63 | Unavailable | Unavailable |
| 2015 | 30.02 | 39.17 | 1,537 |
| 2014 | 31.24 | 37.57 | 1,400 |
| 2013 | 32.72 | 37.35 | 1,164 |
| 2012 | 31.35 | 35.82 | 1,030 |
| 2011 | 29.43 | 33.27 | 836 |
| 2010 | 26.75 | 34.72 | 936 |
| 2009 | 25.64 | 31.14 | 913 |

The purpose of this Compliance Program is to briefly describe the various procedures to be undertaken in carrying out the Order for a Municipal-wide revaluation of all real estate properties in the City of Jersey City.

Jersey City is committed to promote the highest ethical standards and the efficient way to carry out the Revaluation Order. The primary goal in establishing meaningful procedures is to have everyone pays only a fair share of the cost of the City services.

Procedures

I Request For Proposals

The City of Jersey City is preparing and reviewing a Request for Proposals expected to be released on June 8, 2016. Only revaluation firms approved by the State are qualified to participate with this request. There will be an Evaluation Committee whose members will be appointed by the Business Administrator of the City. The responses will be evaluated in accordance with the scoring criteria established for this purpose. The Firm who has the highest score amongst the members of the committee will be recommended to the governing body of the City of Jersey City to undertake the City-wide Ravaluation.

II Contract

The contract will be awarded through competitive contracting provision of the Local Public Contracts Law (N.J.S.A. 40A:11-4-1 et seq.), which is considered a “fair an open” process under the New Jersey Local Unit Pay-to-Play Law, N.J.S.A 19:44A-20.4 et seq. The Council has adopted the resolution authorizing the use of competitive contracting in the award of any revaluation contract for the revaluation services. Before any work can commence, the contract would have to be approved by the Division of Taxation.

III Estimated Timeline

The following timeline sets forth the approximate dates of the different stages of the Municipal-wide Revaluation;

| <u>Activity</u> | <u>Date</u> |
|---|--------------------|
| 1. Issuance of Request for Proposals | June 8, 2016 |
| 2. Receipt of Proposals | June 21, 2016 |
| 3. Completion of Evaluation of Proposals | July 1, 2016 |
| 4. Tax Map Delivery to the State | July 15, 2016 |
| 5. Award of contract | July 17, 2016 |
| 5. Contract sent to Director, Division of Taxation and Hudson County Board of Taxation | August 18, 2016 |
| 6. Revaluation Contract approved by Director | September 15, 2016 |
| 8. Revaluation begins | September 29, 2016 |
| 9. Notices of new values sent to taxpayers | November 13, 2017 |
| 10. Informal hearings with taxpayers commence | November 20, 2017 |
| 11. Work completed | December 31, 2017 |
| 12. New assessed values applied | January 10, 2018 |

IV Tax Map

The current tax map of the City of Jersey City was certified by the State on May 8, 2009 and being continuously being updated under an ongoing contract with Civil Solutions, a division of Adams, Rehmann and Heggan Professional Engineers, Land Surveyors & Planers.

The tax map will be submitted to the Director of Taxation for review and compliance with N.J.A.C. 18:12-4.7. Since changes with the tax map occurring on almost every day, nevertheless it is expected to be sent to the Division on July 15, 2016.

V Commencement

As soon as the project begins, the Assessor shall meet with the Contractor or Vendor for the purpose of mapping. A particular segment of the discussion will be for setting up neighborhood delineation. The neighborhood boundaries will be determine on the basis of homogeneity, traffic, zoning, historical districting and other factors affecting differences in value changes. A representative of the Firm will drive with the Assessor through the various neighborhood of the City to physically assess the different attributes associated with each neighborhood.

VI Public Relations

a) Communication

In keeping the public abreast of the progress of the revaluation, the Assessor will direct the Contractor to promote transparency in understanding process. Both the City and the Firm will adequately post on their respective website information and materials pertinent to the revaluation, including FAQs. There will be promotions arranged by the Assessor for public meetings and speaking appearances to educate the public. Arrangements will be made with other interested parties; senior organizations, block associations, condominium associations, non-profit organizations, trade groups and the like if interested for such public forum. There will be articles published in the local newspapers, press releases and other publicity as determined by the Mayor's Press Secretary describing the nature and scope of the program. Bulk mailings approved by the Assessor and the Administration designed to explain the purpose of the project; inspections, purpose and dates will be sent out.

b) Inspections

To allay any fears of unauthorized entries, letter of introduction to facilitate the Firm's access to the property will be mailed to the taxpayers. The Firm will be required to provide photographic ID cards of its inspectors to the Assessor, City Clerk and the City's Police Department. The Firms will submit a schedule of areas to be inspected at a certain time together with illustrated color coded maps. It is advisable that a Firm's website will be set up to indicate the same. Arrangement for weekend inspections can be arranged to accommodate taxpayers who may not be available during weekdays. The Assessor, periodically will have field interview to find out how the inspectors handle this stage of the project.

c) Telephone Calls

Any the time notices are sent out, from the introduction of the project to the hearing phase of the revaluation, phone calls are expected to be more than normal. The Firm will be required to have no less than (ten) 10 phone lines available to the public during weekdays.

d) Informal Hearings

Hearings will be held during normal business hours four (4 days) per week and at least one (1) evening per week at a mutually agreed schedule. In advance of the hearing, the Firm will prepare a grid of usable sales listing that would be used. Discussions during the interview will be centered on specific characteristics of each sale. In order to accommodate enough people for the interview, the Firm shall provide at least ten (10) of their employees to handle these hearings and telephone calls.

VII Proposal Evaluation

Responses to the RFP will be evaluated based on the following scoring criteria as established by the City which may include but not limited to;

- a) **Methodology**
- b) **Public Relations**
- c) **Management**

VII Reports

- a) **The Contractor or Vendor shall send a monthly progress report to the Assessor and in turn these reports will be transmitted to the State and to the County Board of Taxation. Report may include illustration graphs and color coded tax maps for easy reference.**
- b) **Reports, including refusals would be reviewed to determine additional action to be recommended and for compensation purpose.**

APPENDICES

- A. **Revaluation Compliance Report**
- B. **Resolution Authorizing The Use of Competitive Contracting To Award A Contract For Property Revaluation Services**
- C. **Resolution Authorizing The Use Of Competitive Contracting To Award A Contact To Purchase License Computer Aided Mass Appraisal (CAMA) Software For The Office of the Tax Assessor**
- D. **Resolution Authorizing an Agreement with Civil Solutions To Perform Digital Tax Map Maintenance**

RCR (1-2016)

County Code HURSON COURCH Name

District Code 0906 Name TEXSEY CITY

REVALUATION COMPLIANCE REPORT

JANUARY 1, 1988
Implementation Date of Last Revaluation
April 4, 2016
Date of Revaluation Order

MAY 8, 2009
Date of Most Recent Tax Map Approval
2018
Revaluation Implementation Year

Following the receipt of a revaluation order, certain actions and approvals must be in place before the revaluation program can be undertaken. Please enter the estimated date for the beginning of each task. When the task begins, place a check in the "Update" box, and correct the estimated date to display the actual start date. When the task is completed, enter the completion date. This report is filed with the County Board of Taxation. The first report is due within 30 days of the receipt of the revaluation order, and an updated report is due thereafter, the first of every month until the executed revaluation contract is approved by the Director, Division of Taxation.

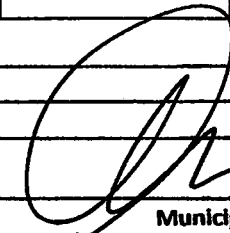
| | Estimated Date /Start Date | Update | Completion Date |
|---|----------------------------|--------|-----------------|
| 1. Contract for Tax Map update | 03-08-16 | | 12-31-16 |
| 2. Tax Map update to begin | 03-08-16 | | 12-31-16 |
| 3. Tax Map submitted to the state for review | 07-15-16 | | 07-18-16 |
| If the map is disapproved - complete the supplemental map review log below until map is approved. | | | |
| 4. Tax Map received with State Approval | 08-15-16 | | 08-15-16 |
| 5. Drafting of revaluation RFP to begin | 04-04-16 | | 06-08-16 |
| 6. RFP completed | 06-08-16 | | 06-08-16 |
| 7. Bid specification advertised | | | |
| 8. Proposals returned on RFP | 06-21-16 | | 06-21-16 |
| 9. Bonding ordinance drafted | 07-01-16 | | 07-13-16 |
| 10. Bonding ordinance approved | 07-01-16 | | 08-17-16 |
| 11. Revaluation Contract awarded | 07-17-16 | | 08-17-16 |
| 12. Executed contract submitted to Director, Div. of Tax. | 08-18-16 | | 08-18-16 |

Supplemental Map Review Log

| | Date Returned to State | # TMR Errors | # BLQ Errors | # RR Errors | Resubmit Date |
|-----|------------------------|--------------|--------------|-------------|---------------|
| 1st | | | | | |
| 2nd | | | | | |
| 3rd | | | | | |
| 4th | | | | | |
| 5th | | | | | |

Explanation/Comments:

May 26, 2016
Date


Municipal Assessor

The form is prescribed by the Director, Division of Taxation as required by law.
The form may be reproduced, but may not be altered without the approval of the Director.

INFORMATION

N.J.A.C. 18:12A-2

The assessor of a municipality directed to undertake a revaluation shall file with the county tax administrator a written plan detailing measures that are being taken or have been accomplished to comply with the terms and provisions of the approved revaluation order issued by the County Board of Taxation. The assessor shall submit the report on Form RCR (Revaluation Compliance Report), prescribed by the Director of the Division of Taxation, within 30 days of notice of the order and the first of each month thereafter, until approval of a contract for revaluation has been approved and signed by the Director, Division of Taxation.

Supplemental Map Review Log

The information to complete the Supplemental Map Review Log is emailed to the tax assessor when a tax map is returned by the State for revisions. The tax assessor should be working with the Professional Land Surveyor to revise the map according to state standards and should be notified when the corrected map is resubmitted to the State.

Reasonable progress must be demonstrated to complete the tasks necessary to undertake a revaluation program. The assessor in conjunction with other municipal officials has a responsibility to implement a plan to accomplish the ordered revaluation. Any delay in progress in preparing for a successful entry into a contract for a revaluation must be explained in the "Explanation/Comment" section of the report. Attach additional sheets if necessary. Unwarranted delays in proceeding to undertake the revaluation could result in legal action to enforce the terms of the order.

N.J.S.A. 40A:4-53

Special emergency appropriations. Handled by the Municipal Finance Officer
Please Contact Department of Community Affairs - Division of Local Government
Services for additional information:

http://www.state.nj.us/dca/divisions/dlgs/programs/mc_budgets.html

Sample Resolutions - emergency appropriations