

**Resolution**  
of the  
**BOROUGH OF NEW PROVIDENCE**  
Resolution No. 2011-145

Council Meeting Date: 05-23-2011

Date Adopted: 05-23-2011

TITLE        RESOLUTION AWARDING CONTRACT TO APPRAISAL  
CONSULTANTS CORP, 293 EISENHOWER PARKWAY, LIVINGSTON,  
NEW JERSEY, FOR TAX APPRAISAL SERVICES

Councilperson Galluccio submitted the following resolution, which was duly seconded by Councilperson Muñoz.

WHEREAS, the Borough of New Providence has a need to acquire Tax Appraisal Services as a non-fair and open contract pursuant to the provisions of N.J.S.A. 19-44A-20.5; and

WHEREAS, the Purchasing Agent has determined and certified in writing that the value of the service will not exceed \$10,000.00; and

WHEREAS, the anticipated term of this contract is one (1) year; and

WHEREAS, Appraisal Consultants Corp. has submitted a proposal, indicating they will provide professional tax appraisal services for an amount not to exceed \$10,000.; and

WHEREAS Appraisal Consultants Corp., has completed and submitted a Business Entity Disclosure Certificate which certifies that Appraisal Consultants Corp. has not made any reportable contributions to a political or candidate committee in the Borough of New Providence in the previous one year, and that the contract will prohibit Appraisal Consultants Corp. from making any reportable contributions through the term of the contract, and

WHEREAS, the maximum amount of the contract is not to exceed \$10,000.00, and said funds are available and have been certified by the Chief Financial Officer; and

WHEREAS, the Local Public Contracts Law (N.J.S.A. 40A:11-5) requires that the resolution authorizing and awarding of contracts for "professional services" without competitive bids and the contract itself must be available for public inspection.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the Borough of New Providence that they hereby agree as follows:

1. The Mayor and Borough Clerk are hereby authorized and directed to execute the attached agreement with Appraisal Consultants Corp., for professional Tax Appraisal Services.
2. Such contract is awarded without competitive bids as a "professional service" in accordance with N.J.S.A. 40A:11-5(1) (a) of the Local Public Contracts Law, because the services to be rendered are professional in nature and are un-specifiable as to requirements for performance. Such services must be rendered by a person particularly trained and licensed in this area, which requires extensive specific education and long experience in both the Federal and State procedural requirements.
3. A notice of this action shall be published once in the Courier News.

APPROVED, this 23<sup>rd</sup> day of May, 2011.

# RECORD OF VOTE

	AYE	NAY	ABSENT	NOT VOTING
CUCCO	X			
GALLUCCIO	X			
GENNARO	X			
LESNEWICH	X			
MUÑOZ	X			
VYZAS	X			
HERN			TO BREAK COUNCIL TIE VOTE	

I hereby certify that the above resolution was adopted at a meeting of the Borough Council held on the 23<sup>rd</sup> day of May, 2011

Wendi B. Barry, Borough Clerk

# APPRAISAL CONSULTANTS CORP.

Real Estate Appraisers and Consultants

293 Eisenhower Parkway – Suite 200  
Livingston, New Jersey 07039-1711

Richard M. Chaiken, MAI, CRE  
Jon P. Brody, MAI, CRE  
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Diane V. Christiana, MAI

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May 21, 2011

## Via E-Mail to:

Patricia Spsychala, CTA  
Tax Assessor – Borough of New Providence  
360 Elkwood Avenue  
New Providence, NJ 07974  
pspsychala@newprov.org

**Re: Summary of anticipated professional fees as of May 21, 2011  
Appraisals already assigned, consulting and added assessments services**

Dear Ms. Spsychala:

In accord with your request, this letter will assist you and the Borough in budgeting for my professional appraisal services associated with the cases that have currently been assigned to me as well as potential consultation and added assessment services.

Case 1:

New Providence 2004, LLC v. Borough of New Providence  
NJ Tax Court Docket Numbers: 005760-2008, 000555-2009 and 003719-2010  
Flex Office/Industrial Facility  
675 Central Avenue  
New Providence, NJ 07974-1560  
TM Block 220 Lot 24.01

On January 10, 2011 I submitted a proposal for professional appraisal and consulting services for this case. At that time, there were three tax years pending. Now that a complaint was filed for the 2011 Tax Year, there are four years pending.

- The Tier I fee (preliminary appraisal) was \$4,200. That work for the initial three tax years was completed in January and my invoice was submitted however has not yet been paid. Since I anticipate that the Tier I appraisal will require augmentation to include the 2011 Tax Year, there will be an additional fee of \$700.
- The Tier II fee (trial ready appraisal should the case not settle) was \$3,000. However, should the Tier II appraisal be needed, the Tier II fee would be increased by \$500 to include the 2011 Tax Year. As such the Tier II fee would be \$3,500.

Thus, it would be appropriate to budget Tier I at \$4,900 for the preliminary appraisal and an additional \$700 (over the allowance provided in my proposal) for meetings and conferences, for an anticipated total Tier I fee of \$5,600.

Summary of anticipated professional fees as of May 10, 2011

Appraisals already assigned, consulting and added assessments services for the Borough of New Providence

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While I believe it is unlikely that this case would proceed to trial, you might consider budgeting \$3,500 for the Tier II appraisal. Additionally, if a Tier II appraisal is required, it is likely there will be additional charges for trial preparation and testimony. However, it is very difficult to reliably project the amount of time required for those tasks. Whatever time is required will be billed at my municipal rate of \$175 hour.

**I suggest you budget at least \$5,600** for this case. While the total fee could be as low as \$4,900, please be aware that in the unlikely event that this does not settle and it goes to trial, the total fee would be at least be twice my budget suggestion, and possibly more.

Case 2:

Medical Realty Associates, LLC v. Borough of New Providence  
NJ Tax Court Docket Numbers: 100607-2010 and xxxx-2011  
Office and Light Industrial Facility  
150 Floral Avenue  
New Providence, NJ 07974  
TM Block 340 Lot 6

On May 3, 2011 I submitted a proposal for professional appraisal and consulting services for this case. At that time, there were three tax years pending, including 2011.

- The Tier I fee (preliminary appraisal) was \$4,000. That work has not yet been started.
- The Tier II fee (trial ready appraisal should the case not settle) was \$3,000.
- At this juncture, it would be premature to budget any fees for 2012.

Thus, it would be appropriate to budget Tier I at \$4,000 for the preliminary appraisal and an additional \$700 (over the allowance provided in my proposal) for meetings and conferences, for an anticipated total Tier I fee of \$4,700.

At this juncture, I have no idea whether this case this case would proceed to trial. However, you might consider budgeting \$3,000 for the Tier II appraisal. Additionally, if a Tier II appraisal is required, it is likely there will be additional charges for trial preparation and testimony. However, it is very difficult to reliably project the amount of time required for those tasks. Whatever time is required will be billed at my municipal rate of \$175 hour.

**I suggest you budget \$4,700** for this case. While the total fee could be as low as 4,000, please be aware that in the event that this does not settle and it goes to trial, the total fee would be at least be twice my budget suggestion, and possibly more.

## APPRAISAL CONSULTANTS CORP.

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Summary of anticipated professional fees as of May 10, 2011

Appraisals already assigned, consulting and added assessments services for the Borough of New Providence

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### Other real estate appraisal and consulting services:

Over the course of a typical year, from time to time you've sought our services for the preparation of commercial added assessment appraisals as well as consultation and providing you/the Borough assistance for difficult/unique valuation problems. Since your need for these services fluctuates from year to year and cannot be reliably predicated in advance, **I suggest you budget for \$5,250** (30 hours at our municipal rate of \$175/hour) for these services.

Hence, **it would be prudent to budget \$15,500 (rounded)**, but be well aware, that amount could rise substantially if either of the two pending cases requires Tier II appraisals and testimony. Also please keep in mind this amount does not include any potential new cases you may assign to us for Tax Year 2011.

Should you or any authorized representatives have any questions or wish to discuss it, please feel free to call me.

Respectfully submitted,

APPRAISAL CONSULTANTS CORP.



William H. Steinhart, MAI, CRE, SCGRE 00391