



Agenda Date: 10/28/09
Agenda Item: IVA

STATE OF NEW JERSEY
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102
www.nj.gov/bpu/

TELECOMMUNICATIONS

IN THE MATTER OF THE APPLICATION OF)
VERIZON NEW JERSEY, INC., FOR THE APPROVAL)
OF THE SALE AND CONVEYANCE OF REAL)
PROPERTY LOCATED IN THE JERSEY CITY,)
HUDSON COUNTY, NEW JERSEY TO RICCIO)
HOLDING, L. L. C.)
ORDER OF APPROVAL

DOCKET NO. TM09080723

Sidney D. Weiss, for Verizon New Jersey Inc., Cedar Knolls, New Jersey 07927

Christopher White, Esq., Maria T. Novas-Ruiz, Esq., Jose Rivera-Benitez, Esq.,
Department of the Public Advocate, Division of Rate Counsel

Kenneth J. Sheehan, Deputy Attorney General, on Behalf of the Staff of the
Board of Public Utilities

BY THE BOARD:

On September 2, 2009, Verizon New Jersey Inc. ("Petitioner" or "VNJ") filed an application ("Petition") for approval of the sale and conveyance of real property ("Property") located in Jersey City, Hudson County, New Jersey to Riccio Holdings, L. L. C., ("Buyer") for \$1,030,000.00. 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 one story, 5,647 square foot building on approximately 1.8336+/- acres of land and was acquired on January 8, 1963, at a purchase price of \$95,000.00. Improvements to the Property subsequent to the purchase thereto consist of a total cost to date of \$517,027.00. The book value of the Property is \$300,873.00. The Property is not income producing, and its 2008 assessed value is \$650,000.00.

In November, 2008, 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 use for utility purposes. The Property has been used as a site for Petitioner's Jersey City Work Center, and will cease to be used for such purposes.

On January 1, 2009, Petitioner obtained an appraisal of the Property from CB Richard Ellis which determined that the market value of the Property as of February, 5, 2009 was \$742,500.00.

The Petition states that the Property had been advertised twice, at least one week apart, in April, 2009. The advertisement substantially complies with the requirements of N.J.A.C. 14:1-5.6(b). In response to the advertisement, only two bids were received; the highest was from Riccio Holdings L.L.C., in the amount of \$1,030,000.00. Petitioner believes that Buyer's bid of \$1,030,000.00 represents the fair market value based on appraisal the marketing efforts.

Pursuant to the sales agreement, Petitioner reserves rights and easements in the Property for the purpose of providing and continuing telecommunications services. The details of these rights and easements are described in the sale agreement and exhibit C annexed to the sales Agreement.

On September 18, 2009, the Division of Rate Counsel ("Rate Counsel") filed it comments stating that it does not oppose the sale. Rate Counsel also recommended that Board inquire about the relocation of the garage center facility to ensure that service quality to New Jersey ratepayers is not jeopardized or unduly compromised.

BOARD DISCUSSION

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

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 in accordance with law, and accordingly HEREBY APPROVES the sale, subject to the following conditions:

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

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

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.

DATED: 10/28/09

BOARD OF PUBLIC UTILITIES
BY:



JEANNE M. FOX
PRESIDENT



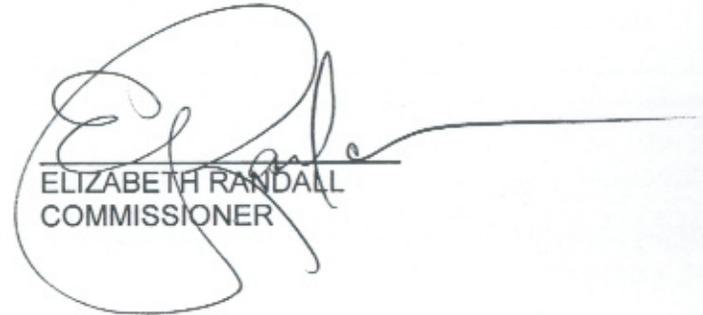
FREDERICK F. BUTLER
COMMISSIONER



JOSEPH L. FIORDALISO
COMMISSIONER



NICHOLAS ASSELTA
COMMISSIONER



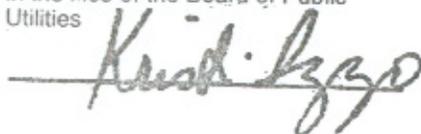
ELIZABETH RANDALL
COMMISSIONER

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 Jersey City,
Hudson County, New Jersey, to Riccio Holdings, L. L. C.**

Docket No. TM09080723

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