

Section 1

Updated Appraisals for Diverted Parcels

Prepared For

Kimberly S. Brodbeck, Manager, Utilities/Real Estate
RK&K
110 S. Poplar Street, Suite 102
Wilmington, DE 19801

Date of Valuation

May 7, 2024

Report Date

May 20, 2024

Appraisal Report

Beach Land & Portion of Boardwalk

Public Beach	Portion of Boardwalk ROW
Owner: City of Atlantic City	Owner: N/A (Right of Way)
Block 1, Lots 57-60	N/A
8.60 Acres	0.44 Acres

Atlantic City, Atlantic County, New Jersey 08404

JMA File No. 220294.11

Prepared By

Jerome J. McHale, MAI
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May 20, 2024

Kimberly S. Brodbeck, Manager, Utilities/Real Estate
RK&K
110 S. Poplar Street, Suite 102
Wilmington, DE 19801

RE: **Beach Land & Portion of Boardwalk**
Public Beach
Owner: City of Atlantic City
Block 1, Lots 57-60
Atlantic City, Atlantic County, NJ
JMA File No. 220294.11

Portion of Boardwalk ROW
Owner: N/A (Right of Way)
N/A
Atlantic City, Atlantic County, NJ

Dear Ms. Brodbeck:

In accordance with your request, I have prepared an Appraisal Report for the above referenced property. The purpose of the appraisal was to provide a market value estimate for a permanent utility easement and damages to the remainder. The intended use of the appraisal is to serve as a valuation guide for a permanent underground utility easement located under a portion of the public beach.

The market value estimate only reflects the value of the real estate and excludes the value of any personalty at the property. The appraiser made a comprehensive physical inspection of the subject property, its market area, and all comparable property information.

The subject property consists of a total of 9.03 Acres (393,532 SF) of land. This includes 4 parcels of beach land containing 8.60 Acres (374,538 SF) and a portion of the Boardwalk Right of Way containing 0.44 Acres (18,994 SF). The proposed underground utility easement consists of a permanent easement measuring 1.35 Acres (58,605 SF). The subject's strength is its location as beach and beach front parcels, extending out into the ocean. The weaknesses are the restrictive zoning which would limit the use of the site.

No hazardous waste is known to exist on the property and no areas of concern were observed during the inspection. The appraiser highly recommends that a qualified environmental expert be retained to make such a determination.

J. McHale & Associates, Inc.

The enclosed appraisal report includes the information relevant to the valuation of the property as well as the methodology used to arrive at the value conclusion. It has been prepared in conformity with the Uniform Standards of Professional Practice of the Appraisal Foundation, the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, and in compliance with the appraisal regulations promulgated by the Green Acres Program.

The appraised market value is based upon the following Conditions/Assumptions:

1. *It is an extraordinary assumption of the appraisal that the tracts are clean and free from environmental contamination and debris.*
2. *According to Green Acres guidelines, the site is to be appraised as of the effective date (current) "as if" vacant and an independent economic unit, subject to N.J.A.C 7:36-8.3 – Appraisal Procedures: '...In any appraisal of parkland proposed to be disposed of or diverted, the value of the parkland shall be based on its highest and best use, or the use intended subsequent to the disposal or diversion, whichever would result in a higher market value for the land'.*

After careful consideration of all data, it is my opinion that the market value of the Taking & Damages to the Remainder, subject to the assumptions and limiting conditions set forth, as of May 7, 2024 is as follows:

Estimated Value of the Subject Property, Before the Taking (Land Only):

\$2,000,000

(\$221,484/Acre)

Estimated Value of the Subject Property, After the Taking (Land Only):

\$1,970,000

(\$218,162/Acre)

Estimated Value of the Acquisitions & Damages To The Remainder:

\$30,000

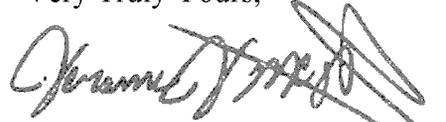
An allocation is shown as follows:

Permanent Easement:	\$30,000
Temporary Easement:	N/A

J. McHale & Associates, Inc.

Attached is a report with my findings. This report was prepared for the exclusive use of the client. It may not be distributed to or relied upon by other third parties without the prior written consent and approval by Jerome McHale of J. McHale & Associates, Inc. No portions of the report may be disseminated to the public through news, advertising, or sales media.

Very Truly Yours,

A handwritten signature in black ink, appearing to read "Jerome J. McHale". The signature is stylized and written over a horizontal line.

Jerome J. McHale, MAI
NJ SCGRE No. 42RG00023900