

2017 Board of Assessors Report

This year's Board of Assessors adopted the principle of the Community Standard of Living Method of Arden Assessment in use since 1980 as the basis for determining total land rent.

The "Community Standard of Living Method of Arden Assessment" defines total "Full Rental Value" of the leaseholds as the sum of town expenses (both "non-budget" in the form of county and school taxes, and "budget" as embodied in the town's budget), and the cost of administering the trust, while maintaining a "prudent reserve". This method divides full rental value by acreage of land held privately in leaseholds, such divisions determined by assessors' formulas. The formulas, which are intended to reflect the relative value of leaseholds, are based on lot size, zoning privileges and location factors (see rates and factors below).

A majority of the Board of Assessors continues to endorse the principles of real estate practice in the wider community, which we embody as a multi-tier evaluation of leasehold area. The "A rate" is the base rate, common to all leaseholds - the first 7,116 square feet, using as our unit the area of the smallest leasehold in Arden.

The "B Rate" (multiple domicile rate) is set this year at a flat rate of \$750 per additional domicile unit (ADU), and the leasehold is charged that has the privilege under zoning regulations and allowance by the Trustees of establishing and maintaining more than one dwelling unit on the leasehold. In any case in which the leasehold has an additional domicile unit, without obtaining zoning from New Castle County, that leasehold shall be assessed at the "B Rate" for each additional domicile unit. The "C Rate" is applied to the amount of land on the leasehold not covered by the "A Rate." The "C Rate" is assessed at 40% of the "A rate." The "D rate," the commercial rate, is for one leasehold. The "D Rate" continues at a surcharge of 75% of the "A Rate" with no deduction for frontage on Marsh Road. The change to the "B rate" adjusts the rents for leaseholds with ADUs to put them more in line with the "full rental value."

The specific location factors are as follows.

- | | |
|--|------|
| 1. Leaseholds adjacent to Arden Forest, Ardencroft Forest, or Sherwood Forests | +10% |
| 2. Leaseholds fronting on Arden Forest, Sherwood Forest, or Ardencroft Forest by being across the street | +5% |
| 3. Leaseholds adjacent to or fronting on a communal green | +5% |
| 4. Leaseholds adjacent to Harvey Road and/or Marsh Road | -5% |
| 5. Leaseholds having driveway access only to Harvey Road and/or Marsh Road | -5% |

Notes

1. The specific location factor charges (in dollars) to be added to or subtracted from the sum of the Base Land Rent are obtained by multiplying the Base Land Rent for the leasehold by the appropriate specific location factors as given above.
2. Location factors are additive, if both are applicable.
3. If multiple forest factors apply, the higher of the two factors shall be applied.
4. No fractional or partial factors apply for leaseholds fronting or adjacent to forests or communal greens.

Based on information obtained from the Budget Committee, the Village Treasurer and the Trustees, the Board of Assessors presents the following report.

To meet the 2018-2019 forecast expenditures of \$817,259 and to produce a prudent reserve of \$195,556, the Board of Assessors has set the "A rate" for March 2017 at \$255 per one thousand square feet.

1) Forecast Expenditures

School & County Taxes \$498,030
Trust Administration \$26,786
Sherwood Forest Loan \$16,176
Arden Town Budget \$110,240
Other non-budget items \$182,203
Total forecast expenditures \$817,259

2) Forecast Revenue

Forecast Revenue from sources other than land rent* \$ 73,281
Total Revenue from land rent \$648,684
Total expected revenue \$721,965

* (United Water tower, Comcast/Verizon BWVC Rentals, interest, Municipal street aid, Other)

3) Prudent Reserve

Expected difference between expenditures and revenue	\$ (95,294)
Prudent Reserve as of March 30, 2017*	\$ 217,697
Forecast Prudent Reserve for March 30, 2018**	\$182,448
Forecast Prudent Reserve projected for March 30th, 2019	\$195,556

**(2015 Assessor's Report Forecast \$170,426; Difference +\$47,271*

The 2016-2017 year experienced a \$41,000 tax increase)

*** (2016 Assessor's Report Forecast was \$ 150,663; Difference -\$31,785)*

This trend is consistent with previous years. The Village typically underspends its budget.

Examples using 2017 Rates

Examples of base rentals:

Lot Size (sq ft) Base Land Rent

10,000	\$1815 A +	\$294 C =	\$2,109
20,000	\$1815 A +	\$1,314 C =	\$3,129
30,000	\$1815 A +	\$2,334 C =	\$4,149
40,000	\$1815 A +	\$3,354 C =	\$5,169
50,000	\$1815 A +	\$4,374 C =	\$6,189

Examples of rate calculations:

1. A 20,000 sq. ft. lot containing one dwelling unit, on a village green and adjacent to a forest:

7,116 sq. ft. * \$255 / M sq. ft.	(A Rate)	\$1,815
12,884 sq. ft.* \$255 / M sq. ft. * 40%	(C Rate)	\$1,314
Base Land Rent		\$3,129
Forest Factor \$3,129 / * 10%		\$313
Greens Factor \$3,129 / * 5%		\$156

Total Land Rent \$3,598

2. A 30,000 sq. ft. lot containing three dwelling units and adjacent to Arden Forest:

7,116 sq. ft. * \$255 / M sq. ft.	(A Rate)	\$1,815
Two ADU charges (2*\$750)	(B Rate)	\$1,500
22,884 sq. ft.* \$255 / M sq. ft. * 40%	(C Rate)	\$2,334
Base Land Rent		\$5,649
Forest Factor \$5,490 / * 10%		\$565


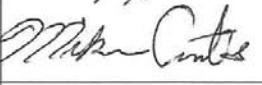


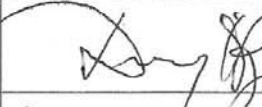
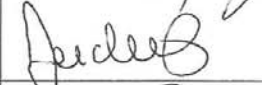

Total Land Rent \$6,214

3. A 10,000 sq. ft. lot containing two dwelling units:

7,116 sq. ft. * \$255 / M sq. ft.	(A Rate)	\$1,815
One ADU charge	(B Rate)	\$750
2,884 sq. ft.* \$255 / M sq. ft. * 40%	(C Rate)	\$294

Total Land Rent \$2,859

THE 2017 BOARD OF ASSESSORS
Vote on Final Report (June 2017)

2017 Assessor	Assessor Signature	Assessor Vote
Sue Rothrock		Yes
Mike Curtis		NO
Warren Rosenkranz		YES.
Pam Politis		Yes
Denis O'Regan		YES
Joe del Tufo		YES
Kate Threefoot		yes