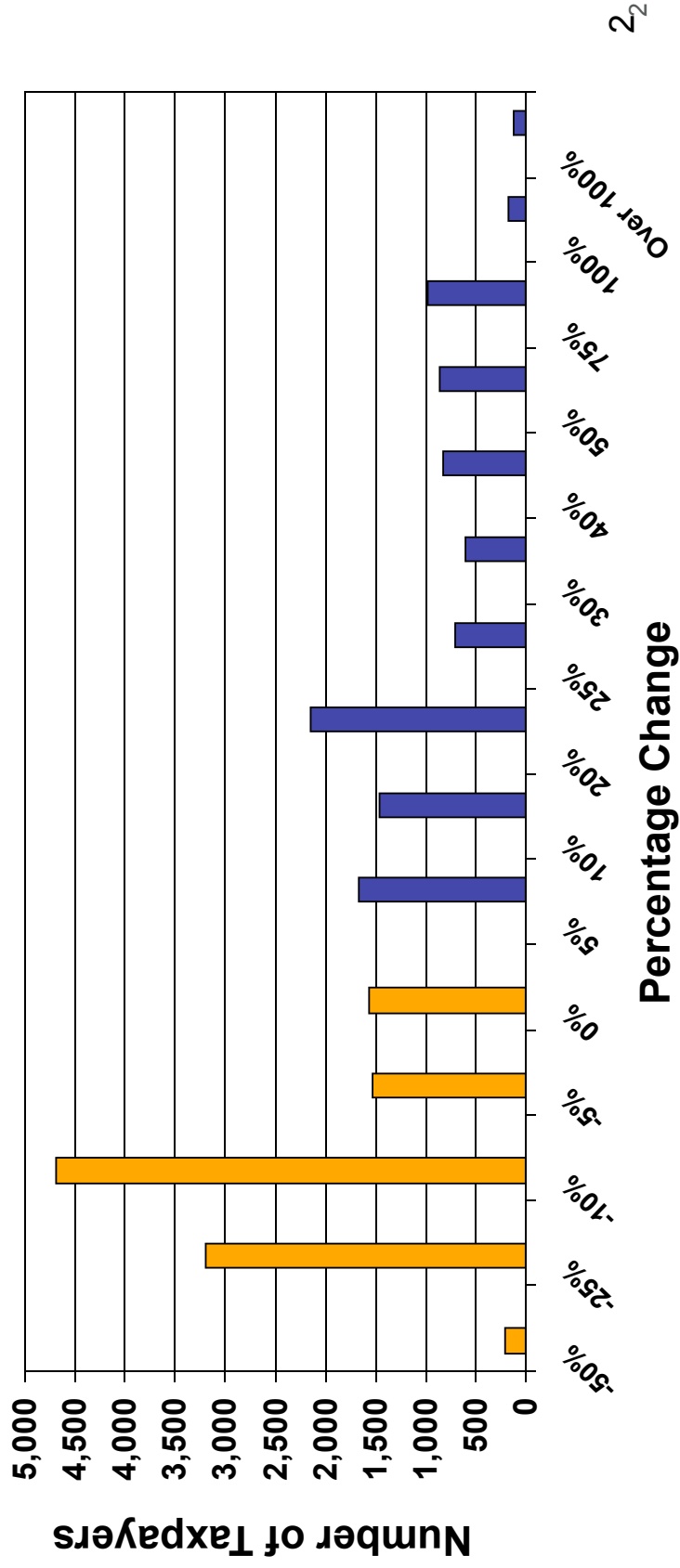


Recommended 2011 Property
Revaluation *Homeowner Phase-in*
and Fiscal Year 2012-13 City Wide
Mill Rate

Monday February 27th, 2012

The 2011 revaluation was unique in that values citywide did not follow a general increase or decrease trend; approximately half of the properties value increased and the other half decreased.

Assessment Changes: 2010 Phase-in to 2011 Full Implementation Value



Revaluation Options: Choosing the Right Fit

The goals of property revaluation and tax policy are four fold.

- First to implement the State Statutory requirement to tax property based on current market values.
- Second to enact deflated property values immediately and at the same time to protect home owners who will experience tax increases as a result of significant increases in the market value of their home.
- Third, to limit the tax levy to the amount collected in the current fiscal year and any amount resulting from non property revaluation new growth in the taxable Grand List.
- Fourth, to be fair.

Choices for the 2011 Revaluation are:

- 1) *Do nothing. Fully implement the 2011 Revaluation as required by State Statute;*
- 2) *Implement the only option permitted under State Statute: a Phase-in of all Values; and,*
- 3) *Seek State enabling legislation that enacts the lower values immediately, cushions homeowners from sticker shock increases and that ultimately sets all assessments at fair market values in advance of the next property revaluation.*

Accordingly the budget submitted to the Board of Alderman on Thursday March 1st will:

- Reduce the Mill rate from 43.9 to 40.56;
- Will not derive any new revenue from the current tax base;
- Will set all properties that experienced deflation fully at the new lower assessment; and,
- Will phase in over five years any increase in assessment on owner occupant properties.

Preliminary Mill Rate Scenarios

Description	Gross G.L	Projected Net G.L.	Mill Rate
2010 Grand List	\$ 6,820,783,025	\$ 5,151,303,390	43.90
2011 Full Implementation Grand List	6,252,824,061	5,943,157,978	38.96
2011 Grand List with Citywide Phase-in	6,252,824,061	5,678,189,028	40.78
2011 Grand List with Phase-in for Owner Occupied Residential	6,252,824,061	5,708,208,286	40.56

Ridge St, Cedar Hill (Ward 10):

- Current Year's Tax
\$5,408
 - Next Year's Tax with Full implementation
\$3,352
 - Next Year's Tax with Owner Occupied Phase-in
\$3,489
 - Next Year's Tax with Citywide Phase-in
\$3,508
 - What this means
- 4 Family
 - 8 Bedroom
 - Effective Area 4,051 Sq ft
 - Yr Built 1900
 - Effective Yr Built 1979

In either scenario, this house will pay less taxes than it did last year as a result of its value decreasing.

Grand List Yr	Assessment
2006	173,250
2010	123,186
2011 Full	86,030
2011 with Citywide P.I	86,030
2011 w/ Owner Occupied P.I	86,030

Everit St, East Rock West (Ward 10)

- Current Year's Tax
\$13,806
- Next Year's Tax with Full implementation
\$17,847
- Next Year's Tax with Owner Occupied Phase-in
\$13,921
- Next Year's Tax with Citywide Phase-in
\$15,672
- What this means
 - Colonial
 - 6 Bedroom
 - Effective Area 3,552 Sq ft
 - Yr Built 1900
 - Effective Yr Built 1989

In either scenario, this house will pay more taxes than it did last year as a result of its value increasing.

Grand List Yr	Assessment
2006	369,600
2010	314,496
2011 Full	455,080
2011 with Citywide P.I	384,296
2011 w/ Owner Occupied P.I	340,213

Sheldon Ter, Newhallville (Ward 19)

- Current Year's Tax
\$2,689
- Next Year's Tax with Full implementation
\$1,988
- Next Year's Tax with Owner Occupied Phase-in
\$2,070
- Next Year's Tax with Citywide Phase-in
\$2,081
- What this means
 - Ranch
 - 2 Bedroom
 - Effective Area 1,003 Sq ft
 - Yr Built 1951
 - Effective Yr Built 1989

In either scenario, this house will pay less taxes than it did last year as a result of its value decreasing.

Grand List Yr	Assessment
2006	86,590
2010	61,264
2011 Full	51,030
2011 with Citywide P.I	51,030
2011 w/ Owner Occupied P.I	51,030

Ogden St, Prospect Hill (Ward 19)

- Current Year's Tax
\$13,341
 - Next Year's Tax with Full Implementation
\$18,799
 - Next Year's Tax with Owner Occupied Phase-in
\$13,775
 - Next Year's Tax with Citywide Phase-in
\$15,683
 - What this means
- In either scenario, this house will pay more taxes than it did last year as a result of its value increasing.
- Contemporary
 - 2 Bedroom
 - Effective Area 3,348 Sq ft
 - Yr Built 1972
 - Effective Yr Built 1998

Grand List Yr	Assessment
2006	360,080
2010	303,884
2011 Full	482,510
2011 with Citywide P.I	384,566
2011 w/ Owner Occupied P.I	339,609

Howard Av, Hill North (Ward 3)

- Current Year's Tax
\$4,654
 - Next Year's Tax with Full implementation
\$2,994
 - Next Year's Tax with Owner Occupied Phase-in
\$3,117
 - Next Year's Tax with Citywide Phase-in
\$3,134
 - What this means
- 2 Family
 - 4 Bedroom
 - Effective Area 3,024 Sq ft
 - Yr Built 1900
 - Effective Yr Built 1989

In either scenario, this house will pay less taxes than it did last year as a result of its value decreasing.

Grand List Yr	Assessment
2006	148,890
2010	106,008
2011 Full	76,860
2011 with Citywide P.I	76,860
2011 w/ Owner Occupied P.I	76,860

Mckinley Av, Westville (Ward 25)

- Current Year's Tax
\$13,256
 - Next Year's Tax with Full implementation
\$14,481
 - Next Year's Tax with Owner Occupied Phase-in
\$12,813
 - Next Year's Tax with Citywide Phase-in
\$15,158
 - What this means
- Colonial
 - 4 Bedroom
 - Effective Area 4,193 Sq ft
 - Yr Built 1923
 - Effective Yr Built 2001

Despite its value going down, this house will receive an increase over last years taxes under full implementation due to last year's tax being based on the partially phased in assessment from 2006 rather than the actual value.

Grand List Yr	Assessment
2006	400,400
2010	301,952
2011 Full	371,700
2011 with Citywide P.I	371,700
2011 w/ Owner Occupied P.I	315,902

300 George St, Commercial Property

- Current Year's Tax
\$1,668,400
- Next Year's Tax with Full implementation
\$2,102,728
- Next Year's Tax with Owner Occupied Phase-in
\$2,189,083
- Next Year's Tax with Citywide Phase-in
\$1,964,278
- What this means
 - Professional Office / Biotechnology
 - Effective Area 489,609
 - 9 Stories

Grand List Yr	Assessment
2006	42,007,000
2010	38,004,554
2011 Full	53,971,470
2011 with Citywide P.I	48,167,686
2011 w/ Owner Occupied P.I	53,971,470

Because the value of commercial property across the city tended to increase, the corresponding tax bills showed the same trend.

As the 2011 owner occupied phase in applies only to residential property, commercial taxpayers do not reap its benefits and as a result pay a slightly higher tax.

265 College St, Commercial Property

- Current Year's Tax
\$419,105
- Next Year's Tax with Full implementation
\$500,438
- Next Year's Tax with Owner Occupied Phase-in
\$520,990
- Next Year's Tax with Citywide Phase-in
\$461,854
- What this means

Because the value of commercial property across the city tended to increase, the corresponding tax bills showed the same trend.

As the 2011 owner occupied phase in applies only to residential property, commercial taxpayers do not reap its benefits and as a result pay a slightly higher tax.

- Mixed Retail / Apartments
- Effective Area 180,364 Sq Ft
- 13 Stories

• 194 Apartments

Grand List Yr	Assessment
2006	11,592,210
2010	9,546,810
2011 Full	12,844,930
2011 with Citywide P.I	11,325,510
2011 w/ Owner Occupied P.I	12,844,930