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# Two Princeton Towns in New Jersey Vote to Merge Governments

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By Elise Young

(Updates with final vote tally in second paragraph, comments from resident and mayor starting in fifth paragraph.)

Nov. 9 (Bloomberg) -- Voters in the two New Jersey towns that share the Princeton name with the Ivy League university approved a ballot measure to merge.

The proposal to combine the 1.9-square-mile Princeton Borough, which includes the downtown shopping and dining area, and the surrounding 16.6-square-mile Princeton Township passed in the township yesterday with 3,870 in favor and 665 against, and in the borough with 1,397 for and 891 against, according to results posted on Mercer County's website.

Governor Chris Christie, a first-term Republican, endorsed the plan, offering to pay 20 percent of the total \$1.7 million cost. The towns had rejected at least three earlier consolidation attempts, most recently in 1996. The most recent municipal merger in New Jersey was in 1997, when Hardwick Township absorbed Pahaquarry Township, whose population had dwindled to fewer than a dozen.

Christie, who took office in 2010, is urging New Jersey's 566 municipalities to combine operations to help stem growth in property-tax bills, the highest in the U.S. Governors in Ohio and Pennsylvania are asking local officials to do the same. Property-tax collections, the main income source for municipalities, dropped 1.2 percent, to \$88.5 billion, in the second quarter from a year earlier, the third-straight decline, the U.S. Census Bureau reported in September.

Christie 'Push'

"I'm sure Christie is going to use this to push other municipalities," Alexi Assmus, a borough resident and organizer of Preserve Our Historic Borough, which led the anti-merger movement, said in a phone interview today. "I hope other municipalities wait and see how it works. It's not going to save, certainly in the transition period."

Township Mayor Chad Goerner said he expects to hear from other towns that want to follow Princeton's lead.

"I hope the Christie administration would get on board with providing more aid and assisting us with additional legislation statewide," he said in a phone interview today.

Princeton, midway between New York City and Philadelphia, was settled in 1696. In 1894, a dispute over school funding led residents in the center to secede, forming the borough. The governments remained separate even after residents reached a resolution on the education issue and combined schools.

Home Values

The borough, with about 12,300 residents, has a median home value of \$619,700 and household income of \$106,551. The township, with about 16,300 people, has a median home value of \$760,900 and household income is \$105,662, according to data from the municipalities.

New Jersey's median household income is \$68,444, the second-highest in the U.S., and home value is \$356,800, while the national average is \$50,221 for income and \$185,400 for home value, Census Data show.

Princeton University, one of the eight Ivy League schools, straddles both towns and is the biggest property taxpayer in each. The school didn't take a position on a merger, Robert K. Durkee, its vice president and secretary, said in an Oct. 14 interview.

Savings Estimate

Preserve Our Historic Borough argued that a forecast \$3.1 million in annual savings was overestimated by at least \$1 million. Unite Princeton disagreed, saying the towns were aligned culturally and economically, and would never realize such savings on their own.

Princeton borough has \$51 million of debt outstanding, while the township has \$56.1 million, according to data compiled by Bloomberg. Standard & Poor's rates the borough AA+, the second-highest grade, and the township its top AAA.

The two towns share more than a dozen services including animal control, solid waste and fire. They have their own police departments, each with 30 sworn personnel. In both cases, police is the largest cost, \$3.5 million in the borough and \$3.8 million in the township, according to the center's report. Their 2010 budgets combined totaled \$65.1 million. The merger takes effect in 2013, after a transition.

Consolidating the borough and township would save \$201 for the average borough property, and \$240 for the average township property, according to the

Center for Governmental Research, a Rochester, New York-based nonprofit organization that advised Princeton on consolidating.

The average residential homeowner pays \$3,222 in municipal taxes in the borough and \$3,596 in the township, according to the municipalities. Total property tax bills, which include county and school levies, averaged \$15,255 in the borough and \$16,212 in the township last year, more than double the state average of \$7,576, according to data from the New Jersey Division of Local Government Services.

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