
Committee Meeting

of

JOINT STATE LEASING AND SPACE UTILIZATION COMMITTEE

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

DATE: June 6, 2013
10:30 a.m.

MEMBERS OF COMMITTEE PRESENT:

Senator Nicholas P. Scutari, Chair
Assemblyman Albert Coutinho
Robert Romano



ALSO PRESENT:

Carl T. Costantino
Committee Aide

Mark S. Kaminski
Secretary

Gary Kotler
Counsel

Ed Oatman
*Senate Majority
Committee Aide*

Meeting Recorded and Transcribed by
The Office of Legislative Services, Public Information Office,
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SENATE
SENATOR NICHOLAS P. SCUTARI, *Chairman*

GENERAL ASSEMBLY
ASSEMBLYMAN ALBERT COUTINHO

TREASURY
DEPUTY STATE TREASURER ROBERT ROMANO

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**STATE LEASING & SPACE UTILIZATION COMMITTEE
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TRENTON, NEW JERSEY 08625-0068**

COMMITTEE NOTICE

TO: MEMBERS OF THE STATE LEASING AND SPACE UTILIZATION COMMITTEE
FROM: SENATOR NICHOLAS P. SCUTARI, CHAIRMAN
DATE: May 30, 2013
SUBJECT: COMMITTEE MEETING – June 6, 2013

The public may address comments and questions to Carl T. Costantino, Committee Aide, or make status and scheduling inquiries to Mark S. Kaminski, Committee Secretary, at (609) 847-3355.

The State Leasing and Space Utilization Committee will meet Thursday, June 6, 2013, at 10:30AM in the State House Annex, Committee Room 3, Trenton NJ 08625.

STATE LEASING AND SPACE UTILIZATION COMMITTEE

**AGENDA
June 6, 2013**

TAB#	NPL#	LEASING ACTION
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DEPARTMENT OF CHILDREN & FAMILIES

- 1 4546 **Division of Child Protection & Permanency, One Harmon Meadow Blvd., Secaucus, NJ**
Five (5) year extension with cost savings plus additional space.

DEPARTMENT OF EDUCATION

- 2 4048 **Learning Resource Center, 100 American Road, Morris Plains, NJ**
Five (5) year extension with cost savings.

JUDICIAL BRANCH

- 3 4303 **Chancery, General Equity Court, 1 North Broad Street, Woodbury, NJ**
Ten (10) year extension with County.
- 4 4654 **Appellate Division, 1201 New Road, Suite 140, Linwood, NJ**
New ten (10) year lease with a right to cancel after years five (5) and seven (7), respectively.

DEPARTMENT OF LABOR

- 5 4488 **Division of Workforce Development, 174-180 East Broadway, Salem, NJ**
Five (5) year extension with County Community College with renewal option.

MOTOR VEHICLE COMMISSION

- 6 4445 **Motor Vehicle Service Center Office, 712 East Bay Avenue, Manahawkin, NJ**
Seven (7) year extension with cost savings.

VARIOUS DEPARTMENTS AND OFFICES

- 7 4346 **Treasury and Law & Public Safety, Casino Control – Administrative Services,
Gaming Enforcement – Fingerprint/License/Revenue, Criminal Justice –
Atlantic City Task Force, Civil Rights – Enforcement, Tennessee Avenue &
Boardwalk, Atlantic City, NJ**
Six (6) year extension with cost savings.
- 8 4221 **Office of the Public Defender - District Office and the Department of
Community Affairs - Super Storm Sandy Recovery, 236 Main Street, Toms
River, NJ**
Six and one-half (6 ½) year lease extension prospectively with cost savings and
the right to reduce square footage (resubmitted).

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SENATOR NICHOLAS P. SCUTARI (Chair): Good morning, everyone.

I call the meeting of the Space Utilization Committee to order.

Roll call.

MR. COSTANTINO: Senator Scutari.

SENATOR SCUTARI: Here.

MR. COSTANTINO: Assemblyman Coutinho.

ASSEMBLYMAN COUTINHO: Here.

MR. COSTANTINO: And Deputy Treasurer Romano.

DEPUTY TREASURER ROMANO: Here.

MR. COSTANTINO: Senator, you have three members in attendance. You have a quorum.

SENATOR SCUTARI: Excellent.

Could you dispense with the reading of the Open Public Meetings Act?

MR. COSTANTINO: Sure.

Notice of this meeting of the State Leasing and Space Utilization Committee was provided to the Secretary of State, the *Trenton Times*, and the State House Press on May 31.

The next thing we have on our agenda is--

SENATOR SCUTARI: I thought we did that already, but I guess we have to reelect--

MR. KOTLER: It's the first meeting of the year, Senator.

SENATOR SCUTARI: This is the first meeting of the year?

MR. COSTANTINO: It is, yes.

ASSEMBLYMAN COUTINHO: Mr. Chairman, I'd like to nominate Senator Scutari to be the Committee Chairman.

SENATOR SCUTARI: Thank you, Assemblyman, for your continued confidence.

MR. KOTLER: Second?

DEPUTY TREASURER ROMANO: I second.

MR. COSTANTINO: Senator Scutari.

SENATOR SCUTARI: Yes.

MR. COSTANTINO: Assemblyman Coutinho.

ASSEMBLYMAN COUTINHO: Yes.

MR. COSTANTINO: And Deputy Treasurer Romano.

DEPUTY TREASURER ROMANO: Yes.

MR. COSTANTINO: Senator, you have three votes in the affirmative. Congratulations.

SENATOR SCUTARI: Thank you. Thank you, Mr. Assemblyman, thank you. (applause) Yes, Tuesday's victory was a little easier. (laughter)

Okay, approval of the minutes from the December 13, 2012 meeting.

ASSEMBLYMAN COUTINHO: So moved.

DEPUTY TREASURER ROMANO: Second.

SENATOR SCUTARI: Roll call.

MR. COSTANTINO: Senator Scutari.

SENATOR SCUTARI: Yes.

MR. COSTANTINO: Assemblyman Coutinho.

ASSEMBLYMAN COUTINHO: Yes.

MR. COSTANTINO: And Deputy Treasurer Romano.

DEPUTY TREASURER ROMANO: Yes.

MR. COSTANTINO: Senator, you have three votes in the affirmative. The motion to approve the December 13, 2012 meeting minutes carries.

SENATOR SCUTARI: Excellent. Okay, thank you.

So we'll move onto the presentations of the NPLs.

Mr. Sutkin.

S T E V E N M. S U T K I N: Thank you, Chairman.

The first lease that we're presenting for your consideration is Notice of Proposed Lease No. 4546. It's for the Division of Child Protection and Permanency. It is a five-year extension where we've negotiated cost savings with the lessor. The rental savings over the course of the five years will be in the amount of \$284,000. And the lease will go out presently to May 1, 2020. And we submit it for your consideration.

SENATOR SCUTARI: Okay.

Any questions? (no response)

Seeing none, I'll entertain a motion for NPL 4546.

ASSEMBLYMAN COUTINHO: So moved.

DEPUTY TREASURER ROMANO: Second.

SENATOR SCUTARI: Roll call.

MR. COSTANTINO: Senator Scutari.

SENATOR SCUTARI: Yes.

MR. COSTANTINO: Assemblyman Coutinho.

ASSEMBLYMAN COUTINHO: Yes.

MR. COSTANTINO: Deputy Treasurer Romano.

DEPUTY TREASURER ROMANO: Yes.

MR. COSTANTINO: Senator, you have three votes in the affirmative. The motion to approve NPL 4546 is approved.

SENATOR SCUTARI: Thank you.

The next NPL.

MR. SUTKIN: The second lease for your consideration is 4048. It's the Learning Resource Center for the Department of Education in Morris Plains. It's a relatively small lease -- only 10,000 square feet. It's a very cheap price -- \$15.27 a square foot gross. And we're bringing it out from the expiration OF August 1, 2013--

SENATOR SCUTARI: Inexpensive; that's the-- Inexpensive.

MR. SUTKIN: Yes, inexpensive. (laughter) From 8/1/13 to 8/1/18. It is submitted for your consideration.

SENATOR SCUTARI: Any questions on NPL 4048? (no response)

Seeing none, I'll ask for a motion.

ASSEMBLYMAN COUTINHO: So moved.

DEPUTY TREASURER ROMANO: Second.

SENATOR SCUTARI: Roll call, please.

MR. COSTANTINO: Senator Scutari.

SENATOR SCUTARI: Yes.

MR. COSTANTINO: Assemblyman Coutinho.

ASSEMBLYMAN COUTINHO: Yes.

MR. COSTANTINO: And Deputy Treasurer Romano.

DEPUTY TREASURER ROMANO: Yes.

MR. COSTANTINO: Senator, you have three votes in the affirmative, none in the negative. And the motion to approve NPL 4048 is approved.

SENATOR SCUTARI: Thank you.

The next NPL.

MR. SUTKIN: It is 4303 -- The Chancery Court in Woodbury. It's a lease with the county, which will bring it at-- It's a 10-year lease, but we have back-out provisions in the event something happens. I submit it for consideration.

Any questions on the NPL 4303?

ASSEMBLYMAN COUTINHO: Real quickly -- I do see the first few leases we had some small savings. This one, it appears, that it's going to be an incremental cost. Is there an explanation as to why?

MR. SUTKIN: We have-- When it comes to private leases, in order for us to take private leases out further with an extension, it has to have cost savings associated with the budgetary language. But this is a lease with the county. So we're allowed to have it reflect cost increases in those types of arrangements with other governmental entities.

ASSEMBLYMAN COUTINHO: Okay. What percentage increase is this?

MR. SUTKIN: The cost increase is \$2 a square foot increase.

ASSEMBLYMAN COUTINHO: All right. I'm okay, Mr. Chairman. Thank you.

SENATOR SCUTARI: Thank you, Assemblyman Coutinho.

Any other questions? (no response)

Seeing none, I'll entertain a motion.

ASSEMBLYMAN COUTINHO: So moved.

DEPUTY TREASURER ROMANO: Second.

SENATOR SCUTARI: Roll call, please.

MR. COSTANTINO: Senator Scutari.

SENATOR SCUTARI: Yes.

MR. COSTANTINO: Assemblyman Coutinho.

ASSEMBLYMAN COUTINHO: Yes.

MR. COSTANTINO: And Deputy Treasurer Romano.

DEPUTY TREASURER ROMANO: Yes.

MR. COSTANTINO: Senator, you have three votes in the affirmative, zero in the negative. The motion to approve NPL 4303 carries.

SENATOR SCUTARI: Thank you.

The next NPL is 4654.

MR. SUTKIN: This is another lease for the Judiciary, but it's for the Appellate Division. There was an advertised procurement. And it's located in Linwood, New Jersey, and it's similarly a 10-year lease but with the right to cancel after years 5 and 7.

We also have some additional information. Gary Kotler pointed out to us that we had an error in one of our submissions. Craig, can you speak to that? We just adjusted--

CRAIG S. BRUCH: I think what it was -- hold on--

MR. SUTKIN: Basically, I had identified that there were no pass-throughs, but there are pass-throughs. And that's the sum and substance of it.

We submit it for your consideration.

SENATOR SCUTARI: Okay.

No questions? (no response)

ASSEMBLYMAN COUTINHO: So moved.

DEPUTY TREASURER ROMANO: Second.

SENATOR SCUTARI: Roll call, please.

MR. COSTANTINO: Senator Scutari.

SENATOR SCUTARI: Yes.

MR. COSTANTINO: Assemblyman Coutinho.

ASSEMBLYMAN COUTINHO: Yes.

MR. COSTANTINO: And Deputy Treasurer Romano.

DEPUTY TREASURER ROMANO: Yes.

MR. COSTANTINO: Senator, you have three votes in the affirmative, zero in the negative. The motion to approve NPL 4654 is approved.

SENATOR SCUTARI: Thank you.

The next NPL is 4488.

MR. SUTKIN: Yes, this is for the Department of Labor, Division of Workforce Development, and it's in Salem County. It's a five-year extension with another governmental entity -- in this case, the County Community College -- with renewal options. We submit it for approval.

SENATOR SCUTARI: Any questions on the NPL? (no response)

ASSEMBLYMAN COUTINHO: So moved.

DEPUTY TREASURER ROMANO: Second.

SENATOR SCUTARI: Roll call.

MR. COSTANTINO: Senator Scutari.

SENATOR SCUTARI: Yes.

MR. COSTANTINO: Assemblyman Coutinho.

ASSEMBLYMAN COUTINHO: Yes.

MR. COSTANTINO: And Deputy Treasurer Romano.

DEPUTY TREASURER ROMANO: Yes.

MR. COSTANTINO: Senator, you have three votes in the affirmative, zero in the negative. The motion to approve NPL 4488 is approved.

SENATOR SCUTARI: Thank you.

The next NPL is 4445.

MR. SUTKIN: Yes, this is a lease for the Motor Vehicle Service Center in Manahawkin.

We've identified it as a seven-year extension; really it's only a two-year net extension because we have a five-year renewal already existing. So in order to garner greater savings, we made the savings over the course of the entire seven years. And it's \$2.75 a square foot savings. And we submit it for approval.

SENATOR SCUTARI: This is a Motor Vehicle Commission office, correct?

MR. SUTKIN: Yes.

SENATOR SCUTARI: I mean, you've been moving towards the purchasing of those.

MR. SUTKIN: We have purchased--

SENATOR SCUTARI: I know that in the Rahway place you just got a big expansion -- I know that.

MR. SUTKIN: We've built some.

SENATOR SCUTARI: Yes.

MR. SUTKIN: We've been building some. We have a mixed portfolio.

And I know you've expressed it before that we're not getting out of the Motor Vehicle Services business.

SENATOR SCUTARI: I would think that we're still going to keep registering cars.

MR. SUTKIN: We are, but they do move and close down places. So there is risk associated with building; it's a mixed bag. I think they closed down two or three, two or three years ago.

SENATOR SCUTARI: They did. Elizabeth was tiny, though. That was a little-- This is in what town?

ASSEMBLYMAN COUTINHO: Manahawkin.

SENATOR SCUTARI: Oh, yes. I know where that is. I go by it all the time.

ASSEMBLYMAN COUTINHO: Did this property get affected during Sandy?

SENATOR SCUTARI: It's pretty far inland.

MR. BRUCH: No, it's inland. It's on Bay Avenue.

SENATOR SCUTARI: It's next to the Value City Furniture -- the old, closed-- (laughter)

DEPUTY TREASURER ROMANO: You know the area well.

SENATOR SCUTARI: It's Jersey, buddy. We all know. (laughter)

Okay. All right. Any other questions? (no response)

ASSEMBLYMAN COUTINHO: So moved.

DEPUTY TREASURER ROMANO: Second.

MR. COSTANTINO: Senator Scutari.

SENATOR SCUTARI: Yes.

MR. COSTANTINO: Assemblyman Coutinho.

ASSEMBLYMAN COUTINHO: Yes.

MR. COSTANTINO: And Deputy Treasurer Romano.

DEPUTY TREASURER ROMANO: Yes.

MR. COSTANTINO: Senator, you have three votes in the affirmative, zero in the negative. The motion to approve NPL 4445 is approved.

SENATOR SCUTARI: Thank you.

The next NPL is 4346.

MR. SUTKIN: Yes, this is for multiple agencies in the Department of Law and Public Safety -- Tennessee and Boardwalk Avenues. It's a six-year extension, with some cost savings. We submit it for your approval -- for your consideration.

SENATOR SCUTARI: Any questions on NPL 4346? (no response)

Seeing none, I'll--

ASSEMBLYMAN COUTINHO: So moved.

DEPUTY TREASURER ROMANO: Second.

SENATOR SCUTARI: Roll call, please.

MR. COSTANTINO: Senator Scutari.

SENATOR SCUTARI: Yes.

MR. COSTANTINO: Assemblyman Coutinho.

ASSEMBLYMAN COUTINHO: Yes.

MR. COSTANTINO: And Deputy Treasurer Romano.

DEPUTY TREASURER ROMANO: Yes.

MR. COSTANTINO: Senator, you have three votes in the affirmative, zero in the negative. The motion to approve NPL 4346 is approved.

SENATOR SCUTARI: Thank you.

The final NPL is 4221.

MR. SUTKIN: Yes, this is our Toms River lease that we discussed last time. But we've come back with a better story for you.

Actually, we're backfilling about 40 percent of this space with a DCA need associated with Hurricane Sandy, and that's all federally reimbursed dollars, which you don't get that kind of return -- 100 percent -- with State-owned space. So we think it's worthy of approval, and we submit it for your consideration.

SENATOR SCUTARI: The Federal reimbursement bill -- does that go for the length of the lease, for the next seven years, if that's what's agreed upon?

MR. SUTKIN: It depends on how long DCA is in there. We've heard up to two or three years, but we don't know how long they're actually going to be there.

MR. BRUCH: We have the right to terminate as well with 90 days notice for that space.

SENATOR SCUTARI: Okay.

Assemblyman, any other questions?

ASSEMBLYMAN COUTINHO: I'm okay.

SENATOR SCUTARI: Okay. Motion?

ASSEMBLYMAN COUTINHO: So moved.

DEPUTY TREASURER ROMANO: Second.

SENATOR SCUTARI: Roll call.

MR. COSTANTINO: Senator Scutari.

SENATOR SCUTARI: Yes.

MR. COSTANTINO: Assemblyman Coutinho.

ASSEMBLYMAN COUTINHO: Yes.

MR. COSTANTINO: And Deputy Treasurer Romano.

DEPUTY TREASURER ROMANO: Yes.

MR. COSTANTINO: Senator, you have three votes in the affirmative, zero in the negative. The motion to approve NPL 4221 has been approved.

SENATOR SCUTARI: Thank you.

I don't think we have any Executive Session issues, right?

MR. COSTANTINO: No, we don't.

SENATOR SCUTARI: Okay, all right.

That's it; we're adjourned. Thank you.

(MEETING CONCLUDED)