



STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
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DIVISION OF
TELECOMMUNICATIONS

IN THE MATTER OF THE APPLICATION OF VERIZON) ORDER OF APPROVAL
NEW JERSEY, INC., FOR THE APPROVAL OF THE)
SALE AND CONVEYANCE OF REAL PROPERTY)
LOCATED IN THE TOWNSHIP OF EAST BRUNSWICK,) DOCKET NO. TM11110764
MIDDLESEX COUNTY, NEW JERSEY TO CORALMAY,)
LLC.)

Parties of Record:

Sidney D. Weiss, Esq., Attorney for Verizon New Jersey, Inc., Cedar Knolls, New Jersey

Stefanie A. Brand, Esq., Director, Division of Rate Counsel

BY THE BOARD:

On October 31, 2011, Verizon New Jersey Inc. ("Petitioner" or "VNJ") filed an application ("Petition") for approval of the sale and conveyance of real property ("Property") located in the Township of East Brunswick, Middlesex County, New Jersey to CoralMay, LLC ("Buyer") for \$750,000.00. According to the application, there is no relationship between the Petitioner and the Buyer other than that of transferor and transferee.

The Property consists of a 6,680 square foot building on approximately 4.79+/- acres of land and is a part of a property originally acquired by Petitioner on December 22, 1971 at a purchase price of \$285,000.00. The original property, used as an administrative building, was subdivided and a portion of the subdivided property was sold on or about December 23, 2010, pursuant to an Order of the Board approving the sale, dated December 16, 2010 (Docket No. TM10100784). Improvements to the original property subsequent to the purchase thereto consist of a total cost to date of \$2,062,596.00. The book value of the Property is \$816,368.00. The Property is not income producing, and its 2011 assessed value is \$400,000.00.

On or about January, 2009, Petitioner determined that upon the sale of the Property and subject to the reservation of rights and interests, and easements and reservations as described in the sale agreement ("Agreement"), the property will not be required for any present or prospective utility purposes.

On January 1, 2009, Petitioner obtained an appraisal of the Property from Cushman and Wakefield, which determined that the market value of the Property as of January, 2009, was

\$900,000.00 (the "Original Appraisal"). On October 28, 2011, the above appraisal was revised to a market value of \$650,000.00. The Original Appraisal, which was about three years old, was based on the assumption that the Property is part of an undivided parcel of property.

The Petition states that the Property had been advertised on September 5, and September 12, 2011, at which time two bids were received as follows: Keneth Esdale in the amount of \$474,280.00 and CoralMay, LLC (Buyer herein) in the amount of \$850,000.00. The Buyer (CoralMay, LLC) subsequently advised Petitioner that it intended to withdraw its bid, but ultimately the parties agreed instead to the reduce purchase price to \$750,000.00.

Pursuant to the sales agreement, Petitioner is not reserving its rights in the property except the permanent and perpetual right to place, replace, construct, install, operate, use, repair, maintain, relocate and remove existing and future telecommunications facilities in, on, over, under and through the streets adjoining the Property. The details of these rights and easements are described in the Sale Agreement attached to the Petition.

Since the Property was not re-advertised after the expressed intention of withdrawal by the Buyer, Petitioner requested the Board waive its advertising rules under N.J.A.C. 14:1-5.6 (i). Petitioner asserts that by agreeing to the reduced price offer which is still higher than the second highest original bid by an amount of almost \$300,000.00, Petitioner was able to avoid the unnecessary delay in sale and cost of re-advertising the property. Petitioner argues that not permitting the sale to proceed would result in a substantial hardship to the properties and could prejudice Petitioner's ability to dispose of the Property at a fair price since there is no certainty that any higher bids would be received. Petitioner argues that the Buyer as the adjoining property owner is the most logical purchaser of the Property and the proposed purchase price is "probably generous" given its present limited "utility and very poor access" to any other prospective purchaser. Furthermore, Petitioner states that a waiver of advertisement will not adversely affect the public interest and no substantive right of any party will be adversely affected.

By letter dated November 1, 2011, the Division of Rate Counsel informed the Board that it will not be filing any comments in this matter.

DISCUSSION

After reviewing the Petition and supporting exhibits, the Board HEREBY FINDS that VNJ has complied with the regulatory and statutory requirements regarding the sale of utility property contained in N.J.A.C. 14:1-5.6 and N.J.S.A. 48:3-7 respectively.

In view of the foregoing, the Board HEREBY FINDS that the proposed sale of said Property will not affect Petitioner's ability to provide safe, adequate and proper service; is in the public interest; and, is in accordance with law. Accordingly, the Board HEREBY APPROVES the sale and HEREBY GRANTS the requested waiver, subject to the following conditions:

(i) Petitioner is directed to advise the Board of the date on which the transaction is completed, within ten (10) days of completion;

(ii) this Order shall be of no effect, null and void, if the sale hereby approved is not completed within six (6) months of the date hereof unless otherwise ordered by the Board; and

(iii) the approval of the proposed journal entries recording the sale of this Property shall not affect or in any way limit the exercise of the authority of this Board, or of this State, in any future petition or in any proceeding with respect to rates, financing, accounting, capitalization, depreciation or in any other matters affecting Petitioner.

This Order shall become effective upon the service thereof, in accordance with N.J.S.A. 48:2-40.

DATED: 12/15/11

BOARD OF PUBLIC UTILITIES
BY:


LEE A. SOLOMON
PRESIDENT


JEANNE M. FOX
COMMISSIONER


JOSEPH L. FIORDALISO
COMMISSIONER


NICHOLAS ASSELTA
COMMISSIONER

ATTEST: 
KRISTI IZZO
SECRETARY

I HEREBY CERTIFY that the within document is a true copy of the original in the files of the Board of Public Utilities



In the Matter of the Sale and Conveyance of Real Property Located in the Township of East Brunswick, Middlesex County, New Jersey, to CoralMay LLC.

Docket No. TM11110764

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