
Committee Meeting

OF

STATE LEASING AND SPACE UTILIZATION COMMITTEE

LOCATION: Committee Room 12
State House Annex
Trenton, New Jersey

DATE: June 16, 2008
10:00 a.m.

MEMBERS OF COMMITTEE PRESENT:

Senator Nicholas P. Scutari, Chair
Assemblyman Reed Gusciora
Debra Bell



ALSO PRESENT:

Charles Chianese
(Representing Treasurer R. David Rousseau)

John A. MacCalus, *Committee Aide*

Robert J. Shaughnessy, *Counsel*

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rs: 1-33

MR. MacCALUS (Committee Aide): Okay. I'm going to call together the State Leasing and Space Utilization Committee of June 16.

We're calling it to order at 10:33.

Assemblyman Gusciora.

ASSEMBLYMAN GUSCIORA: Here.

MR. MacCALUS: Senator Scutari.

SENATOR SCUTARI: Here.

MR. MacCALUS: Assistant (*sic*) Treasurer Debra Bell.

DEPUTY TREASURER BELL: Here.

MR. MacCALUS: We have a quorum.

Notice of this meeting of the State Leasing Committee -- meeting -- was provided to the Secretary of State, *Courier Post, Star-Ledger*, and the Trenton *Times* -- and the State House Press, of course -- on May 9, in accordance with the Open Public Meetings Act.

Since this is our first meeting of the first session of the 213th Legislature, I need a motion to elect a chair for this session.

Do I hear a motion?

DEPUTY TREASURER BELL: Move.

ASSEMBLYMAN GUSCIORA: I nominate Senator Scutari.

MR. MacCALUS: Senator Scutari.

Okay, roll call.

Assemblyman Gusciora.

ASSEMBLYMAN GUSCIORA: Yes.

MR. MacCALUS: Senator Scutari.

SENATOR SCUTARI: Yes.

MR. MacCALUS: Assistant Treasurer Bell.

DEPUTY TREASURER BELL: Yes.

MR. MacCALUS: Okay. We have a Chair, we have a meeting.

And our one last item of business here is the approval of the minutes of the October 18 meeting that was in 2007.

We do this about once every three years, four years or so. When we have new members, they can't really approve the meeting minutes of what they were not a part of. And at that meeting, only the Assistant Treasurer was in attendance. So we have to vote -- make a motion to approve it, and then we'll have two disapproves and one approve. So that's just the way it goes.

SENATOR NICHOLAS P. SCUTARI (Chair): Disapproves or abstentions?

MR. MacCALUS: I'm sorry?

SENATOR SCUTARI: Disapproves or abstentions?

MR. MacCALUS: Abstention is fine too.

So next item, and last item of business -- then I'll sit down -- is the approval of the minutes of October 18.

Do I hear a motion?

DEPUTY TREASURER BELL: Move.

MR. MacCALUS: Okay, on the motion, Assemblyman Gusciora.

ASSEMBLYMAN GUSCIORA: Abstain.

MR. MacCALUS: Senator Scutari.

SENATOR SCUTARI: Abstain.

MR. MacCALUS: Assistant Treasurer Bell.

DEPUTY TREASURER BELL: Approve.

MR. MacCALUS: It is unapproved, but that's okay.

Senator Scutari, Chair, would you like to open the meeting here?

SENATOR SCUTARI: Okay. Thank you.

Thank you, members, for electing me as your Chairman for this session.

The first order of business, as I understand it, will be Lease No. 11 from our previously supplied agenda.

Is that correct? (affirmative response)

Would you like to tell us briefly about it? And I think there will be a different vote on that.

STEVEN M. SUTKIN: Okay.

Number 11 -- which we have Chief of Staff Chuck Chianese sitting in for Deputy State Treasurer Debra Bell -- is the rental of land for a tower and equipment house used by the Division of State Police, in the Department of Law and Public Safety. It's located in Montague Township. And it is a six-year lease at the existing site.

SENATOR SCUTARI: Okay.

Members, any questions or concerns regarding the lease for this particular piece of property? (no response)

Seeing none, you can move that lease along.

Do I have a motion to approve the lease?

MR. MacCALUS: Okay. This is for Lease No. 3989, the Department of Law and Public Safety, in Montague -- is it Montague (indicating pronunciation) or Montague (indicating pronunciation)? -- anyway -- Montague Township, New Jersey.

Did we have a motion on that?

I guess we did.

SENATOR SCUTARI: No, we don't. I asked for a motion.

MR. CHIANESE (temporary designee of New Jersey State Treasurer): I'll move the motion.

MR. MacCALUS: Okay. We have a motion.

Assemblyman Gusciora.

ASSEMBLYMAN GUSCIORA: Yes.

MR. MacCALUS: Senator Scutari.

SENATOR SCUTARI: Yes.

MR. MacCALUS: Assistant Treasurer Bell--

Oh, I'm sorry, Chuck Chianese is sitting in for Debra Bell.

MR. CHIANESE: Yes.

MR. SHAUGHNESSY (Counsel): He moved it.

Who seconded?

SENATOR SCUTARI: There wasn't.

The Roberts rules don't call for a second of a committee of this size, unless that's been the previous--

MR. SHAUGHNESSY: It's just previous protocol.

SENATOR SCUTARI: Well, then I will second it.

MR. MacCALUS: Okay.

SENATOR SCUTARI: Okay.

So we'll go to the regular order of business in the agenda, starting at the top of the -- what I believe is No. 1. It's the Department of Transportation, Motor Vehicles services center in Medford.

Is that correct?

MR. SUTKIN: Thank you, Senator. Yes.

I would also like to add, as a housekeeping matter, that No. 10 is being withdrawn. I don't know if you have received notice of that.

SENATOR SCUTARI: We've been apprised of that. So No. 10 will not be voted on today.

MR. SUTKIN: Yes, Mr. Chair.

SENATOR SCUTARI: That's been pulled from the agenda.

MR. SUTKIN: The first item, as you mentioned -- actually the second item, but the first in your book -- is a lease based -- a notice of proposed lease. And you're going to be introduced to a whole host of new acronyms. We use NPL for *notice of proposed lease*. Another one you're going to be hearing a lot of is an SPR. That's called a *space planning request*, and that's basically the document that an agency submits to the Division of Property Management and Construction to begin the leasing process. And it's actually described in the statutes that guide our process.

In any event, this lease is a five-year term lease that will include renewal options. It was an advertised lease proposal and the most cost-effective lease proposal that we received. In fact, I think it's the only lease space proposal that we received -- was from this proposed lessor -- which I submit for approval.

SENATOR SCUTARI: Okay. This is the Motor Vehicle Commission located in Medford. Is that correct?

MR. SUTKIN: Yes, sir.

SENATOR SCUTARI: Any questions regarding this particular lease, which is No. 4325, number one on the agenda?

DEPUTY TREASURER BELL: No.

SENATOR SCUTARI: Seeing none, I'll ask for a motion to approve the lease.

DEPUTY TREASURER BELL: Moved.

SENATOR SCUTARI: Can I have a second?

ASSEMBLYMAN GUSCIORA: Second.

SENATOR SCUTARI: Roll call.

MR. MacCALUS: Roll call, Assemblyman Gusciora.

ASSEMBLYMAN GUSCIORA: Yes.

MR. MacCALUS: Senator Scutari.

SENATOR SCUTARI: Yes.

MR. MacCALUS: Assistant Treasurer Bell.

DEPUTY TREASURER BELL: Yes.

MR. MacCALUS: It has been moved and approved.

SENATOR SCUTARI: Okay.

Next, we have the Department of Human Services, Division of Developmental Disabilities.

This is a new lease in Plainfield, correct?

MR. SUTKIN: Yes.

SENATOR SCUTARI: Can you tell me a little bit more about this?

MR. SUTKIN: This was an advertised procurement. We received four proposals, and this was the most competitive proposal offered.

Do you want to hear-- By the way, we have agency representatives here to discuss any programmatic questions you have.

SENATOR SCUTARI: That would be-- I just want to know a little bit, historically, of why this is being located in Plainfield. I think I

read a little bit about it, but I just want to hear from the Department as to why it's moving there. It's a long-term lease, it's a 10-year lease. And I do share in Senator Sweeney's previously -- remarks when he was on the Committee, in terms of long-term planning and consideration of alternatives to long-term leases, especially considering this is a brand new lease.

And I understand -- the city of Plainfield is in my district -- I spoke to county representatives regarding this. This is a State facility, so they're not really intimately involved in it. But if I could get a historical background of how this lease came to be, where this came from, and why it came in this particular area, just so I can understand it more fully--

MR. SUTKIN: Okay. I will call up a representative from the Department.

But prior to that, just for clarification, we do have a termination option after seven years, and an option to reduce the space by a thousand square feet upon adequate notice, as described -- which will be described in the lease.

But with that being said, I will call up our Human Services representative.

SENATOR SCUTARI: Welcome.

If you could just -- because we don't know everybody who is here -- if you could just tell me your name, and your affiliation, and what you do at that particular--

L E E B E R K E Y: Lee Berkey, Chief of Staff, Division of Developmental Disabilities.

S E T H B A S S I O N: Seth Bassion, Acting Assistant Regional Administrator for the Division of Developmental Disabilities in that region.

SENATOR SCUTARI: Okay. Great. Thank you for being here.

You heard some of the questions I have. Can you just give me an overview of this lease and how it came to be?

MR. BERKEY: This was currently -- the office was displaced about 10 years ago. They were put into what was then temporary space. It is out of catchments area, so consumers who live in the Union County area have to -- will now be able to be closer with this lease. Currently, they're sort of out of catchments.

SENATOR SCUTARI: What is that, *catchments*?

MR. BASSION: The office that we're currently located in is in West Orange, which is actually Essex County.

SENATOR SCUTARI: Okay.

MR. BASSION: So our Union County office is out-of-county for the consumers that are served.

SENATOR SCUTARI: It was in Union County previously?

MR. BASSION: In Springfield, yes.

SENATOR SCUTARI: What was the origination of the displacement from the Union County location?

MR. BASSION: I wasn't there at the time, but I believe it was that we were being bumped out of that space so it could be utilized for someone else's purposes.

SENATOR SCUTARI: And how long ago was that?

MR. BASSION: Approximately 10 years ago.

SENATOR SCUTARI: Okay. So 10 years ago we got kicked out of our lease in Union County. So for 10 years, the people in Union County who needed these kinds of services had to go to West Orange to get them.

MR. BASSION: Correct.

SENATOR SCUTARI: And you've been searching for, apparently, a suitable location for some period of time.

MR. BERKEY: Correct.

SENATOR SCUTARI: Perhaps 10 years.

MR. BERKEY: Yes.

SENATOR SCUTARI: I'm assuming that this is going to be a long-term commitment to this location.

MR. BASSION: Well, it was originally a 10-year, and I understand they negotiated a seven-year plan.

SENATOR SCUTARI: Well, there's a seven-year termination right. It's a 10-year lease.

So not that there is any problem with this particular lease, but this is the kind of thing that I think Senator Sweeney drew to my attention. And this is particularly interesting to me, because it is my district.

But we've been looking to come back to Union County for 10 years. So I don't usually rent a Summer house for 10 years. I might buy it. I know that that was Senator Sweeney's consideration for long-term planning. I share the view with him, as well. I don't necessarily have a problem with this particular thing, but I just wanted to know, historically, how we got to this place.

When is the estimated time that we would be in this space, assuming it's going to be approved?

MR. BERKEY: Renovations would be required, it is our understanding. So it would probably be several months.

MR. BASSION: At least a year or so. It's my understanding that the site needs to be raised -- demolished and rebuilt for the landlord to provide--

SENATOR SCUTARI: This facility is going to be gutted out and rebuilt to our specifications?

MR. BASSION: That's my understanding.

SENATOR SCUTARI: And that will take approximately one year. So we will be paying for the lease while it's being -- or no?

MR. BERKEY: Most likely, yes.

SENATOR SCUTARI: I see a bunch of people shrugging their shoulders, so maybe we won't be.

C H A R L E S J. C O N N E R Y: (speaking from audience) We actually anticipate getting out of this existing lease and into the new lease a little bit earlier.

SENATOR SCUTARI: If you're going to speak, you have to come forward, and you have to tell me who you are.

MR. CONNERY: Hi, I'm Chuck Connery, on behalf of the DPMC.

We actually anticipate that we will get out of the existing site, where we're going on month-to-month, very soon -- probably four to six -- seven months should be pretty much--

SENATOR SCUTARI: That's the West Orange location?

MR. CONNERY: Yes.

SENATOR SCUTARI: Okay.

MR. CONNERY: And into the new location.

SENATOR SCUTARI: And into the new location. So the new location is going to require some retrofitting, I'm assuming.

MR. CONNERY: Absolutely. It's going to be constructed to our current building standards.

SENATOR SCUTARI: All right. Thank you.

MR. CONNERY: Just so you-- What happens procedurally is -- assuming this Committee approves this requirement -- we then finalize our lease documents with the landlord, while at the same time he prepares construction drawings which are finalized and approved by the Department for the construction of this site. The lease is signed, it's constructed, and then we move in.

SENATOR SCUTARI: And I would assume that this is a location that we're going to want to be in -- I mean, this generalized location -- even if it's not this particular lease -- for a long period of time, because the services are required out in this part of the county.

MR. CONNERY: Our anticipation was 10 years. That's what the space planning request from the agency was for. Because of concerns about having general flexibility in our leasing portfolio, we included in this particular negotiation a right to terminate the lease after seven years if we find there's a need to do something else.

SENATOR SCUTARI: Doesn't the county of Union already own a brand new building in Plainfield that we have some offices located?

MR. CONNERY: Yes, they do.

SENATOR SCUTARI: And obviously there's no space left in that building for us to take.

MR. CONNERY: I don't know that there was enough to accommodate this. I'm certain that that space was probably more expensive than this requirement as well.

SENATOR SCUTARI: Understood.

MR. CONNERY: They didn't compete for this particular requirement.

SENATOR SCUTARI: And I don't think it's necessary for me to throw a monkey wrench in this at this point in time. But as has been previously put forward, as I said, by my predecessors here and by myself, if we're going to be in a location for a long, long time-- I mean, we don't lease the State House, we own it. If we understand that a location is going to be needed to be serviced for a long period of time, maybe we should consider longer term options, just because we know that Union County needs to be serviced. They weren't there for 10 years, so we must have been thinking about coming back for a long time.

MR. CONNERY: I don't disagree with you at all. I'm probably not the person to answer that question. I think Ms. Bell or Mr. Sutkin would.

SENATOR SCUTARI: It's not really a question. It's my thought on it. It's kind of my feeling.

MR. CONNERY: We don't disagree with you in our group.

SENATOR SCUTARI: Okay.

Anyone else have any other--

MR. MacCALUS: Motion to approve?

SENATOR SCUTARI: Yes, can I have a motion to approve the lease?

DEPUTY TREASURER BELL: Moved.

ASSEMBLYMAN GUSCIORA: Second.

SENATOR SCUTARI: Roll call.

MR. MacCALUS: For lease NPL No. 4615, for the Department of Human Services, in Plainfield -- Assemblyman Gusciora.

ASSEMBLYMAN GUSCIORA: Yes.

MR. MacCALUS: Senator Scutari.

SENATOR SCUTARI: Yes.

MR. MacCALUS: And Deputy Treasurer Bell.

DEPUTY TREASURER BELL: Yes.

MR. MacCALUS: Okay. It has been approved.

SENATOR SCUTARI: Moving on to number 3. That's 9024, Department of Human Services, Commission for the Blind and Visually Impaired.

MR. SUTKIN: Yes, thank you.

This one is a little different than the typical leases that we have. This is a lease with the Commission for the Blind and Visually Impaired. It's a camp that up until a year or two ago there was a 50-year lease for a \$1 a year.

SENATOR SCUTARI: That ran out, I guess.

MR. SUTKIN: That ran out two years ago.

SENATOR SCUTARI: That's the kind you want long-term.

(laughter)

MR. MacCALUS: Just put a quarter in the meter.

SENATOR SCUTARI: Aren't they usually a hundred years?
(laughter)

MR. SUTKIN: In any event-- In the event that it's not clear, we had been paying a lot of the operating costs: the taxes, the utilities, etc., which amounted to about \$88,000 a year. And the camp expressed the fact that they were unable to function at the former arrangement. And so therefore, there were negotiations resulting in a lease-cost payment which we are required to bring before the Committee.

SENATOR SCUTARI: So it's not really a lot more money when you think about it. We're not going to pay those other costs anymore?

MR. SUTKIN: We still are. It's just the Delta, which represents the rental costs of 30-some-odd-thousand dollars.

SENATOR SCUTARI: All right.

Any questions on this camp -- this lease? (no response)

Can I have a motion to approve?

DEPUTY TREASURER BELL: So moved.

ASSEMBLYMAN GUSCIORA: Second.

SENATOR SCUTARI: Roll call.

MR. MacCALUS: To approve NPL 9024, for the Department of Human Services, in Rockaway, New Jersey -- Assemblyman Gusciora.

ASSEMBLYMAN GUSCIORA: Yes.

MR. MacCALUS: Senator Scutari.

SENATOR SCUTARI: Yes.

MR. MacCALUS: And Deputy Treasurer Bell.

DEPUTY TREASURER BELL: Yes.

MR. MacCALUS: It's been approved.

MR. SUTKIN: The next item on the agenda, number four, is Notice of Proposed Lease 4617. It's to address the closure of Fort Monmouth. It's a Department of Labor, Workforce New Jersey office, to help those workers who are displaced by the Fort's closure. It's a limited lease of two years. It's geographically very close to the Fort and therefore accessible to all the folks who require it.

SENATOR SCUTARI: This is a new location for Workforce investment?

MR. CONNERY: No, it's an existing. It's a continuation of a site that's been there for several years and was really advantageous, in terms of its location to the Fort, in providing services to people who work there.

SENATOR SCUTARI: Okay.

Any other questions regarding it? (no response)

Can I have a motion to approve?

ASSEMBLYMAN GUSCIORA: Actually, I have a question.

SENATOR SCUTARI: Assemblyman Gusciora.

ASSEMBLYMAN GUSCIORA: If the base is being closed, you couldn't find anything on the base?

MR. CONNERY: That was explored actually, and the net result was they wouldn't permit us to open up a Labor facility there.

Mr. Doose is here from Labor. If you want more detail, we can provide it. But the bottom line was that it was explored. It was rejected by the government.

ASSEMBLYMAN GUSCIORA: Thanks.

SENATOR SCUTARI: Okay. Did we have a motion on that yet, or no?

MR. MacCALUS: No.

SENATOR SCUTARI: Can I have one?

DEPUTY TREASURER BELL: Moved.

ASSEMBLYMAN GUSCIORA: Second.

SENATOR SCUTARI: Roll call.

MR. MacCALUS: For NPL 4617, Department of Labor, in Eatontown, New Jersey -- Assemblyman Gusciora.

ASSEMBLYMAN GUSCIORA: Yes.

MR. MacCALUS: Senator Scutari.

SENATOR SCUTARI: Yes.

MR. MacCALUS: And Deputy Treasurer Bell.

DEPUTY TREASURER BELL: Yes.

MR. MacCALUS: It's been approved.

SENATOR SCUTARI: Okay, next.

MR. SUTKIN: Next item is NPL 4618, another lease for the Department of Labor -- its Unemployment and Vocational Rehabilitation program. This is a lease that we're going to be entering into, with the Committee's approval, with the Passaic County Community College. It's a 10-year lease. And in this location, as has been the practice over the last couple of years, they will be collocated with the county labor unemployment offices and vocational rehabilitation offices in a single location.

SENATOR SCUTARI: So this is a new location for-- Do you already have a present location for this facility?

MR. SUTKIN: Yes.

SENATOR SCUTARI: Where is it?

MR. CONNERY: On Broadway, in Paterson. It's a little off the beaten track, but it's in Paterson.

SENATOR SCUTARI: So this will be closer to the other types of services that are located--

MR. CONNERY: Exactly.

SENATOR SCUTARI: Any questions? (no response)

Can I have a motion to approve the lease?

DEPUTY TREASURER BELL: Moved.

SENATOR SCUTARI: Do I have a second?

ASSEMBLYMAN GUSCIORA: Second.

SENATOR SCUTARI: Roll call.

MR. MacCALUS: To approve NPL 4618, Department of Labor, in Paterson -- Assemblyman Gusciora.

ASSEMBLYMAN GUSCIORA: Yes.

MR. MacCALUS: Mr. Chairman.

SENATOR SCUTARI: Yes.

MR. MacCALUS: And Deputy Treasurer Bell.

DEPUTY TREASURER BELL: Yes.

MR. MacCALUS: It has been approved.

MR. SUTKIN: The next item is NPL 4548. And just to give you a little bit of a broader perspective, the next four items relate to DYFS and DYFS-related services.

This first one is for the Law Guardian, which gets involved in DYFS cases representing the different parties where there might be a

conflict between the child or the parent, or whoever. So in any event, this is to accommodate two new attorneys in the Office of the Public Defender, Law Guardian, in Mount Holly -- in the already Mount Holly office. And this is an increase in space and increase in rental costs, arising from the fact that we're bringing in two additional lawyers for the Law Guardian's office.

SENATOR SCUTARI: How much new space for two lawyers?

MR. CONNERY: That's actually a little deceiving. What their program calls for, and what their plan is-- Currently, we have Law Guardian collocated with the trial unit of the Public Defender's Office. They're in very tight quarters now. The addition of the two Law Guardian lawyers created a scenario where it made more sense to take that smaller unit and move it into this segregated space of 2,000 square feet. That will allow for -- it will allow them to handle the overcrowding in the existing space, and also provide additional space for the two new lawyers for the Law Guardian, and allow them to have a discrete area of their own.

SENATOR SCUTARI: How many people are at that location now?

MR. CONNERY: Right now, I believe there's 30 people in that location.

SENATOR SCUTARI: Okay. Can I have a motion to approve the lease, unless there are any questions?

ASSEMBLYMAN GUSCIORA: So moved.

SENATOR SCUTARI: Moved by Assemblyman Gusciora.

DEPUTY TREASURER BELL: Second.

SENATOR SCUTARI: Roll call.

MR. MacCALUS: On NPL 4548 -- it's an amendment to the Department of the Treasury, Office of the Public Defender, in Mount Holly -- Assemblyman Gusciora.

ASSEMBLYMAN GUSCIORA: Yes.

MR. MacCALUS: Chairman Scutari.

SENATOR SCUTARI: Yes.

MR. MacCALUS: And Deputy Treasurer Bell.

DEPUTY TREASURER BELL: Yes.

MR. MacCALUS: It's been approved.

MR. SUTKIN: The next item is number seven on the agenda, NPL No. 4378, again for the Department of Children and Families, DYFS Division. It was an advertised requirement. And the proposed lessor is the one that submitted the most cost-effective lease proposal. It is a new, 10-year lease for the Department. And it converts a current month-to-month and consolidates some of its spots and locations into one single space, in Mercer County, particularly in Lawrenceville.

I submit it for approval.

SENATOR SCUTARI: This is a consolidation effort?

MR. SUTKIN: In part.

SENATOR SCUTARI: Okay. Any questions?

MR. SUTKIN: It's a consolidation of DYFS offices, not--

SENATOR SCUTARI: That's what I meant. I mean, to bring some of the services into the same location.

MR. SUTKIN: Right. They're not collocating with other departments.

SENATOR SCUTARI: I didn't mean that. I'm sorry.

DEPUTY TREASURER BELL: Moved.

ASSEMBLYMAN GUSCIORA: Just one-- Why can't these operations be in DYFS, in Trenton?

MR. SUTKIN: I'm sure--

ASSEMBLYMAN GUSCIORA: Why is there a need to be a satellite office?

MR. CONNERY: I think we'd probably get a better explanation from DYFS.

STEVEN HATOLA: Good morning.

I'm Steven Hatola, and I'm the Director of Facilities and Support Services for the Department of Children and Families.

We already have a presence in Trenton at 120 Stockton Street, but there is no more room, and we aren't able to expand at that site. And there's also other issues where we have clients outside of the Trenton area, as well, that need service. So that's the reason why we decided on Lawrenceville.

ASSEMBLYMAN GUSCIORA: Just thought it would be more economical to have one office per county.

SENATOR SCUTARI: Well, that-- I just want to follow up with what the Assemblyman said. I mean, it seems to me that the State really needs to be in every county seat in the state. I mean, is that-- Do we have locations in just about every county seat: Morristown, Elizabeth, New Brunswick?

MR. SUTKIN: Regardless of DYFS, you're talking about.

SENATOR SCUTARI: Just regardless of anything. I mean, the State itself has departments in just about every county seat.

MR. SUTKIN: Yes.

SENATOR SCUTARI: Shouldn't we own a building -- one in each county seat? And then we'd have all the space we needed.

MR. SUTKIN: We'd have to do the analysis to make a determination whether that made sense.

SENATOR SCUTARI: Well, I don't know if it makes sense. It's just a thought.

MR. SUTKIN: Well, I know, for example, in some of the southern counties, they share-- I don't recall if it's recent, but for example in Gloucester County, the county seat for some of the trials and the courtrooms will incorporate some of the other vicinages. So maybe most of the counties--

SENATOR SCUTARI: Well, in the counties, the courts have to be provided to us by the county. We provide the employees, they provide the physical facilities. But that's the only requirement they have. We probably have other agencies in Elizabeth, in New Brunswick, in Trenton, obviously, that -- and in all these other places -- Paterson -- that need space. That's why we lease them -- because we need to put them somewhere. The services need to be in the community. Everybody can't come to Trenton. That's why we have all these different locations.

And I guess that goes more toward long-term considerations. Ten-year leases-- And it just seems as though we're going to need some space everywhere in this state at some point in time. We should be thinking about how long we're going to need it for. I don't think that the need is going to become any less needy in New Brunswick or Paterson 25 years from now. We're going to still need a location there.

That's just an overarching thought that I'm having.

ASSEMBLYMAN GUSCIORA: Just to follow up, this is an instance where not only do we have a presence in the county seat, but a satellite within the county. Wouldn't it be more productive to just have one base of operation?

SENATOR SCUTARI: How far is this location from here?

MR. HATOLA: About five miles at the most.

SENATOR SCUTARI: Less than five miles. So it's necessary to put a location out there because it's more--

MR. HATOLA: There are a lot of considerations. There's not only the space that we couldn't find in the existing building, because many of the urban cities don't have the kind of space we need. There's also parking considerations as well. So I couldn't agree with you more. We want a presence in any of the county seats where there is the court. The Division of Youth and Family Services interacts a lot with the courts. And it's to our advantage to be in a location like that. It's just not always easy to get that kind of space.

You take Elizabeth as well, where we're overcrowded. We don't have parking. Parking is hard to find. So it's challenging, is all I'm saying. I think the concept is excellent.

SENATOR SCUTARI: How many different-- Well, the Assemblyman brought up this particular area, so let's just stay with it for a second.

This is not a new location, right? I mean, you're already located out here in Lawrenceville?

MR. HATOLA: Correct.

SENATOR SCUTARI: And it's necessary for them -- DYFS to be out in that location? There's no way to--

MR. HATOLA: We would have taken other locations. That location works for us.

SENATOR SCUTARI: Right. But I think what he's suggesting is that we already have a location here in Trenton, do we not?

MR. HATOLA: That's correct.

SENATOR SCUTARI: And there's no way that that spot in Trenton could be consolidated with this one?

MR. HATOLA: That building is filled to capacity, and so it puts you at a disadvantage, unless you want to move somebody out. Then it becomes complicated.

ASSEMBLYMAN GUSCIORA: Get a larger building in Trenton, and it would accommodate both -- just to save money on operational costs.

MR. HATOLA: I think we'd be willing to-- I mean, if that kind of situation occurs, we would certainly entertain it.

ASSEMBLYMAN GUSCIORA: There are a number of buildings down on West State Street that everybody can probably--

I'm new at this, so it's just an observation.

SENATOR SCUTARI: It doesn't make your idea any less valid. (laughter)

MR. SUTKIN: I just want to add--

ASSEMBLYMAN GUSCIORA: And it's my district. I want to spread the wealth around, but I just think I want to save some money.

MR. SUTKIN: Just to add some additional information that doesn't come through, through the presentation of each individual lease-- But we have a very aggressive, ongoing consolidation effort--

SENATOR SCUTARI: I'm aware of that.

MR. SUTKIN: --within Trenton and within the capital region.

SENATOR SCUTARI: Consolidation meaning trying to bring services into one location.

MR. SUTKIN: Into State-owned and/or into a magnet lease, which we know is a good lease, a cost-effective lease, which, for example, might be in the middle of State Street, which we know we don't want to leave vacant -- right in the middle of State Street. And for this upcoming fiscal year alone, those consolidation efforts will be booked at an amount of \$3 million. And we've projected that over the next few years, and it increases every year. And I didn't want to burden the agenda this time with a lot of discussion about that. But in the next meeting -- which we're hoping to schedule by vote here today -- we'll be discussing those consolidation efforts: what we've been doing to close out leases and bringing them into leases. And we do consider adjacencies of like agencies. Sometimes they don't have to be together. It makes sense, if you look at the very brief perspective -- whether it makes sense -- it might look like it does, but it doesn't. And you can bring in other agencies, you can take advantage of Federal reimbursement -- like, for example, with the Department of Labor -- to make the most effective portfolio that you can.

But we'll be happy to present that at the next meeting.

SENATOR SCUTARI: Well, just along those lines -- and I think there's going to be some talk about long-term planning. I will think--

I'll say it again, I said it before, that we would want-- We're going to need a presence in Trenton, in every county seat in New Jersey, just about, unless you tell us otherwise. That's why we have so many leases, because we need to-- And most of the leases are going to be in the most populous areas, or wherever you can get your best deal.

MR. SUTKIN: Well, I can tell you that--

SENATOR SCUTARI: I know that we don't pay property taxes on buildings we own.

MR. SUTKIN: No, but we do pay pilots.

SENATOR SCUTARI: Sometimes we do. That's not a legal requirement for that. That's just something we do because we're nice.

MR. SUTKIN: Comedy.

SENATOR SCUTARI: We may not have that luxury anymore if you look at the budget as it's going to be approved next week.

MR. SUTKIN: Right. And we do have almost a test case. We just finished our analysis, and we'll be discussing this probably next time, of State Police barracks that we lease right now. And we've done a full economic analysis on purchasing those sites. We can talk about it in this meeting.

SENATOR SCUTARI: It's a buyer's market out there, isn't it?

MR. SUTKIN: It is.

SENATOR SCUTARI: That's what they tell me at least.

MR. SUTKIN: But if you can't get appropriated capital or debt, you can't buy it.

SENATOR SCUTARI: Sure. Right now we don't have to go to the--

MR. SUTKIN: Pardon me?

SENATOR SCUTARI: We can do that right now. That may change shortly, but right now we can still do that.

MR. SUTKIN: I understand.

SENATOR SCUTARI: Okay.

Assemblyman, any other questions or concerns with respect to this particular agenda item? (negative response)

Can I have a motion to approve that then?

DEPUTY TREASURER BELL: Moved.

ASSEMBLYMAN GUSCIORA: Second.

SENATOR SCUTARI: Roll call.

MR. MacCALUS: To approve NPL 4378, the Department of Children and Families, in Lawrenceville, New Jersey -- Assemblyman Gusciora.

ASSEMBLYMAN GUSCIORA: Yes.

MR. MacCALUS: Chairman Scutari.

SENATOR SCUTARI: Yes.

MR. MacCALUS: And Deputy Treasurer Bell.

DEPUTY TREASURER BELL: Yes.

MR. MacCALUS: It's been approved.

SENATOR SCUTARI: Next is the DYFS location in Cranford.

MR. SUTKIN: Yes. This is an amendment. It's NPL 4477, and it's an amendment for 7,400 square feet, for an additional 53 employees in the DYFS offices.

SENATOR SCUTARI: Well, that sounds more reasonable than we have to get a whole new lease for two new employees.

This is a current office building that we're taking some more space in, correct?

MR. SUTKIN: Yes.

SENATOR SCUTARI: Any questions on that agenda item?

(no response)

Can I have a motion to approve the agenda item?

DEPUTY TREASURER BELL: Moved.

ASSEMBLYMAN GUSCIORA: Second.

SENATOR SCUTARI: Roll call.

MR. MacCALUS: To approve amendment to Lease No. 4477, the Department of Children and Families, in Cranford, New Jersey -- Assemblyman Gusciora.

ASSEMBLYMAN GUSCIORA: Yes.

MR. MacCALUS: Senator Scutari.

SENATOR SCUTARI: Yes.

MR. MacCALUS: And Deputy Treasurer Bell.

DEPUTY TREASURER BELL: Yes.

MR. MacCALUS: It's been approved.

SENATOR SCUTARI: Next, the DYFS location in Gloucester County.

MR. SUTKIN: Yes, this is another DYFS initiative, as you mentioned. It's NPL 4566. I will note for the record that the SPR, the space planning request, is identified as an additional 15,000 approximate square feet in one of your summaries. It really was approved for 8,000 square feet. And this initiative will result in an additional 2,200 square feet, not a decrease of 5,800 square feet. It's a combination of a couple of

leases where we have negotiated the cost at the less expensive lease, and combined it and extended the term to make them coterminous.

Chuck, do you have anything to add to that?

MR. CONNERY: No, not really.

In a nutshell, what we've done is combined two leases at the lower rate that we had for one lease. We've added a small amount of space to accommodate overcrowding. And we've reduced costs on a significant portion of that leasehold.

MR. SUTKIN: We submit it for approval.

SENATOR SCUTARI: Any questions on the agenda item?

ASSEMBLYMAN GUSCIORA: Yes.

Not to disparage anybody in South Jersey, but isn't the rent cheaper down there? I mean, this is pretty comparable to North Jersey.

SENATOR SCUTARI: Square footage.

ASSEMBLYMAN GUSCIORA: I just thought Gloucester County would be a bigger bargain for the State.

MR. CONNERY: I think it really depends from space to space. We've got some great leases in North Jersey at very favorable rates, and we've got some very good ones in South Jersey. Many times it depends on what's available, who is willing to lease to us. There's a lot of factors. We're always driven by the lowest possible price we can get that will accommodate our needs.

SENATOR SCUTARI: All right. Any other questions on the lease? (no response)

Seeing none, can I have a motion to approve?

DEPUTY TREASURER BELL: Move.

SENATOR SCUTARI: Do I have a second?

ASSEMBLYMAN GUSCIORA: Second.

SENATOR SCUTARI: Roll call.

MR. MacCALUS: To approve the amendment of Lease No. 4566 for the Department of Children and Families, in Cranford -- Assemblyman Gusciora.

ASSEMBLYMAN GUSCIORA: Yes.

MR. MacCALUS: Chairman Scutari.

SENATOR SCUTARI: Yes.

MR. MacCALUS: And Deputy Treasurer Bell.

DEPUTY TREASURER BELL: Yes.

MR. MacCALUS: It has been approved.

SENATOR SCUTARI: Okay. Number 12.

MR. SUTKIN: Yes, number 12 is a lease for the Department of Law and Public Safety, Division of State Police. It's a new, five-year lease for the Division at its current location, however at a reduced rental.

We submit it for approval.

SENATOR SCUTARI: Any questions on that? (no response)

ASSEMBLYMAN GUSCIORA: So moved.

SENATOR SCUTARI: Do I have a second?

DEPUTY TREASURER BELL: Second.

MR. MacCALUS: For Lease No. 4056, Department of Law and Public Safety, in West Paterson, New Jersey -- Assemblyman Gusciora.

ASSEMBLYMAN GUSCIORA: Yes.

MR. MacCALUS: Chairman Scutari.

SENATOR SCUTARI: Yes.

MR. MacCALUS: And Deputy Treasurer Bell.

DEPUTY TREASURER BELL: Yes.

MR. MacCALUS: It's been approved.

Next one.

MR. SUTKIN: Thank you.

The next item on the agenda, number 13, NPL 4423 -- it's for the Department of Law and Public Safety, Division of Gaming Enforcement. It's a lease for additional testing needs for the games of chance that Gaming Enforcement monitors. It's in the same location. We will be relocating 11 staff to that location. And the area where they currently work will be used for the testing efforts of the Division of Gaming and Enforcement.

SENATOR SCUTARI: They're bringing 11 new employees over to this location? And you're telling me that--

MR. SUTKIN: Into the amended area.

SENATOR SCUTARI: --where they're leaving you're going to need for other needs.

MR. SUTKIN: Yes, they're going to be testing the games.

SENATOR SCUTARI: Okay. Any questions on that? (no response)

Can I have a motion to approve?

DEPUTY TREASURER BELL: Move.

ASSEMBLYMAN GUSCIORA: Second.

SENATOR SCUTARI: Roll call.

MR. MacCALUS: To approve the amendment of Lease No. 4423, Department of Law and Public Safety, Gaming Enforcement, in Atlantic City -- Assemblyman Gusciora.

ASSEMBLYMAN GUSCIORA: Yes.

MR. MacCALUS: Chairman Scutari.

SENATOR SCUTARI: Yes.

MR. MacCALUS: Deputy Treasurer Bell.

DEPUTY TREASURER BELL: Yes.

MR. MacCALUS: It's been approved.

SENATOR SCUTARI: Okay. That is it for the agenda items, correct?

MR. MacCALUS: Yes.

MR. SUTKIN: I have one additional item that I'd like to bring for the Committee's consideration, and that's for considering scheduling the next two meetings -- if we could schedule them out in advance.

SENATOR SCUTARI: We can do that, but we're not going to do that right now.

MR. SUTKIN: Okay.

SENATOR SCUTARI: I don't have my calendar in front of me.

MR. SUTKIN: I took a shot. (laughter)

SENATOR SCUTARI: The Assemblyman and I will get on the phone this week, and we'll pick some Committee days.

MR. SUTKIN: Thank you.

Just for your consideration, we listed a couple right on the agenda if you want to take a look at them.

SENATOR SCUTARI: Just so-- I mean, I think you can understand where the Assemblyman and I are both going, in terms of the-- We approved these leases today, and we didn't want to throw a monkey wrench into the long, hard work that you put forward in trying to change these locations. But in terms of long-term consideration, that might not be as easy going forward, because of the fact that--

MR. SUTKIN: Okay.

SENATOR SCUTARI: I understand the consolidation effort -- and that is a good one. But the way I'm thinking is, we're going to need more and more-- We're going to need space in these same places, and we can probably reasonably figure out what towns these are going to be in.

Okay.

MR. SUTKIN: Thank you.

MR. MacCALUS: Motion to adjourn?

SENATOR SCUTARI: I thought we had some presentations.

MR. MacCALUS: There are no presentations because they-- You're putting them off until next meeting, right?

MR. SUTKIN: Yes.

SENATOR SCUTARI: Oh, I thought we were going to have some presentations regarding three -- the Department of Agriculture, Human Services, and Law and Public Safety.

MR. SUTKIN: We were going to. But again, because this was the first meeting, the determination was made that we didn't want to burden the record, especially at this time of year. We thought you'd be pressed for time.

SENATOR SCUTARI: I have all day. This is it for me.
(laughter) I'm here for you to--

MR. SUTKIN: We didn't put them on the agenda. We purposely pulled them. We were prepared to go.

SENATOR SCUTARI: All right. Well, we'll be more prepared next time for questions.

MR. SUTKIN: Okay.

SENATOR SCUTARI: All right. Motion to adjourn, please.

ASSEMBLYMAN GUSCIORA: So moved.

DEPUTY TREASURER BELL: Second.

MR. MacCALUS: All in favor? (affirmative responses)

We're adjourned.

(MEETING CONCLUDED)