

MASON, GRIFFIN & PIERSON
A PROFESSIONAL CORPORATION
COUNSELLORS AT LAW

MEMORANDUM

To: Mayor & Council of Princeton

From: Edwin W. Schmierer, Esq.
Assistant Municipal Attorney



Date: August 18, 2014

**Re: Princeton - Princeton First Aid and Rescue Squad: Acquisition of 8 and 14
Clearview Avenue**

On March 24, 2014, Princeton and the Princeton First Aid and Rescue Squad ("PFARS") entered into a Memorandum of Understanding ("MOU").

The purpose of the MOU was to facilitate the relocation of the PFARS headquarters located on the corner of North Harrison Street and Clearview Avenue to the site of the former Princeton Township Public Works Department at 1 Valley Road and extending into the immediately adjacent Terhune Road right-of-way. Princeton has agreed to lease this property to PFARS for a term of 99 years.

Paragraph 5 of the MOU provides that PFARS will convey title to the two PFARS-owned residential properties on Clearview Avenue (8 and 14) to Princeton for the consideration of \$100.00 and good and other valuable consideration. PFARS has indicated a desire to convey these two properties to Princeton at this time as their fund raising campaign continues.

The New Jersey Local Lands and Buildings Law, *N.J.S.A.40A:12-3 et seq.* requires that municipalities acquiring real property must do so by ordinance. Consequently, I have prepared and attach hereto for your consideration an ordinance which would facilitate the transfer of title of 8 Clearview Avenue and 14 Clearview Avenue to Princeton. PFARS will terminate a lease for 8 Clearview Avenue on or before August 31, 2014. The other property, 14 Clearview Avenue is currently occupied by tenants on a month-to-month basis with a rental payment of approximately \$2,000.00. While Princeton determines how to utilize these two residential properties, the month-to-month tenant has indicated a desire to remain in the property and pay the rent to Princeton. The deed of conveyance to these two properties would also include a reverter clause. This would mean that for any reason if PFARS was unable to construct their new headquarters on the former Princeton Township Department of Public Works site, then Princeton would reconvey the properties to

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PFARS. We would appreciate very much if you would consider this ordinance for introduction at your meeting on August 25, 2014.

EWS:kaj

cc: Robert W. Bruschi, Administrator
Kathryn Monzo, Assistant Administrator
Linda McDermott, Clerk
Robert V. Kiser, P.E., Princeton Engineer
Mark A. Solomon, Esq., Attorney for PFARS
Mark Freda, President, PFARS

**AN ORDINANCE BY PRINCETON
AUTHORIZING THE ACQUISITION OF 8
CLEARVIEW AVENUE (BLOCK 7307,
LOT 2, PRINCETON TAX MAP) AND 14
CLEARVIEW AVENUE (BLOCK 7307,
LOT 3, PRINCETON TAX MAP FROM
THE PRINCETON FIRST AID AND
RESCUE SQUAD PURSUANT TO N.J.S.A.
40A:12-3 *et seq.***

WHEREAS, Princeton and the Princeton First Aid and Rescue Squad (“PFARS”) entered into a Memorandum of Understanding (“MOU”) on March 24, 2014; and

WHEREAS, the purpose of the MOU is to facilitate the relocation of the PFARS headquarters from its current facility located at the intersection of North Harrison Street and Clearview Avenue to the site of the former Princeton Township Public Works garage at 1 Valley Road; and

WHEREAS, paragraph 5 of said MOU provides that PFARS agrees to convey title to the two residential properties which they own immediately adjacent to their headquarters on Clearview Avenue, to wit 8 Clearview Avenue (Block 7307, Lot 2, Princeton Tax Map) and 14 Clearview Avenue (Block 7307, Lot 3, Princeton Tax Map) to Princeton in consideration of the payment of One Hundred Dollars (\$100.00) and good and other valuable consideration; and

WHEREAS, the plan to relocate PFARS to the aforementioned 1 Valley Road site is proceeding and PFARS wishes to convey the above-referenced real property to Princeton at this time.

NOW THEREFORE, BE IT ORDAINED by the Mayor and Council of Princeton, Mercer County, New Jersey, as follows:

1. Pursuant to the requirements of the New Jersey Local Lands and Buildings Law, *N.J.S.A. 40A:12-3 et seq.*, Princeton is hereby authorized to accept title to 8 Clearview Avenue

(Block 7307, Lot 2, Princeton Tax Map) and 14 Clearview Avenue (Block 7307, Lot 3 Princeton Tax Map) for the payment of One Hundred Dollars (\$100.00) in consideration and good and other valuable promises and consideration as set forth in the aforementioned MOU dated March 24, 2014.

2. The Mayor and Clerk of Princeton are hereby authorized and directed to enter into a contract of sale to facilitate the acquisition of the above-referenced real property.

3. This ordinance shall take effect upon its passage and publication as provided for by law.

Linda S. McDermott, Clerk

Liz Lempert, Mayor

Ordinance Introduced:

Ordinance Adopted:

The purpose of this ordinance is authorize Princeton to acquire title to certain real property commonly known as 8 Clearview Avenue and 14 Clearview Avenue, Princeton, New Jersey.

Compared Sales Analysis

The compared land sales are relatively recent and all are located in Princeton as is the appraised property, and all have the same highest and best use. Before adjustments, the compared sales indicate a value range of **\$545,000** to **\$620,000**; the average unadjusted selling price is **\$589,333**. These compared sales are the competition for the subject for the same potential purchaser, and they reflect recent selling activity for properties like the subject.

Elements of Comparison

Elements of comparison are the characteristics of properties and transactions that cause the prices paid for real estate to vary. All discernible differences between the comparable properties and the subject property that could affect their values are considered and compared to the appraised property. Adjustments for differences are made to the price of each comparable property to make the comparable equal to the subject on the effective date of the value estimate. The ten basic elements of comparison that should be considered in sales comparison analysis are (1) real property rights conveyed, (2) financing terms, (3) conditions of sale, (4) expenditures made immediately after purchase, (5) market conditions – time, (6) location, (7) physical characteristics – size-construction quality-condition, etc., (8) economic characteristics - operating expenses-lease provisions-management-tenant mix, (9) use (zoning), and (10) non-realty components of value.

Prices for single family dwellings peaked at the end of 2005/beginning of 2006; since that time, there has generally been a moderate decline in value until prices started leveling and increasing slightly during the past year. Marketing time has been decreasing as well. All sales are adjusted upwardly based on an annual adjustment of two (2) percent.

After adjustments, the comparable sales indicate a value range of **\$385,499** to **\$470,143**; the average adjusted price is **\$420,158**. In arriving at opinion of the indicated market value from the adjusted selling prices, the appraiser revisits the analysis and places most weight on the sold properties that are most like the subject. All three compared sales are considered good indicators of market value as they are recent sales of a similar class of property, and all are within close relative proximity to the subject property. Sales 1 & 2 however are most like the subject and given most weight. After all considerations, the fee simple estate interest in the subject land has a market value of **\$415,000**. The contributing value of the improvements is nominal (say **\$75,000**) because of the uniqueness (special design) and the fact that the building and site improvements are near or at the end of their economic lives.

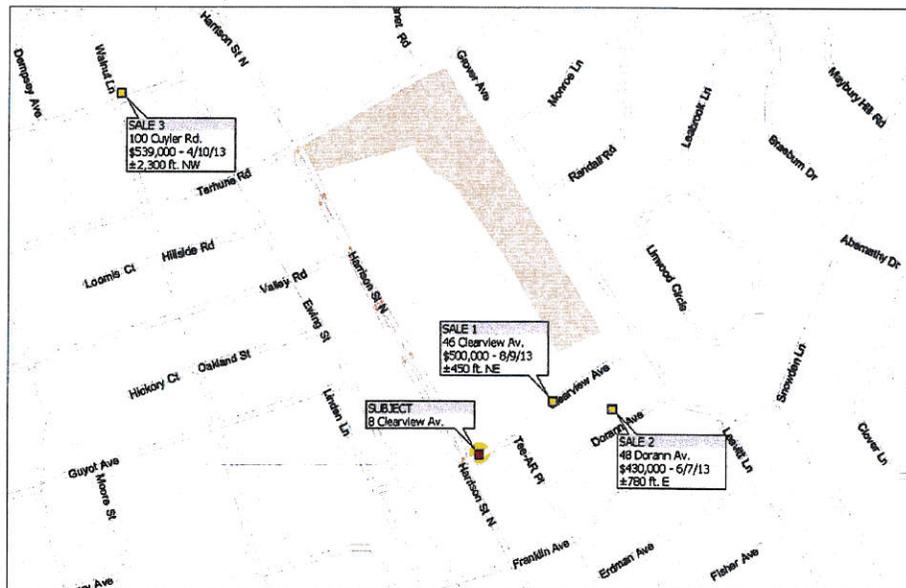
Therefore, the subject property in its "as is" condition as of April 2, 2014 has a market value of **\$590,000** (**\$415,000** plus **\$75,000**) with most value attributable to the land. The estimated market time to sell this property at the appraised amount is six to nine months.

FIVE HUNDRED NINETY THOUSAND DOLLARS
(\$590,000)

Summary of Compared Sales

Sale	Address	Date	Sale Price	Sq. Ft.	Reflects Per Sq. Ft. / GLA	Land (Acres)
1	46 Clearview Ave.	August 9, 2013	\$ 500,000	1,302	\$384.02	0.25
2	48 Dorann Ave.	June 7, 2013	\$ 430,000	1,188	\$361.95	0.24
3	100 Cuyler Rd.	April 10, 2013	\$ 539,000	1,508	\$357.43	0.27

Compared Sales Location Map



Compared Sales Analysis

The compared sales are relatively recent and all are located in Princeton as is the appraised property, and all have the same highest and best use. Before adjustments, the compared sales indicate a value range of **\$430,000** to **\$539,000**; the average unadjusted selling price is **\$489,667**. These compared sales are the competition for the subject for the same potential purchaser, and they reflect recent selling activity for properties like the subject.

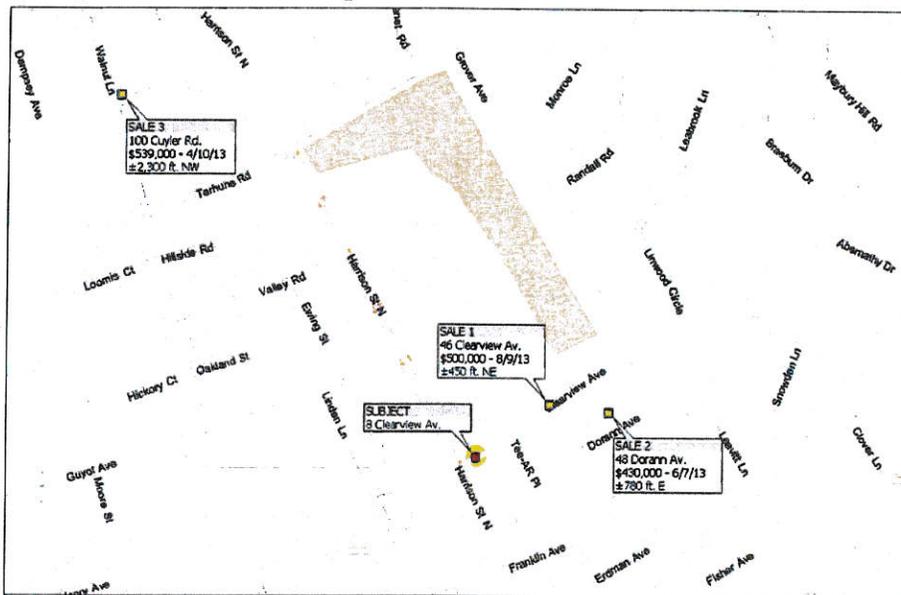
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Elements of comparison are the characteristics of properties and transactions that cause the prices paid for real estate to vary. All discernible differences between the comparable properties and the subject property that could affect their values are considered and compared to the appraised property. Adjustments for differences are made to the price of each comparable property to make the comparable equal to the subject on the effective date of the value estimate. The ten basic elements of comparison that should be considered in sales comparison analysis are (1) real property rights conveyed, (2) financing terms, (3) conditions of sale, (4) expenditures made immediately after purchase, (5) market conditions – time, (6) location, (7) physical characteristics – size-construction

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Prices for single family dwellings peaked at the end of 2005/beginning of 2006; since that time, there has generally been a moderate decline in value until prices started leveling and increasing slightly during the past year. Marketing time has been decreasing as well. All sales are adjusted upwardly based on an annual adjustment of two (2) percent.

After adjustments, the comparable sales indicate a value range of **\$455,849** to **\$515,350**; the average adjusted price is **\$481,156**. In arriving at opinion of the indicated market value from the adjusted selling prices, the appraiser revisits the analysis and places most weight on the sold properties that are most like the subject. All three compared sales are considered good indicators of market value as they are recent sales of a similar class of property, and all are within close relative proximity to the subject property. Sales 1 & 2 however are most like the subject and given most weight. After all considerations, the fee simple estate interest in the appraised property as of April 2, 2014 has a market value of **\$480,000**. The estimated market time to sell this property at the appraised amount is two to four months.

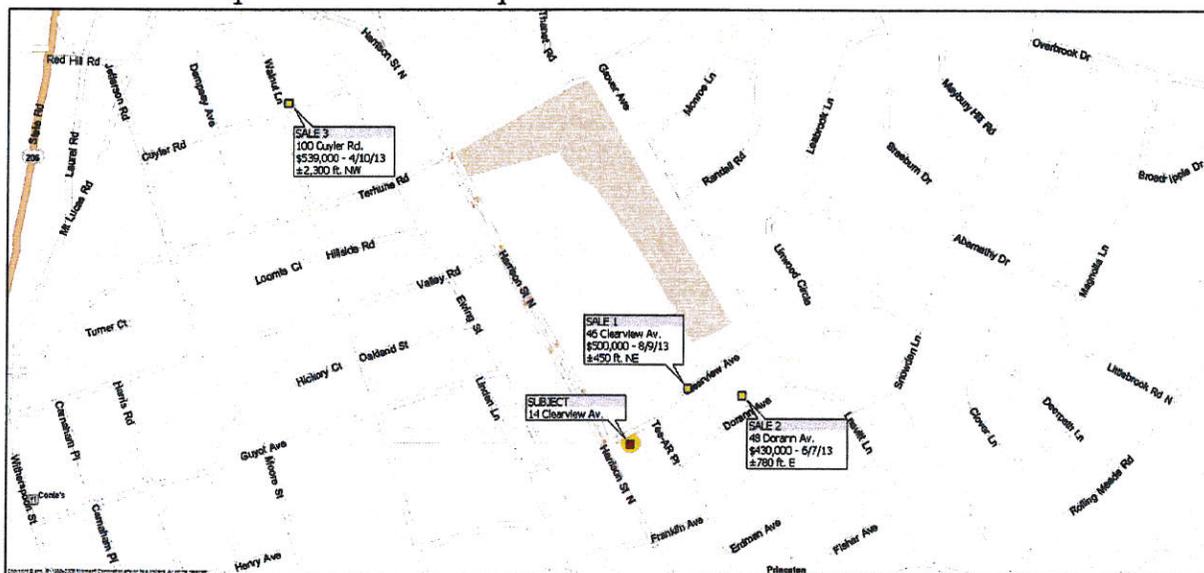
FOUR HUNDRED EIGHTY THOUSAND DOLLARS
(\$480,000)

The following is a Compared Sales Adjustment Matrix which depicts the specific adjustments to the comparable sale properties. Positive adjustments indicate that the subject is superior while conversely, negative adjustments indicate that the subject is inferior.

Summary of Compared Sales

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Compared Sales Location Map



Compared Sales Analysis

The compared sales are relatively recent and all are located in Princeton as is the appraised property, and all have the same highest and best use. Before adjustments, the compared sales indicate a value range of **\$430,000** to **\$539,000**; the average unadjusted selling price is **\$489,667**. These compared sales are the competition for the subject for the same potential purchaser, and they reflect recent selling activity for properties like the subject.

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Prices for single family dwellings peaked at the end of 2005/beginning of 2006; since that time, there has generally been a moderate decline in value until prices started leveling and increasing slightly during the past year. Marketing time has been decreasing as well. All sales are adjusted upwardly based on an annual adjustment of two (2) percent.

After adjustments, the comparable sales indicate a value range of **\$447,049** to **\$511,550**; the average adjusted price is **\$474,023**. In arriving at opinion of the indicated market value from the adjusted selling prices, the appraiser revisits the analysis and places most weight on the sold properties that are most like the subject. All three compared sales are considered good indicators of market value as they are recent sales of a similar class of property, and all are within close relative proximity to the subject property. Sales 1 & 2 however are most like the subject and given most weight. After all considerations, the fee simple estate interest in the appraised property as of April 2, 2014 has a market value of **\$470,000**. The estimated market time to sell this property at the appraised amount is two to four months.

FOUR HUNDRED SEVENTY THOUSAND DOLLARS
(\$470,000)

The following is a Compared Sales Adjustment Matrix which depicts the specific adjustments to the comparable sale properties. Positive adjustments indicate that the subject is superior while conversely, negative adjustments indicate that the subject is inferior.