

**BEFORE THE  
NEW JERSEY BOARD OF PUBLIC UTILITIES**

**IN THE MATTER OF THE PETITION OF  
JERSEY CENTRAL POWER & LIGHT COMPANY PURSUANT TO  
N.J.S.A. 40:55D-19 FOR A DETERMINATION THAT THE  
MONTVILLE - WHIPPANY 230 KV TRANSMISSION PROJECT IS  
REASONABLY NECESSARY FOR THE SERVICE, CONVENIENCE  
OR WELFARE OF THE PUBLIC**

**Direct Testimony**

**of**

**Jerome J. McHale**

**Re: Real Estate Property Analysis**

1 **I. INTRODUCTION AND BACKGROUND**

2 **Q. Please state your name and business address.**

3 A. My name is Jerome J. McHale. My business address is 693 Main Street, Bldg. C,  
4 2<sup>nd</sup> Floor, P.O. Box 26, Lumberton, New Jersey.

5 **Q. By whom are you employed and in what capacity?**

6 A. I am a principal in the firm J. McHale & Associates, Inc. I specialize in real  
7 estate appraisal and consulting services for all property types for a variety of  
8 purposes including financing, condemnation, ad valorem, matrimonial, and estate  
9 planning.

10 **Q. Please describe your professional experience and educational background.**

11 A. As the Principal of J. McHale & Associates, Inc., I provide real estate appraisals  
12 and consulting services for a variety of property types for a variety of purposes. I  
13 have been providing real estate appraisals and consulting services since 1986.

14 I have a B.A. in Economics and Business Administration from Fort Lewis  
15 College.

16 Attached as part of Exhibit JJM-1 is my curriculum vitae.

17 **Q. Have you previously testified in Board of Public Utilities (“Board” or “BPU”)**  
18 **proceedings?**

19 A. Yes, I have submitted pre-filed written testimony before the BPU on behalf of  
20 Jersey Central Power & Light Company (“JCP&L” or the “Company”) for the  
21 Oceanview 230 kV Transmission Project in Docket No. EO14030281, and a real  
22 estate property analysis on behalf of Atlantic City Electric Company in *In the*  
23 *Matter of the Petition of Atlantic City Electric Company for a determination*

1        *pursuant to the provisions of N.J.S.A. 40:55D-19 that the use of certain lands*  
2        *within the Township of Pennsville, Township of Mannington, Township of*  
3        *Pilesgrove, Borough of Woodstown, and the Township of Upper Pittsgrove, and*  
4        *all in the County of Salem, all in the State of New Jersey, are reasonably*  
5        *necessary for the service, convenience or welfare of the public; and that the zoning*  
6        *and land use ordinances of those municipalities and counties shall have no*  
7        *application thereto, Docket No. EO13111047.*

8        **Q. Have you testified in proceedings before other utility regulatory**  
9        **commissions?**

10      A. No, however, I have testified before the United States Federal Bankruptcy Court,  
11      New Jersey Tax Court, New Jersey Superior Court, and numerous New Jersey  
12      County Boards of Taxation, the Pennsylvania Court of Common Pleas, various  
13      Pennsylvania Boards of Appeal, and various Commission Panels for condemnation  
14      matters.

15      **Q. Would you describe the purpose of your testimony?**

16      A. I am testifying on behalf of JCP&L, and the purpose of my testimony is to sponsor  
17      and explain the Real Estate Property Analysis completed for the Montville –  
18      Whippany 230 kV Transmission Line Reinforcement Project (the “Project”),  
19      which involves construction of a 230 kilovolt (“kV”) high voltage transmission  
20      line beginning at the JCP&L Whippany Substation in East Hanover Township,  
21      Morris County, New Jersey and ending at the Montville Substation in Montville  
22      Township, Morris County, New Jersey. The Real Estate Property Analysis is  
23      attached to this testimony as Exhibit JJM-1.

1 **II. REAL ESTATE PROPERTY ANALYSIS**

2 **Q. Please provide an overview of the real estate property analysis that you**  
3 **completed for the Project?**

4 A. I relied on the description of the Project provided by JCP&L. In particular, a  
5 detailed description of the Project can be found in the Direct Testimony of Dave  
6 Kozy, Jr. in this matter. On December 18, 2014, I provided JCP&L a real estate  
7 property analysis that determined the impact on the market value of properties  
8 located within 100 feet of the proposed right-of-way (“ROW”) for the Project.  
9 Specifically, I performed the following for the real estate property analysis:

- 10 • Inspected and took photographs of the proposed ROW for the  
11 Project;
- 12 • Described key structures within 100 feet of the ROW; and
- 13 • Completed a comparison of the existing steel lattice and Wooden  
14 H-Frame/Two-Pole Structures to the proposed steel monopoles.

15 **Q. When did you complete the real estate property analysis?**

16 A. I conducted the initial real estate property analysis on September 2, 2014.  
17 However, I also completed a subsequent inspection of the Project area on  
18 December 18, 2014.

19 **Q. Please provide a summary of the results of the real estate property analysis.**

20 A. The additional light steel monopoles near the existing steel lattice towers, and the  
21 replacement of various H-Frame/Two-Pole towers within the existing ROW  
22 easement with new monopoles will create no further diminution in value to the  
23 properties adjacent to the ROW. Moreover, the new monopoles that will be built

1 in existing unused ROW and new ROW will create no further diminution in value  
2 to the properties adjacent to the existing and proposed ROW. Please refer to  
3 Exhibit JJM-1 for a more complete discussion of my findings.

4 **Q. Does this conclude your direct testimony?**

5 A. Yes, it does.

# **Exhibit JJM-1**

## **Prepared For**

Jersey Central Power & Light Company  
Building #3  
331 Newman Springs Road; #325  
Red Bank, NJ 07701

## **Date of Consulting Services**

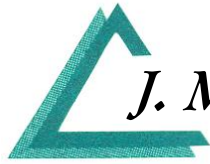
December 18, 2014

## **Consulting Services**

**Jersey Central Power & Light Company  
Montville-Whippany 230 KV Reinforcement Project  
From Montville Township to Whippany Township  
Morris County, New Jersey  
JMA File No. 214205**

## **Prepared By**

Jerome J. McHale, MAI  
NJ SCGREA RG00239



# *J. McHale & Associates, Inc.*

Real Estate Appraisal & Consulting Services

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December 18, 2014

Jersey Central Power & Light Company  
Building #3  
331 Newman Springs Road; #325  
Red Bank, NJ 07701

**Re: Jersey Central Power & Light Company  
Montville-Whippany 230 KV Reinforcement Project  
From Montville Township to Whippany Township  
Morris County, New Jersey  
JMA File No. 214205**

Dear Sirs:

In accordance with your request, I have prepared an analysis of the project to construct new light steel monopoles and add additional light steel monopoles near some of the existing steel lattice and replace portions of the wooden H-Frame/Two Pole high-tension wire towers with light steel monopoles across new and existing JCP&L right-of-way (ROW) and its impact on the market value of the properties within 100' of the project. It has been prepared in conformity with the Uniform Standards of Professional Practice of the Appraisal Foundation, and the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.

The intended use of this analysis is for informational and decision-making purposes. This analysis was prepared for the exclusive use of JCP&L and its legal representatives.

The **Scope of Services** includes:

- The inspection and photographing of the project at various points along the proposed and existing ROW (approximately 7 miles);
- The description of key structures within 100' of the ROW;
- A comparison of the existing lattice and wooden H-Frame/Two Pole structures to the proposed steel monopole;
- Preparation of a letter discussing the project, its impact, and the appraiser's conclusions.



This analysis shall not consider any temporary disturbance or noise during the project, but shall only consider the long-term impact of the project on the market value of the properties in proximity to the project.

As used within this analysis, **Market Value** is 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.<sup>1</sup>

This analysis has been performed under the assumption that the high tension wires will have relatively similar electro-magnetic emissions as they did before the addition of the monopoles, and that the existing ROW will need minimal modification. However, there may be the need for additional easements for tree clearing rights along the edge of the existing ROW. In the areas where no transmission lines currently exist, it does not appear that the new transmission line would have an impact on the adjoining properties.

### **Effective Date of Consulting Services and Property Inspections**

The inspection of the project area was conducted on September 2, 2014, which is the effective date of the analysis. No JCP&L representatives or adjacent property owners were present during the inspections.

### **Project Overview**

A portion of an existing right-of-way easement is located across various properties beginning at a substation on Change Bridge Road in Montville Township and ending to the south at Ridgedale Avenue in East Hanover Township. The ROW is 100' to 200' wide and traverses primarily undeveloped land (including portions of Troy Meadows Wetlands) for approximately 7

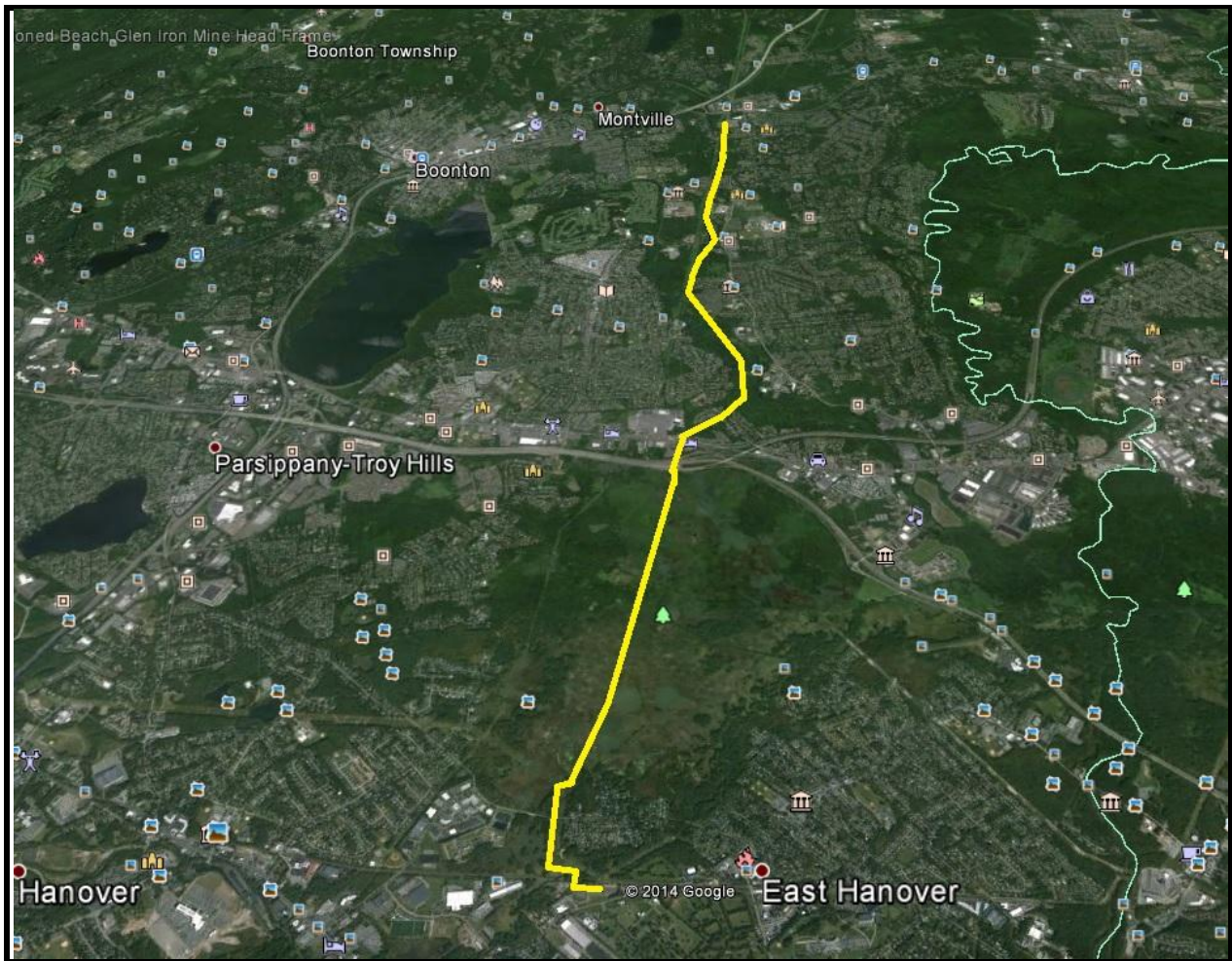
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<sup>1</sup> Appraisal Institute, *The Appraisal Of Real Estate*, 14th Edition. Chicago, IL: Appraisal Institute, 2013, p. 59.

miles in Montville Township, Parsippany Township, and East Hanover Township. In addition to farmland, the easement crosses through commercial parking lots and across residential properties.

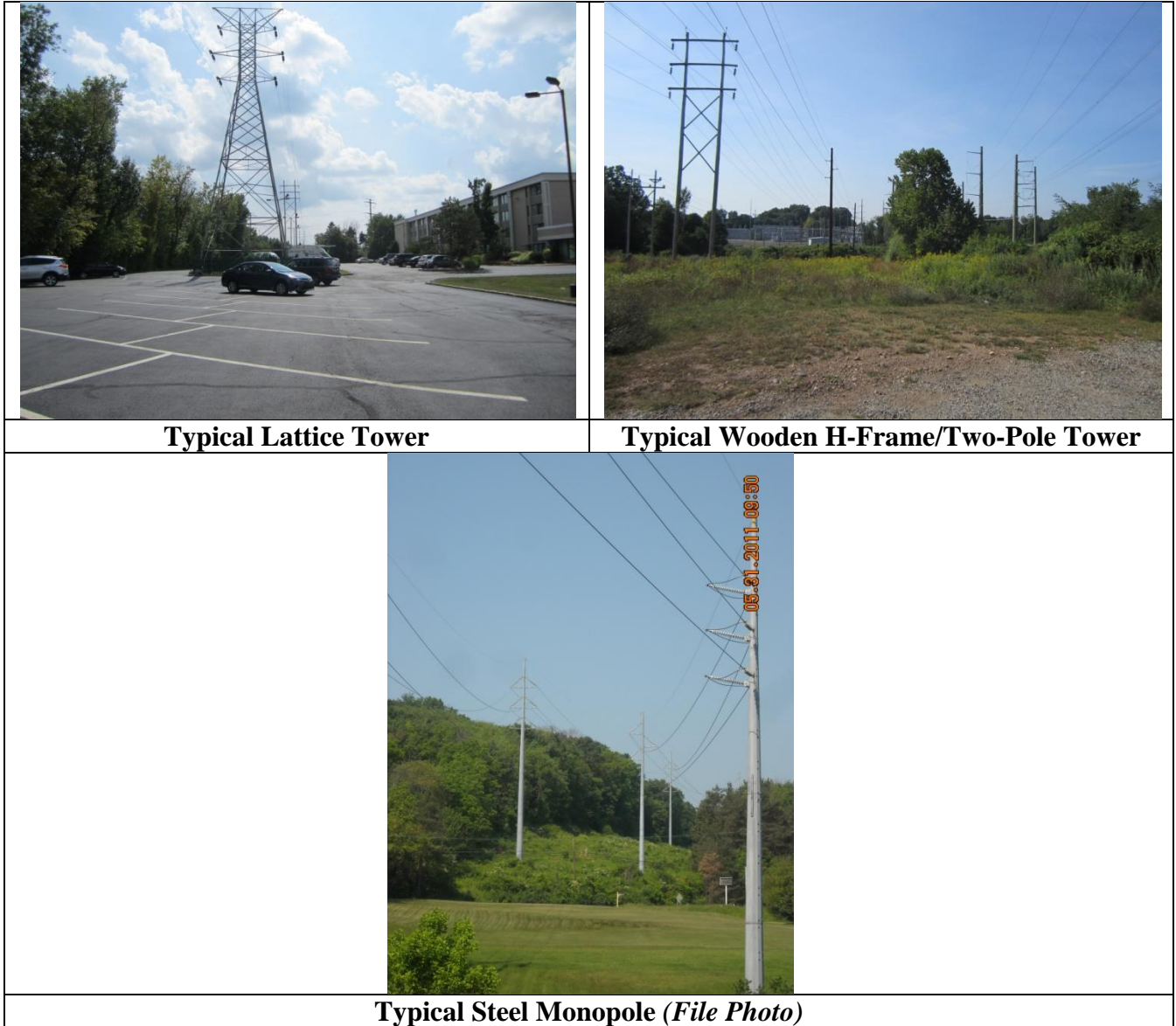
Located within the majority of the ROW are electric transmission lines supported by steel lattice towers and wooden H-Frame. Commencing at the substation in Montville Township, south to the substation in East Hanover Township there are single towers traversing the easement area. The structures were constructed between the 1950s and mid to late 1970s. The existing lattice towers will continue to exist, while a new light steel monopole will be erected in close proximity but on opposite side of the existing easement area. Several of the existing wooden H-Frame towers will be replaced with light steel monopoles in a similar location but with greater height. New light steel monopole structures will also be built within new and existing ROW that is currently vacant of any existing utility structures.

### Location of Project



*\*Yellow line is the ROW area per JCP&L.*

## Structure Types



The lattice towers are familiar sights across the landscape. They are of steel construction with an A-frame shape with a generally 25' x 25' base and steel grillage or drilled pier foundations, while the wooden H-Frame has a smaller base direct imbedded. They are typically 110'-160' in height and are placed 450' to 800' apart depending upon the terrain. The towers are commonly placed on farmland or undeveloped land utilizing right-of-way easements. The 625 (SF) square feet (Lattice) and 30 SF (Wood H-Frame/Two-Pole) of land around the base of the towers cannot be used by the property owner. Other land within the easement, including the areas under the wires, can still be used by the property owner. Much of the project's easement areas are used for farming with the exception of the land directly under the towers. Other uses include surface parking and outside storage.




The proposed monopoles are made of light steel, have a cylindrical base that is 5' to 10' in diameter, and have vibratory caisson or drilled pier foundations. They can be steel grey in color or a wood-like brown color. They are typically 100'-185' in height and also placed 450' to 800' apart depending upon the terrain. Since the monopoles have a smaller footprint, the property owner will not be as limited in use of their property as with the lattice structures.

The steel lattice towers will continue to exist, while some of the wooden H-Frame/Two Pole towers will be replaced. The monopoles are superior in technology and are easier and less expensive to construct and maintain. In addition, they are less intrusive on the surrounding landscape.

### **Structures Within 100' of the Edge of the Right-of-Way**

As part of the scope of work for this report, structures that are located within approximately 100' of the edge of the ROW have been identified and photographed. Structures include those located on the properties within the easement and some neighboring properties located along the easement area. JCP&L provided surveys that delineate the edge of the ROW area in relationship to any structures and have been relied upon to estimate which key structures are within 100' of the edge of the ROW, along with my physical inspection. Beginning at the northern end of the project in Montville Township, the following key structures are believed to be located within approximately 100' of the edge of the ROW. However, it should be noted that over the years, JCP&L has had encroachment agreements with many of the property owners.

	<p>Block 63, Lot 16 39 Schneider Lane Montville Township Owner: Karen P. Slezak</p> <p>Description of Structure: Single-family residential home</p>
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Block 68, Lot 5  
22 Millers Lane  
Montville Township  
Owner: Jayesh J. & Dina J. Mehta

Description of Structure: Single-family residential home



Block 71, Lot 9  
19 Millers Lane  
Montville Township  
Owner: Mark & Nancy Beiermeister

Description of Structures: Single-family residential home

Block 71, Lot 8  
21 Millers Lane  
Montville Township  
Owner: Steven Zmani

Description of Structures: Single-family residential home



	<p>Block 76.01, Lots 22.01-22.12, 23.01-23.09, 24.01-24.14, 25.01-25.12, 28.01-28.14, 29.01-29.14, 30.01-30.14, 31.01-31.12, and 32.01-32.14 Montville Chase Montville Township Owner: Multiple</p> <p>Description of Structures: Multi-family two-story townhomes and single-story condominiums located within Montville Chase</p>
<p>Block 123, Lot 9 31 Church Lane Montville Township Owner: Robert Darrah</p> <p>Description of Structures: Single-family residential home</p>	





Block 123, Lot 8  
33 Church Lane  
Montville Township  
Owner: Diana May Peer

Description of Structures: Single-family residential home

Block 123, Lot 11  
27 Church Lane  
Montville Township  
Owner: Salvatore M. & Patricia Ferraro

Description of Structures: Single-family residential home and a barn on a farm



Block 123, Lot 15  
125 Change Bridge Road  
Montville Township  
Owner: Montville Township Board of Education

Description of Structures: Metal panel utility building for Lazar Middle School

Block 123, Lot 16  
Old Change Bridge Road  
Montville Township  
Owner: John P. & Elizabeth Wicker

Description of Structures: A barn on a farm



Block 123, Lot 18.1  
141 Old Bridge Road  
Montville Township  
Owner: Earl E. Martin

Description of Structures: Single-family residential home

Block 124.9, Lot 9.3  
144A Old Change Bridge Road  
Montville Township  
Owner: Giovanni & Maria Crocco

Description of Structures: Single-family residential home







Block 124.9, Lots 9.2  
146A Old Change Bridge Road  
Montville Township  
Owner: Jaipaul & Namita Jagessar

Description of Structures: Single-family residential home

Block 124.9, Lot 9.1  
148 Old Change Bridge Road  
Montville Township  
Owner: Donald & Patricia Crownover

Description of Structures: Single-family residential home



Block 124.9, Lot 8  
River Road  
Montville Township  
Owner: JCP&L Co. C/O FirstEnergy Service Tax Dept.

Description of Structures: Utility station

Block 132, Lot 2  
17 Van Riper Avenue  
Montville Township  
Owner: Bernard & Kathleen Kapuscinski

Description of Structures: Single-family residential home



Block 132, Lot1  
19 Van Riper Avenue  
Montville Township  
Owner: Vincent Chan & Will Chan

Description of Structures: Single-family residential home

Block 134, Lot 2  
20 Van Riper Avenue  
Montville Township  
Owner: Joao Alexandre/Enid Theres D'Souza

Description of Structures: Single-family residential home







Block 134, Lot 1  
22 Van Riper Avenue  
Montville Township  
Owner: James L. & Anne L. Cramer  
Description of Structures: Single-family residential home

Block 134, Lot 13  
19 John Henry Drive  
Montville Township  
Owner: Dennis & Marcia San Filippo  
  
Description of Structures: Single-family residential home



Block 134, Lot 14  
21 John Henry Drive  
Montville Township  
Owner: Ronald S. & Darlene Kohn  
  
Description of Structures: Single-family residential home

Block 136, Lot 2  
22 John Henry Drive  
Montville Township  
Owner: Junhong & Weihong Fan Zhu

Description of Structures: Single-family residential home



Block 136, Lot 1  
24 John Henry Drive  
Montville Township  
Owner: Milo & Kathleen M. Whitman

Description of Structures: Single-family residential home

Block 131.01, Lots 21.01-21.04 and 22.02-22.04  
Cain Court  
Montville Township  
Owner: Multiple

Description of Structures: Single-family attached townhomes



	<p>Block 131.01, Lots 23.01-.03, 24.01-24.04, and 25.04 Independence Court Montville Township Owner: Multiple</p> <p>Description of Structures: Single-family attached townhomes</p>
<p>Block 131.01, Lots 26.01 and 27.02-27.04 Jefferson Court Montville Township Owner: Multiple</p> <p>Description of Structures: Single-family attached townhomes</p>	
	<p>Block 621, Lot 30 239 Edwards Road Parsippany-Troy Hills Township Owner: Mary Minglis</p> <p>Description of Structures: Single-family residential home</p> <p>* Currently no transmission lines within proposed easement area.</p>



Block 698.2, Lot 1  
246 Edwards Road  
Parsippany-Troy Hills Township  
Owner: Manish & Sangita Mistry

Description of Structures: Single-family residential home

\* Currently no transmission lines within proposed easement area.



Block 698, Lot 29.06  
256 Edwards Road  
Parsippany-Troy Hills Township  
Owner: Majorie Q. Yagumyum

Description of Structures: Single-family residential home

\* Currently no transmission lines within proposed easement area.



Block 698, Lot 15.2  
Arlington Plaza  
Route 46  
Parsippany Troy-Hills Township  
Owner: Westmount-Arlington Plaza Joint Venture

Description of Structures: Arlington Plaza shopping center containing Home Depot, Bed Bath & Beyond, Staples, ShopRite, Models Sporting Goods, and other local in-line tenants

Block 698 Lot 16  
690 Route 46  
Parsippany Troy-Hills Township  
Owner: Longpar, LLC % Property Tax Dept.

Description of Structures: Longhorn  
Steakhouse restaurant



Block 722, Lot 12  
Route 46  
Parsippany Troy-Hills Township  
Owner: JCP&L Co. C/O FirstEnergy  
Service Tax Dept.

Description of Structures: Utility station  
located in front of Holiday Inn

Block 722, Lot 13  
625 Route 46  
Parsippany Troy-Hills Township  
Owner: Ratan Hospitality Group, LLC

Description of Structures: Holiday Inn and  
Pure Restaurant & Lounge





Block 722, Lot 11  
707 Route 46  
Parsippany Troy-Hills Township  
Owner: I-85 Hospitality % Reisman MGT

Description of Structures: Howard Johnson hotel

Block 142, Lot 10.01  
190 Troy Road  
East Hanover Township  
Owner: Paul J. & Linda Miller

Description of Structures: Single-family residential home



Block 142, Lot 10.02  
3 Jackson Street  
East Hanover Township  
Owner: Joseph Gene/Dolores Barone

Description of Structures: Single-family residential home





Block 142, Lot 10.04  
7 Jackson Street  
East Hanover Township  
Owner:

Description of Structures: Single-family residential home



Block 142, Lot 10.05  
11 Jackson Street  
East Hanover Township  
Owner:

Description of Structures: Single-family residential home



Block 142, Lot 10.06  
15 Jackson Street  
East Hanover Township  
Owner:

Description of Structures: Single-family residential home

	<p>Block 142, Lot 10.07 19 Jackson Street East Hanover Township Owner:  Description of Structures: Single-family residential home</p>
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### **Effect of Existing Structures**

As can be seen in several of the pictures, the existing towers are bulky, very noticeable and can create an undesirable view. Most of the right-of-way is located in the rural/undeveloped sections of the county, across farm, wetlands and vacant land, with few nearby dwellings or buildings, where there is little impact on view. However, the ROW also abuts residential properties and crosses a more densely populated area in East Hanover Township, particularly close to Interstate 80. In general, residential properties with or abutting utility ROW easements for above-ground structures, such as electric or telephone, have been observed to have a moderately lower market value and longer exposure time than comparable dwellings without such easements. The right-of-way easement and towers have been in place for many decades; therefore, any possible negative impact on market value has been already realized in the sale and resale values of these properties.

In the areas where there is currently no existing ROW, these transmission lines will cross over areas of wetlands and/or wooded areas and do not appear to have a significant impact on the existing structures in close proximity to the existing easement or proposed easement area.

Commercial or industrial properties are potentially impacted by what could be perceived as a negative view as well as a disturbance in parking and access as construction commences. If the easement is located on the commercial or industrial property, it may limit future expansion of the improvements, thus affecting market value. However, abutting ROW would have little effect on these types of properties.

While there is little impact to agricultural type properties for an impaired view, the existing structures do impose a limit on the amount of land that can be tilled or grazed within the ROW.

### Effect of Proposed Monopoles

The monopoles will be mainly within an existing right-of-way easement from Montville Township to East Hanover Township in Morris County. However, some monopoles will be within proposed right-of-way easements. The new monopoles are 100'-185' high cylindrical poles with a base diameter of 5' to 10', utilizing 19.6 SF to 79 SF of land each. A comparison of the three structures and their impact on the surrounding uses is shown in the following table:

	<b>Lattice Tower</b>	<b>H-Frame/Two-Pole Tower</b>	<b>Monopole</b>
<b>Shape</b>	A-frame	(2) Cylindrical (rectangular footprint)	Cylindrical
<b>Base</b>	25' x 25' 625 SF	2' x 15' 30 SF	5' to 10' round 19.6 SF to 79 SF
<b>Height</b>	90'-155'	60'-100'	100'-185'
<b>Effect on Residential Uses</b>	Negative effect for view due to the unaesthetic look of the structure and the amount of area it encompasses. Towers are very noticeable and do not blend in with the environment.	Less of a negative effect than the lattice for view and a smaller area is used. Towers are noticeable and do not blend in with the environment.	Similar negative effect for view. They will still be obvious but will blend in better with the environment.
<b>Effect on Commercial Uses</b>	Little effect on view. May limit future expansion if ROW is on property. No effect on expansion if ROW is on neighboring property.	Little effect on view. May limit future expansion if ROW is on property. No effect on expansion if ROW is on neighboring property.	Little effect on view. May limit future expansion if ROW is on property. No effect on expansion if ROW is on neighboring property.
<b>Effect of Agricultural Uses</b>	Little effect on view. Limits the tillable ground around base of tower.	Little effect on view. Less limits on tillable ground around base of tower.	Little effect on view. Limited effect on tillable ground around base of pole.

## Conclusions

It is my opinion that the additional light steel monopoles near the lattice and replacement of various H-Frame/Two-Pole towers within the existing right-of-way easement with new monopoles will create no further diminution in value to the properties adjacent to the right-of-way. Furthermore, the new poles will be similar or even less intrusive in commercial parking and storage areas.

This analysis did not consider any temporary disturbance or noise during the project, but only considered the long-term impact of the project on the market value of the properties in proximity to the project.


This analysis has been performed under the assumption that the high tension wires will have relatively similar electro-magnetic emissions as they did before the addition of the monopoles, and that the existing ROW will need minimal modification. However, there may be the need for additional easements for tree clearing rights along the edge of the existing ROW. In the areas where no transmission lines currently exist, it does not appear that the new transmission line would have an impact on the adjoining properties. Access to these areas will transverse vacant land that has minimal development potential.

## Certification

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

- ◆ The facts and data reported by the appraiser and used in the analysis process are true and correct.
- ◆ The analyses, opinions, and conclusions in this report are limited only by the assumptions and limiting conditions stated in this report and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- ◆ I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
- ◆ I have performed no other services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- ◆ My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- ◆ My compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in this review or its use.
- ◆ My analyses, opinions, and conclusions were developed, and this review report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice (USPAP)*.
- ◆ The use of this report is subject to the requirements of the Appraisal Institute, with which I am affiliated, relating to review by its duly authorized representatives.
- ◆ Kevin McConnell and Andrew McHale provided assistance in the development of this report.
- ◆ I have personally inspected the property that is the subject of this report.
- ◆ I certify that, to the best of my knowledge and belief, the reported analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the *Uniform Standards of Professional Appraisal Practice (USPAP)* as promulgated by the Appraisal Standards Board of the Appraisal Foundation. In addition, the report is in conformity with the requirements of the *Code of Professional Ethics and Standards of Professional Appraisal Practice* of the Appraisal Institute, with I am affiliated.
- ◆ As of the date of this report, I have completed the requirements of the Continuing Education Program of the Appraisal Institute.

December 18, 2014  
DATE OF REPORT

  
JEROME J. MCHALE, MAI  
Certified General Appraiser  
New Jersey License No. RG 00239

## **Assumptions & Limiting Conditions**

The appraisal review report is subject to the following assumptions and limiting conditions set forth as follows. Additional assumptions and limiting conditions may be cited elsewhere in the report.

1. No survey of the property has been made by the appraiser.
2. This analysis did not consider any temporary disturbance or noise during the project, but only considered the long-term impact of the project on the market value of the properties in proximity to the project.
3. This analysis has been performed under the assumption that the high tension wires will have relatively similar electro-magnetic emissions as they did before the addition of the monopoles, and that the existing ROW will need minimal modification.
4. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless non-compliance is stated, defined, and considered in the report.
5. The report is to be used in whole and not in part. No part of it shall be used in conjunction with any other appraisal or review. Furthermore, this report and all conclusions are for the exclusive use of the client for the sole and specific purpose(s) stated herein.
6. No change of any item of the report shall be made by anyone other than myself, and I shall have no responsibility for any such unauthorized change.

# **ADDENDA**

# **Subject Photographs**



## Subject Photographs



**Westerly View along Randolph Road**



**Easterly View along East Street**



**Northwesterly View along Herbertsville Rd.**

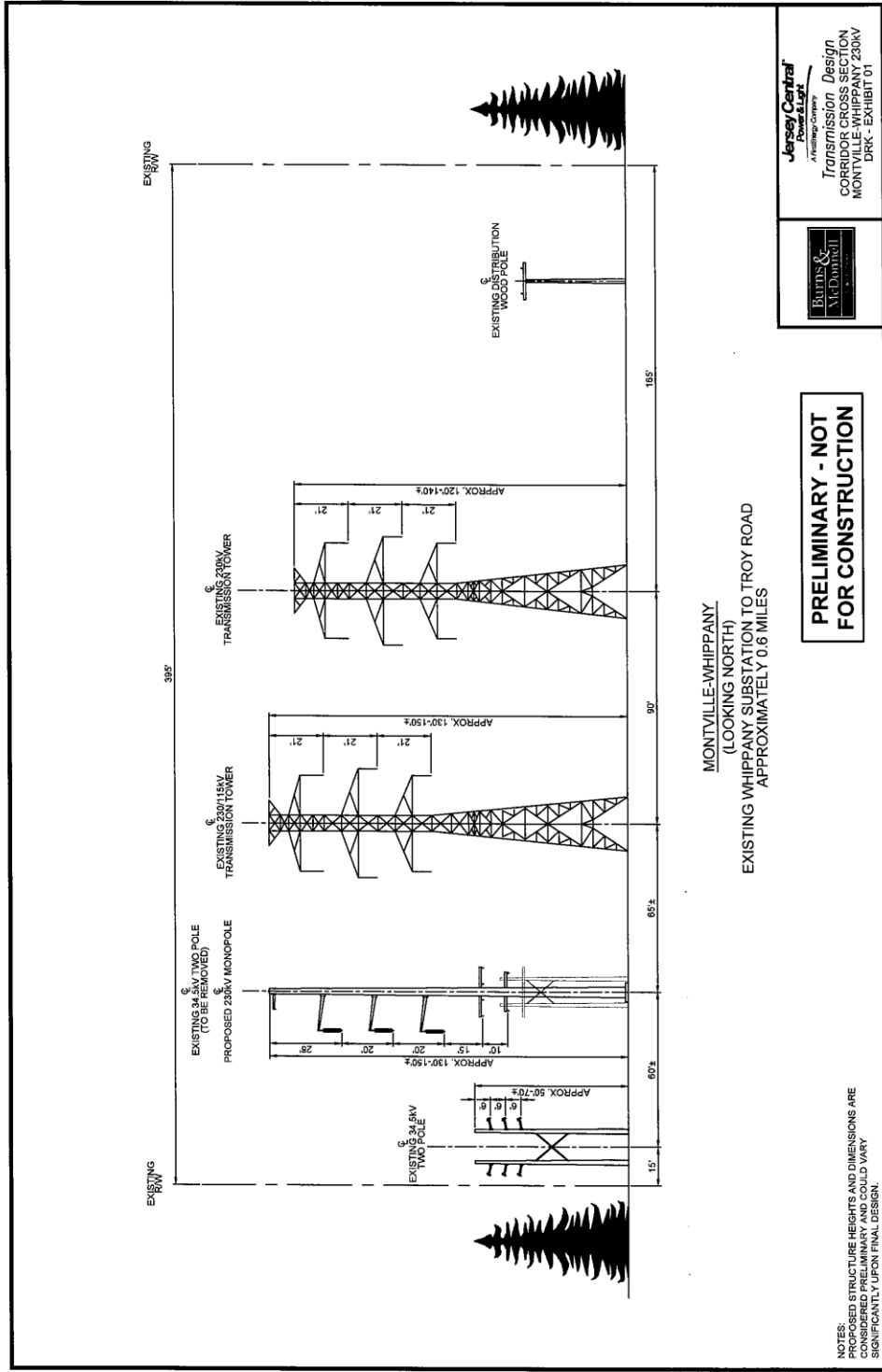


**Easterly View along Asbury Road**



**Northwesterly View along Green Grove Rd.**

# **Proposed Structure Heights and Dimensions (Preliminary)**



MONTVILLE-WHIPPIANY  
 (LOOKING NORTH)  
 EXISTING WHIPPANY SUBSTATION TO TROY ROAD  
 APPROXIMATELY 0.6 MILES

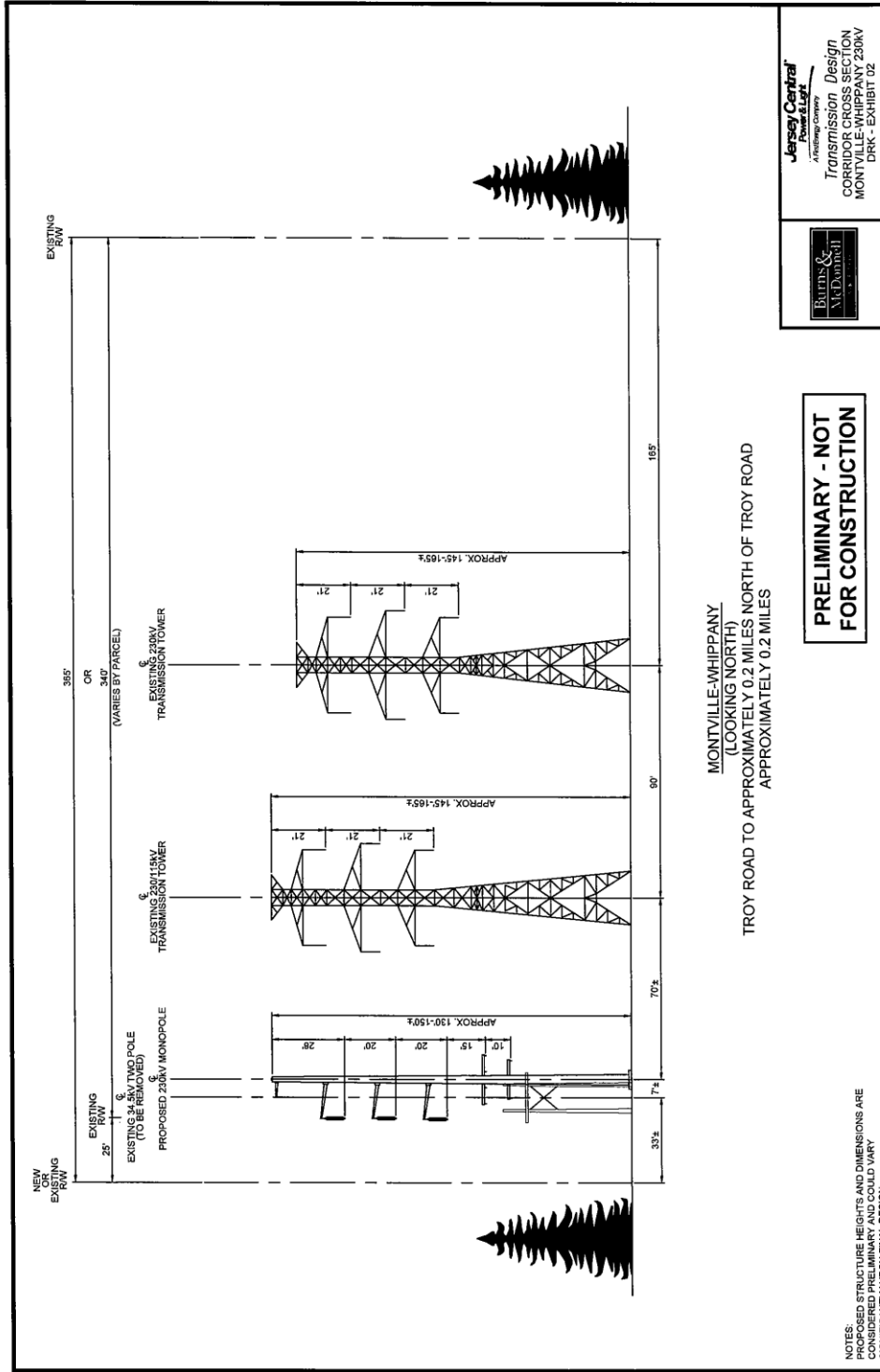
**PRELIMINARY - NOT  
 FOR CONSTRUCTION**

NOTES:  
 PROPOSED STRUCTURE HEIGHTS AND DIMENSIONS ARE  
 CONSIDERED PRELIMINARY AND COULD VARY  
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**Jersey Central**  
 Power & Light  
 Transmission Design  
 CONSULTING SERVICES  
 MONTVILLE-WHIPPIANY 230KV  
 DRK - EXHIBIT 01



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MONTVILLE-WHIPPIANY  
 (LOOKING NORTH)  
 TROY ROAD TO APPROXIMATELY 0.2 MILES NORTH OF TROY ROAD  
 APPROXIMATELY 0.2 MILES

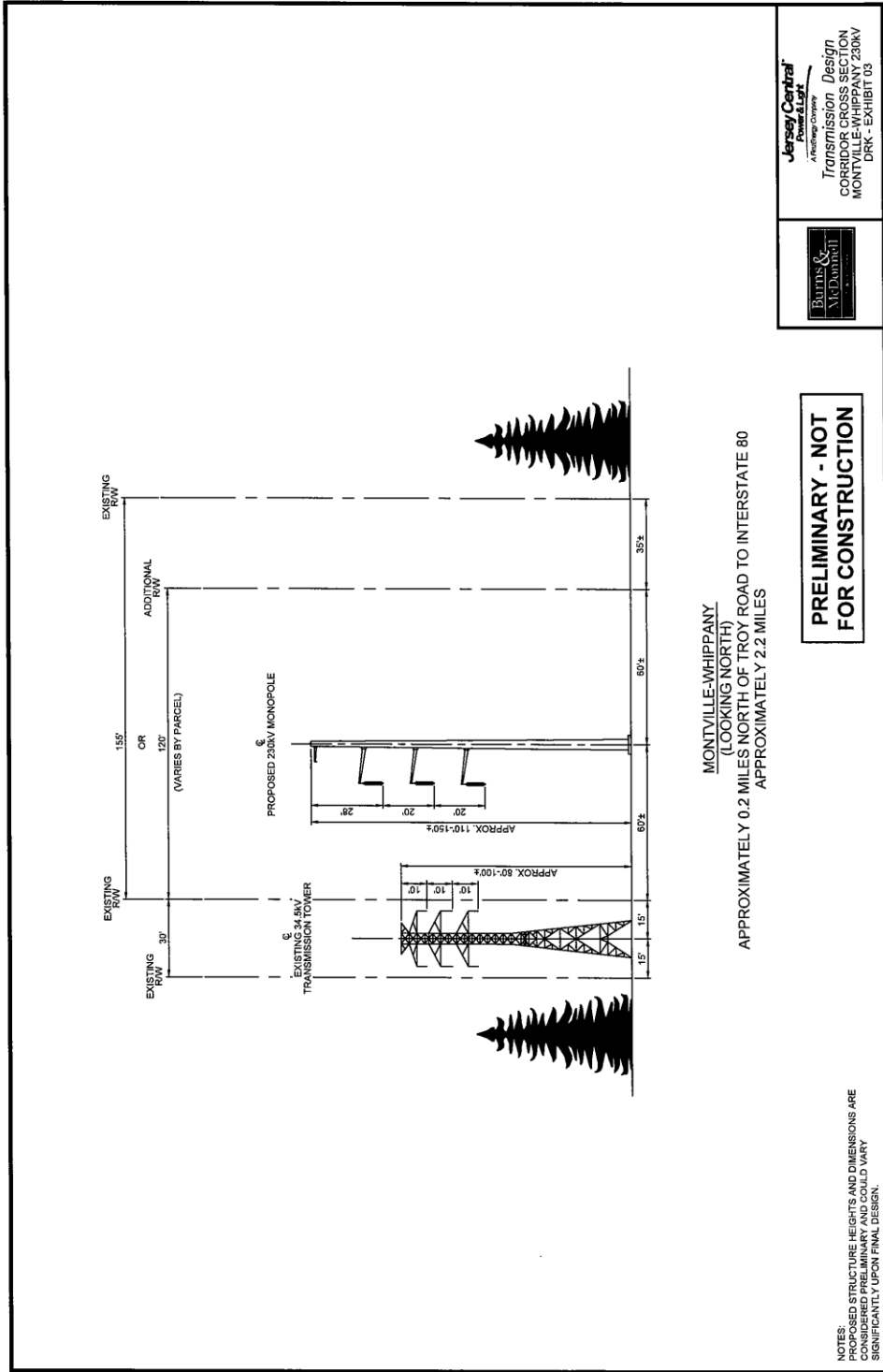
**PRELIMINARY - NOT  
 FOR CONSTRUCTION**

**Jersey Central**  
 A PUBLIC COMPANY  
*Transmission Design*  
 CORRIDOR CROSS SECTION  
 MONTVILLE-WHIPPIANY 230KV  
 DRK - EXHIBIT 02



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**Burns & McDonnell**

**Jersey Central Power & Light**

Transmission Design

CORRIDOR CROSS SECTION

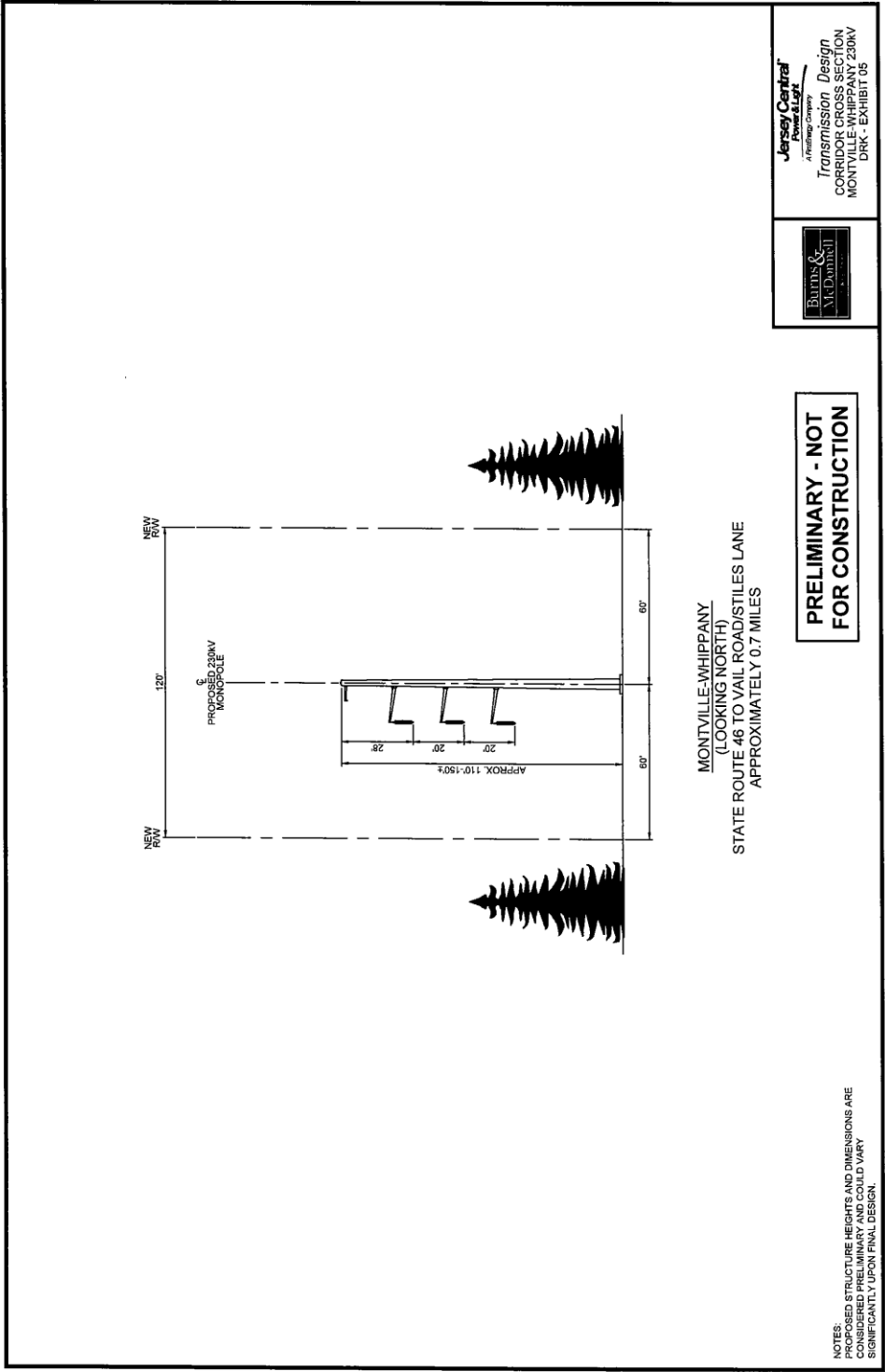
MONTVILLE-WHIPPIANY 230KV

DRK - EXHIBIT 03

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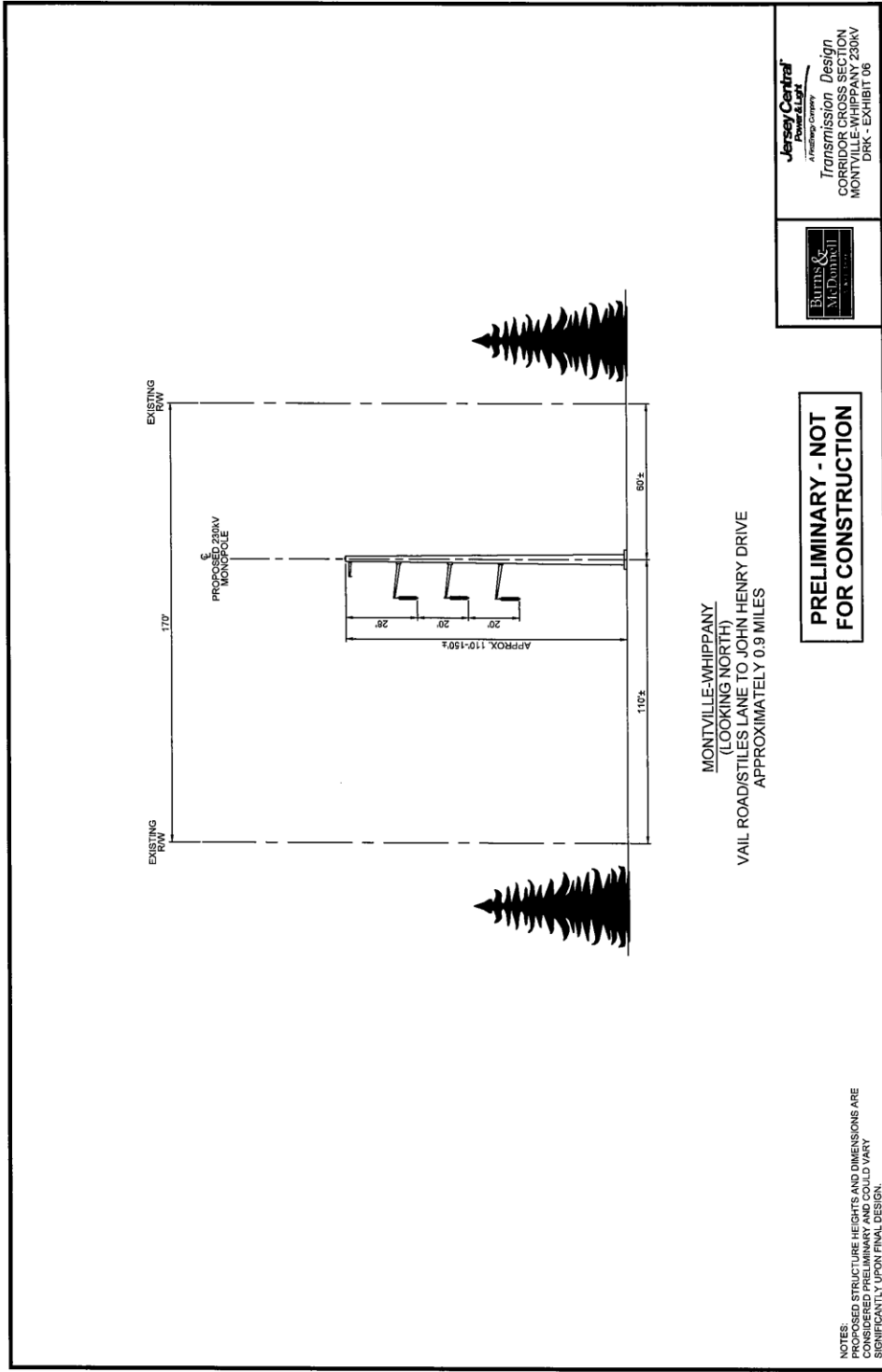
Jersey Central  
Power & Light  
Transmission Design  
CONSTRUCTION SECTION  
MONTVILLE-WHIPPIANY 230KV  
DRK - EXHIBIT 05



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 Power & Light  
 Transmission Design  
 CORRIDOR CROSS SECTION  
 MONTVILLE-WHIPPIANY 230KV  
 DRK - EXHIBIT 06

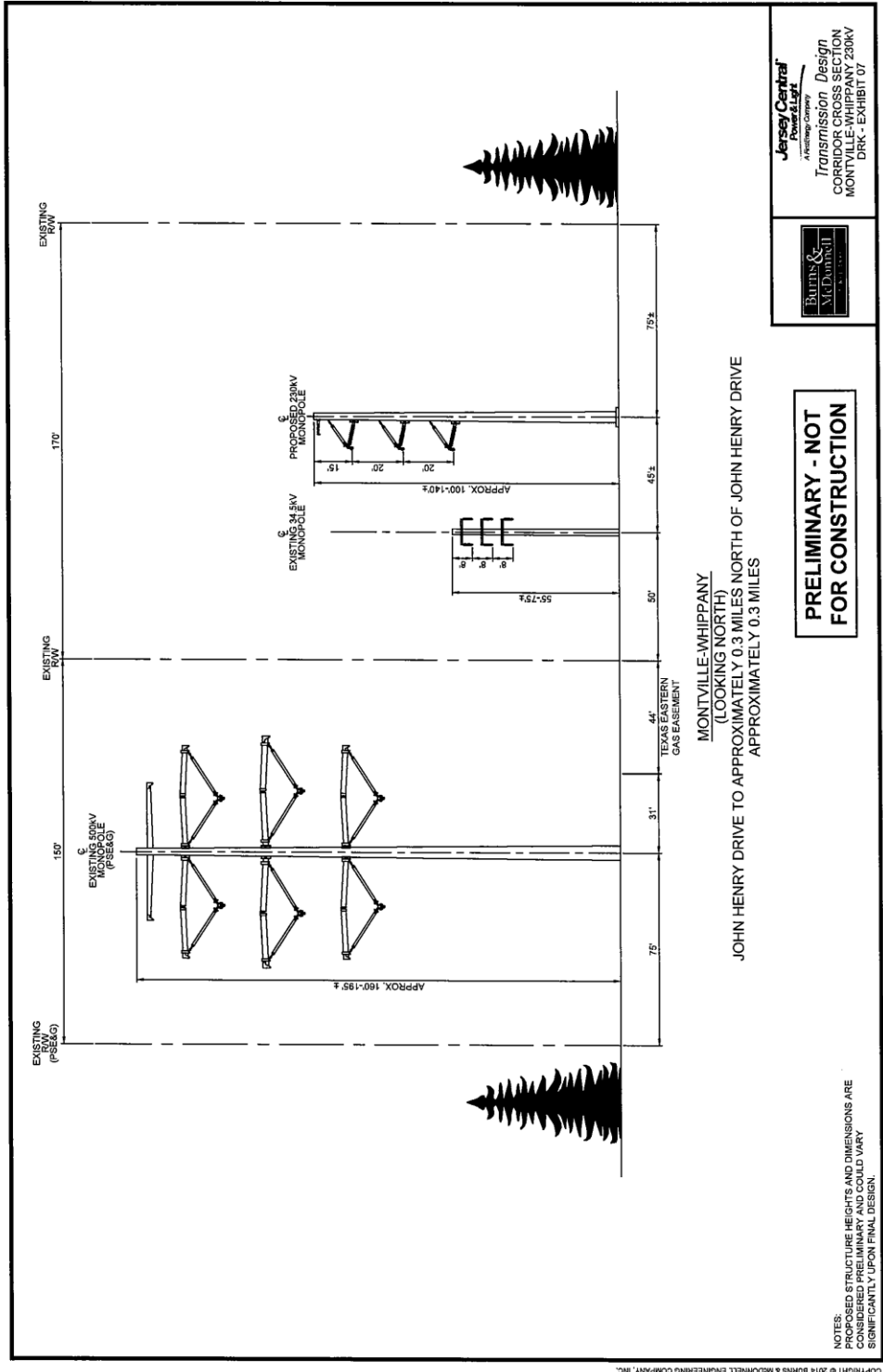


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JOHN HENRY DRIVE TO APPROXIMATELY 0.3 MILES NORTH OF JOHN HENRY DRIVE  
 APPROXIMATELY 0.3 MILES

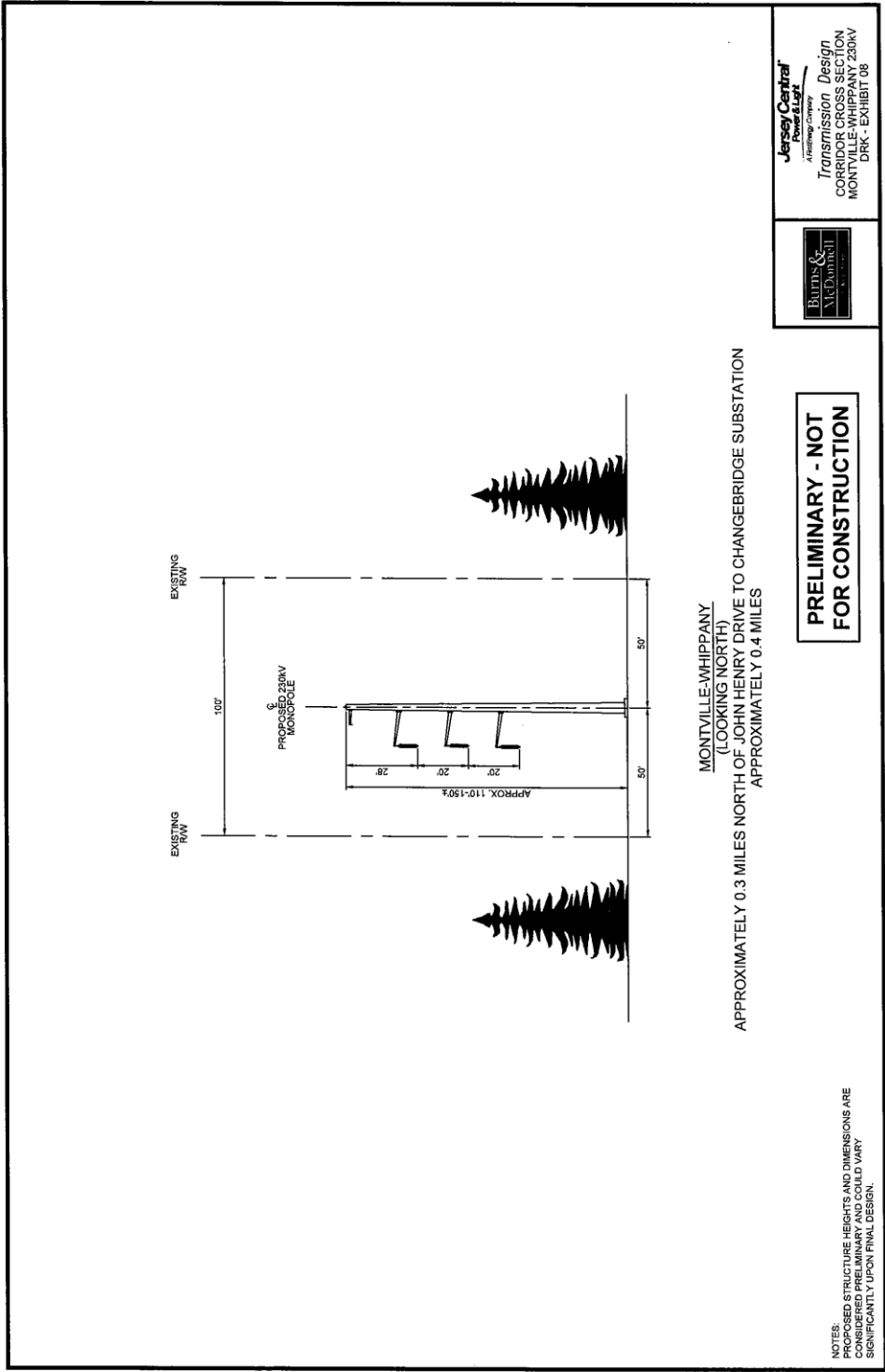
MONTVILLE-WHIPpany  
 (LOOKING NORTH)

**PRELIMINARY - NOT  
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NOTES:  
 PROPOSED STRUCTURE HEIGHTS AND DIMENSIONS ARE  
 CONSIDERED PRELIMINARY AND COULD VARY  
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**Jersey Central**  
 Power & Light  
 Transmission Design  
 CORNER CROSS SECTION  
 MONTVILLE-WHIPpany 230KV  
 DRK - EXHIBIT 07





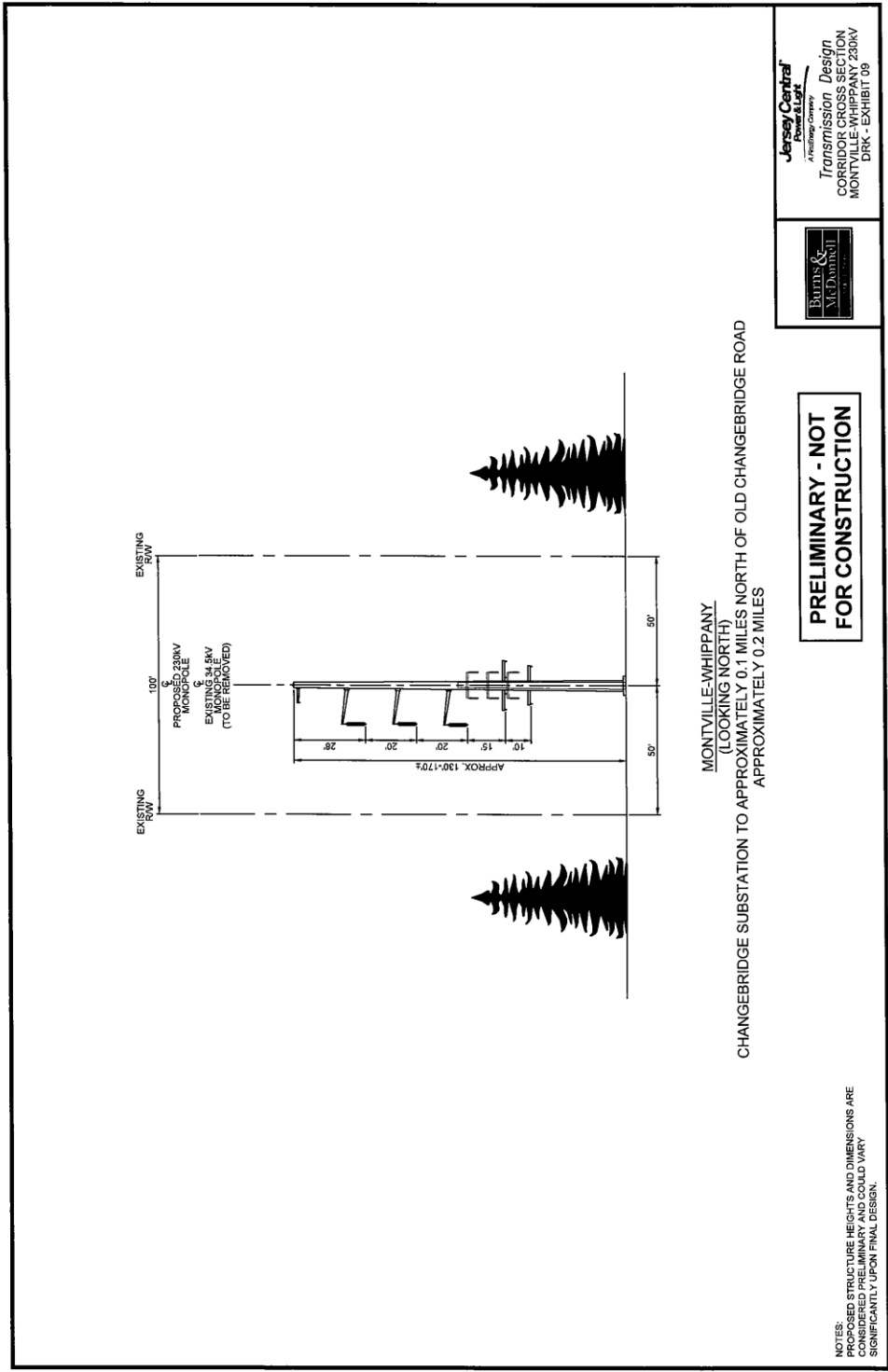
NOTES:  
 PROPOSED STRUCTURE HEIGHTS AND DIMENSIONS ARE  
 CONSIDERED PRELIMINARY AND COULD VARY  
 SIGNIFICANTLY UPON FINAL DESIGN.

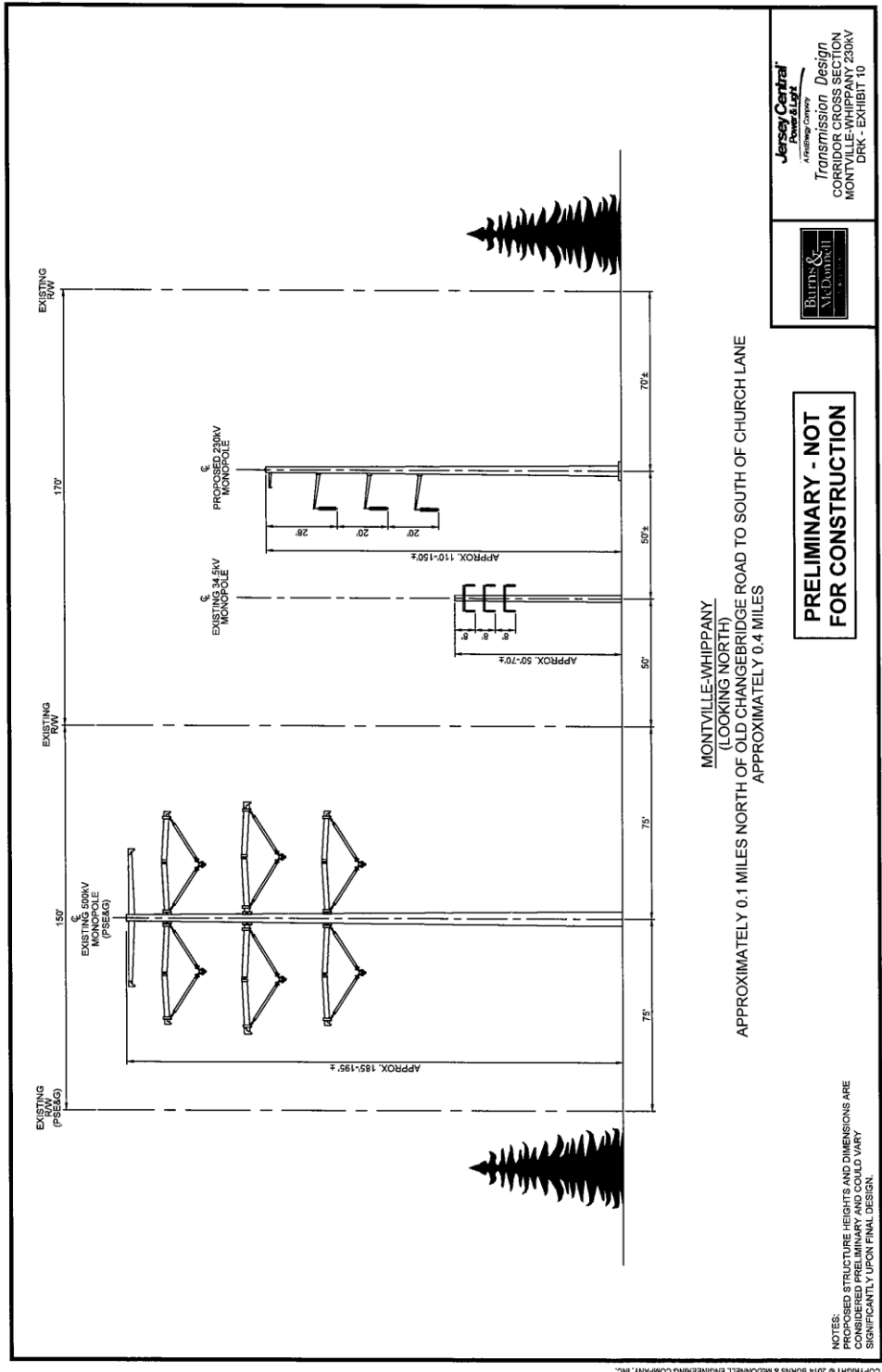
**PRELIMINARY - NOT  
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 Power & Light  
 Transmission Design  
 COMPANY'S SECTION  
 MONTVILLE-WHIPPIANY 230KV  
 DRK - EXHIBIT 08

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MONTVILLE-WHIPPIANY  
 (LOOKING NORTH)  
 APPROXIMATELY 0.1 MILES NORTH OF OLD CHANGEBRIDGE ROAD TO SOUTH OF CHURCH LANE  
 APPROXIMATELY 0.4 MILES

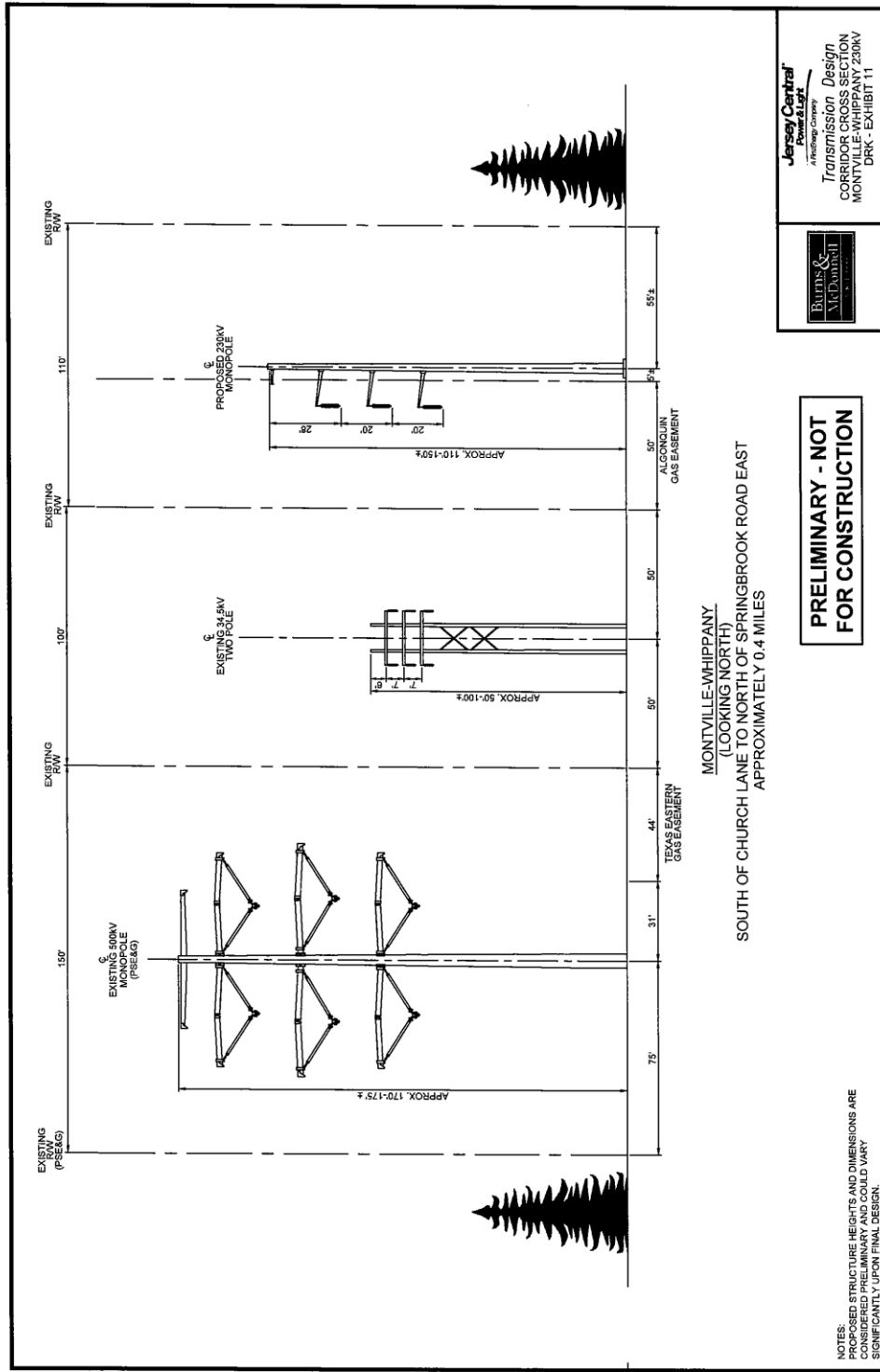
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 PROPOSED STRUCTURE HEIGHTS AND DIMENSIONS ARE  
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 Power & Light  
 Transmission Design  
 CONSULTING SECTION  
 MONTVILLE-WHIPPIANY 230KV  
 DRK - EXHIBIT 10



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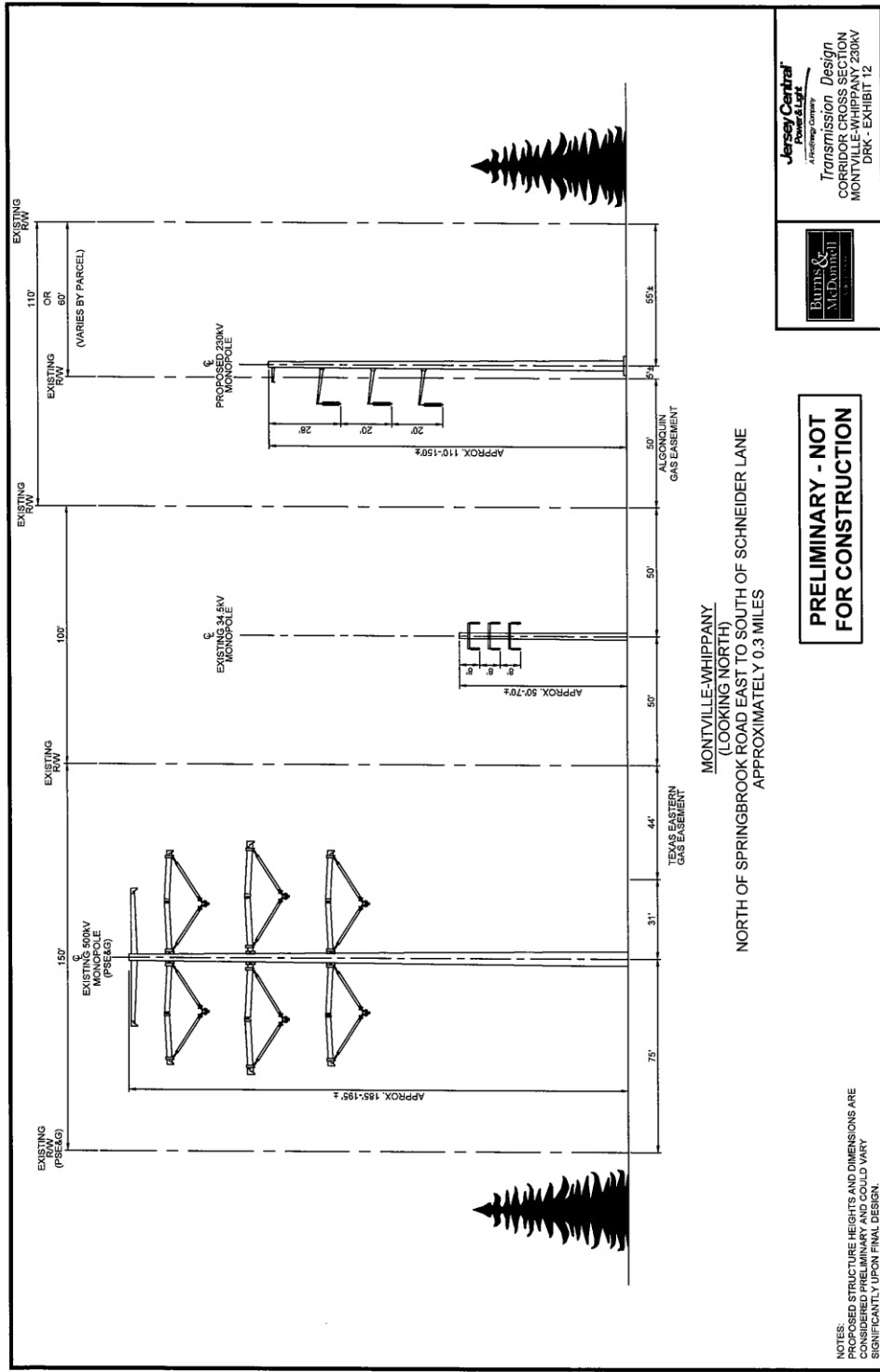
NOTES:  
 PROPOSED STRUCTURE HEIGHTS AND DIMENSIONS ARE  
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 SIGNIFICANTLY UPON FINAL DESIGN.

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 Power & Light  
 Transmission Design  
 CORRIDOR CROSS SECTION  
 MONTVILLE-WHIPpany  
 DRK - EXHIBIT 11



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MONTVILLE-WHIPPIANY  
 (LOOKING NORTH)  
 NORTH OF SPRINGBROOK ROAD EAST TO SOUTH OF SCHNEIDER LANE  
 APPROXIMATELY 0.3 MILES

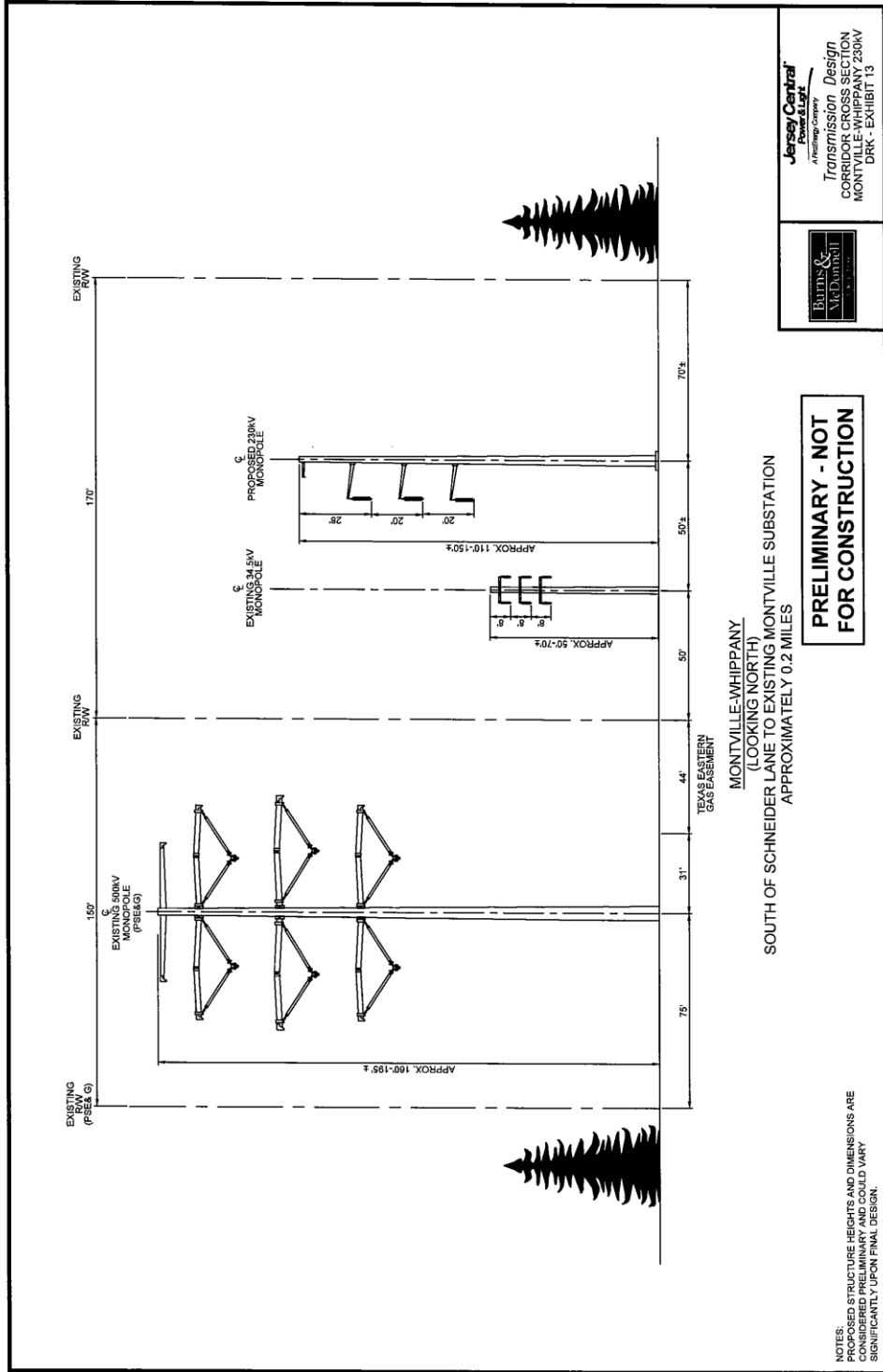
**PRELIMINARY - NOT  
 FOR CONSTRUCTION**

NOTES:  
 PROPOSED STRUCTURE HEIGHTS AND DIMENSIONS ARE  
 CONSIDERED PRELIMINARY AND COULD VARY  
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**Jersey Central**  
 Power & Light  
 Transmission Design  
 CONTRACT NO. 1500000000000000  
 MONTVILLE-WHIPPIANY 230KV  
 DRK - EXHIBIT 12



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 FOR CONSTRUCTION**

**Jersey Central  
 Power & Light**  
 a subsidiary of  
**Transmissions & Design**  
 COMPANY, INC.  
 MONTVILLE-WHIPpany 230KV  
 DRK - EXHIBIT 13



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# Qualifications



Qualifications of  
**Jerome J. McHale, MAI**

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**Professional Position (1995-Present)**

Principal in the firm of J. McHale & Associates, Inc; specializing in real estate appraisal, LIHTC Market Studies, and consulting services for all property types for a variety of purposes including financing, condemnation, ad valorem, matrimonial, and estate planning. The firm concentrates throughout the State of New Jersey and in the Philadelphia Metropolitan Area.

**Professional Certifications & Licenses**

Member, (MAI), Appraisal Institute, Certificate No. 10,302  
Certified General Appraiser (# RG-00239), State of New Jersey  
General Appraiser (# GA-001359-R), Commonwealth of Pennsylvania  
Certified Member, National Council of Housing Market Analysts  
Licensed Real Estate Sales Agent (# SP-8735757), State of New Jersey

**Professional Experience**

- 1988 - 1995      Staff Appraiser with the firm of Herskowitz, Rosen & Walton with offices in Cherry Hill, New Jersey; Atlantic City, New Jersey; and Conshohocken, Pennsylvania. Specialized in appraisal services for financing, condemnation, ad valorem, and estate purposes.
- Real Estate Salesperson with the firm of Kingsway Realty, Inc. with offices in Cherry Hill, New Jersey and Woodbury Heights, New Jersey; specialized in the sale and leasing of residential and commercial property.
- 1986 - 1988      Staff Appraiser with the firm of F.P. Pietroski & Company with offices in Cherry Hill, New Jersey; Hingham, Massachusetts; and Portland, Maine. Specialized in appraisal services for financing, condemnation, ad valorem, and estate purposes.
- Real Estate Salesperson with the firm of Kruckner Real Estate, Inc., Medford, New Jersey; Specialized in the sale and leasing of residential property and vacant land.
- 1984 - 1986      Manager and Cost Analyst with the National Exchange Carrier Association located in Whippany, New Jersey. The company developed computer generated billing rate structures for the telephone industry.

**Scope Of Appraisal Activity**

Actively engaged in real estate appraising and consulting services since 1986 with assignments including a variety of property types such as multi-family, farmland for preservation programs, banks, condominium developments, hotels and motor inns, industrial buildings, land, office buildings, LIHTC & market rate rent & demand studies, residential developments, recreational facilities, restaurants, retail stores, shopping centers, and various special purpose properties including major petrochemical and oil refineries.

**Education**

B.A., Economics & Business Administration, Fort Lewis College, Durango, Colorado

## Profession Related Courses & Seminars Attended

### Current – 2000

- “Business Practice & Ethics”, Appraisal Institute, Deptford, November 2014
- “Review on Court Decisions on Valuations – Lessons Learned”, Appraisal Institute, November, 2014
- “Golf Course Property Valuation”, Appraisal Institute, May 2014
- “Public Policy & Market Study Forum”, NCHMA, Washington, DC, January 2014
- “7-Hour National USPAP Update Course”, Appraisal Institute, Deptford, November 2013
- “Uniform Appraisal Standards for Federal Land Acquisitions (Yellow Book)”, September 2013
- “Complex Litigation Appraisal Case Studies”, Appraisal Institute, March 2013
- “Marketability Studies: The Six-Step Process and Basic Applications”, Appraisal Institute, March 2013
- “The State of the U.S. Real Estate Market”, Appraisal Institute, September 2012
- “IRS Valuation”, Appraisal Institute, July 2012
- “State Agriculture Development Committee, Farmland Preservation Program Annual Appraisal Conference”, NJ Department of Agriculture, State Agriculture Development Committee, June 2012
- “Federal Agencies and Appraisal: Program Updates”, Appraisal Institute, June 2012
- “Assessors & Appraisers in Today’s Market”, Appraisal Institute, April 2012
- “Fundamentals of Separating Real Property, Personal Property, and Intangible Assets”, Appraisal Institute, March 2012
- “USPAP 2010-2011”, Appraisal Institute, December 2011
- “Valuation for Financial Reporting”, Appraisal Institute, November 2011
- “Solar Energy: A RE Appraiser’s Overview”, Appraisal Institute, September 2011
- “Green Acres Appraisal Conference”, NJDEP, September 2011
- “PA Appraisal Statutes, Regulations and Board Policies”, Appraisal Institute, June 2011
- “State Agriculture Development Committee Annual Appraisal Conference”, NJSADC, June 2011
- “Income Capitalization in Today’s Market”, Appraisal Institute, May 2011
- “Marketability Analysis”, Appraisal Institute, May 2011
- “Bones of Contention”, Appraisal Institute, May 2011
- “NCAHMA ’09 Public Policy & Market Study Forum”, NCAHMA, April 2011
- “2011 Affordable Housing Policy & Underwriting Forum”, National Housing & Rehabilitation Association, April 2011
- “New Jersey Pinelands”, Appraisal Institute, November 2010
- “State Agriculture Development Committee Annual Appraisal Conference”, NJSADC, June 2010
- “Farmland Assessment & Agriculture” Appraisal Institute, June 2010
- “Real Estate Market Overview”, Appraisal Institute, April 2010
- “Business Practice & Ethics”, Appraisal Institute, December 2009
- “SJ Redevelopment and Growth”, Appraisal Institute, September 2009
- “National USPAP Equivalent Course”, Appraisal Institute, July 2009
- “Appraising the Appraisal Business”, Appraisal Institute, June 2009
- “Appraisal Tools Tune Up”, Appraisal Institute, June 2009
- “Professional’s Guide to the Fannie Mae 2-4 Unit Form 1025” Appraisal Institute, December 2007
- “Appraising For The New Jersey Farmland Preservation Program” - NJ Dept. of Agriculture, June 2007
- “Real Estate Finance, Value & Investment Performance” – Appraisal Institute, May 2007
- “USPAP Update” – Appraisal Institute, , October 2007
- “PA Appraisal Statutes, Regulations and Board Policies” – Appraisal Institute, June 2005

“USPAP 7-Hour Update” – Appraisal Institute, June 2005

“The Essentials: What every Appraiser should know” – Appraisal Institute, May 2005

“Current Issues: Misconceptions in Appraisal” – Appraisal Institute, May 2005

“Attacking & Defending an Appraisal” – Appraisal Institute, May 2005

“Latest Trends in Hotel Valuation” – Appraisal Institute, May 2005

“Maximizing the Value of an Appraisal Practice” – Appraisal Institute, May 2005

“Appraisal Review” - Appraisal Institute, October 2003

“Tax Appeals in Pennsylvania” -Philadelphia Bar Association, March 2003

“Uniform Standards of Professional Appraisal Practice, Part C” - Appraisal Institute, December 2001

“Attacking & Defending An Appraisal In Litigation” - Appraisal Institute, September 2001

“Appraisal Review” - Appraisal Institute, July 2001

“Appraising For The New Jersey Farmland Preservation Program” - NJ Dept. of Agriculture, June 2001

“Section 8/HUD Rent Comparability Studies & Standards” -Appraisal Institute, April 2001

“Overview of the New Jersey Green Acres Program” - NJDEP, January 2001

“Federal Land Exchanges & Acquisitions: Appraisal Issues & Applications” - Appraisal Institute & ASFMRA, September 2000

**1999 - 1989**

“Appraisal of Nursing Facilities” - Appraisal Institute, December 1999

“Standards Of Professional Practice - Part B” - Appraisal Institute, Nov. 1999

“New Jersey Farmland Preservation Program” - State of New Jersey, June 1999

“Appraisal of Non-Conforming Uses” - Appraisal Institute, April 1999

“Valuation of Special Purpose Properties” -Appraisal Institute, November 1998

“Eminent Dominant” - Appraisal Institute, November 1998

“Standards Of Professional Practice - Part A” - Appraisal Institute, August 1997

“Appraisal of Farmland” Trenton, NJ, June 1998

“Affordable Housing Valuation” -Appraisal Institute, January 1997

“First Annual Survey Of Property Tax Developments”, January 1997

“Appraisal Of Retail Properties” -Appraisal Institute, March 1996

“New Jersey Farmland Preservation Program”, May 1996

“Introduction to Lead Based Paint and Lead Inspection Training”, December 1995

“The Dynamics of Office Building Valuation” - Appraisal Institute, December 1995

“New Jersey Tax Court Cases” Cherry Hill, NJ, May 1995

“The Appraisers Complete Review” - Appraisal Institute, July 1993

“Litigation Valuation” - Appraisal Institute, April 1992

“Report Writing & Valuation Analysis” - Appraisal Institute San Jose State University, July 1991

“Case Studies in Real Estate Valuation” - Appraisal Institute, Rutgers University, April 1990

“Capitalization Theory & Techniques, Part B” - Appraisal Institute, Rutgers University, October 1989

“Capitalization Theory & Techniques, Part A” - Appraisal Institute, Rutgers University, June 1989

## Professional Speaking Engagements

I PT 2014 Conference “Supporting Adjustments”  
Scottsdale, Arizona, June 2014

Loriman Education Services “Eminent Domain Practices”  
Cherry Hill, New Jersey, January 2008

Law Seminars International/PA Planning Association “Eminent Domain Practice &  
Procedure/Redevelopment After Kelo”  
Philadelphia, PA, November 2005

Loriman Education Services “NJ Tax Appeals – The Lawyer & Appraiser Relationship”  
Mount Laurel, New Jersey, March 2003

### **Positions Held with the Appraisal Institute (Southern New Jersey Chapter)**

- Past President – 2012 & 2001
- All Officer Positions
- 2013 & 2014 Board Member

### **Expert Testimony**

Mr. McHale has qualified as an expert witness and has appeared before the United States Federal Bankruptcy Court, New Jersey Tax Court, New Jersey Superior Court, numerous New Jersey County Boards of Taxation, the Pennsylvania Court of Common Pleas, various Pennsylvania Boards of Appeal, and various Commissioner Panels for condemnation matters.

### **Testimony as Expert Witness List**

<u>Type</u>	<u>Date</u>
<b>County Tax Board Hearings</b>	
Shabell v. Township of Mt. Laurel, Burlington County (NJ)	Jul-14
1327 Locust St. v. City of Philadelphia (PA)	Sep-14
1816 Market St. v. City of Philadelphia (PA)	Sep-14
Chancellor & Sansom v. City of Philadelphia (PA)	Sep-14
Sheraton Great Valley v. Chester County (PA)	Oct-14
HCR ManorCare v. Allegheny County (PA)	Oct-14
Extended Stay Hotel v. Northampton County (PA) Board	Oct-13
Oxford Crt. v. Bucks Co. (PA) Board of Tax Assessment Review	Sep-13
Extended Stay Hotel v. Northampton County (PA) Board	Oct-12
PA Dutch Country v. Lebanon County Board (PA)	Oct-12
535 Glassboro Rd v. Woodbury (Gloucester Co. NJ)	Jun-12
CPTM Circle M Campground v. Lancaster County (PA)	Sep-12
CPAC Select Health v. Dauphin County (PA)	Oct-10
CPAC MCHS Arden Ct. v. Dauphin County (PA)	Oct-12
CPAC MCHA Arden Ct. v. Lehigh County (PA)	Oct-12
CPAC MCHS SNF v. Lebanon County (PA)	Oct-12
TD Bank v. Bridgeton City (Cumberland Co. NJ)	Apr-11
10th & Walnut v. Philadelphia	Apr-11
Deptford Twp v. multiple appeals (Gloucester Co. NJ)	Jun-11
Darden v. Upper Merion Twp (Montgomery Co. PA)	May-11
CPAC Extended Care v. Luzerne Co (PA)	Oct-13
CPAC Manor Care v. Bedford Co (PA)	Oct-11
1 Progress Dr. v. Bucks County (PA)	Oct-10
Rittenhouse & County Line Rd v. New Britain (Bucks Co, PA)	Oct-10
CPTM Ingersol Rd v. Chester County (PA)	Oct-10
CPTM AIMCO v. Philadelphia	Nov-10

<b>State Tax Court Trials</b>	
(NJ) Mt. Laurel Business Center v. Township of Mt. Laurel	Jun-14
(NJ) Running Deer Golf v. Pittsgrove Township	Dec-11
(NJ) KMO Paramus Fashion Center v. Township of Paramus	Dec-10
<b>Depositions</b>	
NJDOT v. Stavros	Apr-14
Quest Diagnostics vs. Teterboro, NJ	Aug-13
NJDOT v. Stavros	Jun-12
RD Management v. Passaic City (NJ)	Sep-10
Michael Leese et al vs. Lockheed Martin Corp. (NJ)	Nov-13
<b>PA Court of Common Pleas</b>	
223-225 Wilmington Pike v. Delaware County	May-13
223-225 Wilmington Pike v. Delaware County	May-12
Hanley Hose v. Delaware County	Jun-10
<b>NJ Superior Court Trials</b>	
Borough of Barrington v. Shiv Estate	Jan-14
NJDOT v. Stiles	Mar-14
NJDOT v. Maple Shade Mazda	May-14
NJDOT v. Stavros	May-14
NJDOT v. DeSimone	Sep-14
NJSDA v. Dietrich	Oct-11
CRA v. BRG Properties	Jun-10
<b>Commissioner's Hearings - Eminent Domain</b>	
CRDA v. Larkin	Jan-14
NJDOT v. St. Rita's Parish	Mar-14
CRDA v. Morton	Apr-14
NJDOT v. Sparacio	Apr-14
CRDA v. Miller	Jul-14
CRDA v. My Ionas	Oct-14
CRDA v. SFC, LLC	Nov-14
CRDA v. Valentino	Dec-14
CRDA v. Naame	Dec-14
CRDA v. Hahn	Dec-14
Borough of Barrington v. A & B Insurance	Oct-13
Borough of Barrington v. Shiv Estate	Aug-13
Borough of Paulsboro v. Gallenthin	Dec-12
NJDOT v. Scott/Stuhltrager	Aug-12
CRDA v. Henderson (29 N. Connecticut}	Mar-12
CRDA v. Henderson (526/528 Madison Ave}	Apr-12
CRDA v. Vinci	Jul-12
NJDOT v. Maple Shade Mazda	Feb-11
CRDA v. Hancock	Mar-11
CRDA v. Stevenson	Mar-11
CRDA v. Carr/Paone	Mar-11
CRDA v. Levin	Apr-11
NJDOT v. Carter	Jun-11
NJDOT v. Porcellini	Oct-11
CRDA v. Gardyn	Nov-11
NJDOT v. Stavros	Nov-10
NJDOT v. DeSimone	Apr-10
CRDA v. Weber Estate	May-10
NJDOT v. Intercoastal Properties	Jun-10

Twp of Pennsville v. DeFrank	Jul-10
CRDA v. SJP Enterprises	Nov-10
CRDA v. Ragozzine	Nov-10
CRDA v. Deluca	Nov-10
NJDOT v. Stiles	Nov-10
NJDOT v. Adam George	Dec-10
CRDA v. Malik	Dec-10