



**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
44 South Clinton Avenue, 9<sup>th</sup> Floor  
Post Office Box 350  
Trenton, New Jersey 08625-0350  
[www.nj.gov/bpu/](http://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 CITY OF )  
NEWARK, ESSEX COUNTY, NEW JERSEY TO )  
BRIDGEVIEW DEVELOPMENT LIMITED )  
LIABILITY COMPANY )

ORDER OF APPROVAL

DOCKET NO. TM13040304

**Parties of Record:**

**Sidney D. Weiss, Esq.**, on behalf of Petitioner  
**Stefanie A. Brand, Esq.**, Director, New Jersey Division of Rate Counsel

**BY THE BOARD:**

On April 11, 2013, Verizon New Jersey Inc. ("Petitioner" or "VNJ") filed an application ("Petition") for approval of the sale and conveyance of real property located in the City of Newark, Essex County, New Jersey ("Property") to 540 Broad Urban Renewal Investors, LLC. On May 1, 2013 Petitioner filed a revised letter and Exhibit TAB 2, correcting the name of the buyer from 540 Broad Urban Renewal Investors, LLC, to Bridgeview Development LLC ("Buyer"). The Buyer is a wholly owned affiliated entity of NEC Development LLC. 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 twenty story, 427,720 square foot building on approximately 0.7735 acres of land, and was acquired on October 1, 1927, at a purchase price of \$101.00. Improvements to the Property consist of the existing 427,720 square foot building and subsequent internal improvements, at a total cost to date of \$79,513,650.00. The Property has been used as the site for the Petitioner's New Jersey Headquarters. The book value of the Property is \$50,308,529.67. The Property is not income producing, and its 2013 assessed value is \$31,240,404.80.

In August 2012, Petitioner determined that it has no present or prospective use for the Property for utility purposes. On September 10, 2012, Petitioner obtained an appraisal of the Property from Cushman and Wakefield, Inc. who determined that the market value of the Property as of

September 10, 2012, with certain reservations of space by Petitioner more particularly described in the sale agreement attached with the Petition, was \$ 9,850,000.00.

The Petition states that the Property had been advertised in a newspaper in November 2012. In response to the advertisement, two (2) responsive bids were received. Petitioner accepted the highest bid of \$15,000,000.00 submitted by NEC Development, LLC<sup>1</sup>, an affiliate of the Buyer. Petitioner believes that the Buyer's bid of \$15,000,000.00 is the best price attainable for the Property and represents the fair market value of the Property.

Pursuant to the sale agreement, the Petitioner will lease floors 2, 3, 5, 6, 7, and 8 of the Property from the date of the closing to March 31, 2015, in order to have sufficient time to relocate its business operations to other locations. The terms and conditions of the lease are set forth in Exhibit B annexed to the sale agreement. Furthermore, Petitioner's affiliate, MCI Communications Services, Inc. ("Verizon MCI") will lease the 4<sup>th</sup> floor and additional ancillary space of the Property for continuation of its existing use of telecommunications equipment facilities. The terms and conditions of the lease are set forth in Exhibit C annexed to the sale agreement.

Pursuant to the sale agreement, Petitioner reserves, on behalf of the Petitioner and its affiliates, continuing ownership of all ducts, cables, wires, fixtures and facilities for telecommunications services, which are located in the streets adjoining the Property and right and easement to place, replace, construct, reconstruct, install, operate, use, repair, maintain, relocate and remove such telecommunications facilities in, over, under and through the streets adjoining the property, which are described in the Deed attached to the sale agreement. Pursuant to the sale agreement Petitioner also reserves an easement for the cable dehydrators on the terms set forth in Exhibit J to the sale agreement.

On April 26, 2013, the Division of Rate Counsel ("Rate Counsel") filed a letter indicating that they will not be filing comments for Board consideration on this matter.

## **DISCUSSION**

After reviewing the Petition and supporting exhibits, the Board **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.

The Board also **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

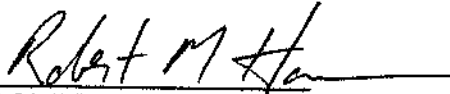
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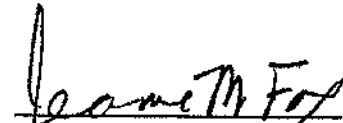
<sup>1</sup> Buyer Bridgeview Development Limited Liability Company is the name of the entity that is taking title to the property pursuant to an assignment from NEC Development, LLC.


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: 6/21/13

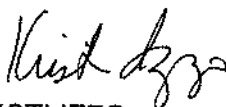
BOARD OF PUBLIC UTILITIES  
BY:

  
ROBERT M. HANNA  
PRESIDENT

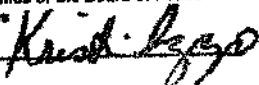
  
JEANNE M. FOX  
COMMISSIONER

  
JOSEPH L. FIORDALISO  
COMMISSIONER

  
MARY ANNA HOLDEN  
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 Application of Verizon New Jersey Inc. for Approval of the Sale and Conveyance of Real Property Located in the City of Newark, Essex County, New Jersey, to Bridgeview Development, L.L.C. - Docket No. TM13040304**

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