



# WEST ORANGE SEEKS \$600,000 IN RESERVOIR TAXES FROM ORANGE

**BY WALTER ELLIOTT**

**WEST ORANGE** : West Orange may have become the third party in the debate over the future over the Orange Reservoir when township officials sent the City of Orange Township a \$601,823 bill in back property taxes April 6.

West Orange Township Tax Collector Joanne Gagliardo said, in a published report, that the City of Orange Township had to make a \$16,228.75 payment before April 6 to avoid drawing any penalizing interest. That is half of the calculated taxes that West Orange is owed for the first half of 2011.

That amount may be added to what Gagliardo said is an overall \$601,823 in back taxes going back to January 2005. The collector added that the city did pay some of the due taxes around Feb. 1 but did not state the amount.

Orange City Attorney Marvin T. Braker confirmed to "Local Talk" April 19 that West Orange sent his client a tax bill. Braker added that the matter is not related to the negotiations - and the \$1 million civil suit - between Orange and Essex County.

Orange and the county had been talking with County Executive Joseph DiVincenzo's representatives about financial terms over using the 119-acre tract - including the 65-acre municipal

reservoir.

City negotiators turned down Essex County offered \$700,000 to buy the property, to which Hawkins called a "pitiful" amount. County officials said they balked at the city's offer of a \$100,000 annual lease.

The county wants to add the reservoir property to its tax exempt holdings that surround it. The South Mountain Reservation is to the reservoir's west and south, the county-owned Turtle Back Zoo and Richard J. Codey Sports Arena to its east and Northfield Avenue - also known as County Road No. 508 - to its north.

Orange created the reservoir by damming the West Branch of the Rahway River in the 1870s. It had been the city's primary drinking water source before switching to several wells deeper into the reservation in the 1980s. The body of water and the adjacent land are available by the city for fishing and hiking.

A cursory look by "Local Talk" into contemporary newspaper citations 1932 - 1990 did not indicate whether there has been a historic problem of Orange paying reservoir property taxes to West Orange. West Orange-Fairmount, East Orange and South Orange broke away from Orange over taxes and municipal services 1861-63.

Gagliardo and her office said, however, that the township conducted a property tax sale to an outside collector in January 2005. \$432,000 in uncollected taxes had since accumulated until the township put a tax lien on the reservoir. A municipality generally places a lien on a property when the property owner falls behind a year in payments.

Essex County wants to bring in the reservoir for a marina-style boathouse restaurant. The county has spent some \$20 million over the last decade in revamping the zoo and arena and adding a park-and-ride garage and miniature golf course.

DiVincenzo broke ground on the eatery April 5 - the day before Hawkins and Braker filed a \$1 million encroachment suit in State Superior Court-Newark. That case has yet to have a Superior Court judge assigned to it as of April 27.

Orange officials, in the suit, are declaring that the county had failed to get the city's permission to build and operate a miniature train ride from the zoo into municipal property. The 1,600-foot ride has been operating since the zoo's 1962 opening.

Hawkins and Braker are asking for an injunction against the train ride

plus \$1 million for what they said were environmental damages when the ride was rebuilt in 2002.

The reservoir's value is one of the city-county dispute's sticking points. The county said its land consultant has assessed the 119 acres at \$700,000.

Orange counters that a recent West Orange revaluation places the 119 acres' worth at between \$2 and \$3 million. The city council passed a resolution last month authorizing an independent assessor to set a value.

West Orange's 2011 Tax Assessor Field Guide has the reservoir's assessed value placed at \$700,000. An assessed value, supposedly reset every seven years by a municipality, is one quarter of a property's market value.

That \$700,000 value is solely for the land - there was no property improvement value listed.

Orange's property taxes due West Orange for July 1, 2010-June 30, 2011, amounts to \$97,372.50. That total breaks down to \$64,915 for the latter half of 2010 and \$32,457.50 for this year's first half.

The City of Orange Township, like other property owners, are to get quarterly tax bills - and pay the quarterly amount without an interest penalty within the first six days.

ORANGE GAINS ONE JUROR BUT LOSES ANOTHER