
Committee Meeting

of

JOINT STATE LEASING AND SPACE UTILIZATION COMMITTEE

LOCATION: Committee Room 3
State House Annex
Trenton, New Jersey

DATE: January 7, 2016
12:30 p.m.

MEMBERS OF COMMITTEE PRESENT:

Senator Nicholas P. Scutari, Chair
Assemblyman Thomas P. Giblin
Steven M. Petrecca



ALSO PRESENT:

Carl T. Costantino
Office of Legislative Services
Committee Aide

Mark S. Kaminski
Committee Secretary

Gary A. Kotler
Counsel

Ed Oatman
Senate Majority
Committee Aide

Meeting Recorded and Transcribed by
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SENATOR NICHOLAS P. SCUTARI (Chair): Good afternoon, everyone. Welcome to the Space Utilization meeting for today, January 7.

Roll call, please.

MR. COSTANTINO (Committee Aide): Senator Scutari.

SENATOR SCUTARI: Here.

MR. COSTANTINO: Assemblyman Giblin.

ASSEMBLYMAN GIBLIN: Here.

MR. COSTANTINO: And Deputy Treasurer Petrecca.

ASSOCIATE DEPUTY TREASURER PETRECCA: Here.

MR. COSTANTINO: Senator, you have three members present; you have a quorum.

SENATOR SCUTARI: Okay.

MR. COSTANTINO: Notice of this meeting was provided to the Secretary of State, the *Trentonian*, and the State House press on January 4, 2016, as part of the Open Public Meetings Act.

And our first order of business is to reorganize--

SENATOR SCUTARI: Before we do that, I want to welcome our new Committee member, Mr. Steven Petrecca, Associate Deputy State Treasurer. Welcome.

ASSOCIATE DEPUTY TREASURER PETRECCA: Thank you.

SENATOR SCUTARI: And obviously we have Assemblyman Giblin and myself back.

The first order of business is to reorganize the Committee.

MR. COSTANTINO: We need a motion to--

SENATOR SCUTARI: We need to vote for the Chairman for the next year.

ASSEMBLYMAN GIBLIN: I'd like to make a motion that Senator Scutari be reelected Chairman.

SENATOR SCUTARI: Thank you, Assemblyman.

DEPUTY TREASURER PETRECCA: I second that motion.

MR. COSTANTINO: Okay.

SENATOR SCUTARI: Roll call.

MR. COSTANTINO: Senator Scutari.

SENATOR SCUTARI: Yes.

MR. COSTANTINO: Assemblyman Giblin.

ASSEMBLYMAN GIBLIN: Yes.

MR. COSTANTINO: And Associate Treasurer Petrecca.

ASSOCIATE DEPUTY TREASURER PETRECCA: Yes.

MR. COSTANTINO: Sir, you have three votes in the affirmative. Congratulations, you're the Chairman.

ASSEMBLYMAN GIBLIN: Same salary. (laughter)

SENATOR SCUTARI: Thank you.

Yes, okay. The first order of business -- the next order of business is the approval of the December 10, 2015 meetings minutes, which are in our binders for our review.

ASSEMBLYMAN GIBLIN: Mr. Chairman, if it's in order, I'll make a motion that the minutes of the December 10 meeting be approved.

ASSOCIATE DEPUTY TREASURER PETRECCA: I'll second that motion.

SENATOR SCUTARI: Thank you.

MR. COSTANTINO: Okay.

SENATOR SCUTARI: Roll call.

MR. COSTANTINO: Senator Scutari.

SENATOR SCUTARI: Yes.

MR. COSTANTINO: Assemblyman Giblin.

ASSEMBLYMAN GIBLIN: Yes.

MR. COSTANTINO: And Associate Treasurer Petrecca.

ASSOCIATE DEPUTY TREASURER PETRECCA: Yes.

MR. COSTANTINO: You have three votes in the affirmative.

The motion to approve the minutes is approved.

SENATOR SCUTARI: Great.

We have two NPLs today to be presented. One is a revisit from the last meeting, which for the parking spaces in Middlesex County. I want to do that next, so let's do NPL 4677 first.

Mr. Sutkin.

S T E V E N M. S U T K I N: Thank you, Assemblyman (*sic*).

The next item is NPL, as you said, 4677. It is a proposed lease for the Department of Children and Families. It is 24,000 square feet, and it's located in Maplewood. It is the result of a consolidation of two existing leases; one being month-to-month, and the other with the term expiring. And it is submitted for your consideration and approval.

SENATOR SCUTARI: Great. And I noticed that -- significant savings as a result of the merger.

MR. SUTKIN: I'm sorry -- *Senator* Scutari.

SENATOR SCUTARI: What's that?

MR. SUTKIN: Senator Scutari.

SENATOR SCUTARI: Yes, that's me.

MR. SUTKIN: Sorry about that. (laughter)

SENATOR SCUTARI: That's okay.

I noticed there's a significant savings as a result of the merger of the two leases--

MR. SUTKIN: Yes, sir.

SENATOR SCUTARI: --of \$300,000.

UNIDENTIFIED MEMBER OF AUDIENCE: It's \$200,000 annually.

SENATOR SCUTARI: It is \$200,000? I read it earlier.

Great; okay.

Any questions of Mr. Sutkin?

ASSEMBLYMAN GIBLIN: I'll move it, Mr. Chairman, that we approve the lease.

ASSOCIATE DEPUTY TREASURER PETRECCA: Second.

SENATOR SCUTARI: Okay, great.

Roll call.

MR. COSTANTINO: Senator Scutari.

SENATOR SCUTARI: Yes.

MR. COSTANTINO: Assemblyman Giblin.

ASSEMBLYMAN GIBLIN: Yes.

MR. COSTANTINO: And Associate Treasurer Petrecca.

ASSOCIATE DEPUTY TREASURER PETRECCA: Yes.

MR. COSTANTINO: You have three votes in the affirmative, none in the negative. The motion to approve NPL 4677 carries.

SENATOR SCUTARI: Great.

Now, the next NPL is 4675, which we talked about last time.

MR. SUTKIN: Yes, sir. And we have representatives here from the Office of the Public Defender.

SENATOR SCUTARI: Okay; they can come up.

Just for the record, I received a response -- a letter -- with respect to justification for the spaces. We also had staff do some independent investigation in terms of the utilization of the 27 spaces -- through correspondence and conversation with the Judiciary, as well as the Prosecutor's Office. So we have a couple of different points of view, but we will be happy to discuss it.

MR. SUTKIN: Thank you, Chairman.

SENATOR SCUTARI: Thank you.

J O S E P H E. K R A K O R A, Esq.: Good afternoon. I'm Joe Krakora, State Public Defender. Senator Scutari--

SENATOR SCUTARI: I know who you are. (laughter) You're from my District.

MR. KRAKORA: Exactly; I'm a humble constituent. Right; exactly.

SENATOR SCUTARI: Welcome.

MR. KRAKORA: And I guess you had some questions about the parking issue, with respect to our new office in New Brunswick, for our Middlesex Law Guardian Office and our Criminal Trial Region.

SENATOR SCUTARI: I'm not suggesting-- I think they need parking; I just don't think they need that much. It's not just my -- it's not me; the information that now I'm going by -- it was my initial inclination that seemed liked a lot.

MR. KRAKORA: Okay.

SENATOR SCUTARI: Then, when I did some homework, I received the correspondence and forwarded it on to other individuals not part of the Public Defenders' Office, but certainly individuals who interact, on a daily basis.

MR. KRAKORA: Okay.

SENATOR SCUTARI: They shared my feeling on the fact that there was just no way that that there were 27 people from that office down there at the same time every day.

MR. KRAKORA: Well, I think to the extent-- And you know as well as I do, from practicing law, that Mondays and Fridays, you can pretty much count on almost all the lawyers having to be in court; it's the nature of the business. During the middle of the week, it does vary, depending on the judge's calendar, the number of lawyers who actually have scheduling.

But a couple of things, if I could make the case. One, it's really more than-- We have 27 lawyers; 7 in our office of Law Guardian, and 20 in our Criminal Trial Region. So that's where the 27 comes from. But in addition to that, we have approximately 12 investigators, some who work for Law Guardian, some who work for the Trial Region, who, from time to time, have to be in court and would need parking for the same reason: because their new offices are down Jersey Avenue, two or three miles from the -- downtown from the Courthouse.

SENATOR SCUTARI: It's in the Workers Compensation building now.

MR. KRAKORA: Right; 550 Jersey Avenue.

SENATOR SCUTARI: Well, let me ask you a question before you go any further. Because I was led to believe -- and I can't imagine this to be the case -- that failure to approve this parking would somehow jeopardize the move. But the move is already finalized.

MR. KRAKORA: The move is finalized.

SENATOR SCUTARI: So this has nothing to do with that; we're moving.

MR. KRAKORA: We're moving. No, that's a done deal.

SENATOR SCUTARI: That's it.

MR. KRAKORA: Correct.

SENATOR SCUTARI: So whether we do this or not, that doesn't change the fact that we're going to have significant savings as a result of the offices moving from downtown to the Workers Compensation location.

MR. KRAKORA: Oh, absolutely. In fact, just the difference in the lease is \$60,000. But if we really tried to get space in downtown New Brunswick, it would be far greater than that. So \$60,000 is the lowest estimate you could put on the savings.

SENATOR SCUTARI: Yes, right.

MR. KRAKORA: It's really more than that.

SENATOR SCUTARI: Yes.

MR. KRAKORA: And, you know, we have a few places around the state where we don't have the office within walking distance and we have to provide parking for the lawyers at the courthouse, etc.

But the point I was going to make in addition is, we will have investigators who need parking from time to time. And the other thing is,

with the new statute that goes into effect a year from now -- the change in the criminal justice system -- the bail reform, and all of that -- we're actually anticipating some additional staffing needs to handle the new detention hearings and all that goes into the new system. So I think that number of 27, while I agree there is not going to be 27 public defender attorneys parked in that lot every day from 9 to 5 -- it's going to vary from day to day; some days it's going to be really busy, other days less so -- I don't think it's an excessive number of spaces, given the demands that we have -- both lawyers and investigators -- to be in the courthouse on a fairly regular basis. I know in the Family part, they often have to be in court almost every day. And in the Criminal cases, it depends on the judges. Some of the judges are good about trying to schedule as many matters on Mondays and Fridays; but some have the lawyers coming in three, four, five days a week.

And I think the other aspect of this -- we have a pretty good proposed deal here; and my understanding is, it's sort of an all-or-nothing proposition. Because there are 29 spots; the owner wants to keep 2 of them. And he's really looking to lease the other 27 to the same person.

SENATOR SCUTARI: So now how many would you really need? See, that wasn't made clear to me -- that that was the proposition that this is the size of the lot. It was more of, "We need 27 spaces."

MR. KRAKORA: Right.

SENATOR SCUTARI: "We found a lot with 29, with him keeping 2."

MR. KRAKORA: Right.

SENATOR SCUTARI: But now, I mean-- Because I have to tell you, when I spoke to the presiding judge -- and I spoke to him

personally -- he was like, "What do they need, 10 spots?" I said, "Well, they say they have a lot of people here at 9 o'clock Monday morning." I don't want to speak bad; you can speak to him yourself--

MR. KRAKORA: No, no, no.

SENATOR SCUTARI: He said, "Nobody is here at 9 o'clock," he told me.

MR. KRAKORA: Well, no. But I think, fairly stated, the way the courts are set up, the overwhelming majority, if not all of the lawyers, are in courts on Mondays and Friday mornings. I mean, there's no question about that. And then, during the week, it does depend: It depends -- you might have 10 lawyers there, you may-- And they're not necessarily going to be there all day, either. But every time they're summoned to court, they're going to have to drive from the office into downtown New Brunswick and have some parking.

SENATOR SCUTARI: Agreed. There's no question that that's--

MR. KRAKORA: Yes, so, I mean, if the issue is the number of spaces--

SENATOR SCUTARI: Yes, of course it's the issue; because that's where the clause is. (laughter)

MR. KRAKORA: --I'm not going to sit here and tell you that, five days a week, all 27 spaces are going to be filled by cars belonging to our staff. I'm not pretending for a moment.

SENATOR SCUTARI: It couldn't be, because if they were all down there, nobody would be at the office.

MR. KRAKORA: That's a good point; right, exactly. Except for the secretaries to answer the phones, right?

So no, I get that. And part of the dynamic here is that this is a good deal; the parking is located halfway between the Family Courthouse and the Courthouse in New Brunswick where the criminal cases are heard. So it's a block or two walk for both sets of lawyers. And my understanding of the deal with this particular landlord-owner is that he's looking for an all-or-nothing-type deal with the 27 that he doesn't need. Does that necessarily mean we have to take it? No; I get that.

SENATOR SCUTARI: What's he going to do with-- You can't answer this, but my rhetorical question is, what's he going to do with that big lot if we said we'll take a half of it? I mean, why-- I know he'd like to get rid of the whole lot at the same time, for the State of New Jersey to pay on a monthly basis.

MR. KRAKORA: Right.

SENATOR SCUTARI: But that doesn't mean we have to take the whole thing when we don't need it all. And my question really to you is, how many do we really, logistically need?

MR. KRAKORA: Right. You know, I--

SENATOR SCUTARI: And you're not there every day, so maybe you don't know. But I can tell you, the written correspondence I got gave no justification other than, "We need these spots." At least I didn't read it that way.

MR. KRAKORA: Right, no; and I think my staff initially was focusing on that these are the number of lawyers who we have who are going to have to use that courthouse, and go back and forth, right? With

not as much thought to the point you're making, which is that they're not -- all 27 are not going to be there every day, all day. I think that's fair to say.

You know, I guess the problem would be if we had a smaller number, and then you had those days when all the lawyers have to be in court -- I guess you have some people who would have to make do in some other way, right?

SENATOR SCUTARI: They don't have to park down the street, you go in the Ferren Deck.

MR. KRAKORA: Yes, and I then, I guess, reimburse them. I don't know.

I just thought-- What's the business about the all-or-nothing? Is that something that the landlord has made clear in your discussions?

UNIDENTIFIED MEMBER OF AUDIENCE: (off mike) That was in negotiations, right? Who did that -- Paul?

PAUL CAMPANELLA: Yes, I--

MR. KRAKORA: I just want to make sure I'm right about that.

SENATOR SCUTARI: We had one meeting; so if anybody--

MR. COSTANTINO: Paul, you have to come forward.

SENATOR SCUTARI: Come forward, and identify yourself for the record.

MR. CAMPANELLA: Good morning, Senator. Paul Campanella, Lease Negotiations.

The theory about all-or-nothing is not, in essence, all-or-nothing. The issue comes in on control of the spaces when they need them. So if we wanted to take 20 or 15 spots, the balance -- the landlord does not want to control who is coming in and who is going out. So on any given

day when they need the spots, and there's an issue with somebody parking in the spots that are obligated for PD, it may be an issue of--

SENATOR SCUTARI: But how are you going to control the lot? Because you're already giving two.

MR. CAMPANELLA: Right now, it's going to be -- it's fenced, and each spot will be given a key. So each attorney will have a key to a fenced, gated lot.

SENATOR SCUTARI: But then the two extra spots that the landlord is retaining are going to have a key too.

MR. CAMPANELLA: Those are his employees; they're for his employees, because he does development work in the city, and he's in there every day.

SENATOR SCUTARI: Right. But he's going to retain a key for those two spots.

MR. CAMPANELLA: He is.

SENATOR SCUTARI: So if we took 15 spots, and there were 12 more--

MR. CAMPANELLA: But at least if it's-- You have to understand. If it's all one entity, we're okay; it's fine. If he's leasing them out to somebody else who lost their key, who doesn't have the key, and then, you know, what's -- it's going to be cumbersome.

SENATOR SCUTARI: Okay. I don't know if I-- Maybe it will be a slight issue, but I mean if you have 29 spots and you have 29 parking passes, I think you're in pretty good shape in terms of controlling who's parking there and when. But 27 for us and 2 for them is already what's on the table.

MR. CAMPANELLA: Yes, but if you're saying 10 or 15, then there's going to be 12 other people.

SENATOR SCUTARI: Well, I don't know how many we need. That's really why the Public Defender is here.

MR. CAMPANELLA: Yes.

SENATOR SCUTARI: You're negotiating a situation; what I really want to get to the bottom of is how many spaces do we need. And I don't want to pay for 27 if we only need 15.

MR. CAMPANELLA: Yes.

SENATOR SCUTARI: I mean, I know it might be a little cumbersome, but it could save half of the amount of the lease if it was only 15. But I don't really know.

MR. CAMPANELLA: I mean, the other option is, is they can go back to waiver and do it themselves. But the rate will be higher--

SENATOR SCUTARI: Of course.

MR. CAMPANELLA: --and the increases will be annually. This you're locking down for a set rate, that's under-market for parking in New Brunswick, for a five-year period. And you have the flexibility of cancellation. So if things change, you have the option to cancel.

SENATOR SCUTARI: What is the cancellation flexibility on this? I forgot.

MR. CAMPANELLA: I believe it is -- hold on one second; we'll document that -- it's in the front pages here.

UNIDENTIFIED MEMBER OF AUDIENCE: Sixty days? Jerry seems to think it's 60 days.

MR. CAMPANELLA: It's a 60-day written notice by either party.

SENATOR SCUTARI: Okay.

MR. CAMPANELLA: So if we don't need them, we can get out. And he wanted to keep that option open because of the development rights for the parcel itself, which we're sparing.

SENATOR SCUTARI: Okay.

MR. KRAKORA: The only thing I would add is that -- and I think this is an important point -- because when the law changes on January 1, 2017, it's, as you know, Senator -- it's a major overhaul in the criminal justice system. And we're already anticipating, I think, all the stakeholders -- that staffing for these additional detention hearings. So I think those spaces -- although I agree they're not going to be full every day, five days a week, from 9 to 5 -- they're going to get plenty of use.

SENATOR SCUTARI: Let me ask you this.

MR. KRAKORA: Yes.

SENATOR SCUTARI: If you could pick any number of spaces that you wanted, and it was your money and not the State money, how much would you buy?

MR. KRAKORA: Well, if I could -- if I-- I would think that, on the majority-- If we had 20 spots, let's say, okay? Could there be a day here and there, especially in the future, where that's not enough, on a given Monday or a given Friday? I think that's a very real option. But I would concede that on the majority of business days, that that's going to be enough for our staff to park there.

SENATOR SCUTARI: What I want is, I want a census of the use of that lot.

MR. KRAKORA: Right.

SENATOR SCUTARI: If I'm going to be asked to enter into this, and we have a 60-day opt-out clause, and I'm being told that this is a deal that's too good to turn down--

MR. KRAKORA: Right.

SENATOR SCUTARI: --I want your office to prepare a census for how often these spaces are used -- or, at least, how many of the spaces are used on a daily basis. And I guess you can keep track of that by a card scan, or whoever is in court--

MR. KRAKORA: We can figure that out. That's not a--

SENATOR SCUTARI: Because, right now, it's not really clear.

MR. KRAKORA: No, I agree. And it's going to vary from day to day. But I can certainly make arrangements to have my staff monitor how many of the spaces are being used.

SENATOR SCUTARI: And the only reason we're saying that--

MR. KRAKORA: And we can do it on Mondays and Fridays versus off-days when there's not as many, and see what the difference is in the number of cars that are in that lot.

SENATOR SCUTARI: Maybe you could sublease the spaces to somebody else. (laughter) I mean, you might not have anybody in there Tuesday, Wednesday, and Thursday.

MR. KRAKORA: I mean, listen -- it's a good suggestion. And if it turns out that we are using 8 spaces on 80 percent of the days, then it makes -- then 27 is more than we really need; I get that.

SENATOR SCUTARI: And because once we get this off our agenda -- and if I don't make that part of the record and a requirement, then I'll forget about this until the next time.

So, please.

MR. KRAKORA: Okay.

MR. CAMPANELLA: Just one other point, Senator.

If we go back to the theory that they need, say, 20; and it turns out that Mondays and Fridays -- that people are parking on their own and we have to go through the exercise of reimbursing employees, and the administrative cost to process those vouchers to reimburse them-- I mean, we're cutting pennies in half, really, at the end of the day.

SENATOR SCUTARI: I understand that. We don't want to go down that route, obviously.

MR. CAMPANELLA: I understand.

SENATOR SCUTARI: But if we only need 12 spaces, or 15--

MR. CAMPANELLA: I don't think it's--

SENATOR SCUTARI: You know-- Well, I don't know.

(laughter)

MR. CAMPANELLA: I understand.

SENATOR SCUTARI: I don't know the answer to that. Maybe we don't; maybe we need them all. Maybe we need them all Mondays and Fridays, and we need half on Tuesday, Wednesday, and Thursday. I don't know, but let's find out when you start using it. Let's get a report back in six months or so of utilizing the lot.

MR. KRAKORA: Makes sense.

SENATOR SCUTARI: Now; and then after the implementation of the Bail Reform Act to see if that changes your census data any. And then let's just revisit to see if we have done the right thing.

MR. KRAKORA: Right. And that's more than fair, and I'm happy to make whatever arrangements we need to monitor the use of the lot for the first six months. No problem.

SENATOR SCUTARI: Okay, great. All right. I'm satisfied with that.

MR. COSTANTINO: Something in June?

SENATOR SCUTARI: That would be great. Well, I don't know. Are they going to start using -- when are they going to start using the lot?

MR. CAMPANELLA: (off mike) Well, we probably won't start until sometime July or August.

SENATOR SCUTARI: Right. You're not even going to start using it until--

MR. KRAKORA: Yes, right, because we're not going to be into the new building for a few more months.

SENATOR SCUTARI: Okay. When is this going to start, assuming we approve it today? When is your lease going to be signed, sealed--

MR. CAMPANELLA: We're trying to iron out the last of the language. I hope to have it and execute a lease within two weeks. And then I have a four months or five months of construction scheduling. So July or August is when it would go into effect.

SENATOR SCUTARI: When do you start paying?

MR. CAMPANELLA: July or August.

SENATOR SCUTARI: Okay, all right.

MR. COSTANTINO: So we won't have anything before that.

SENATOR SCUTARI: Yes, so we won't -- so at the end of the year, I can imagine, we'll get a report back, right?

MR. COSTANTINO: Okay.

MR. KRAKORA: Makes sense.

SENATOR SCUTARI: Okay.

MR. KRAKORA: And then we could even -- if it turns out, between now and then, that it looks like we're going to have some additional staffing vis-à-vis the new pretrial justice statute, then the first six months of the following year we could do the same for you.

SENATOR SCUTARI: Okay. And that was a good excuse to get you down here. I haven't seen you in a while. (laughter)

MR. KRAKORA: Absolutely.

SENATOR SCUTARI: All right; I'm satisfied with that.

Assemblyman, anything further?

ASSEMBLYMAN GIBLIN: No. I'll make a motion, with the contingencies you mentioned about doing an ongoing census and then reevaluate it, I guess, almost a year from now, all right?

SENATOR SCUTARI: Exactly.

ASSOCIATE DEPUTY TREASURER PETRECCA: I'll second that motion.

MR. COSTANTINO: Second the motion.

SENATOR SCUTARI: Thank you, Assemblyman.

Roll call.

MR. COSTANTINO: Senator Scutari.

SENATOR SCUTARI: Yes.

MR. COSTANTINO: Assemblyman Giblin.

ASSEMBLYMAN GIBLIN: Yes.

MR. COSTANTINO: And Associate Deputy Treasurer
Petrecca.

ASSOCIATE DEPUTY TREASURER PETRECCA: Yes.

MR. COSTANTINO: Sir, you have three votes in the
affirmative, none in the negative. The motion to approve NPL 4675
carries.

SENATOR SCUTARI: Great.

Any further business, Assemblyman?

ASSEMBLYMAN GIBLIN: No.

SENATOR SCUTARI: May I have a motion to adjourn?

ASSEMBLYMAN GIBLIN: I'll make a motion to adjourn

ASSOCIATE DEPUTY TREASURER PETRECCA: Second.

SENATOR SCUTARI: All in favor? (affirmative responses)

Okay; thank you, everybody.

(MEETING CONCLUDED)