

RESOLUTION NO.: 2016 - 46

RESOLUTION OF THE MAYOR AND BOROUGH COUNCIL OF THE BOROUGH OF MOUNT ARLINGTON, IN THE COUNTY OF MORRIS, STATE OF NEW JERSEY, AUTHORIZING THE PRIVATE SALE OF THE PROPERTY SHOWN ON THE BOROUGH TAX MAP AS 3 SOUTHARD ROAD, BLOCK 6, LOT 17 OWNED BY THE BOROUGH OF MOUNT ARLINGTON PURSUANT TO N.J.S.A. 40A:12-13(B)(5) TO TRACY ACQUAVELLA

WHEREAS, the Local Lands and Buildings Law, N.J.S.A. 40A:12-13, et seq., authorizes municipalities to sell real property, capital improvements or personal property, or interests therein, which are not needed for public use by private sale to a contiguous property owner where the property to be sold is less than the minimum size needed for development and it without any capital improvements; and

WHEREAS, the Borough of Mount Arlington is the owner of real property consisting of vacant land located at 3 Southard Road, Block 6, Lot 17, situated near the intersection of Howard Boulevard. The Borough has owned the property since February 1, 2012 and acquired it through a foreclosure of a tax lien. The property was once improved with a small single-family residential dwelling that was demolished and is currently overgrown and partially wooded. The lot is flat and relatively level, with a rectangular configuration measuring approximately 55 feet of frontage on Southard Rd x 100 feet average depth; containing 0.124 Acres. See Appraisal of Vacant Land, prepared by the Borough Tax Expert, Scott J. Holzhauer, CTA, SCGRE, dated August 11, 2015, attached as "**EXHIBIT A**", and incorporated herein as if set forth at length, which is not needed for public use.

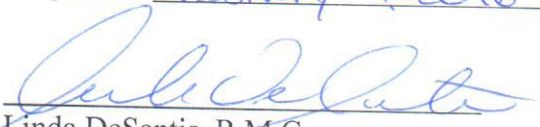
WHEREAS, the Mayor and Council determined that the property meets the requirements of N.J.S.A. 40A:12-13. The subject property, 3 Southard Road, is not needed for public use; is adjacent to an interested contiguous property owner; the property is less than the minimum size needed for development; and there are no capital improvements; and

WHEREAS, on September 1, 2015 the Borough of Mount Arlington adopted Ordinance 07-15 authorizing the sale of 3 Southard Road, a copy of which is incorporated herein as if set forth at length; and thereafter advertised and put to bid the intent to sell the property. The Borough of Mount Arlington received one (1) bid to purchase from the sole adjacent property owner, Tracy Acquavella, residing at 492 Howard Boulevard, Block 6, Lot 18 for fair market value in the amount of \$7,000.00 plus the costs of closing, a copy of the offer is attached as "**EXHIBIT B**", and incorporated herein as if set forth at length; and

NOW, THEREFORE BE IT RESOLVED BY THE GOVERNING BODY OF THE BOROUGH OF MOUNT ARLINGTON, THAT that 3 Southard Road, Block 6, Lot 17 be sold, pursuant to N.J.S.A. 40A:12-13(b)(5), by private sale to Tracy Acquavella for \$7,000.00. The sale is subject to any encumbrances, liens, zoning regulations, easements, other restrictions; and

BE IT FURTHER RESOLVED, the Mayor, Borough Administrator and Borough Attorney are hereby directed to execute any and all documents and agreements to effectuate the sale of 3 Southard Road to Tracy Acquavella.

I HEREBY CERTIFY this to be a true and correct Resolution of the Borough of Mount Arlington and adopted on February 9, 2016.


Linda DeSantis, R.M.C.
Borough Clerk

SCOTT J. HOLZHAUER, CTA, SCGREA

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August 11, 2015

Carolyn Rinaldi
Mount Arlington Administrator
419 Howard Blvd.
Mount Arlington, NJ 07856

RE: Appraisal of Vacant Land

Address: 3 Southard Rd
Mount Arlington, NJ (Morris Cty)
Block/Lots: 6 / 17
Owner: Borough of Mount Arlington

Dear Carolyn:

In accordance with your request, I have conducted an analysis of the above referenced property and performed a study of the available relevant market data in order to appraise the subject parcel in question. The purpose of the appraisal is to estimate the market value of the *fee simple estate* for the 100% undivided interest in the subject property.

It is my understanding that this analysis will be used by the Borough of Mount Arlington for internal consideration regarding the issue of the Sale of Public (Municipal) Property as it pertains specifically to the subject property in question.

The function of this analysis will be to assist the Borough of Mount Arlington in the evaluation of the subject by providing an estimate of potential market value that may be suitable for determination of a fair compensation price if this property were to be offered for sale. This analysis should not however be utilized for any mortgage financing purposes. A more detailed appraisal report would be required for that specific use.

The subject property in question is a vacant lot located on Southard Rd. near the intersection of Howard Blvd. The property has been owned by the Borough of Mount Arlington since 2/1/2012 – as it was acquired via foreclosure of a Tax Lien. This property was once improved with a small single-family residential dwelling that was demolished several years ago and is currently overgrown and partially wooded. The lot is flat and relatively level, with a rectangular configuration measuring approximately 55-ft of frontage on Southard Rd. x 100-ft avg. depth – containing 0.124 Ac.

The subject property appears to have been (or continues to be) a location for “dumping” of landscaping debris and some garbage. In its current condition I would anticipate this type of dumping to continue.

Client Guidelines for Appraisal Consideration

As per client directive, I have been asked to consider potential valuation for the 100% fee interest of the subject property in its current unimproved condition.

Highest and Best Use

The subject property is located in the RA-7.5 Single Family Residence Zone. The minimum lot size in this zone is 7,500-sf (0.172 Ac) for interior lots. The minimum lot width is 50-ft. Based on the bulk criteria, it would appear the subject property is a “non-conforming lot” as presently configured according to the Tax Map, and would therefore not be suitable for use as a single family residential site. Based on its substandard size, this lot also would not be suitable for any of the “Conditional Uses” that are permitted in this zone. Without a variance, the only thing that this lot would be suitable for would be ANNEXATION TO AN ADJACENT PROPERTY OWNER. In that regard, the property would essentially be treated as “*excess land*”.

There are 3 properties immediately adjacent to the subject that all share a common border. These are the only viable users of the subject property via annexation with their own existing lot. These adjacent lots are identified as follows:

- | | |
|------------------|---|
| Block 6 Lot 1 > | Use = Single family residential (lot size 110' x 100')
Owner = PACIFICO, ANTHONY JR & KATHLEEN
Property Location = 4 Circle Dr
Proximity = Abuts subject property along its entire rear border |
| Block 6 Lot 15 > | Use = Duplex residential dwelling (lot size 108' x 100')
Owner = RUSSELL, PATRICIA
Property Location = 5-7 SOUTHARD RD
Proximity = Abuts subject property along the entire right sideline |
| Block 6 Lot 18 > | Use = Single family residential (lot size 101' x 110')
Owner = ACQUAVELLA, MICHAEL & TRACY
Property Location = 492 HOWARD BLVD
Proximity = Abuts subject property along the entire left sideline |

Other Considerations

I have been asked to estimate the potential value of the subject property under the assumption that it were to be “annexed” to an adjacent property – more specifically Block 6 Lot 18. It is my understanding that the subject property has not been listed “for sale”, nor has any other valuation analysis been recently conducted on this property. I have no engineering or environmental data to suggest there are any known “constraints” on this property. This property IS LOCATED in the Highlands Preservation Area.

Inspection Information

I made an informal "exterior" inspection of the subject property in connection with this appraisal assignment on November 13, 2014. There were no detrimental conditions or potential environmental constraints observed during the inspection or subsequent research on the subject property that would influence my determination of H&B Use beyond what has already been discussed. A further visit was made to the site on August 5, 2015. All physical conditions remain identical to those observed during the initial site visit. This re-visitation date will serve as the date of valuation for this analysis.

Valuation Considerations

Since the conclusion of H&B Use for the subject is as "excess land" best suited for assemblage/annexation to any of the adjacent existing parcels, a review of traditional residential vacant land sales does not apply. During my research of sales activity specifically within the Borough of Mount Arlington, it was my observation that the current assessments of the vacant lots were generally quite accurate when considering the most recent equalization ratio determined by the State (90.29% for Tax Year 2015). Accordingly, I feel that in most instances the equalized assessment of the property in question would provide a reasonable estimate of that property's potential Market Value.

To that end, I have examined the impact on the assessment that would occur if in fact the subject property were to be annexed to Block 6 Lot 18, effectively creating an aggregate lot size of 101' x 165'. The resulting land assessment (based on the current land value formula from the CAMA program) would change from \$112,500 to \$118,800, an increase of \$6,300 in assessment.

The land valuation as recalculated on the Property Record Card for that property is shown as follows:

LAND CALCULATIONS								
Frt	Eff D	Back L	Tri	Dpf	FFF	Dep	Reason	Value
101	165			1.03		0.90	TRAFFIC	46813
1	LOT(S)			1.00		0.90	TRAFFIC	72000
Neigh:								
VCS:	FS07			Front Ft Value:		500		
Zone:	RA75			Acre Value:				
Min Front:	50			Lot Value:		80000		
Std Depth:	150						Land Value:	118,800

Based on the determination that the subject property has a H&B Use as "excess land" and should not be considered as a potential building lot based on the current zoning, the assessment increase of \$6,300 for the adjacent parcel that would "annex" the subject lot area is considered reasonable. In applying the 2015 assessment ratio of 90.29% against that potential assessed value increase results in an estimated "market value" of \$6,977 (say \$7,000 rounded).

In conclusion, after a study of all the available pertinent data, it is my opinion that the market value of the subject property, in *fee simple estate*, is as follows:

As of August 5, 2015: 55' x 100' Vacant Land (Excess) = \$7,000

This letter evaluation effectively represents a Restricted-Use Appraisal Report, consistent with the reporting requirements set forth under Standards Rule 2-2 of the Uniform Standards of Professional Appraisal Practice (USPAP). The opinion of value expressed herein is subject to the assumptions, limiting conditions, definitions and conclusions presented; and to the market research and data analysis that have been retained in the appraiser's work file.

The conclusion of value stated is certified to the client only. The reported analysis itself is restricted for use by the client in any capacity related to the evaluation, negotiation, and disposition of the subject property as it pertains to the purpose for which this evaluation was written. This evaluation report may not serve as a stand-alone document. It is primarily intended to be a guide for internal evaluation & fiscal planning relating to a possible sale of the subject property. The anticipated readers of this document are presumed to have an underlying knowledge of the subject's geographical area and physical configuration, along with general knowledge of the relevant economic market. Additional explanation should not be necessary to convey the analysis involved in estimating the final value. However, certain market factors, transactions, descriptions of the subject, or analysis of the comparables and any resulting conclusions may need to be further enhanced by follow-up oral dialogue based on the specific needs of the reader.

Considering the purpose for which this evaluation report was written, the descriptive data, analysis, and conclusions reported herein have been limited to the relevant salient facts upon which the opinion of value is based. Since this report is being conveyed as a "Restricted-Use Appraisal", its contents will not thoroughly address issues pertinent to lenders, insurance companies, or those parties interested in partial interests of the property. This report is not intended for litigation in its present format.

The extreme lack of vacant land sales activity over the past few years, considered a byproduct of the current recession, warranted an analysis consistent with current assessment practice within the municipality – especially as it relates to the H&B Use determination of the subject property as "excess land". The Sales Comparison Approach in this instance was used as a corroborative measure.

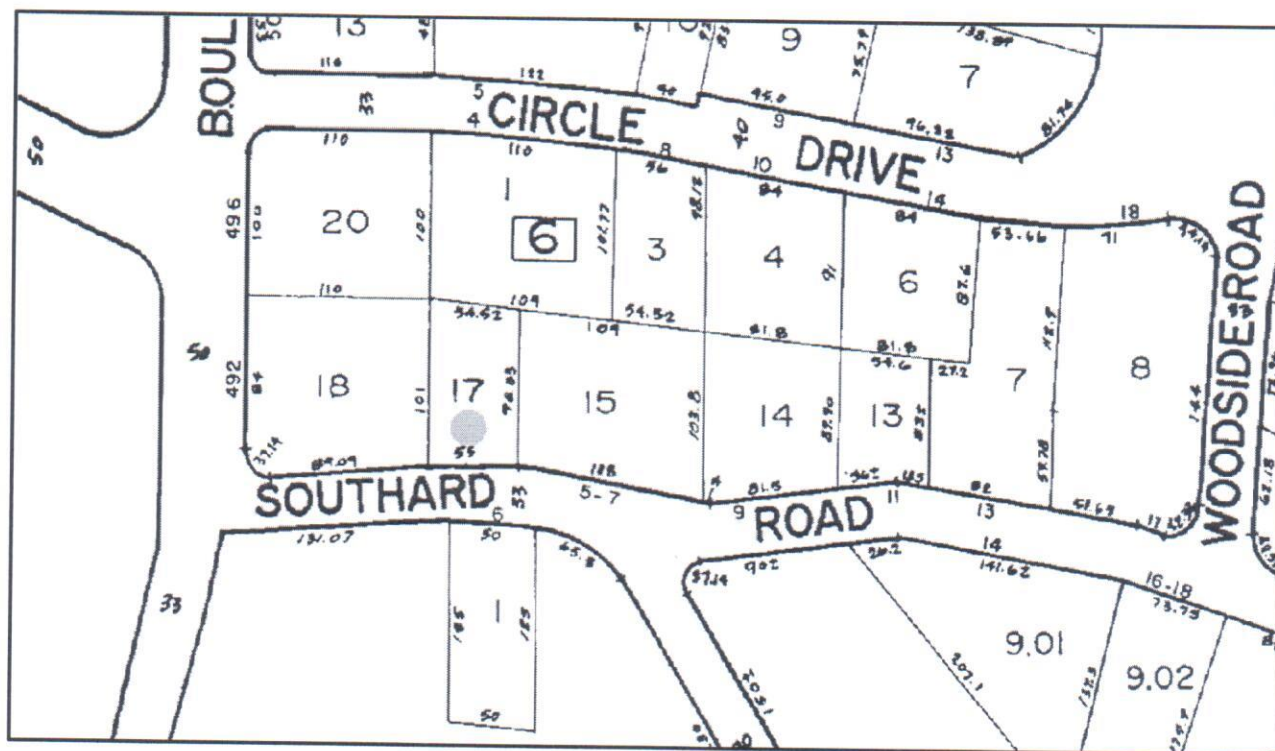
Thank you for the opportunity to be of professional service in this important matter. If you have any questions, please give me a call.

Respectfully submitted,
SCOTT J. HOLZHAUER, CTA, SCGREA
By:



Scott J. Holzhauser
General Appraiser License #RG01115

TAX MAP SHOWING SUBJECT



ZONING MAP SHOWING SUBJECT

