

Appraisal Report

Ocean City Beach Lots

NJ Department of Environmental Protection Green Acres Project:
State House Commission Project #: SHC 0508007-01D

Property Owner:
City of Ocean City

Subject Property:
3500-02 Wesley Avenue (Block 611.11, Lot 145)
3501-03 Wesley Avenue (Block 611.11, Lot 137)
Portion of 3507 Wesley Avenue (Block 3500, Lot 1)
Ocean City, Cape May County, New Jersey 08226

Subject Description:
0.579± Acres (25,235.76 square feet) Beach and Protective Sand Dunes

Proposed Easement:
0.579± Acres (25,235.76 square feet) Permanent Subsurface Easement

Valuation Effective Date:
November 15, 2021

Report Date:
April 25, 2022

Prepared By:
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Prepared For:
CW Solutions
409 Joyce Kilmer Avenue, Suite 120,
New Brunswick, NJ 08901



Lee Ann Kampf & Associates

Real Estate Appraisal & Consulting

April 25, 2022

Mr. Robert Weible
Vice President
CW Solutions
409 Joyce Kilmer Avenue, Suite 120
New Brunswick, NJ 08901
Via email: rweible@cwcsi.com

Re: Appraisal Report
Ocean City Sand Dune Lots
3500-02 Wesley Avenue (Block 611.11, Lot 145)
3501-03 Wesley Avenue (Block 611.11, Lot 137)
Portion of 3507 Wesley Avenue (Block 3500, Lot 1)
Ocean City, Cape May County, New Jersey
Project # - SHC 0508007-01D

Dear Mr. Weible:

I am transmitting this appraisal report pursuant to your request on the above referenced lots presented in narrative format. The subject includes the aforementioned lots containing beach and protective sand dunes.

The purpose of the appraisal is to determine the market value of the permanent subsurface easement to be acquired on properties owned by the City of Ocean City. The subject property and proposed easement area consists of 0.579 acres (25,235.76 square feet). The client is CW Solutions. The intended users are Orsted and their legal representatives and New Jersey Department of Environmental Protection, Green Acres Program. The intended use of the appraisal is to assist the client and intended users in negotiating the potential terms of the easement for the subject lots.

Representatives of the property owner, the City of Ocean City, were notified of the appraisal assignment and the appraiser's anticipated inspection. The appraiser inspected the subject on November 15, 2021, accompanied by Kay Sangster of NJDEP. Representatives of Ocean City did not accompany the appraiser on the inspection.

This appraisal report has been prepared in accordance with current NJDEP Green Acres Appraisal Requirements (GAAR), all professional appraisal standards Rule 2-2(a) and guidelines including the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation, and the Standards of Professional Practice (SPP) of the Appraisal Institute. A physical inspection of the subject property, its market area, and comparable property information, to the extent practicable, was made by the appraiser.

There are many general considerations, both positive and negative in nature which impact value. On the positive side, the site's location is of major importance as it is in Ocean City, America's Greatest Family Resort where tourism remains relatively strong. The subject is a beach lot with scenic water views of the Atlantic Ocean. The subject has street access to the beach and water access to and from the ocean. Ocean City sells beach badges to the public who use the beach lot for recreational purposes such as sunbathing, swimming, fishing, hiking, birdwatching, etc. The subject contains protective dunes and elevated berm to protect against loss of beach from storms and high waves. It is important to note that after the Project, the property owner and the public will continue to have access to the beach and ocean and will continue to have the ability to use the area above the easement area.

Negatively impacting the subject site is its location in the Ocean City Beach-Dune Zoning District with limited permitted uses and deemed non-buildable. Moreover, the site is impacted by weather events such as hurricanes and nor'easters which erode coastal beaches. Lastly, the market has been negatively impacted by the COVID-19 pandemic and Stay at Home Order in 2020 which affected the 2020 summer season. According to the Cape May County Department of Tourism, "2021 Economic Impact of Tourism in Cape May County", May 20, 2021, there was a 21.7% decline in visitors to Cape May County in 2020 due to COVID-19 with visitation numbers forecasted to reach pre-COVID levels in 2023.

It is important to note, a significant factor in the market as of the effective date of this report is the prevalence of the current COVID-19 pandemic. On March 21, 2020, the governor of New Jersey, Phil Murphy, issued a Statewide Stay at Home Order directing all residents to stay at home until further notice. The Stay at Home Order was lifted in June 2020 and businesses reopened; however, the pandemic is dynamic, constantly changing, and has created uncertainty in the market. The indicated market value developed in this report is based upon the market conditions and trends available as of the Effective Date of this appraisal and may be subject to change after this date.

The appraisal is based on the following extraordinary assumption:

- The appraisal is based on the extraordinary assumption that the subject property is clean and free from environmental contamination and debris, and if this is not true, the assignment results may be affected.

After a complete study and analysis of all relevant data in this assignment, the market value of the subject lots (Block 611.11, Lots 137 & 145 and a portion of Block 3500, Lot 1) as of November 15, 2021, was:

	Value	Per Acre
Final Value Opinion Before: (Fee Simple Estate)	\$106,000	\$182,968/acre
Final Value Opinion After: (Fee Simple Estate subject to Easement)	<u>\$ 91,000</u>	\$157,076/acre
Value of Part Taken and Damages to Remainder	\$ 15,000	

The After valuation shows a decrease in value due to the Easement. As a result, compensation is due to the property owners. It is my opinion the consideration for the acquisition of the easement, as of the effective date, November 15, 2021, is:

**Fifteen Thousand Dollars
(\$15,000)**

Page 3

This letter of transmittal should only be used in conjunction with the entire, accompanying appraisal report. The value conclusion may not be presented without the attached report in its entirety. Attached is a report with my findings. I hope you find the details of this report relevant to your decisions and I will be happy to answer any questions.

Very truly yours,

A handwritten signature in cursive script, appearing to read "La Kampf", written in dark ink.

Lee Ann Kampf, MAI, ASA, IFAS, CTA
State Certified General Real Estate Appraiser
#42RG00238100

Enclosures

TABLE OF CONTENTS

STANDARD ASSUMPTIONS AND LIMITING CONDITIONS	6
CERTIFICATION	8
SUMMARY OF SALIENT FACTS AND CONCLUSIONS	10
APPRAISAL ASSIGNMENT	12
IDENTIFICATION OF PROPERTY	12
PROPERTY OWNERSHIP.....	12
DATES OF INSPECTION AND VALUATION	12
APPRAISAL PURPOSE, CLIENT, INTENDED USER AND INTENDED USE.....	12
LEGAL INTEREST APPRAISED.....	13
VALUE DEFINITION.....	13
EXPOSURE TIME	13
EXTRAORDINARY ASSUMPTIONS AND HYPOTHETICAL CONDITIONS	14
SCOPE OF WORK	15
REGIONAL AND LOCAL MARKET DESCRIPTION	17
REGIONAL- CAPE MAY COUNTY	17
MUNICIPAL DATA – OCEAN CITY	22
NEIGHBORHOOD ANALYSIS	23
MARKET IMPACTS AND PARTICIPANTS SURVEY	23
PROPERTY ANALYSIS	25
MARKET ANALYSIS	31
HIGHEST AND BEST USE – BEFORE THE PROJECT	33
VALUATION BEFORE THE PROJECT	35
APPRAISAL PROCESS – BEFORE THE PROJECT	35
SALES COMPARISON APPROACH– BEFORE THE PROJECT.....	36
NATURE OF PROJECT	49
DESCRIPTION OF THE PROJECT.....	49
DESCRIPTION OF REMAINDER.....	52
HIGHEST AND BEST USE – AFTER THE PROJECT.....	53
VALUATION - AFTER THE PROJECT.....	55
APPRAISAL PROCESS - AFTER THE PROJECT	55
SALES COMPARISON APPROACH - AFTER THE PROJECT	55
DAMAGES TO THE REMAINDER.....	57
CONCLUSION AND JUSTIFICATION	58
ADDENDA	59
LOCATION MAP	60
SUBJECT PHOTOGRAPHS	62
SUBJECT TAX MAP	66
FLOOD MAP.....	68
TIDELAND MAP	70
NEIGHBORHOOD ANALYSIS	72
PORTION OF ZONING MAP AND ORDINANCE.....	77
OWNER NOTIFICATION LETTER	81
NJDEP INSTRUCTIONS	85
APPRAISER QUALIFICATIONS.....	88
APPRAISER LICENSE	92

Standard Assumptions and Limiting Conditions

This report and the value conclusions contained in this report were predicated upon the following assumptions and limiting conditions:

1. By reason of this report, I cannot be required to give testimony with reference to the property appraised, unless arrangements have been previously made. If the appraiser(s) are subpoenaed pursuant to court order, the client will be required to compensate said appraiser(s) for their then regular hourly rates plus expenses.
2. No responsibility was assumed by us for matters of a legal nature, nor was any opinion on the title rendered. Good title was assumed. Management was assumed to be competent and the ownership to be in responsible hands. I assumed that there were no hidden or unapparent conditions of the property, subsoil, or structures which would render it more or less valuable. I assumed no responsibility for such conditions or for engineering which might be required to discover such factors.
3. It is assumed that the property conforms to all applicable zoning and use regulations and restrictions unless nonconformity has been identified, described and considered in the appraisal report.
4. It is assumed that all required licenses, certificates of occupancy, consents and other legislative or administrative authority from any local state, or national government or private entity or organization have been obtained or renewed for any use on which the value estimate contained in this report is based.
5. It is assumed that the property is in full compliance with all applicable federal, state, and local environmental regulations and laws unless the lack of compliance is stated, described and considered in the appraisal report. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation or other potentially hazardous materials may affect the value of the property. The value estimate is predicated in the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field.
6. Exhibits such as plot plans and illustrative material, if any, were included to assist the reader in visualizing the property, and all engineering is assumed to be correct. I did not make a survey of the property.
7. Economic conditions are generally assumed to be consistent with the current state of the economy including interest rates on mortgages that were available as of the date of this report. I assume no responsibility for changes in market conditions or for the inability of the client or any other party to achieve their desired results based upon the appraised value.
8. All information has been furnished by sources deemed to be reliable, but no warranty or representation is made as to the accuracy thereof and is subject to corrections, errors, omissions, and withdrawal without notice.

9. This report was not prepared for syndication or income tax purposes and shall not be used, in whole or in part, in regard to any matter involving limited partnership offerings or the Internal Revenue Service.
10. The appraisal is to be used in whole and not in part. No part of the Appraisal Report shall be used in conjunction with any other appraisal. Publication of the Appraisal Report or any portion thereof, without the express written consent of the appraiser, is prohibited. Except as may be otherwise stated in the engagement letter, the Appraisal Report may not be used by any person or other than the party to whom it is addressed or for purposes other than which it was prepared. No part of the Appraisal Report shall be conveyed to the public through advertising or used in any sales or promotional material without the appraiser's prior written consent.
11. Unless otherwise noted, all maps are pointing north.
12. Unless otherwise noted, definitions in the report are from the Appraisal Institute's, *The Dictionary of Real Estate Appraisal*, 6th ed. (Chicago: Appraisal Institute, 2015).

Certification

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analysis, opinions and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analysis, opinion and conclusion.
- I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest with respect to the parties involved.
- I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the five-year period immediately preceding acceptance of this assignment.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- The appraisal was developed, and the appraisal report was prepared in conformity with the *Green Acres Program Appraisal Requirements*.
- The appraisal was developed, and the appraisal report prepared in conformance with the Appraisal Standards Board's *Uniform Standards for Professional Appraisal Practices*.
- Representatives of the property owner, the City of Ocean City, were notified of the appraisal assignment and the appraiser's anticipated inspection. The appraiser inspected the subject on November 15, 2021, accompanied by Kay Sangster of NJDEP. Representatives of Ocean City did not accompany the appraiser on the inspection.
- No one provided significant professional assistance to the persons signing this report.
- The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- The use of this appraisal report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, Lee Ann Kampf has completed the continuing education program for Designated Members of the Appraisal Institute.

- As of the date of this report, Lee Ann Kampf upholds the Bylaws and abides by the Code of Ethics and Professional Standards of the American Society of Appraisers (ASA).

The appraisal is based on the following extraordinary assumption:

- The appraisal is based on the extraordinary assumption that the subject property is clean and free from environmental contamination and debris, and if this is not true, the assignment results may be affected.

After a complete study and analysis of all relevant data in this assignment, the market value of the subject lots (Block 611.11, Lots 137 & 145 and a portion of Block 3500, Lot 1) as of November 15, 2021, was:

	Value	Per Acre
Final Value Opinion Before: (Fee Simple Estate)	\$106,000	\$182,968/acre
Final Value Opinion After: (Fee Simple Estate subject to Easement)	<u>\$ 91,000</u>	\$157,076/acre
Value of Part Taken and Damages to Remainder	\$ 15,000	

The After valuation shows a decrease in value due to the Easement. As a result, compensation is due to the property owners. It is my opinion the consideration for the acquisition of the easement, as of the effective date, November 15, 2021, is:

Fifteen Thousand Dollars
(\$15,000)



Lee Ann Kampf, MAI, IFAS, CTA, SCGRE
NJ Certified General Appraiser #: 42RG00238100

April 25, 2022

Summary of Salient Facts and Conclusions

Identification:	Beach and Protective Sand Dune Lots 3500-02 Wesley Avenue (B 611.11, L 145) 3501-03 Wesley Avenue (B 611.11, L 137) Portion of 3507 Wesley Avenue (B 3500, L 1) Ocean City, Cape May County, NJ 08226
Site Description:	Overall rectangular shaped, 0.579± acres (25,235.76 square feet) (larger parcel); 30'± road frontage SE/S 35 th Street; beach and protective sand dunes; flood zone VE, high risk and within 100-year flood event
Improvement Description:	None
Zoning:	Beach-Dune (BD)
Highest and Best Use:	Recreation
Ownership:	City of Ocean City
Interest Appraised:	Fee Simple Estate
Acquisition:	0.579 acres permanent subsurface easement under Block 611.11, Lots 137 & 145 and portion of Block 3500, Lot 1 (riparian grant area)
Inspection Date:	November 15, 2021
Valuation Date:	November 15, 2021
Extraordinary Assumption & Hypothetical Condition:	<ul style="list-style-type: none">• The appraisal is based on the extraordinary assumption that the subject property is clean and free from environmental contamination and debris, and if this is not true, the assignment results may be affected.

Summary of Salient Facts and Conclusions Continued

Value Indicators

Value Indicators		
	Before	After
Sales Comparison Approach	\$106,000	\$91,000
Income Approach	N/A	N/A
Cost Approach	N/A	N/A
Value Conclusion	\$106,000	\$91,000
<i>Square Feet</i>	25,236	25,236
<i>\$/SF</i>	\$4.20	\$3.61
<i>Acres</i>	0.579	0.579
<i>\$/Acre</i>	\$182,968	\$157,076

Final Value Conclusion

After a complete study and analysis of all relevant data in this assignment, the market value of the subject lots (Block 611.11, Lots 137 & 145 and a portion of Block 3500, Lot 1) as of November 15, 2021, was:

	Value	Per Acre
Final Value Opinion Before: (Fee Simple Estate)	\$106,000	\$182,968/acre
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The After valuation shows a decrease in value due to the Easement. As a result, compensation is due to the property owners. It is my opinion the consideration for the acquisition of the easement, as of the effective date, November 15, 2021, is:

Fifteen Thousand Dollars
(\$15,000)

Appraisal Assignment

This appraisal report has been prepared in accordance with current NJDEP Green Acres Appraisal Requirements (GAAR), all professional appraisal standards Rule 2-2(a) and guidelines including the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation, and the Standards of Professional Practice (SPP) of the Appraisal Institute.

The valuation process used generally accepted market-derived methods appropriate to the assignment. For a detailed description of the Scope of Work Rule see the Uniform Standards of Professional Appraisal Practice as adopted by the Appraisal Foundation beginning on Page U-13, and Advisory Opinions 22, 28 and 29.

Identification of Property

The subject includes lots identified as 3500-02 Wesley Avenue (Block 611.11, Lot 145), 3501-03 Wesley Avenue (Block 611.11, Lot 137), a portion of 3507 Wesley Avenue (Block 3500, Lot 1) Ocean City, Cape May County, New Jersey. The subject includes the aforementioned lots containing beach and protective sand dunes with a riparian grant area totaling 0.579± acres known as the larger parcel. A further description of the property is presented in the "Property Analysis" section of this report.

Property Ownership

According to the Cape May County Clerk's Office, the owner of record for the subject lots is the City of Ocean City. See the "Ownership" section of the report for additional information.

Dates of Inspection and Valuation

Representatives of the property owner, the City of Ocean City, were notified of the appraisal assignment and the appraiser's anticipated inspection. The appraiser inspected the subject on November 15, 2021, accompanied by Kay Sangster of NJDEP. Representatives of Ocean City did not accompany the appraiser on the inspection. The valuation date is as of the inspection date, November 15, 2021. Market research was conducted from September 14, 2021 to April 22, 2022. The issuance date of this report is indicated on the transmittal letter.

Appraisal Purpose, Client, Intended User and Intended Use

The purpose of the appraisal is to determine the as is, fee simple value subject to any and all rights, privileges and easements of record. The client is CW Solutions. The intended users are Orsted and their legal representatives and New Jersey Department of Environmental Protection Green Acres Program. The intended use of the appraisal is to assist the client and intended users in negotiating the potential terms of the easement on the subject lots.

Legal Interest Appraised

The real property valued in this appraisal consists of the **Fee Simple Estate**. Title is assumed to be free and clear of encumbrances including special financing and restrictions such as deed restrictions and easements of record. It is only subject to the four governmental powers of taxation, eminent domain, police power, and escheat.

The **Fee Simple Estate** is defined as:

“Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.” ¹

Value Definition

The appraiser was engaged to provide a credible market value estimate for the fee simple interest of the Subsurface Easement Project (“Project”) and any damages to the remainder.

Market Value is further defined as:

“The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- Buyer and Seller are typically motivated;
- Both parties are well informed or well advised, and each acting in what he or she considers his or her own best interest;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.²

Exposure Time

Exposure Time is defined as:

“The estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; an opinion based on an analysis of past events assuming a competitive and open market.” ³

¹ Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th Edition. Chicago, IL: Appraisal Institute, 2015, p. 90.

² Appraisal Institute, *The Appraisal of Real Estate*, 15th Edition. Chicago, IL: Appraisal Institute, 2020.

³ *Uniform Standards of Professional Appraisal Practice* as promulgated by the Appraisal Standards Board of the Appraisal Foundation, 2020-2022.

Based upon the market analysis as detailed in this report, the appraiser estimates a reasonable exposure time to have been 1 to 6 months for a property like the subject at the concluded opinion of value.

Extraordinary Assumptions and Hypothetical Conditions:⁴

Extraordinary Assumption

An assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions.

The appraisal is based on the following extraordinary assumption:

- The appraisal is based on the extraordinary assumption that the subject property is clean and free from environmental contamination and debris, and if this is not true, the assignment results may be affected.

Hypothetical Condition

A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.

- There are no hypothetical conditions used in the development of the appraisal report.

⁴ *Uniform Standards of Professional Appraisal Practice*, 2020-2022 Edition (Washington, D.C.: The Appraisal Foundation).

Scope of Work

In order to determine the value for the subject, data was collected and analyzed. The results of my analysis were then reported in conformance with USPAP, UASFLA and client requirements. The actual scope of work is embodied throughout the report.

The scope of this appraisal required collecting primary and secondary data relevant to the subject property including: an inspection of the subject lot and its environs; review of tax assessment and public records; investigation of sales in the subject's marketplace; and an analysis of inventory and availabilities. Following is a summary of that scope of work.

Property Research

1. Reviewed provided survey entitled "Ocean Wind An Orsted & PSE&G Project Diversion Area Across the Property of Ocean City Block 611.11, Lots 137 & 145, Block 3500, Lot 1 (Including Riparian Grant), Ocean City, Cape May County, New Jersey", dated 04/13/2022.
2. Identified the subject using public records via the Cape May County Clerk's Office and Ocean City Tax Assessment Office
3. Examined tax assessment map and aerial maps
4. Researched NJ Geo-Web mapping system
5. Reviewed USDA Web Soil Survey
6. Reviewed FEMA Flood Insurance Rate Map
7. Reviewed zoning and land use regulations
8. Reviewed public record for easements and encumbrances
9. Inspected the subject property
10. Investigated and inspected the subject's location/neighborhood
11. Analyzed real estate tax assessment
12. Reviewed current listings and all historic transfers of property up to five years prior to the valuation date

Market Research

1. Reviewed the subject within its market context
2. Reviewed both public and private resources for information on economic and demographic trends that will influence competitive market performance
3. Identified, inspected and surveyed comparable properties in the market and extended market

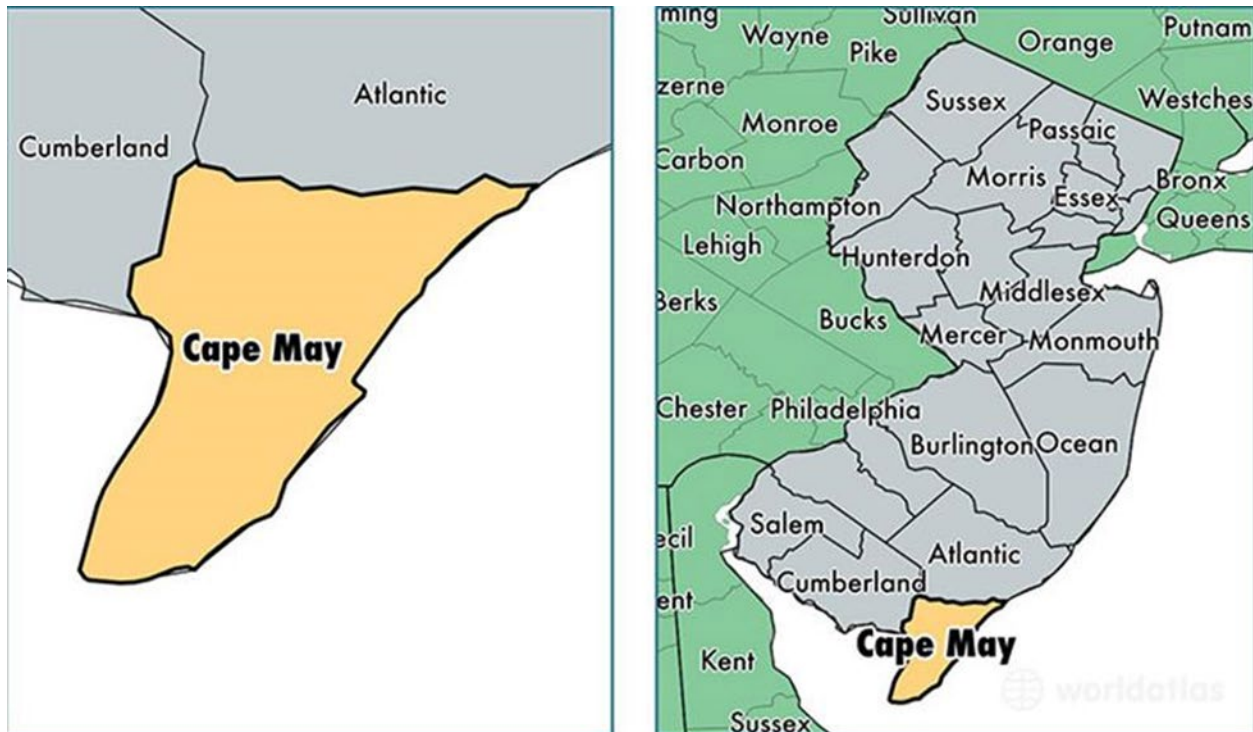
Analyses Considered

1. Determined Highest and Best Use based on inferred methods
2. Considered each of the three value approaches, Sales Comparison, Cost and Income Capitalization Approaches
3. Sales Comparison Approach - Applied
 - a. Identified comparable sales
 - b. Made adjustments to sales based on drive-by inspection and data gathering
4. Cost and Income Approaches – Not Applied as these methods are not typically considered by potential buyers of vacant land in the market

Regional and Local Market Description

The objective of this section is to identify and analyze trends and opportunities that may have a bearing on the economics and marketability of the property as described in the previous section. Since real estate is an integral part of its neighborhood and it cannot be treated as an entity apart from its environment, in this section, those attributes that may influence the highest and best use and market value of the property are explored in detail.

Regional- Cape May County



Source: World Atlas

Cape May County is the southernmost county within the State of New Jersey. Cape May County is bordered on the north by Atlantic County and on the west by Cumberland County with the remainder bordered by the Delaware Bay and the Atlantic Ocean. Much of the economic activity in the county is centered around tourism to the beach destinations. There is also a thriving agricultural business in Cape May County.

Population

According to the 2010 census, the population of New Jersey has increased by 4.5% since the 2000 census and at a higher rate of 5.7% from 2010 to 2020. From 2000 to 2010, the population of Cape May County has decreased by 4.9%. Furthermore, the population has declined by 6.1% from 2010 to 2020 as the following chart indicates:

U.S. Census Population					
Area	2000	2010	Est. 2020	Change 2000-2010	Change 2010-2020
New Jersey	8,414,350	8,791,894	9,288,994	4.5%	5.7%
Cape May County	102,326	97,265	91,312	-4.9%	-6.1%

Source: U.S. Census Bureau

From the Site to Do Business, the population is projected to continue to decline for Cape May County and increase for New Jersey as the following charts shows:

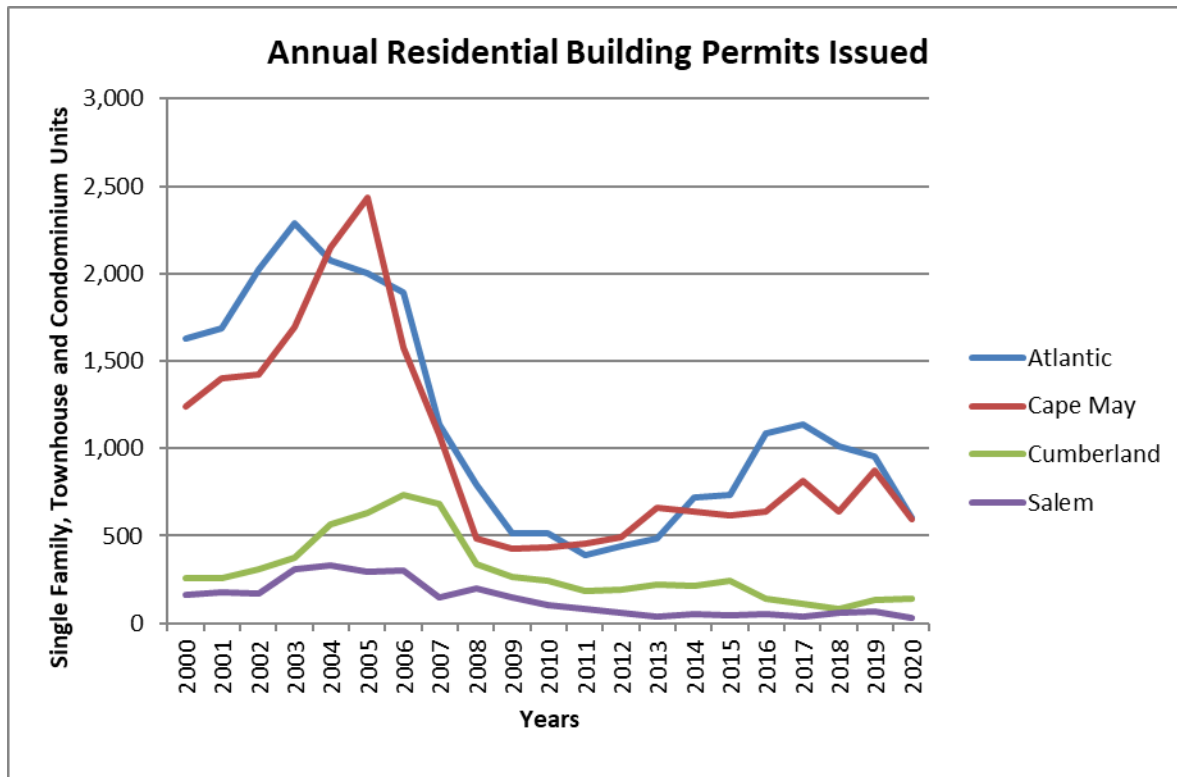
Population	New Jersey	Cape May County
2010 Total Population	8,791,894	97,265
2020 Total Population	9,288,994	91,312
2025 Total Population	9,233,247	91,818
2010 - 2020 Annual Growth Rate	5.7%	-6.1%
2020 - 2025 Annual Growth Rate	-0.6%	0.6%
	New Jersey	Cape May County
Median Home Value		
2020	\$348,500	\$333,161
2025	\$382,774	\$382,961
Median Age		
2010	38.9	47.1
2020	40.3	50.1
2025	41.2	50.8
2020 Population by Sex	9,100,978	94,393
Males	48.75%	48.82%
Females	51.25%	51.18%
2025 Population by Sex	9,233,247	91,818
Males	48.87%	48.95%
Females	51.13%	51.05%
	New Jersey	Cape May County
Per Capita Income		
2020	\$43,560	\$41,500
2025	\$47,830	\$45,749

Source: Site to Do Business

The median home value and the per capita income for the county are below state levels.

Housing Trends

The new housing market provides insights into the local economy. The following chart provides annual construction statistics by county on new residential housing units authorized by building permits. Residential housing permits include single-family houses, townhouse and condominiums units.



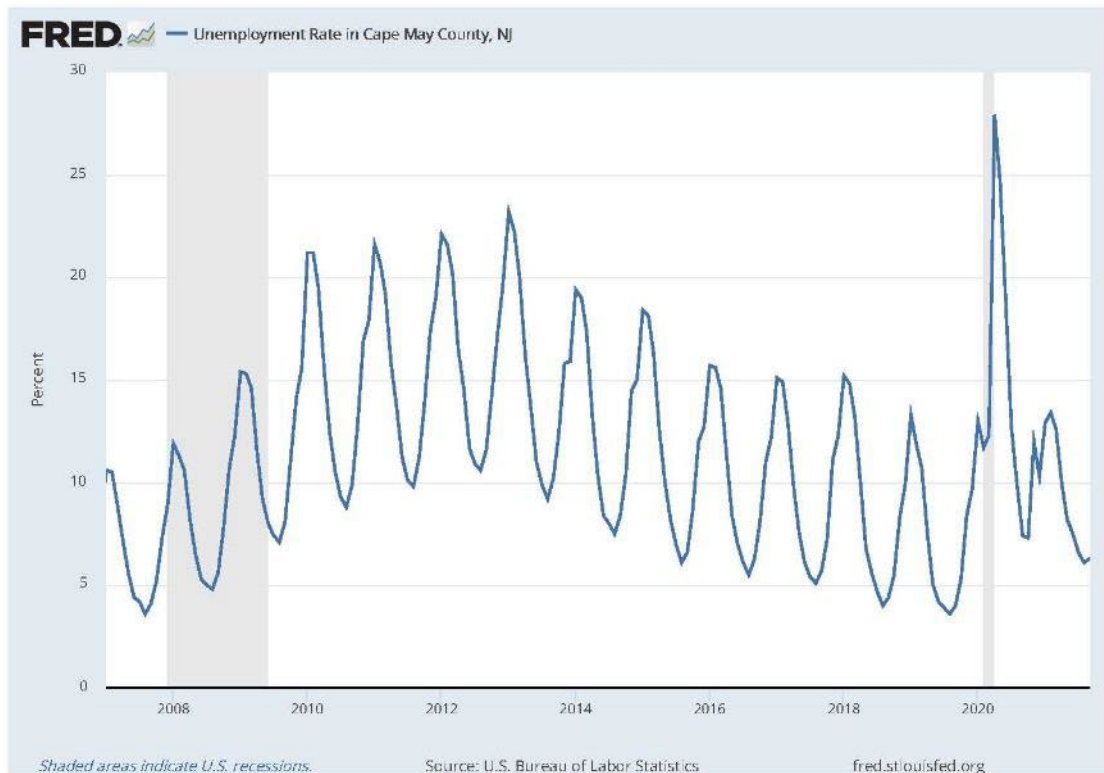
Source: HUD State of Cities Data System (SOCDS)

Building permits across the four southern counties of New Jersey increased annually until peaking in 2005. From 2005 to 2009 the number of building permits continued to decline for all three counties. The number of building permits for Cumberland and Salem Counties has remained relatively level since 2009. Atlantic County began to show signs of improvement with the number of building permits trending upward until 2017 mainly due much of the new development being subsidized; however, the numbers have trended downward since that time. For the Cape May County market, the number of permits increased from 2009 to 2013 and most recently, permits increased 35% from 641 building permits in 2018 to 870 permits in 2019. However, estimated building permits for 2020 show a decline of 31% from 870 building permits in 2019 to 598 permits in 2020.

Employment

Some of the largest private employers in Cape May County include Cape Regional Medical Center, Wawa, Acme Markets and Walmart. There is also a thriving agricultural business in Cape May County. According to the Cape May County Tourism office, approximately ten years ago less than 10 percent of the County's tourism revenue came from eco-tourism and agricultural tourism, including tours and tastings at breweries and wineries.

When the Governor of New Jersey announced the *Stay-at-Home Order* in March 2020 (see “Market Participant” section of the report) the unemployment rate for Cape May County was 10.9% and more than doubled to 26.9% in May 2020. As of September 2021, the unemployment rate has declined to 6.3%. This unemployment rate is slightly higher than the statewide unemployment rate of 6.2% in September 2021. The following chart shows the annual unemployment rate for Cape May County since 2007.



Given the Covid-19 pandemic, the projected unemployment rate is uncertain.

Linkages

Cape May County is easily accessible from major nearby metropolitan areas including New York, Philadelphia, Newark and Wilmington through a network of federal and state highways. To the north, the Garden State Parkway connects Cape May to Newark as well as to the New Jersey Turnpike (I-95) with access to New York City. The Garden State Parkway connects to the Atlantic City Expressway with access to Atlantic City to the east and Philadelphia and Wilmington to the west. Philadelphia and Wilmington are located approximately 50 miles from Cape May County while Newark and New York are located approximately 100 miles. Linkages include Routes 55 and 9, Routes 47, 49, and 50. The Cape May-Lewes Ferry, operated by the Delaware River and Bay Authority (DRBA), provides connection between New Jersey and Delaware. Visitor Centers at the DRBA Cape May and Lewes Terminals provides amenities for tourists.

Retail

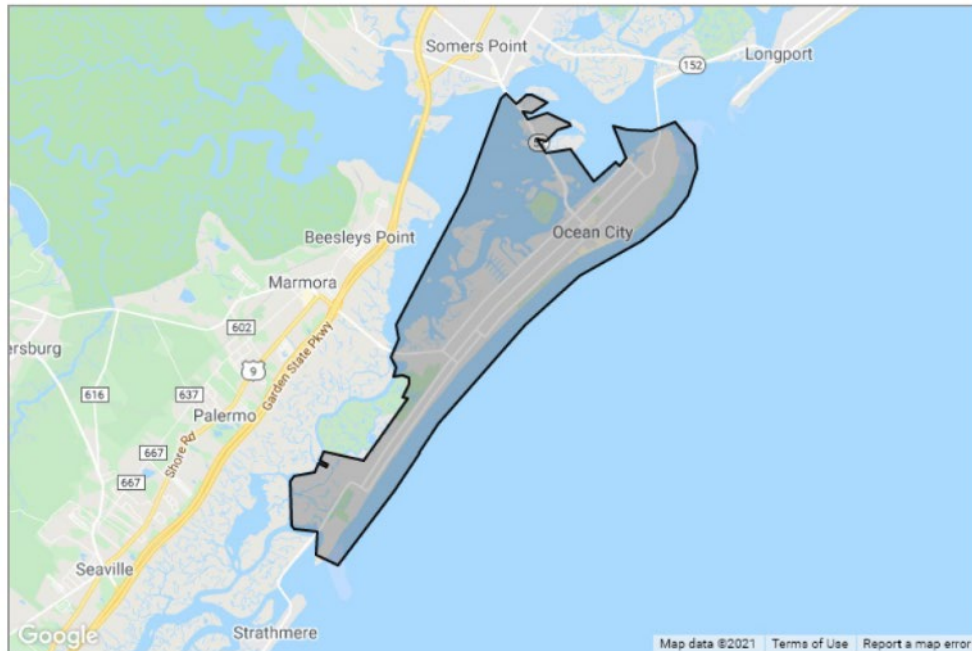
Retail shopping in Cape May County is primarily via neighborhood shopping centers on the mainland and downtown shopping districts on the barrier islands and historic Cape May. The nearest regional shopping mall is the Hamilton Mall located in Mays Landing, Atlantic County. Several big box stores are located throughout Cape May County such as Home Depot, Staples, Michaels, Wal-Mart, and TJ Maxx/Home Goods.

Tourism Activity

Tourism is the driving force of the local economy attracting visitors from primarily Pennsylvania, New Jersey and New York. The main attractions in Cape May County are the beaches from Ocean City to Cape May. According to the Cape May County Department of Tourism, the Cape May market is considered a traditional and secure visitor base with a high visitor return rate. From the most recent report, the Cape May County Planning Department indicates approximately 80% of the visitors in 2013 were return visitors. Year after year generations continue to visit the southern New Jersey beach destinations. Visitor attractions include the boardwalks in Ocean City and Wildwood and the Promenade in Sea Isle City. Cape May County offers diverse number of attractions and activities from golf courses and vineyards to fishing and tour boats to natural reserves for bird watching. Additional cultural and historic attractions include the Cape May Zoo, Cape May Lighthouse, Aviation Museum and tours of the Historic District of Cape May.

In summary, Cape May County's location along the Atlantic Ocean and Delaware Bay is in demand. Much of the economic activity in the county is centered around tourism to the beach destinations. On a positive note, tourism remains relatively strong in Cape May County; however, the COVID-19 pandemic continues to create uncertainty in the market.

Municipal Data – Ocean City



Ocean City is located in northern Cape May County. According to the 2010 census, Ocean City had a year-round population of 11,701, a 24% decline since 2000. The year-round population has remained level with an estimated 2020 population of 11,738. Ocean City is primarily a seasonal market in which during the summer months the population increases dramatically to 120,000 to 130,000± residents. Ocean City is a “dry town” and does not permit the sale of alcohol.

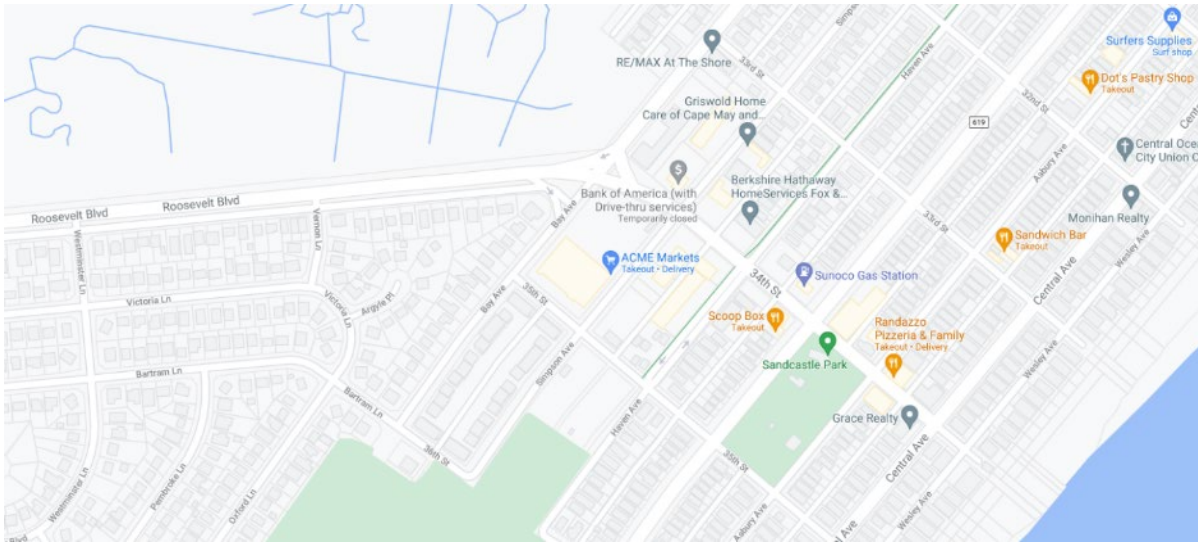
Ocean City is known as “America’s Greatest Family Resort” with the main tourist attractions surrounding the beach and the bay. On the beach side is the Boardwalk with amusement piers, arcades, shops and restaurants overlooking the Atlantic Ocean. On the bay side are marina and water related activities. The tourist season is from Memorial Day Weekend through Labor Day Weekend, with most businesses beginning weekend operations mid-March and extending through mid-October.

According to the Realtors Property Resource (RPR) Neighborhood Report, in Ocean City the median household income is \$77,527 and the median home price is \$880,000. Sale prices have increased significantly over the last year at 24.9%. The recent increase in home sale prices is a result of employees who have the option to work from home during the Covid-19 pandemic are choosing to work from the shore community. From the RPR Market Activity Report sale prices of land and lots have increased 5.23% over the last 12-months, but not included in the report are the “tear down” lots. A copy of the report is in the addenda of the report.

Ocean City is served by the Ocean City police and fire departments. Students attend Ocean City School District for Kindergarten through High School.

In summary, Ocean City is an established area in which every year thousands of tourists return for the seaside vacation experience.

Neighborhood Analysis



Source: Google Maps

The subject is conveniently located one block south of the main roadway (34th Street/Roosevelt Blvd) in the south end of Ocean City. The subject's neighborhood is primarily beach and ocean with upland parcels containing a mix of residential uses including condos, duplexes and detached homes. Just to the northwest of the subject is the Ocean City Sandcastle Park with playground, basketball courts and tennis courts. Commercial uses two blocks to the northwest include, but are not limited to, Randazzo's, Hoys Five & Ten, Sunoco Gas Station, Wawa, CVS, Acme, Topsail Steamer, Fractured Prune, Ocean Cigars, Elizabeth Eve Salon, Blitz's Market, real estate offices, etc.

Market Impacts and Participants Survey

The prevalence of the current Coronavirus (COVID-19) pandemic has taken center stage in the lives of everyone in the world and unprecedented steps have been taken to contain the virus. A review of the facts includes:

- The World Health Organization (WHO) shows that "illness due to COVID-19 infection is generally mild, especially for children and young adults. However, it can cause serious illness".⁵
- As of March 25, 2020, in the United States there were 17-state orders in effect, and more than 50% of the US population are officially urged to stay-at-home and practice social distancing in an effort to slow the number of patients requiring treatment and lessen the load on the health care system.⁶
- Pfizer and Moderna vaccines were approved and commenced vaccinating first responders in December 2020. Johnson and Johnson was approved in March 2021. As of the valuation date over eleven-million doses in New Jersey have been administered.
- Experts from the Centers for Disease Control (CDC) and the U.S. National Institute of Allergy and Infectious Diseases, feels it could take several months for the vast population to be vaccinated and life return to normal.

⁵ <https://www.who.int/news-room/q-a-detail/q-a-coronaviruses>

⁶ <https://www.cnn.com/2020/03/23/us/coronavirus-which-states-stay-at-home-order-trnd/index.html>

On March 4, 2020, New Jersey had its first case of COVID-19. On March 19, 2020, the governor of New Jersey, Phil Murphy, issued a *Statewide Stay at Home Order* directing all residents to stay at home until further notice. On April 30, 2020, there were 458 deaths due to COVID-19, with most lives lost in a single day and as of June 2020 there were over 12,000 confirmed COVID-19 deaths in New Jersey. The Stay-at-Home Order was lifted on June 9, 2020, as the number of cases declined; however, a second wave resulted in further restrictions. As the number of people who were vaccinated increase, the percentage of people contracting COVID-19 declined. One May 24, 2021, Governor Murphy lifted the indoor mask and social distancing restrictions. During the first and second waves, the pandemic was dynamic and constantly changing.

As of November 2021, there are 28,000 confirmed deaths in New Jersey due to COVID-19. Although life has returned to a new normal, many businesses were impacted by the pandemic, such as restaurants and retail stores, many of whom continue to receive assistance in the form of grants and loans. Many employees have not returned to the office and continue to work from home. The apartment market was impacted by the eviction moratorium. All these factors continue to create noticeable uncertainty in the market. The appraiser interviewed market participants to determine the current and anticipated market conditions.

In an interview with Lee Jerome of Levin Commercial Real Estate, the market was slow during the *Stay-at-Home Order* but has since picked up. According to Mr. Jerome, overall, there is a lack of supply of available properties in the market. Low interest rates are the driving forces behind many investment buyers pivoting to real estate.

According to a local broker, since May 2020, the real estate market has been a seller's market with buyers competing for a limited supply of available properties.

As of April 28, 2021, Anne Klein, Executive Managing Director at Newmark Knight Frank commercial real estate, indicated that the Philadelphia MSA office market has an average vacancy rate of 15%. Remote work or work-from-home prior to the pandemic was approximately 12%. In March 2020, remote work increased to 36%. As of May 2021, remote work has remained at 36%.

Overall, the impacts from the Coronavirus are uncertain. If history is indicative of future occurrences, then New Jersey shore communities have proven to be resilient, from managing rainy summer seasons, to recovering from Superstorm Sandy. The subject's market may initially feel the impacts of COVID-19, but would likely recover as it has in the past.

Property Analysis

For the site and improvement analysis the appraiser relied upon several sources of information including, but not limited to the provided survey entitled "Ocean Wind An Orsted & PSE&G Project Diversion Area Across the Property of Ocean City Block 611.11, Lots 137 & 145, Block 3500, Lot 1 (Including Riparian Grant), Ocean City, Cape May County, New Jersey", dated 04/13/2022; recorded deed, tax assessor's map and records; third party mapping data; appraiser's aerial measurements and site inspection.

The appraiser was provided with a copy of the plans showing the easement area on Block 611.11, Lots 137 & 145 and a portion of Block 3500, Lot 1. Note: The subsurface easement will be under beach Lots 145 and 137 and the Riparian Grant area linked to Lot 1. Therefore, the appraiser valued the three lots as one entity (larger parcel). The following tax map and aerial map shows the lots:



The following chart provides a summary from the provided survey:

Subject Lots				
Address	3500-02 Wesley	3501-03 Wesley	Portion of 3501-07 Wesley with Riparian Grant	Total
Block	611.11	611.11	3500	
Lot	145	137	1	
Square Feet	1,139.58±	15,766.88±	8,329.40±	25,235.86±
Acres	0.026±	0.362±	0.191±	0.579±

The following aerial map shows the subject beach area to the mean high water line (MHL).



Source: Bright MLS - The area outlined in red is not an exact measurement of the subject area and is illustrated as an aid to the reader. For a more accurate depiction of the subject site and easement area see the Property Parcel Map.

The lots are located southeast of the 3500 block of Wesley Avenue. The lot contains non-usable protective sand dunes, beach and riparian grant area (water). There is a public pedestrian access path from the 35th Street terminus which runs from northwest to southeast. Southeast of the dunes is usable beach and further southeast is the Atlantic Ocean. Along the subject's northwest border are detached residential homes along Wesley Avenue. The remaining borders abut protective sand dunes.

Access and Visibility

Street access and visibility is considered good. The site benefits from its access at the terminus of 35th Street. Lot 145 has 30-feet of street frontage along southeasterly side of the 35th Street terminus. 35th Street is a two-lane, 60' wide paved right-of-way with curbside parking on both sides of the roadway. To the west, 35th Street provides access to the roadways across the island including Wesley, Central, Asbury, West, Haven and Bay Avenues which provide access to the north to downtown Ocean City and to the south to Strathmere and Sea Isle (Ocean Drive). One block to the northwest is 34th Street/Roosevelt Blvd connecting the south end of Ocean City to Marmora in Upper Township. From the east access is via the Atlantic Ocean.

Topography and Soil Conditions

The site is characterized as protective sand dunes approximately 15-20 feet above sea level. Site soils have been identified via the United States Department of Agriculture's Web Soil Survey. The subject tract consists of Hooksan sand with 2 to 15 percent slopes and classified as rarely flooded. The confirmation of the soil conditions is beyond the scope of this report and professional soil tests were not conducted on the subject property. Should there be any questions regarding the aforementioned items, it is recommended a professional in the applicable field be contacted.

Vegetation

The vegetation on the subject site is primarily dune grass and shrubbery.

Mineral Deposits

The appraiser was not aware of any recognized mineral development or mineral valuation issues on the subject property. The appraiser is not an expert in the field, but there appear to be no mining activities in the area, so it is unlikely there are any commercially valuable mineral deposits on the subject parcels.

Environmental Hazards

The site visit for did not reveal any stressed vegetation or surface staining that would indicate environmental hazards on the site. The appraisal is based on the extraordinary assumption that the subject property is clean and free from environmental contamination and debris, and if this is not true, the assignment results may be affected.

Any investigation exceeding casual observation is beyond the scope of this report. The appraiser is not an expert in the field of environmental remediation. It is recommended a professional in the applicable field be contacted should there be any questions regarding potentially hazardous conditions.

Easements and Encumbrances

Through a review of the public record and from information provided by the client, there are a number of recorded easements and encumbrances. The following provides a summary:

- The appraiser was provided with a Tideland Search Certificate for 3501-03 Wesley Avenue (Block 611.11, Lot 137 and Lot 3500, Lot 1) indicating there is a Shoreline Claim by the State of New Jersey. Moreover, there are two Tideland Grants, dated December 220, 1910 (Book T, Page 184) and October 24, 1912 (Book T, Page 549). A portion of the Tidelands Claim Search, with a map depicting the grant area, is in the addenda of the report.
- For the subject lots, Ocean City was granted a riparian grant for the land under water, as per a grant dated November 28, 1911, as recorded in Book 273, Page 8.
- As per Ordinance No. 1121, dated December 221, 1973, Ocean City agreed that certain streets and parts of streets are to remain vacant, including “35th Street 60’ right-of-way from the Southeasterly line of Wesley Ave. to the high-water line” as recorded in Deed Book 2, Page 341
- A Deed of Dedication and Perpetual Storm Damage Reduction Easement, dated September 4, 2013, between the City of Ocean City and the State of New Jersey was recorded in Deed Book 3562, Page 201. The Easement indicates Ocean City’s desire to participate in the US Army Corps of Engineers Great Egg Harbor Inlet to Townsends Inlet Project and to continue participation in the Project in perpetuity.

- The lots are subject to a Declaration of Encumbrance made by the City of Ocean City, Cape May County, as contained in Book 3698 Page 504 dated September 16, 2016, and recorded October 17, 2016. The declaration is from the local government (Ocean City) in consideration of NJDEP Green Acres Program agreement for funding of the 19th Street Beachfront Project (#0508-12-029), as approved on September 18, 2012. The Declaration is labeled, “Recreation and Open Space Inventory” which states the subject is held for recreation and conservation purposes.

The appraiser was not made aware of any other easements or encumbrances to the subject site. Copies of the other aforementioned documents are in the appraiser’s workfile.

Flood Map and Wetlands

According to the FEMA Flood Insurance Rate Map (FIRM) No. 34009C0176F, dated October 5, 2017, the site is within the Velocity-VE zone. Areas within the VE zone are areas of high flood hazard subject to the 100-year and 500-year flooding events. Barrier islands are generally located in the AE or VE zone with BFE between eight to ten feet. The subject’s location in the flood area does not appear to affect the marketability of the property since the VE zone is typical for beach lots. Buyers in the market are aware of potential impacts in the flood zone. A copy of the flood map is in the addenda of the report.

The appraiser researched the wetlands delineation with the New Jersey GeoWeb. The site is 100% encumbered by wetlands. The following map show the wetlands delineation:



Should there be any questions regarding the wetlands, it is recommended that a professional in the applicable field be contacted.

Utilities

The lot does not have utilities. There is access to public water and sewer, electric, gas, cable and telephone at the street.

Site Improvements

Dune fencing and split rail wooden fencing on easement lots. Mobi-mat beach access mat on lots to the south of the easement lots.

Improvements

None noted.

Ownership

According to the title search, the owner of the subject lots is the City of Ocean City. As previously noted, for the subject lots, Ocean City was granted a riparian grant for the land under water, as per a grant dated November 28, 1911, as recorded in Book 273, Page 8.

There have been no known listings or sales transactions for the five years prior to this assignment.

Assessment and Taxes

The Ocean City tax assessor's records indicate the lots designated as Property Class 15C-Public Property and are tax exempt. The tax assessment records are as follows:

Tax Assessment				
Address	3500-02 Wesley Ave	3501-03 Wesley Ave	3501-07 Wesley Ave	Total
Block	611.11	611.11	3500	
Lot	145	137	1	
Land	\$3,500	\$7,100	\$21,600	\$32,200
Improvements	\$0	\$0	\$0	\$0
Total	\$3,500	\$7,100	\$21,600	\$32,200
Tax (2021)	Exempt	Exempt	Exempt	Exempt
Equalization Rate	79.56%	79.56%	79.56%	79.56%
Equalized Value	\$4,399	\$8,924	\$27,149	\$40,473

The total tax assessment for the subject lots is \$32,200. The 2021 tax equalization rate for Ocean City is 79.56%. The tax equalization rate indicates assessments are below market value and the subject's equalized value of \$40,473.

Land Use Control and Zoning

New Jersey Land Use Regulation

The subject property is subject to Coastal Area Facility Review Act (CAFRA) regulated by the New Jersey Department of Environmental Protection (NJDEP). Under the NJDEP Division of Land Use Regulation, there are several regulations applicable to the subject's location along the ocean. For future development of the site or mitigation of the wetlands, an application process to obtain permits is required to adhere to the coastal laws and rules. Timeframes vary depending on the nature of the application. Property owners must demonstrate compliance with applicable standards to be approved. Any question in regard to CAFRA should be referred to NJDEP

Ocean City Zoning Ordinance

The subject is located in the Ocean City Beach-Dune ("BD") Zoning District. As per the zoning ordinance, permitted uses in the BD zone include the following:

"Open space, beach and water recreation, protective sand dunes and related improvements including snow fencing and dune stabilization plantings, stairs and walkways for beach access and dune preservation, necessary municipal buildings and structures for public safety and convenience including first aid stations, life guard stations, comfort stations, boardwalks, pavilions, piers, and related facilities, necessary shore protection and stabilization improvements including jetties, groins, bulkheads and related structures."

"All structures which are deemed necessary by local, State or Federal governments to enhance the flood prevention capability of these landforms, provided that they shall not involve the construction of buildings or signs."

Based on the zoning ordinance, the lots are non-buildable and future development would not be permitted. A change of zoning is not anticipated. Therefore, the highest and best use of the lots is for recreational use.

The appraiser recommends an expert in the field be consulted with regard to any question as to the legal status of the subject. A portion of the zoning map and ordinance are located in the addenda of the report.

Market Analysis

The first step is to identify and analyze trends and opportunities that may have a bearing on the economics and marketability of the subject property. There are many general considerations, both positive and negative in nature which impact value. On the positive side, the site's location is of major importance as it is in Ocean City, America's Greatest Family Resort where tourism remains relatively strong. The subject is a beach lot with scenic water views of the Atlantic Ocean. The subject has street access to the beach and water access to and from the ocean. Ocean City sells beach badges to the public who use the beach lot for recreational purposes such as sunbathing, swimming, fishing, hiking, birdwatching, etc. The subject contains protective dunes and elevated berm to protect against loss of beach from storms and high waves. It is important to note that after the Project, the property owner and the public will continue to have access to the beach and ocean and will continue to have the ability to use the area above the easement area.

Negatively impacting the subject site is its location in the Ocean City Beach-Dune Zoning District with limited permitted uses and deemed non-buildable. Moreover, the site is impacted by weather events such as hurricanes and nor'easters which erode coastal beaches. Lastly, the market has been negatively impacted by the COVID-19 pandemic and Stay at Home Order in 2020 which affected the 2020 summer season. According to the Cape May County Department of Tourism, "2021 Economic Impact of Tourism in Cape May County", May 20, 2021, there was a 21.7% decline in visitors to Cape May County in 2020 due to COVID-19 with visitation numbers forecasted to reach pre-COVID levels in 2023.

To value the site, the appraiser considered beach/dune sales located in Ocean, Atlantic and Cape May Counties. For the market data analysis, the appraiser surveyed the South Jersey Shore Regional MLS, South Jersey MLS, Cape May County MLS and Bright MLS for recent arm's length sales of comparable vacant land in the aforementioned counties. In addition, the appraiser interviewed real estate broker and agents as well as state, county and local representatives for recent sales considered comparable to the subject. There were a limited number of sales. There were no recent, arm's length sales (< 10 years) located in Ocean City. However, there were arm's length sales considered comparable to the subject in Ocean and Cape May Counties.

The sales were analyzed by sale price, price per front foot, price per acre/price per square foot. The unit of measurement with the lowest deviation was price per acre/square foot. Buyers of land on the barrier islands analyze lots on a price per square foot basis, which was utilized in the sales comparison approach. NJDEP requires that the value conclusion is stated in price per acre. Based upon discussions with representatives at NJDEP, price per square foot is an acceptable unit of measurement. For the readers benefit, the value conclusion after the sales comparison approach is stated in price per acre. The following chart lists the sales sorted by price per square foot:

Comparable Land Sales									
	Address	Municipality	County	Sale Date	Price	Sq Ft Land	\$/SF	Acres	\$/Acre
A	231 Beach Rd	Ocean City	Cape May	7/14/2008	\$5,000	4,820	\$1.04	0.1107	\$45,187
B	14-A E. Burlington Ave	Harvey Cedars	Ocean	9/4/2015	\$12,000	6,000	\$2.00	0.2870	\$57,499
C	910 Beach Ave	Cape May	Cape May	10/4/2010	\$150,000	54,014	\$2.78	0.1377	\$87,120
D	22 80th St	Harvey Cedars	Ocean	11/23/2015	\$45,000	8,500	\$5.29	1.2400	\$120,969

The appraiser notes, the NJDEP requires five comparable sales. Due to the unique nature of the subject and the overall lack of beach sales in southern New Jersey, the number of sales were limited to the four sales listed in the previous chart.

The sales occurred between July 2008 and November 2015. The sales ranged from 4,820± to 54,014± square feet and \$1.04 to \$5.29 per square foot of land. These sales were utilized in the sales comparison approach. Additional information on these sales is presented in data sheets in the Sales Comparison section of the report.

As previously noted, sale prices in Ocean City over the last year increased 24.9% due to increased demand related to the pandemic and lack of supply. The increase is primarily associated with residential sales which is typical of residential sales along barrier islands in Southern New Jersey. A market analysis of buildable land sales shows an increase in sale prices of 5.23% over the last 12-months, but not included in the report are the “tear down” lots. From the recent sales, the days on market ranged from 2 to 184 days. The estimated exposure time is 1 to 6 months.

Larger Parcel

While the subject is not part of a Federal Land Acquisition, the appraiser considered a Larger Parcel Analysis from the Uniform *Appraisal Standards for Federal Land Acquisitions* (4.3.3 of 6th Edition) section regarding the Larger Parcel. In adopting “working rules in order to do substantial justice[.]” the Supreme Court established that “a parcel of land which has been used and treated as an entity shall be so considered in assessing compensation for the taking of part or all of it.” That “parcel of land,” reflecting the whole property to be considered for compensation purposes, is called the larger parcel. It is the economic unit to be valued. Under federal law, the larger parcel is the tract or tracts of land that possess a unity of ownership and have the same, or integrated, highest and best use.⁷ For further clarification the appraiser consulted the Dictionary of Real Estate Appraisal which describes the larger parcel as:

Larger parcel – “In governmental land acquisitions and in valuation of charitable donations of partial interests in property such as easements, the tract or tracts of land that are under the beneficial control of a single individual or entity and have the same, or an integrated, highest and best use. **Elements for consideration by the appraiser in making a determination in this regard are contiguity, or proximity, as it bears on the highest and best use of the property, unity of ownership, and unity of highest and best use.**”⁸

As previously noted, the subsurface easement will be subsurface under beach Lots 145 and 137 and the Riparian Grant associated with Lot 1. Therefore, the appraiser valued the three lots as one entity. Based on this information the subject lots are concluded to be their own separate larger parcel.

⁷ *Uniform Appraisal Standards for Federal Land Acquisitions*, 4.3.3 of 6th Edition.

⁸ *The Dictionary of Real Estate Appraisal*, Appraisal Institute, Sixth Edition, 2015, page 127.

Highest and Best Use – Before the Project

Highest and best use is defined as that reasonable and probable use that will support the highest present value, as defined, as of the effective date of this report. The four tests of highest and best use are. 1) legally permissible; 2) physically possible; 3) financially feasible; 4) maximally productive.

- 1) To be **legally permissible** the use must be allowed under public land use controls such as zoning and land use laws with the additional consideration of private covenants and deed restrictions.

Legal restrictions affecting the property include the local municipal land use ordinance along with state regulations. The site lies within the Beach-Dune (BD) zoning district. Permitted uses in the BD district include the subject's use as protective sand dunes.

Based on the zoning ordinance, the lots are non-buildable and future development would not be permitted. A change of zoning is not anticipated. Overall, the subject is a legal, conforming. As-is, legal restrictions affecting the property appear to allow for the use.

- 2) **Physical possibility** is affected by the characteristics of the site such as size, shape, topography and other physical aspects of the site. The consideration of a use as physically possible must be tempered by analysis of its financial feasibility.

The overall subject site is 25,235.76 square feet (0.579 acres). The site is rectangular shaped with 30' of frontage along the southeasterly side of the 35th Street terminus. Ingress/egress is 35th Street. The lots are non-usable protective sand dune, a public pedestrian access path, beach area and riparian area (water). According to the NJ GeoMap, the subject contains 100% wetlands. The lots are primarily sand, dune grass and shrubbery with 5% 15% slopes. The dune is estimated to be between 15-20-feet in height. The use as beach and protective sand dunes are physically possible. However, the physical characteristics prohibit future development.

To be **financially feasible** there must be demand for the use and the perceived potential for a level of compensation commensurate with the level of risk assumed for a selected course of action.

A review of land sales in the market shows buyer demand for beach and sand dunes in Ocean and Cape May Counties. The most likely buyer of the subject site is an adjacent landowner or outdoor enthusiast. The land sales indicate buyer demand and the financial feasibility of the subject.

- 3) The **maximally productive** use is the financially feasible use that will produce the highest net return.

Of the financially feasible uses, the highest and best use is the use that produces the highest residual land value consistent with the market's acceptance of risk and with the rate of return warranted by the market for that use. Maximally productive use and the economic use of the lot is for recreational use, including, but not limited to, sunbathing, swimming, fishing, hiking, birdwatching, etc.

Highest and Best Use

The highest and best use as-if vacant is defined as that use from among reasonably probable and legal alternative uses, found to be physically possible, appropriately supported and financially feasible that results in the highest ***land*** value. It is to be recognized that in cases where a site has existing improvements on it, the highest and best use may very well be determined to be different from the existing use. The existing use will continue, however, unless and until land value in its highest and best use exceeds the total value of the property in its existing use.

The most probable buyer of the subject would be an adjacent landowner or outdoor enthusiast. The highest and best use of the subject and the economic use is for recreational use, including, but not limited to, sunbathing, swimming, fishing, hiking, birdwatching, etc.

Valuation Before the Project

Appraisal Process – Before the Project

In arriving at the estimated value of the subject property as of the effective date of this report, customary valuation practice required an assemblage of as much information as was available and a utilization of the data in three approaches to value: Income Capitalization Approach, Cost Approach and Sales Comparison Approach.

The approaches considered most applicable to the appraisal of the subject property are presented on the following pages. The approaches presented considered the positive and negative physical attributes, the immediate linkages of the location, the effects of specific financial/economic variables of the subject and those elements highlighted earlier in this report.

The sales comparison approach utilizes a process of comparing the most recent sales of similar lots to the subject in arriving at an opinion of value.

The income capitalization approach involves an estimate of the net income which a property is capable of producing. This is converted into an indication of value utilizing any of several capitalization techniques.

The cost approach involves estimating the market value of the land independently of the improvements as though vacant and available for its most probable profitable use. This involves utilization of the same process used in the sales comparison approach. Next, the reproduction or replacement cost is estimated as though the improvements were new on the effective date of the appraisal from which accrued depreciation from all sources is deducted to arrive at a depreciated improvement value. This is added to the estimated land value for a total opinion of value.

The sales comparison approach was utilized since lots with comparable use have been transferred, giving an indication of buyer actions.

The cost and income approaches were not applied as this method is not typically considered by potential buyers in the local market for land.

Sales Comparison Approach– Before the Project

The Sales Comparison Approach is based upon the assumption that potential purchasers would be willing to substitute the opportunities afforded by the subject property for the opportunity related to each of the specified comparable properties. Comparable sales are a manifestation of the thought process typical buyers and sellers in the marketplace are utilizing at any particular point in time. When there are an adequate number of sales of truly comparable properties with sufficient information for comparison, a range of values for the subject property can be developed.

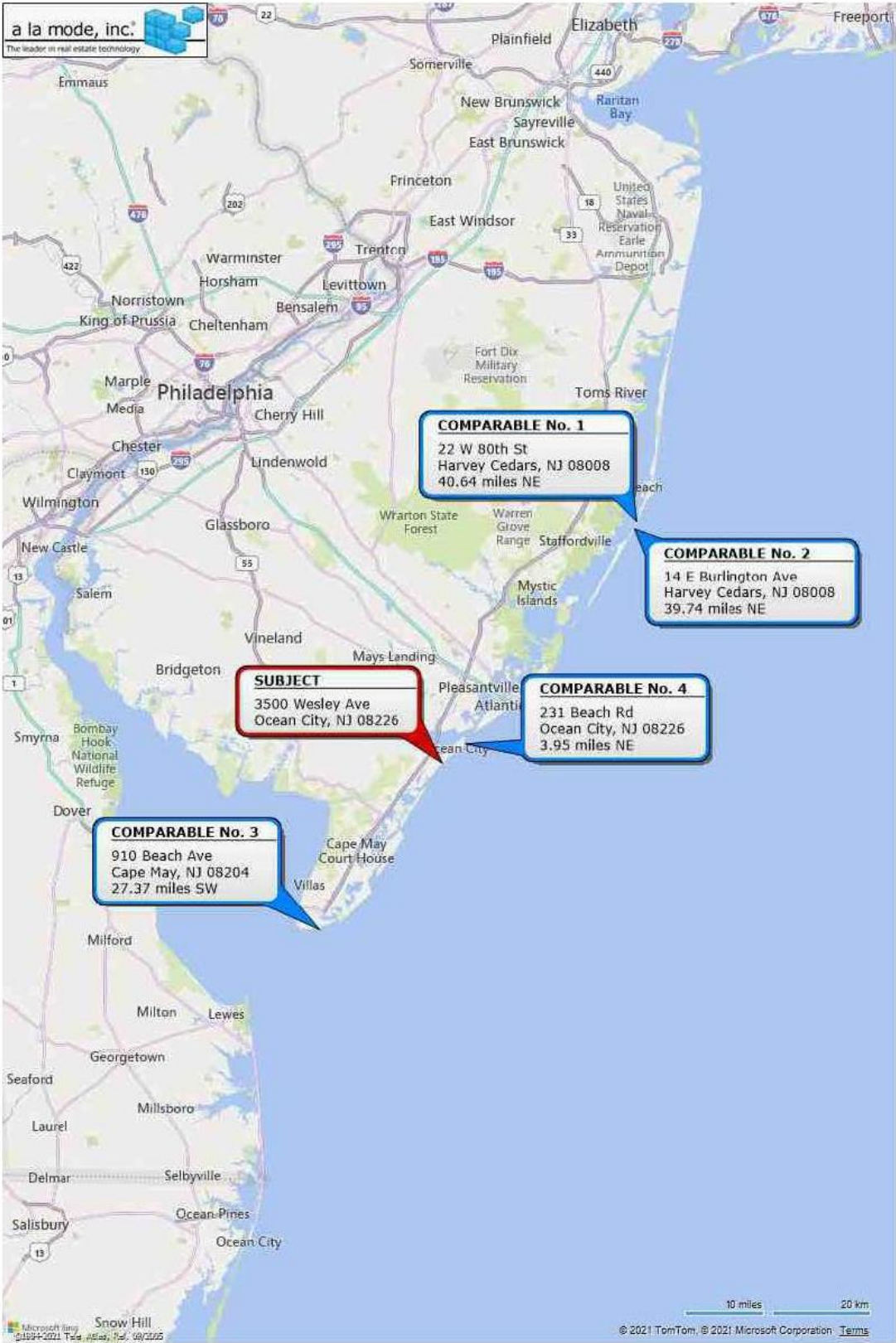
The range of value developed using units of comparison such as sales price per acre, or any of several other units that the marketplace has indicated are relevant, can be studied and necessary adjustments made to provide for the differences between all the comparables and the subject. An analysis of the adjusted units of comparison can then form a basis for the market value of the subject property. Only unit factors considered by the subject's marketplace are relevant. For the subject lot, the value is based on a price per square foot of land.

The degree to which the appraiser can rely on the Sales Comparison Approach depends upon an adequate number and similarity of the circumstances involved in the comparable sales. Differences always exist between properties even though they may provide a buyer with similar levels of functional utility. Adjustments for these differences serve to define more clearly the price that could reasonably be expected, subject to the limitations of the definition of market value.

There were a limited number of comparable sales to determine an opinion of value. Due to the limited number of sales, paired sales analysis and quantitative adjustments could not be determined for location, size, physical characteristics and zoning/use; therefore, the appraiser applied qualitative adjustments by indicating whether the sales were inferior or superior to the subject.

On the following pages is a sales comparison analysis for non-buildable beach/dune lots were identified to determine the value.

Comparable Sale Map



Comparable Sale No. 1

Property Identification

Property Type	Beach Parcel
Address	22 E 80 th St., Harvey Cedars Borough, Ocean County, NJ
Tax ID	Block 79, Lot 5

Sale Data

Grantor	AJT Realty, LLC
Grantee	Kenneth and Susan Margulies
Sale Date	November 23, 2015
Document #:	Book: 16253, Page: 1333
Property Rights	Fee Simple Estate with Storm Damage Reduction Easement
Financing	Cash
Verification	Seller's Attorney
Sale Price	\$45,000

Land Data

Usable Beach Size:	8,500± sq. ft. (0.195± acres) of which 5,300 sq. ft. is estimated usable land or 63% useable beach area and 37% dunes
Ocean Frontage:	No ocean frontage; 50' beach frontage
Street Frontage:	None
Zoning	R-A, Residential district; site is a legal use with zoning changes unlikely; non-buildable
Topography, Shape	"L" shaped, level, interior lot
Utilities	At street
Highest and Best Use	Recreation

Improvement Description

Improvements	None
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Indicators

Sale Price Per Square Foot	\$5.29 per sq. ft.
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Remarks

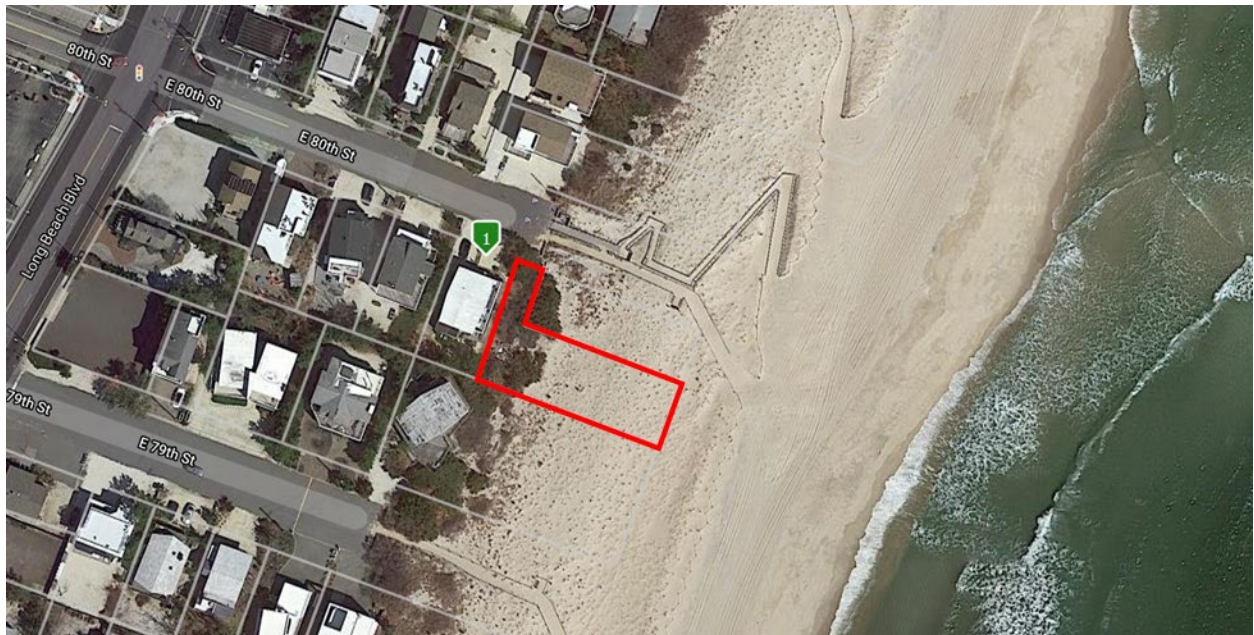
This is a beach sale situated in the Borough of Harvey Cedars. The lot was purchased by the adjoining property owner to the west; thus it was an assemblage. This sale was verified by the seller's attorney. This lot is not developable as per zoning and CAFRA regulations. The lot sold with a 4,216 s.f. storm damage reduction easement on the site. Previous sale on June 25, 2006, was for \$10,150 (Deed Book 13230, Page 1828).



Tax Map



Photo 12/1/2021 by Lee Ann Kampf



Comparable Sale No. 2

Property Identification

Property Type	Beach Parcel
Address	14-A E. Burlington Avenue, Harvey Cedars Borough, Ocean County, NJ
Tax ID	Block 24, Lot 9

Sale Data

Grantor	Mary Ellen Ellenberg, Executrix for the Estate of Henry Clay Schwartz, Jr.
Grantee	William C. Scheffield
Sale Date	September 4, 2015
Document #:	Book: 16187, Page: 1725
Property Rights	Fee Simple Estate
Financing	Cash
Verification	Seller's Attorney

Sale Price	\$12,000
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Land Data

Usable Beach Size:	6,000± sq. ft. (0.138± acres); 100% non-useable dune area
Ocean Frontage:	No ocean frontage; 60' beach frontage
Street Frontage:	None
Zoning	R-A, Residential district; site is a legal use with zoning changes unlikely; non-buildable
Topography, Shape	Rectangular shaped, level, corner lot
Utilities	At street
Highest and Best Use	Recreation

Improvement Description

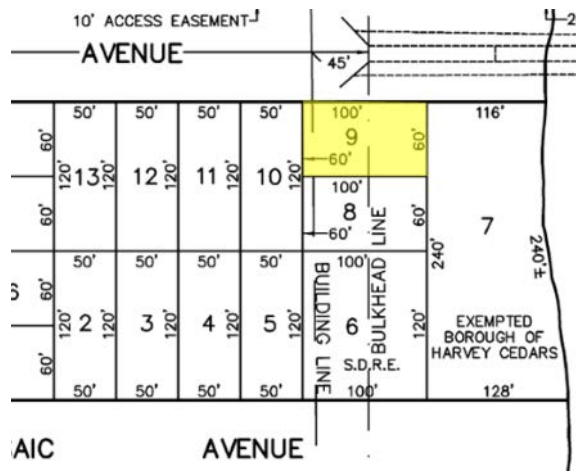
Improvements	None
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Indicators

Sale Price Per Square Foot	\$2.00 per sq. ft.
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Remarks

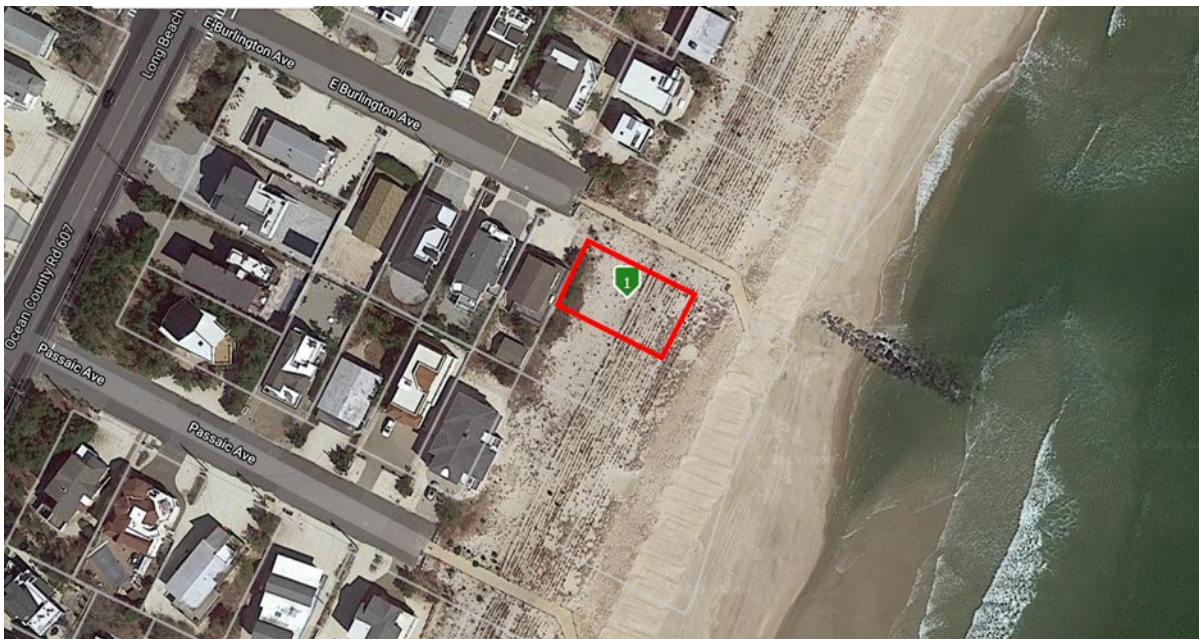
This is a beach sale situated in the Borough of Harvey Cedars. The lot was purchased by the adjoining property owner to the west; thus it was an assemblage. This sale was verified by the seller's attorney. This lot is not developable as per zoning and CAFRA regulations. The lot was purchased for parking use, but a storm damage reduction easement on the site constructed a dune, after the sale and parking is no longer permitted.



Tax Map



Photo 12/1/2021 by Lee Ann Kampf



Comparable Sale No. 3

Property Identification

Property Type	Beach Parcel
Address	910 Beach Avenue City of Cape May, Cape May County, NJ
Tax ID	Block 1000, Lot 50 and 50.01

Sale Data

Grantor	Richard and Maude Decker & Ann Townsend
Grantee	Robert W. Kennedy
Sale Date	October 4, 2010
Document #:	Book: 3434, Page: 485
Property Rights	Fee Simple Estate
Financing	Cash or Equivalent
Verification	Appraiser sources

Sale Price	\$150,000
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Land Data

Usable Beach Size:	54,014 sq. ft. (1.24± acres) of which 9,185 sq. ft. is estimated usable land or 17% useable beach area and 83% dunes and water
Ocean Frontage:	54.35 feet
Street Frontage:	54.35 feet south side Beach Avenue
Zoning	S-1, Beach Strand district; site is a legal use with zoning changes unlikely; non-buildable.
Topography, Shape	Generally rectangular shaped, level, interior lot
Utilities	At street
Highest and Best Use	Recreation

Improvement Description

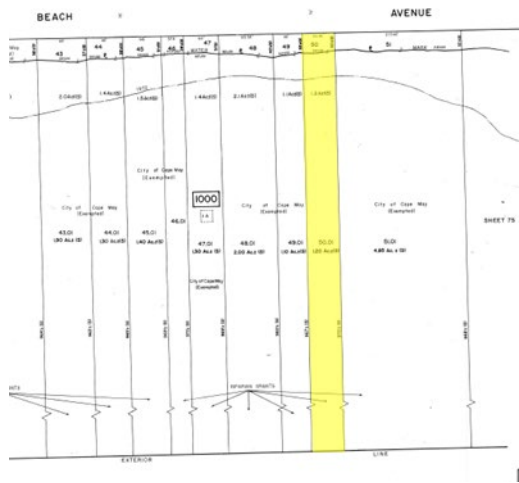
Improvements	None
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Indicators

Sale Price Per Square Foot	\$2.78 per sq. ft.
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Remarks

This is an oceanfront sale situated in the Borough of Cape May. The lot was purchased by someone who did not own an adjoining parcel. The buyer purchased the lot with the intention of renting beach gear. This sale was verified by the buyer's attorney. This lot is not developable as per zoning and CAFRA regulations.



Tax Map



Photo 11/27/2021 by Lee Ann Kampf



Comparable Sale No. 4

Property Identification

Property Type	Beach Parcel
Address	231 Beach Road City of Ocean City, Cape May County, NJ
Tax ID	Block 70.42, Lot 4

Sale Data

Grantor	Raymond J. & Marjorie Broderick
Grantee	Mack Associates, LLC
Sale Date	July 14, 2008
Document #:	Book: 3350, Page: 863
Property Rights	Fee Simple Estate
Financing	Cash or Equivalent
Verification	Appraiser sources

Sale Price	\$5,000
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Land Data

Usable Beach Size:	4,820 sq. ft. (0.111± acres); 100% non-useable dune area
Ocean Frontage:	No ocean frontage; 41' beach frontage
Street Frontage:	40-feet west side Beach Road
Zoning	D, Dune district; site is a legal use with zoning changes unlikely.
Topography, Shape	Generally rectangular shaped, level, interior lot
Utilities	At street
Highest and Best Use	Recreation

Improvement Description

Improvements	None
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Indicators

Sale Price Per Square Foot	\$1.04 per sq. ft.
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Remarks

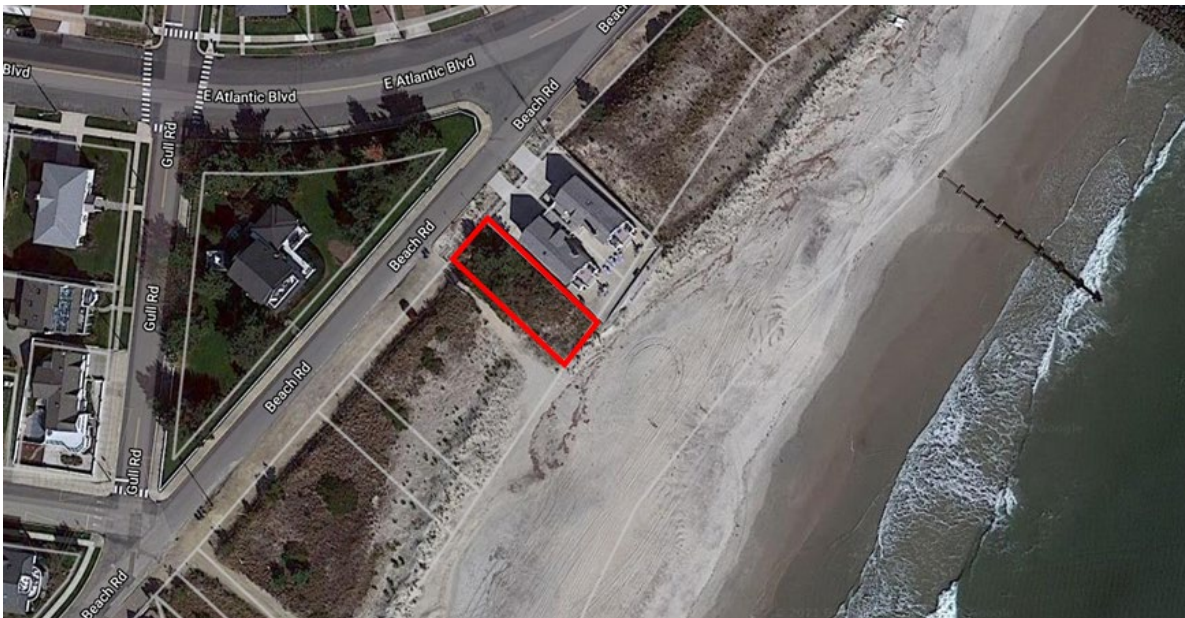
This is a beach sale situated in Ocean City. The lot was purchased by the property owner to the north. This sale was verified by the seller. This lot is not developable as per zoning and CAFRA regulations.



Tax Map



Photo 11/27/2021 by Lee Ann Kampf



Comparable Land Sales Adjustment Analysis "Before the Project"									
	Subject	Comparable Sale #1		Comparable Sale #2		Comparable Sale #3		Comparable Sale #4	
Address		22 E 80th Street		14-A E Burlington Ave		910 Beach Ave		231 Beach Rd	
Municipality	Ocean City	Harvey Cedars Boro		Harvey Cedars Boro		Cape May City		Ocean City	
County, State	Cape May County	Ocean County, NJ		Ocean County, NJ		Cape May County, NJ		Cape May County, NJ	
Date	-	11/23/2015		9/4/2015		10/4/2010		7/14/2008	
Sale Price	-	\$45,000		\$12,000		\$150,000		\$5,000	
Site Area (acres)	0.579	0.195		0.138		1.240		0.111	
Price Per acre		\$230,612		\$87,120		\$120,969		\$45,187	
Site Area (SF)	25,235.86	8,500		6,000		54,014		4,820	
Price Per SF	-	\$5.29		\$2.00		\$2.78		\$1.04	
Ocean/Beach Frontage (FF)	30.00	50.00		60.00		54.35		41.00	
Price /FF		\$900		\$200		\$2,760		\$122	
Property Rights Conveyed	Fee Simple	Fee Simple	0%	Fee Simple	0%	Fee Simple	0%	Fee Simple	0%
Financing	Cash Equivalent	Cash	0%	Cash	0%	Cash	0%	Cash	0%
Conditions of Sale	Typical	Comparable	0%	Comparable	0%	Comparable	0%	Comparable	0%
Market Conditions	11/15/2021	11/23/2015	24%	9/4/2015	25%	10/4/2010	45%	7/14/2008	54%
Adjusted Unit Price		\$6.58		\$2.50		\$4.03		\$1.60	
Location/Access	Good	Superior		Superior		Inferior		Comparable	
% Adjustment		-10.0%		-10.0%		10.0%		0.0%	
\$ Adjustment		-\$0.66		-\$0.25		\$0		\$0.00	
Access	30' Street Frontage	Inferior		Inferior		Comparable		Comparable	
% Adjustment		10.0%		10.0%		0.0%		0.0%	
\$ Adjustment		\$0.66		\$0.25		\$0		\$0.00	
Size (SF)	25,236	Comparable		Comparable		Comparable		Comparable	
% Adjustment		0.0%		0.0%		0.0%		0.0%	
\$ Adjustment		\$0.00		\$0.00		\$0		\$0.00	
Site Characteristics	Beach, Dune, Access Path & Riparian Area	Comparable		Comparable		Comparable		Comparable	
% Adjustment		0.0%		0.0%		0.0%		0.0%	
\$ Adjustment		\$0.00		\$0.00		\$0		\$0.00	
Zoning/Use	BD	Comparable		Comparable		Comparable		Comparable	
% Adjustment	Recreation	0.0%		0.0%		0.0%		0.0%	
\$ Adjustment		\$0.00		\$0.00		\$0		\$0.00	
Net Adjustment		0%		0%		10%		0%	
Adjusted Unit Price		\$6.58		\$2.50		\$4.43		\$1.60	
Mean	\$3.78								
Median	\$3.47								
Weighted	\$4.19	20%		20%		50%		10%	
Concluded	\$4.20								
Square Feet	25,236								
SCA	\$105,991								
Rounded	\$106,000								

The chosen comparable sales reflected the following ranges:

Summary of Comparable Land Sales		
Sale Date	Sale Price	Sale Price/ Square Foot Land
7/2008 – 11/2015	\$5,000 - \$150,000	\$1.04 - \$5.29

Due to the limited number of sales in the market, and the lack of reliable quantitative market support, qualitative consideration was given to each the sales.

The estimated market adjustments made to each comparable sale are as follows:

Property Rights Conveyed: Each comparable sale reflected the purchase of the fee simple estate. The market value of the fee simple estate is being estimated for the subject, so no adjustment appeared to be warranted.

Financing: No sale concessions or atypical financing were reported during the verification of the sales. Thus, no adjustment was required.

Conditions of Sale: No atypical conditions of sale were reported during my verification of the sales. Thus, no adjustment was required.

Market Conditions (Time): An adjustment for market conditions is made if, since the time the comparable sales were transacted, general property values have appreciated or depreciated due to inflation or deflation, or investors' perceptions of the market have changed. The appraiser considered market conditions since the sales occurred. The comparable sales presented sale dates from July 2008 to November 2015. As previously noted in the report, sale prices of land for development have trended upward approximately 5% over the last year. A review of overall sale prices in New Jersey, Cape May County and Ocean City have increase an average of 4% per year. As such the sales were adjusted 4% per year since the sales occurred.

Location: The subject lots are located in Ocean City. The comparable sales were located on barrier islands in Ocean and Cape May Counties. To determine a location adjustment, the appraiser considered the median household income and median home price from RPR reports. The following chart provides a summary.

Location					
	Subject	Sale 1	Sale 2	Sale 3	Sale 5
Location	Ocean City	Harvey Cedars	Harvey Cedars	Cape May	Ocean City
Median HH Income	\$77,527	\$92,209	\$92,209	\$71,908	\$77,527
Median Home Price	\$879,730	\$1,189,990	\$1,189,990	\$487,720	\$879,730

Sales 1 and 2 were superior and adjusted downward. Sale 3 was inferior and adjusted upward. Sale 4 was comparable with no adjustments warranted.

Access: Access to the subject is via 30' of street frontage at the terminus of 35th Street. Sales 1 and 2 had inferior access and were adjusted upward. Sales 3 and 4 were similar with no adjustments warranted.

Size: The subject site measures 25,235.76 square feet (0.579 acres) of beach, protective dunes and riparian grant area. The adjustment is based on economies of scale. Due to the limited number of sales and the lack of market information, no measurable per unit adjustment for land size was determined.

Site Characteristics: The physical characteristics such as usable and non-usable beach area of the subject lots and each comparable were considered. Due to the limited number of sales and the lack of market information, no measurable per unit adjustment for site characteristics was determined.

Zoning: The subject is located in the Beach Dune BD zoning district and highest and best use is recreational use. All of the sales were similar zoning and highest and best uses; thus no adjustments were required.

Conclusions: Each comparable sale used in the analysis provides a reasonable indication of the subject's market value and was considered the best available as of the valuation date. Greater weight was given to Sale #3 located in Cape May County and containing beach, dune and riparian area.

Based on this information and other data found within the market, the market value for the subject is estimated at **\$4.20 per square foot or \$106,000, rounded.**

Summary of Value Indications:

Summary of Value Indications	
Sales Comparison Approach	\$ 106,000
Income Capitalization Approach	N/A
Cost Approach	N/A

Correlation and Final Value Estimate – Before Project

During the analysis, it was found that the Sales Comparison Approach to value provided the best and most reliable indication of the subject site's market value. It was developed since land is often purchased on this basis. After making the appropriate adjustments to each comparable sale, a reliable market value estimate for the site resulted.

The Income Capitalization Approach was also considered but was not developed, since an adequate supply of comparable lease information was not found for land zoned for this type of use. In addition, this approach to value does not reflect the typical motivations of land purchasers within the market.

The Cost Approach was also considered, but not developed, since only the value of the land has been estimated.

After considering all the facts and circumstances in connection with the subject property, I conclude that the estimated Market Value Before the Project for the Fee Simple Interest, as of November 15, 2021, was **\$106,000, \$4.20 per square foot or \$182,968 per acre.**

Nature of Project

Description of the Project

The Subsurface Easement Project (“Project”) involves the acquisition of a permanent subsurface easement. The area is summarized and described as follows:

Permanent Subsurface Easement	
Interests Acquired:	Fee Simple with a Permanent Subsurface Easement for Lots 137 and 145 and a portion of Block 3500, Lot 1 including the Riparian Grant area of Block 3500, Lot 1.
Land Area/Dimensions:	0.579 acres (25,235.76 square feet)
Description/Location:	The easement area is generally rectangular in shape extending easterly from the 35 th Street terminus, along the dunes and the beach to the mean high water line (MHL) and into the water (riparian area).
Site Improvements Affected:	None. The easement is subsurface and will be drilled laterally from the ocean at a depth of approximately 50-feet.
Property Owner’s Future Right of Use:	The owner will continue to have access and utilize the beach and ocean for beach activities such as sunbathing and swimming. The owner will continue to have the ability to replenish the beach and dune area. The easement area will be below the surface and unseen and will have a nominal effect on use and utility.

Property Parcel Map is on the following page. Note the blue area shows the subject site area which is equal to the easement area.

Just Compensation

Just compensation provides for compensation of any taking, as well as damages to the remainder property. Just Compensation is defined as:

“the amount of loss for which a property owner is compensated when his or her property is taken. Just compensation should put the owner in as good a position as he or she would be if the property had not been taken.”⁹

The “Before and After Rule” is the methodology used in this report to estimate the value of the part taken and any damages to the remainder. Simply put, just compensation to the property owner is estimated as follows:

Value of Property Before the Project
Minus Value of Property After the Project
The Difference is the Just Compensation

The first part of this report concluded to a market value of the property Before the Project. The second part of this report describes the property After the Project and estimates the market value of the land under the hypothetical condition that the “After the Project” description of the property represents the property as of November 15, 2021. In effect, the property is analyzed as if the Project has been completed and any acquisition has physically occurred.

The Before and After methodology generally shows the effect of a fee simple taking on a property and may include some damages. Compensation for easement areas generally need to be estimated separately.

Damages

In condemnation, the loss in value to the remainder in a partial taking of property. Generally, the difference between the value of the whole property before the taking and the value of the remainder after the taking is the measure of the value of the part taken and the damages to the remainder.¹⁰

Damages value any improvements or portions of improvements which are within easements, or otherwise damaged by the Project and to be purchased; together with the value of any easements; plus any severance damages and the amount of any rounding differences.

⁹ Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th Edition, Chicago, IL, 2015

¹⁰ Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th Edition. Chicago, IL: Appraisal Institute, 2015, p. 59.

Description of Remainder

The property will continue to offer many of the same physical characteristics as Before the Project including frontage, topography and visibility. After the Project, the site's physical characteristics are shown as follows:

Physical Characteristics of the Site (After the Project)	
Land Area:	0.579 acres (25,235.76 SF), Same as Before the Project
Easement:	0.579 acres (25,235.76 SF), Subsurface Easement
Shape:	Rectangular Shaped, Same as Before the Project
Topography:	Same as Before the Project
Frontage:	30' SE/S 35 th Street, Same as Before the Project
Access:	Street access is via 30' street frontage 35 th Street, Same as Before the Project
Easements/Encumbrances:	<p>Permanent easement of subsurface area extending easterly from the 35th Street terminus, along the dunes and the beach to the mean high water line (MHL) and to the ocean (riparian area). The easement area will be below the surface and unseen and will have a nominal effect on use and utility.</p> <p>All other easements are the Same as Before the Project.</p>
Site Improvements:	<p>Dune fencing and split rail wooden fencing on easement lots. Mobi-mat beach access mat on lots to the south of the easement lots. Same as Before the Project.</p> <p>Site improvements will not be disturbed in the easement area as the easement will be subsurface and will be drilled laterally from the ocean at a depth of approximately 50-feet.</p> <p>The appraiser notes, the client indicated that there will not be markers or monuments on the subject site to mark the easement area. Markers will be along the right-of-way at 35th Street.</p>

Highest and Best Use – After the Project

Highest and best use is defined as that reasonable and probable use that will support the highest present value, as defined, as of the effective date of this report. The four tests of highest and best use are. 1) legally permissible; 2) physically possible; 3) economically feasible; 4) maximally productive.

- 1) To be **legally permissible** the use must be allowed under public land use controls such as zoning and land use laws with the additional consideration of private covenants and deed restrictions.

Legal restrictions affecting the property include the local municipal land use ordinance along with all other county and state regulations. The site lies within the Beach-Dune (BD) zoning district. Permitted uses in the BD district include the subject's use as protective sand dunes. Based on the zoning ordinance, the lots are non-buildable and future development would not be permitted. A change of zoning is not anticipated. Overall, the subject is a legal, conforming. As-is, legal restrictions affecting the property appear to allow for the use.

- 2) **Physical possibility** is affected by the characteristics of the site such as size, shape, topography and other physical aspects of the site. The consideration of a use as physically possible must be tempered by analysis of its financial feasibility.

The overall subject site is 0.579 acres (25,235.76 square feet). After the Project there will be a subsurface easement area of 0.579 acres (25,235.76 square feet).

The site is rectangular shaped with 30' of frontage along the southeasterly side of the 35th Street terminus. Ingress/egress is 35th Street. Additionally, ingress and egress from the beach is from the Atlantic Ocean. The lots are non-usable protective sand dune, a public pedestrian access path, beach area and riparian area (water). According to the NJ GeoMap, the subject contains 100% wetlands. The lots are primarily sand, dune grass and shrubbery with 5% 15% slopes. The dune is estimated to be between 15-20-feet in height. The use as protective sand dunes is physically possible. However, the physical characteristics prohibit future development.

Overall, the physical characteristics of the property continue to limit future development and is considered non-buildable. The permanent easement will be below the surface and unseen and will have a nominal effect on use and utility.

- 3) To be **financially feasible** there must be demand for the use and the perceived potential for a level of compensation commensurate with the level of risk assumed for a selected course of action.

A review of land sales in the market shows buyer demand for beach and sand dunes in Ocean and Cape May Counties. The most likely buyer of the subject site is an adjacent landowner or outdoor enthusiast. The land sales indicate buyer demand and the financial feasibility of the subject.

- 4) The **maximally productive** use is the financially feasible use that will produce the highest net return.

Of the financially feasible uses, the highest and best use is the use that produces the highest residual land value consistent with the market's acceptance of risk and with the rate of return warranted by the market for that use. Maximally productive use and the economic use of the lot is for recreational use, including, but not limited to, sunbathing, swimming, fishing, hiking, birdwatching, etc.

Highest and Best Use

The highest and best use as-if vacant is defined as that use from among reasonably probable and legal alternative uses, found to be physically possible, appropriately supported and financially feasible that results in the highest **land** value. It is to be recognized that in cases where a site has existing improvements on it, the highest and best use may very well be determined to be different from the existing use. The existing use will continue, however, unless and until land value in its highest and best use exceeds the total value of the property in its existing use.

The most probable buyer of the subject would be an adjacent landowner or outdoor enthusiast. The highest and best use of the subject and the economic use is for recreational use, including, but not limited to, sunbathing, swimming, fishing, hiking, birdwatching, etc.

Valuation - After the Project

Appraisal Process - After the Project

Again, the appraisal report considered the value of the land. Each of the three traditional approaches to value has been considered in estimating the market value of the site. The market value indication was developed via the Sales Comparison Approach for the same reason that it was developed “Before the Project.”

Sales Comparison Approach - After the Project

A market value estimate has been developed through the Sales Comparison Approach for the subject site. The same sales have been utilized as in the Before the Project and the same adjustments have been made, with the exception is the adjustments to the Property Rights Conveyed. The appraiser recognizes an adjustment for Property Rights due to the subsurface easement After the Project is warranted, but not supported with information derived from the market. Due to the limited number of sales and lack of quantitative market data, the appraiser considered the impacts of the subsurface easement with reference made to the “Valuation of Easements” by Donnie Sherwood, MAI as of November 2014. The publication provides an Easement Valuation Matrix which is utilized by appraisers who value easements. The following is a copy of the matrix.

Percentage of Fee	Comments	Potential Types of Easements
90% - 100%	<ul style="list-style-type: none"> Severe impact on surface use Conveyance of future uses 	Overhead electric, flowage easements, railroad right of way, irrigation canals, exclusive access easements
75% - 89%	<ul style="list-style-type: none"> Major impact on surface use Conveyance of future uses 	Overhead electric, pipelines, drainage easements, railroad right of way, flowage easements
51% - 74%	<ul style="list-style-type: none"> Some impact on surface use Conveyance of ingress/egress rights 	Pipelines, scenic easements
50%	<ul style="list-style-type: none"> Balanced use by both owner and easement holder 	Water or sewer lines, cable lines, telecommunications
26% - 49%	<ul style="list-style-type: none"> Location along a property line location across non-usable land area 	Water or sewer line, cable lines
11% - 25%	<ul style="list-style-type: none"> Subsurface or air rights with minimal effect on use and utility Location with a setback 	Air rights, water or sewer line
0% - 10%	<ul style="list-style-type: none"> Nominal effect on use and utility 	Small subsurface easement

Source: Valuation of Easements by Donnie Sherwood, MAI, November 2014

The matrix applies a Percentage Impact of the Fee Estate for the various types of easements from a small subsurface easement (0-10% impact) to a severe impact such as an overhead electric or railroad right-of-way (90-100% impact). Based on the matrix, the subject’s subsurface easement will have a minimal effect of 11% to 25% of the Fee Simple Estate as such a 20% adjustment is

considered reasonable. The easement area encompasses 100% of the subject area and a 20% downward adjustment was made to each of the sales.

The following is the land sales adjustment analysis After the Project.

Comparable Land Sales Adjustment Analysis "After the Project"									
	Subject	Comparable Sale #1		Comparable Sale #2		Comparable Sale #3		Comparable Sale #4	
Address		22 E 80th Street		14-A E Burlington Ave		910 Beach Ave		231 Beach Rd	
Municipality	Ocean City	Harvey Cedars Boro		Harvey Cedars Boro		Cape May City		Ocean City	
County, State	Cape May County	Ocean County, NJ		Ocean County, NJ		Cape May County, NJ		Cape May County, NJ	
Date	-	11/23/2015		9/4/2015		10/4/2010		7/14/2008	
Sale Price	-	\$45,000		\$12,000		\$150,000		\$5,000	
Site Area (acres)	0.579	0.195		0.138		1.240		0.111	
Price Per acre		\$230,612		\$87,120		\$120,969		\$45,187	
Site Area (SF)	25,235.86	8,500		6,000		54,014		4,820	
Price Per SF	-	\$5.29		\$2.00		\$2.78		\$1.04	
Ocean/Beach Frontage (FF)	30.00	50.00		60.00		54.35		41.00	
Price /FF		\$900		\$200		\$2,760		\$122	
Property Rights Conveyed	Fee Simple/Subsurface Easement	Fee Simple	-20%	Fee Simple	-20%	Fee Simple	-20%	Fee Simple	-20%
Financing	Cash Equivalent	Cash	0%	Cash	0%	Cash	0%	Cash	0%
Conditions of Sale	Typical	Comparable	0%	Comparable	0%	Comparable	0%	Comparable	0%
Market Conditions	11/15/2021	11/23/2015	24%	9/4/2015	25%	10/4/2010	45%	7/14/2008	54%
Adjusted Unit Price		\$5.52		\$2.10		\$3.47		\$1.39	
Location/Access	Good	Superior		Superior		Inferior		Comparable	
% Adjustment		-10.0%		-10.0%		10.0%		0.0%	
\$ Adjustment		-\$0.55		-\$0.21		\$0		\$0.00	
Access	30' Street Frontage	Inferior		Inferior		Comparable		Comparable	
% Adjustment		10.0%		10.0%		0.0%		0.0%	
\$ Adjustment		\$0.55		\$0.21		\$0		\$0.00	
Size (SF)	25,236	Comparable		Comparable		Comparable		Comparable	
% Adjustment		0.0%		0.0%		0.0%		0.0%	
\$ Adjustment		\$0.00		\$0.00		\$0		\$0.00	
Site Characteristics	Beach, Dune, Access Path & Riparian Area	Comparable		Comparable		Comparable		Comparable	
% Adjustment		0.0%		0.0%		0.0%		0.0%	
\$ Adjustment		\$0.00		\$0.00		\$0		\$0.00	
Zoning/Use	BD	Comparable		Comparable		Comparable		Comparable	
% Adjustment	Recreation	0.0%		0.0%		0.0%		0.0%	
\$ Adjustment		\$0.00		\$0.00		\$0		\$0.00	
Net Adjustment		0%		0%		10%		0%	
Adjusted Unit Price		\$5.52		\$2.10		\$3.82		\$1.39	
Mean	\$3.21								
Median	\$2.96								
Weighted	\$3.57	20%		20%		50%		10%	
Concluded	\$3.60								
Square Feet	25,236								
SCA	\$90,849								
Rounded	\$91,000								

Conclusions After the Project

Again, each comparable sale used in the analysis provided a reasonable indication of the subject's land value and was considered the best available as of the valuation date. Greater weight was given to Sale #3 located in Cape May County and containing beach, dune and riparian area.

Based on this information and other data found within the market, the market value for the subject After the Project is estimated at **\$3.60 per square foot or \$91,000, rounded.**

Damages to the Remainder

As previously discussed, Before the Project the subject is 0.579 acres (25,235.76 SF). After the Project the subject will be 0.579 acres (25,235.76 SF) with a permanent subsurface easement. There are damages anticipated due to the permanent subsurface easement.

Compensation for Easements/Encumbrances

The market value of the subject property, through the Sales Comparison Approach, Before the Project is \$106,000. The market value of the subject After the Project, with a permanent subsurface easement is \$91,000. Therefore, the compensation for permanent easement area is \$15,000.

Before the Project:	\$106,000
After the Project:	<u>\$ 91,000</u>
Value of the Easement:	\$ 15,000

Correlation and Final Value Estimate - After the Project

Summary of Value Indications	
Sales Comparison Approach	\$91,000
Income Capitalization Approach	N/A
Cost Approach	N/A

After considering all the facts and circumstances in connection with the subject property, I conclude that the estimated Market Value After the Project for the Fee Simple Interest, as of November 15, 2021, was **\$91,000, \$3.60 per square foot or \$157,076 per acre.**

Reconciliation

In the final reconciliation, the appraiser must ensure that the approaches and methods used relate to the real property interest being appraised, the definition of value under consideration, and the purpose and use of the appraisal. In the analysis of the subject, only the Sales Comparison Approach to value has been considered in estimating value for the subject property. The following value estimates were derived by each approach employed:

Value Indicators		
	Before	After
Sales Comparison Approach	\$106,000	\$91,000
Income Approach	N/A	N/A
Cost Approach	N/A	N/A
Value Conclusion	\$106,000	\$91,000
<i>Square Feet</i>	25,236	25,236
<i>\$/SF</i>	\$4.20	\$3.61
<i>Acres</i>	0.579	0.579
<i>\$/Acre</i>	\$182,968	\$157,076

Conclusion and Justification

The appraisal is based on the following extraordinary assumption:

- The appraisal is based on the extraordinary assumption that the subject property is clean and free from environmental contamination and debris, and if this is not true, the assignment results may be affected.

After a complete study and analysis of all relevant data in this assignment, the market value of the subject lots (Block 611.11, Lots 137 & 145 and a portion of Block 3500, Lot 1) as of November 15, 2021, was:

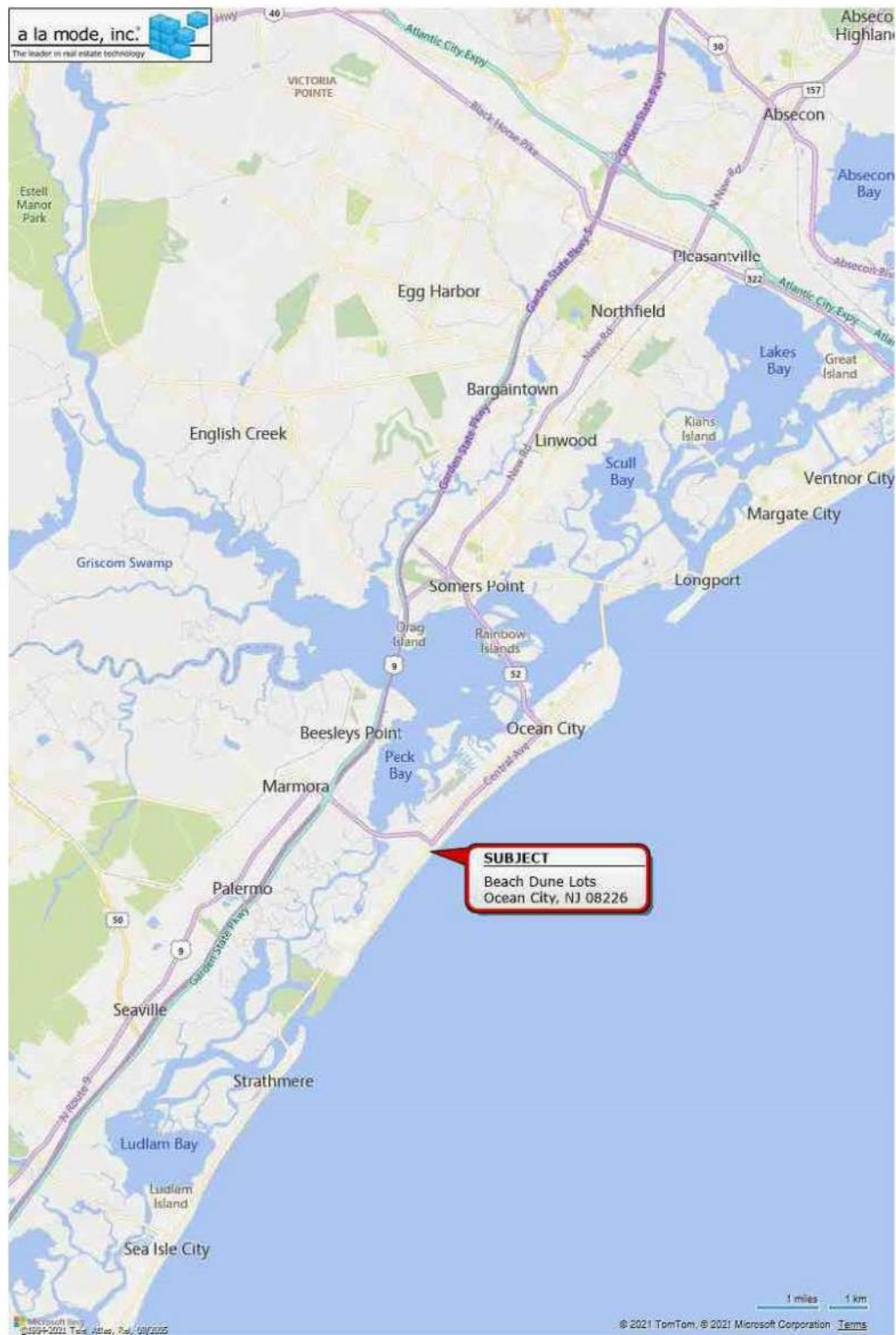
	Value	Per Acre
Final Value Opinion Before: (Fee Simple Estate)	\$106,000	\$182,968/acre
Final Value Opinion After: (Fee Simple Estate subject to Easement)	<u>\$ 91,000</u>	\$157,076/acre
Value of Part Taken and Damages to Remainder	\$ 15,000	

The After valuation shows a decrease in value due to the Easement. As a result, compensation is due to the property owners. It is my opinion the consideration for the acquisition of the easement, as of the effective date, November 15, 2021, is:

Fifteen Thousand Dollars
(\$15,000)

Addenda

Location Map



Form MAP.LOC - *TOTAL* appraisal software by a la mode, inc. - 1-800-ALAMODE

Subject Photographs



1. View of Easement Lot (Lots 145) facing Northwesterly



2. View of Easement Lot (Lots 145) facing Northeasterly



3. View of Easement Lot (Lots 137) from 35th Street Terminus facing Southeasterly



4. View of 35th Street facing Northwesterly



5. - View of Public Pedestrian Access Path facing Southeasterly



6. View of Beach and Atlantic Ocean from Subject Lots facing Southeasterly

Subject Tax Map



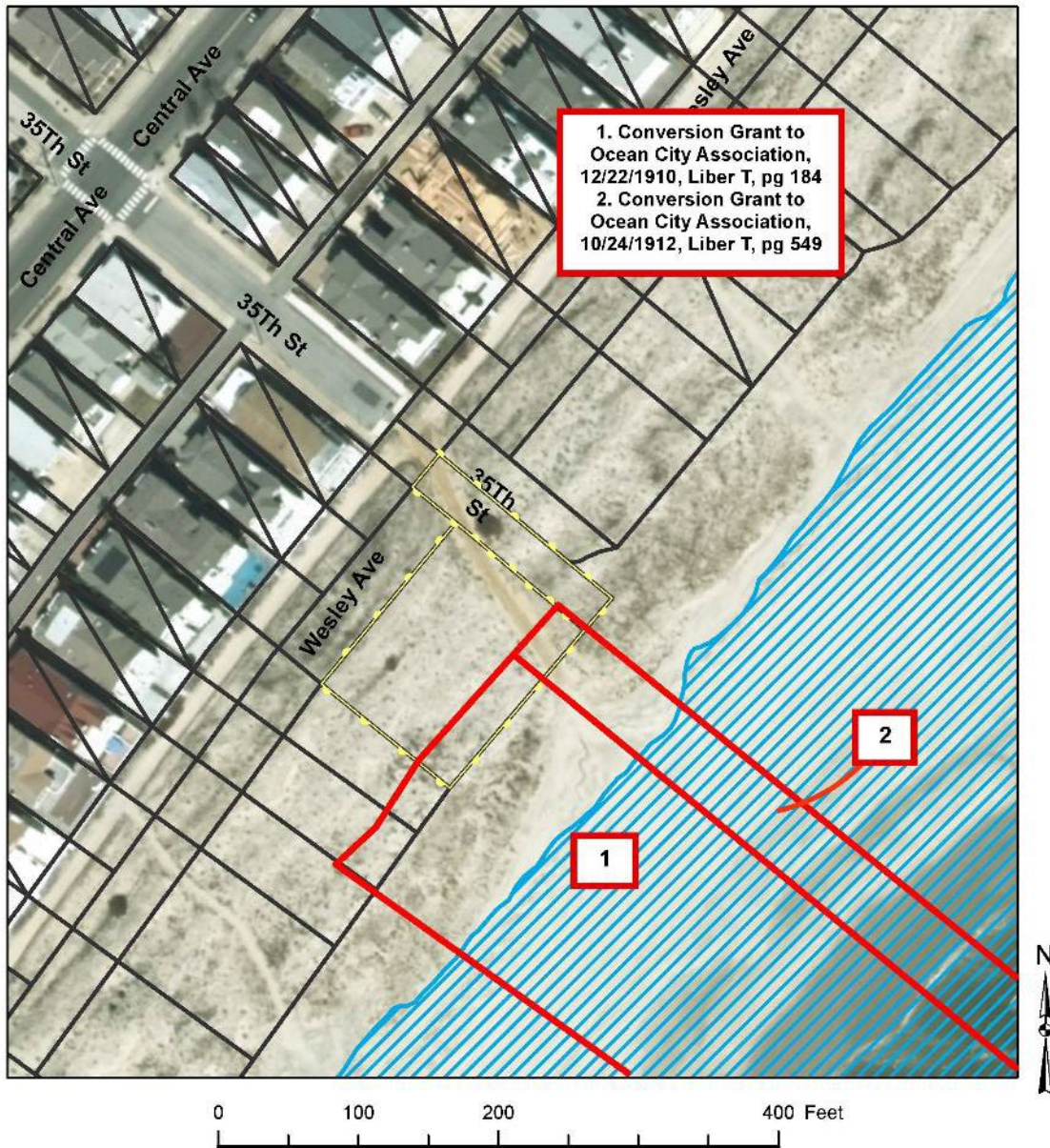
Flood Map



Form MAP LT.FLOOD - "TOTAL" appraisal software by a la mode, inc. - 1-800-ALAMODE

Tideland Map

Tidelands Claim Search



The claim and property lines depicted are a scaled representation and are for informational purposes only. Results are based on the NJ State Tideland Conveyance Maps and are subject to the Tideland Reservation Statement. Signature is not responsible for errors or omissions in the State's data.

Neighborhood Analysis

Neighborhood: Housing Stats and Charts

	08226	Cape May County	New Jersey	USA
Median Estimated Home Value	\$880K	\$521K	\$435K	\$293K
Estimated Home Value 12-Month Change	+24.9%	+19.4%	+12.8%	+15.3%
Median List Price	\$900K	\$639K	\$400K	\$149K
List Price 1-Month Change	+1.2%	+6.5%	-0.1%	-0.6%
List Price 12-Month Change	+28.9%	+20.6%	+5.2%	+6.4%
Median Home Age	42	45	55	41
Own	69%	78%	64%	64%
Rent	31%	22%	36%	36%
\$ Value of All Buildings for which Permits Were Issued		\$243M	\$4.8B	\$307B
% Change in Permits for All Buildings	-	-15%	+5%	+13%
% Change in \$ Value for All Buildings	-	-10%	+8%	+10%

Median Sales Price vs. Sales Volume

This chart compares the price trend and sales volume for homes in an area. Home prices typically follow sales volume, with a time lag, since sales activity is the driver behind price movements.

Data Source: Public records and listings data

Update Frequency: Monthly

- Median Sales Price Public Records
- Median Sales Price Listings
- Sales Volume Public Records
- Sales Volume Listings

Median Sales Price



Sales Volume



Neighborhood Report

Ocean City, NJ 08226

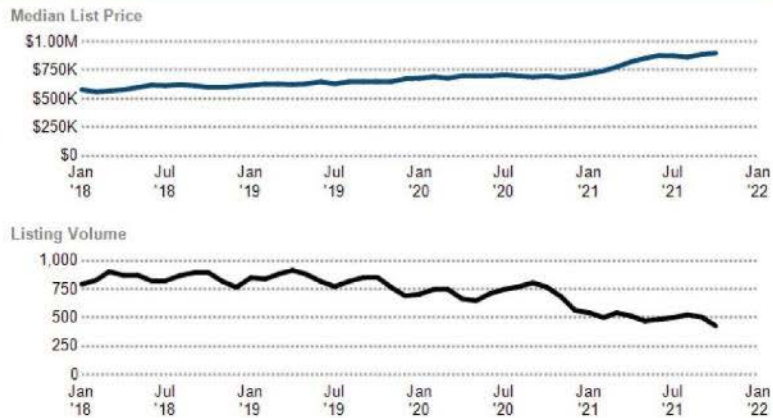
Median Listing Price vs. Listing Volume

This chart compares the listing price and listing volume for homes in an area. Listing prices often follow listing volume, with a time lag, because supply can drive price movements.

Data Source: On- and off-market listings sources

Update Frequency: Monthly

■ Median List Price
■ Listing Volume



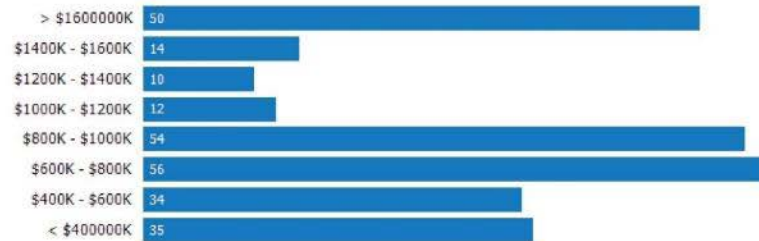
Price Range of Homes Sold

This chart shows the distribution of homes reported sold in the past six months within different price ranges in the area of your search. The amount shown for the subject property is sold data where available, or the property's estimated value when sales data are unavailable (such as a non-disclosure state) or provided in range format.

Data Source: Public records data

Update Frequency: Monthly

■ Sales Count By Price Range



Price per Square Foot of Homes Sold

This chart shows the distribution of homes reported sold in the past six months at different prices per square foot (living area sourced from public records).

Data Source: Public records data

Update Frequency: Monthly

■ Sales Count By Price Per Sq Ft



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11/15/2021

Neighborhood: People Stats and Charts

	08226	Cape May County	New Jersey	USA
Population	10.1K	93.1K	8.88M	325M
Population Density per Sq MI	2.12K	370	1.21K	—
Population Change since 2010	+0.3%	-3.3%	+3.8%	+7.7%
Median Age	55	50	40	38
Male / Female Ratio	47%	49%	49%	49%



Neighborhood: Economic Stats and Charts

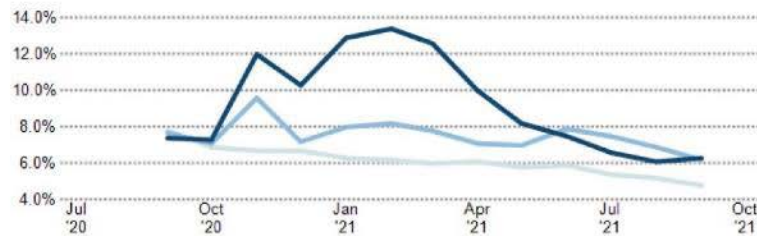
	08226	Cape May County	New Jersey	USA
Income Per Capita	\$53,108	\$40,389	\$42,745	\$34,103
Median Household Income	\$77,527	\$67,074	\$82,545	\$62,843
Unemployment Rate	—	6.3%	6.2%	4.8%
Unemployment Number	—	3.17K	273K	—
Employment Number	—	47.2K	4.11M	—
Labor Force Number	—	50.4K	4.39M	—

Unemployment Rate

This chart shows the unemployment trend in the area of your search. The unemployment rate is an important driver behind the housing market.

Data Source: Bureau of Labor Statistics
Update Frequency: Monthly

■ Cape May County
■ New Jersey
■ USA

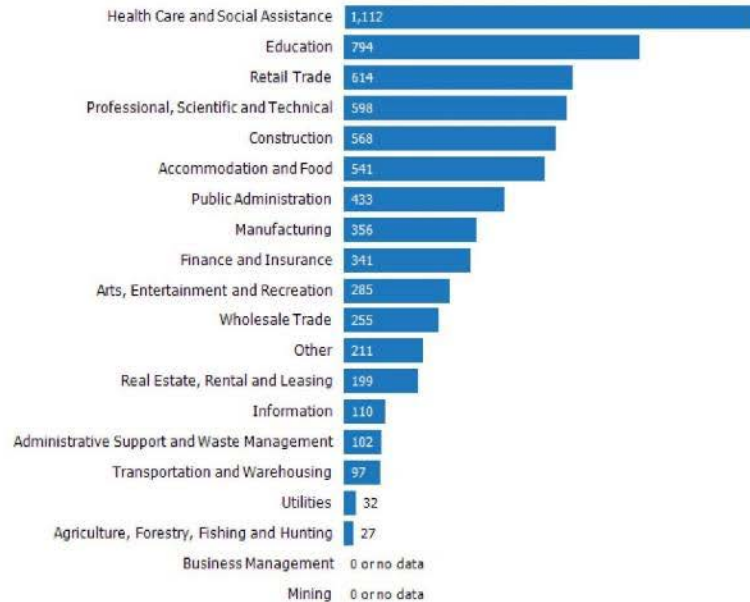


Occupational Categories

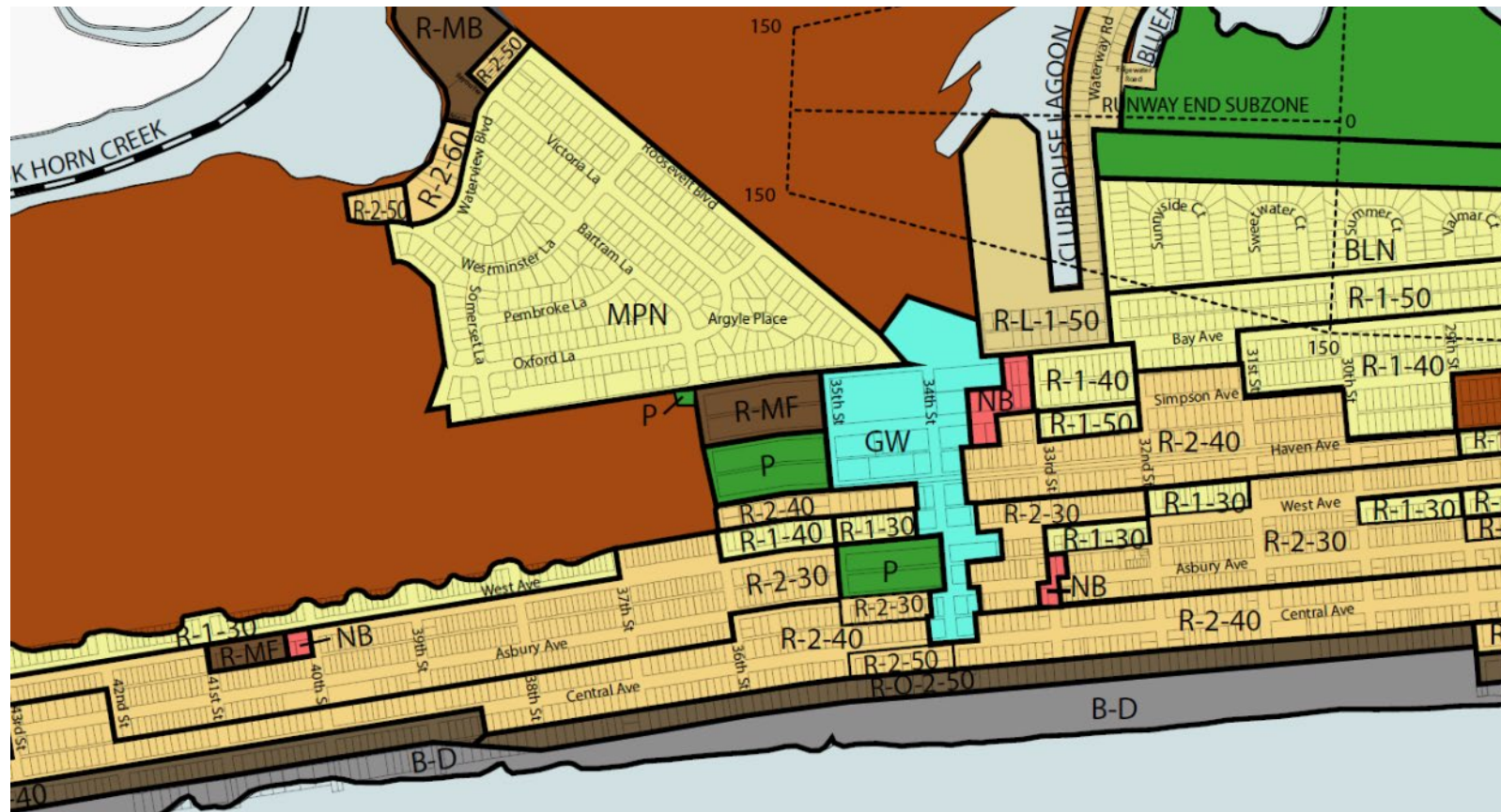
This chart shows categories of employment within an area.

Data Source: U.S. Census
Update Frequency: Annually

■ 08226



Portion of Zoning Map and Ordinance



Chapter 25. Zoning and Land Development

Article 200. Zoning District Regulations

§ 25-206.2. BD, Beach and Dune Zone.

§ 25-206.2.1. Purpose.

[Ord. #02-19]

The Beach and Dune Zone established in § 25-201.3 of this Ordinance delineates areas in Ocean City where beaches and dunes have developed and are deemed to be part of those land forms which provided a natural protection from flooding. The purpose of establishing the Beach and Dune Zone is to regulate the use of this flood preventative land form in ways that will not destroy its flood preventative function, in accordance with N.J.S.A. 40:55D-2(a),(b),(g) and (j), in order to secure safety from flood and other natural disasters; to provide sufficient space for recreational uses in order to meet the needs of all New Jersey citizens; and to promote the conservation of a valuable natural resource.

§ 25-206.2.2. Permitted Uses.

[Ord. #02-19; Ord. #02-29, § 17]

Open space, beach and water recreation, protective sand dunes and related improvements including snow fencing and dune stabilization plantings, stairs and walkways for beach access and dune preservation, necessary municipal buildings and structures for public safety and convenience including first aid stations, life guard stations, comfort stations, boardwalks, pavilions, piers, and related facilities, necessary shore protection and stabilization improvements including jettys, groins, bulkheads and related structures.

- a. All structures which are deemed necessary by local, State or Federal governments to enhance the flood prevention capability of these land forms, provided that they shall not involve the construction of buildings or signs.

§ 25-206.2.3. Conditional Uses.

[Ord. #02-19]

Not applicable in this zone.

§ 25-206.2.4. Permitted Accessory Uses.

[Ord. #02-19]

Not applicable in this zone.

§ 25-206.2.5. Building Height.

[Ord. #02-19]

Not applicable in this zone.

§ 25-206.2.6. Lot Area.

[Ord. #02-19]

Not applicable in this zone.

§ 25-206.2.7. Lot Width.

[Ord. #02-19]

Not applicable in this zone.

§ 25-206.2.8. Front Yard.

[Ord. #02-19]

Not applicable in this zone.

§ 25-206.2.9. Rear Yard.

[Ord. #02-19]

Not applicable in this zone.

§ 25-206.2.10. Side Yards.

[Ord. #02-19]

Not applicable in this zone.

§ 25-206.2.11. Floor Area.

[Ord. #02-19]

Not applicable in this zone.

§ 25-206.2.12. Lot Coverage.

[Ord. #02-19]

Not applicable in this zone.

§ 25-206.2.13. Off-Street Parking.

[Ord. #02-19]

No parking shall be permitted on the beaches and dunes. All parking shall be off site.

§ 25-206.2.14. Signs.

[Ord. #02-19]

No signs shall be permitted on the beaches and dunes except for municipal direction, safety or related type signs.

§ 25-206.2.15. Dwelling Unit Density.

[Ord. #02-19]

Not applicable in this zone.

Select Language ▼

Owner Notification Letter

Lee Ann Kampf & Associates Real Estate Appraisal
42 W. 15th Street Real Estate Consulting
Ocean City, NJ 08226 Commercial & Residential
609.736.0695
leeann@leeannkampf.com



Lee Ann Kampf & Associates
Real Estate Appraisal & Consulting

November 2, 2021

Via Certified Mail

Melissa Rasner
Municipal Clerk
City of Ocean City
861 Asbury Avenue
Ocean City, NJ 08226

Re: Property Acquisition Appraisal - Easement
3500-02 Wesley Avenue (Block 611.11, Lots 145 & 146)
3501-03 Wesley Avenue (Block 611.11, Lots 137 & 138)
3507 Wesley Avenue (Block 3500, Lot 1)
Ocean City, Cape May County, New Jersey 08226
LAK File #: 90145.04

Dear Ms. Rasner:

Our firm has been engaged by CW Solutions, on behalf of Orsted, for the Ocean Wind Project. We have been tasked with determining the fair market value of the referenced beach properties for a partial acquisition. The appraisal will be used to provide just compensation for the partial acquisition of your properties.

We would like to offer you the opportunity to accompany us during our inspection, so that you can disclose any important information about the properties. Please let us know which date is preferred, Monday, November 15th at 2:00pm or Tuesday, November 16th at 10:30am. In addition, we would like to request that you provide any of the applicable items detailed on the enclosed list.

Please contact me at (609)736-0695 to coordinate the inspection appointment as soon as possible.

Very sincerely yours,

Lee Ann Kampf, MAI, ASA, IFAS, CTA
New Jersey State Certified General Real Estate Appraiser
#42RG00238100

Cc: Mayor Jay A. Gillian
Dottie McCrosson, Solicitor
George Savastano, Business Administrator
Frank Donato III, Chief Financial Officer
Joseph Elliott, Tax Assessor

Kevin Appelget, NJDEP
Green Acres, Project Manager

Kay Sangster, NJDEP
Green Acres, Review Appraiser

Property Appraisal Exhibit Request

Please provide the following:

1. A copy of surveys or any existing conditions plans.
2. Information on any easements encumbering the property.
3. A copy of any environmental conditions or wetlands delineation reports.
4. A copy of any recent appraisal reports prepared for the property.
5. Any other information you believe should be considered in the appraisal of your property.

Please forward a copy of any of the above applicable items to:

Lee Ann Kampf & Associates
42 W 15th Street
Ocean City, NJ 08226
leeann@leeannkampf.com

If you need to contact us:

Phone: (609)736-0695

7020 1290 0000 7851 9962

U.S. Postal Service™ CERTIFIED MAIL® RECEIPT Domestic Mail Only	
For delivery information, visit our website at www.usps.com ®.	
Ocean City, NJ 08226	
Certified Mail Fee \$3.75	0226 07
Extra Services & Fees (check box, add fee if applicable)	Postmark Here
<input type="checkbox"/> Return Receipt (hardcopy) \$0.00	
<input type="checkbox"/> Return Receipt (electronic) \$0.00	
<input type="checkbox"/> Certified Mail Restricted Delivery \$0.00	
<input type="checkbox"/> Adult Signature Required \$0.00	
<input type="checkbox"/> Adult Signature Restricted Delivery \$0.00	
Postage \$0.58	11/02/2021
Total Postage and Fees \$7.38	
Sent To: Melissa Rasner, Municipal Clerk	
Street and Apt. No., PO Box No. 861 Asbury Ave	
City, State, ZIP+4® Ocean City, NJ 08226	
PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions	

NJDEP Instructions



State of New Jersey
DEPARTMENT OF ENVIRONMENTAL PROTECTION

GREEN ACRES PROGRAM

501 East State Street

P.O. Box 420, Mail Code 501-01

Trenton, New Jersey 08625-0420

Tel. (609) 609-984-0599 • Fax (609) 984-0608

www.NJGreenAcres.org

PHILIP D. MURPHY

Governor

SHEILA Y. OLIVER

Lt. Governor

SHAWN M. LATOURETTE

Commissioner

MEMORANDUM

DATE: October 28, 2021

TO: Kevin Appelget, Project Manager

FROM: Kay Sangster SCGRE, MRICS
Review Appraiser, Green Acres Appraisal Section

RE: State House Commission: Project #: SHC 0508007-01D
Owner/s:
Parcels: Block 3350.01, Lot 17; Block 611.11, Lots 137 and 145
Applicant: City of Ocean
Parcel Address: Bay Ave and 34th Street; 3501-03 Wesley Ave; and 3500-02
Wesley Ave Ocean City, NJ 08226.

Please advise our local partner to:

1. inform the appraiser(s) that NJDEP Green Acres is an intended user of this appraisal report, and that this appraisal assignment must be prepared according to current NJDEP Green Acres Appraisal Requirements (GAAR), current USPAP Standards, and the specific instructions described below;
2. provide the appraiser(s) with the owner's contact information, other intended user(s) information and the specific written instructions stated below at the start of the assignment; and,
3. inform the appraiser(s) that the instructions below **must** be included in the addendum of the appraisal report(s).
4. inform the appraiser(s) that the report will be reviewed for its conformance with USPAP and the GA-AR. Reports that do not conform may be rejected or subject to a lengthy review.

The Green Acres Appraisal Requirements (GAAR) are found on our website https://www.nj.gov/dep/greenacres/pdf/Green_Acres_Appraisal_Requirements_01-2019.pdf and is based in part on quality factors of "Complete, Accurate, Adequate, Relevant and Reasonable", and on current USPAP Requirements. As required by USPAP, appraisers must ask their Client whether there are any other Intended Users of the report other than the Client and NJ DEP Green Acres and ensure that the report conforms to any appraisal requirements required by the client and any intended users.

Description:

Acquisition of a permanent subsurface utility easement on lots identified on the municipal tax map as follows:

Block/Lot	Address	Size	Current use	Interest to be Acquired
3350.01/17	Bay Ave & 34 th St.	80.93 Ac.	Conservation	Permanent Utility Easement
611.11/137 & 145	Wesley Ave	0.1377 Ac.	Recreational	Permanent Utility Easement

October 28,
2021

The first part of the proposed acquisition will run diagonally across the southwesterly end of the subject property (Block 3350.01, Lot 17), towards Roosevelt Boulevard. Block 3350.01, Lot 17 is an eighty-acre vacant property zoned C- Conservation. According to the NJ-GeoWeb, the entire site is affected by freshwater wetlands. The easement is approximately 3,801 square feet.

The second part of the easement begins at the easterly end of 35th Street and will traverse Block 611.11, Lots 137 and 145 towards the Atlantic Ocean. The lots consist primarily of sand dunes and according to the NJ-GeoWeb, are covered by freshwater wetlands. The easement in this section will contain a total area of 5,998.212 square feet.

The sites will be purchased "As Is", with no contingencies or approvals based on its economic highest and best use as of the effective valuation date and subject to the EA below.

Instructions/Reminders:

1. Please note that GAAR requires a "Before" and "After" for partial acquisitions. If the appraiser has determined that there are no effects on the 'remainder', kindly explain in a section of the appraisal report. Please refer to Section E-2 GA-AR for additional guidance.
2. Please include the extraordinary assumption (EA) that 'the subject property is clean and free from environmental contamination and debris, and if this is not true, the assignment results may be affected'.
3. Please provide a total and per acre value.
4. Per GAAR, please analyze 5 comparable sales, preferably including private party sales. Please provide a fully conforming adjustment grid, relevant adjustments including sale contingencies, market conditions (time), property location, size, access, physical characteristics etc. If sales are not in the same municipality as the subject, relevant location adjustments are requested.
5. Improvements if any, are to be described as indicated in Section 4-D of the GA-AR.
6. Please provide available MLS sheets/Broker listings etc. for subject, comparables and any comparable listings to verify any conditions of sale.
7. Please take current "in person, on-site" subject and comparable sale photos. The subject and comparable sales are expected to be personally inspected by the appraiser.
8. Please contact Kaydiann.Sangster@dep.nj.gov in the Green Acres Appraisal Section if you have any questions, prior to completing the appraisal report.

Documents for Appraisers:

- A. Pre-Appraisal Fact Sheet
- B. Project Reference Map

PLEASE NOTE – Covid-19 must be acknowledged in the report. While COVID-19 precautions and regulations are in place, phone interviews may take the place of face-to-face owner-agent/appraiser meetings. A Certified confirmation letter to the owner must be placed in the report Addendum. This letter will contain the date of inspection, the time/date of phone interview(s), and names of persons who participated in the call(s). During COVID conditions, and if no in-person meeting is held, this letter will substitute for the certified notification letter. For the safety of all involved, social distancing, mask-wearing and all precautions should be exercised in any appraisal work performed by Green Acres Approved Appraisers. Updates on COVID-19 conditions may apply.

Thank you in advance for your interest in providing professional appraisal services to the NJ DEP Green Acres.



Appraiser Qualifications

Qualifications of Lee Ann Kampf, MAI, ASA, IFAS, CTA

Principal of Lee Ann Kampf and Associates specializing in real estate appraisal and consulting services for all property types. The firm provides valuation services for all types of properties throughout Southern New Jersey, Philadelphia and surrounding suburbs, and Delaware. Clients include lenders, attorneys, investors, government agencies, and property owners.

Professional Certification & Licenses

Member, (MAI), Appraisal Institute (565896)
Certified General Appraiser (42RG00238100), State of New Jersey
Certified General Appraiser (GA-003876), Commonwealth of Pennsylvania
Certified General Appraiser (X1-0000574), State of Delaware
Certified Tax Assessor (CTA-#2463), State of New Jersey
Accredited Senior Appraiser Real Property, (ASA), American Society of Appraisers
Member, (IFAS), National Association of Independent Fee Appraisers (110894)
Licensed Real Estate Sales Agent, (#1540600), State of New Jersey

Professional Experience

Present valuation experience as Principal of Lee Ann Kampf and Associates includes a variety of appraisal assignments consisting of: office buildings; shopping centers; convenience and retail stores; restaurants and bars; hotels and motels; apartments; schools; marinas; amusement parks/piers; warehouses; industrial buildings; food processing facilities; self-storage facilities; single and multi-family properties; commercial and residential land; historic properties; and special-purpose properties.

Employed by Clarion/Samuels Associates from September 2007 to November 15012 as an Associate Appraiser specializing in income producing properties. Duties included the development of narrative appraisal reports and utilization of proprietary valuation software and Argus software. Appraisal assignments included; land valuation for residential and commercial development, conservation and preservation easements, impacts of externalities on property values, and commercial properties including retail shopping centers, hotels and office buildings. Varied appraisal and counseling assignments included; market studies, feasibility analysis, developer portfolios, golf course valuations, condemnation, and agricultural land appraisals.

Employed by Glaxo-SmithKline from 1996-1998 as a Business Systems Analyst and CIGNA Insurance from 1991 to 1996 as a Senior System Analyst. Duties included developing requirements, specifications, and enhancements to computer operating systems.

Boards and Associations

Director - Southern New Jersey Chapter of the Appraisal Institute 2020-2023
Member - Ocean City Board of Realtors

Education

Masters Information Science, M.S., Penn State University, Malvern, Pennsylvania
Bachelors Business Administration, B.S., Penn State University, University Park, Pennsylvania

Professional Related Courses and Seminars

Course	Year
Uniform Standards of Professional Appraisal Practice (USPAP)	2007-2020
Valuation of Income Producing Properties	2007
Valuation of Residential Properties	2007
Residential Construction	2007
Appraisal Valuation Applications	2007
Real Estate Finance	2007
Appraising the Complex Residential Property	2007
September Symposium	2012-2014
Business Practices and Ethics	2012-2020
Advanced Income Approach, Appraisal Institute	2013
Advanced Market Analysis and Highest and Best Use, Appraisal Institute	2013
Advanced Concepts and Case Studies, Appraisal Institute	2013
Land and Site Valuation	2013
Marina Valuation	2013
Report Writing and Case Studies	2014
New Jersey, Regulations and Board Policies	2016-2020
Pennsylvania Appraisal Statutes, Regulations and Board Policies	2013-2021
Delaware Laws and Regulations for Appraisers	2012-2021
New Jersey NAIFA Conference	2014-2016
New Jersey ASA Conference	2018-2019
Farmland Assessment	2015
Valuing Net Zero Energy Buildings	2015
Hot Topics in Appraiser Law	2015
Contamination and the Valuation Process	2015
Detailed Look at Tax Issues View from the Bench	2016
Land Use Seminar	2016
Weird and Unusual Appraisal Assignments	2016
Financial Basics - HP12c	2016
Roadmap System to Income Capitalization	2016
Uniform Appraisal Standards for Federal Land Acquisition (UASFLA)	2016
Yellow Book Changes	2017
Recognized Methods & Techniques for Adjusting Comparable Sales	2017
Green Home Valuation in South Jersey/Philadelphia Market & View from the Bench	2017
Appraisal versus an Evaluation	2017
State of the Industry and Beyond	2017
Waterfront Property Valuation	2017
Income & Expenses, Their Effect on Commercial and Residential Appraisals	2018

Course	Year
The Art of Depositions	2018
Trends Affecting South Jersey Appraisal/Assessing	2018
The Unexpected During Appeals	2018
Digital Billboards	2018
Contract or Effective Rent: Finding the Real Rent	2018
Uniform Appraisal Standards for Federal Land Acquisition (UASFLA)	2018
Uniform Appraisal Standards for Federal Land Acquisition (UASFLA)	2018
Assessor Refresher & Power Pad/Comp	2019
Complex Industrial & Commercial Valuation Issues	2019
Hybrid Appraisals	2019
The Appraiser and Antitrust, Phil Crawford – Voice of Appraiser	2019
NJDEP Valuation of Riparian Land Seminar	2019
Valuation Impacts of COVID-19	2020
Energy Valuation Conference	2020

Appraiser License

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State Of New Jersey
New Jersey Office of the Attorney General
Division of Consumer Affairs



THIS IS TO CERTIFY THAT THE
Real Estate Appraisers Board

HAS CERTIFIED

LeeAnn Kampf
42 W. 15th Street
Ocean City NJ 08226

FOR PRACTICE IN NEW JERSEY AS A(N): **Certified General Appraiser**

11/05/2021 TO 12/31/2023
VALID

42RG00238100
LICENSE/REGISTRATION/CERTIFICATION #


Signature of Licensee/Registrant/Certificate Holder


ACTING DIRECTOR