
Committee Meeting

of

STATE LEASING AND SPACE UTILIZATION COMMITTEE

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

DATE: October 3, 2005
1:00 p.m.

MEMBERS OF COMMITTEE PRESENT:

Assemblywoman Nellie Pou, Chair
Senator Stephen M. Sweeney
Robert L. Smartt

ALSO PRESENT:

Bobbie Schott, Acting Committee Aide
Robert J. Shaughnessy, Counsel



Meeting Recorded and Transcribed by
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ASSEMBLYWOMAN NELLIE POU (Chair): Good afternoon, ladies and gentlemen. And thank you for your patience.

At this time, we're going to begin our meeting for the Leasing and Space Utilization Committee.

Good afternoon, Bobbie.

MS. SCHOTT (Acting Committee Aide): Good afternoon, Assemblywoman.

ASSEMBLYWOMAN POU: If you would, please take the roll call.

MS. SCHOTT: Absolutely.

Assemblywoman Pou.

ASSEMBLYWOMAN POU: Here.

MS. SCHOTT: Senator Sweeney.

SENATOR SWEENEY: Here.

MS. SCHOTT: Deputy Treasurer Smartt.

DEPUTY TREASURER SMARTT: Here.

MS. SCHOTT: Assemblywoman, there is a quorum.

ASSEMBLYWOMAN POU: Thank you.

If you could, please read the -- get a motion for the reading of the minutes.

MS. SCHOTT: Should we do the notice of location?

ASSEMBLYWOMAN POU: Yes, please.

MS. SCHOTT: Notice of this meeting of the State Leasing and Space Utilization Committee was provided to the Secretary of State, the *Courier Post*, the *Star-Ledger*, and the *Trenton Times*, as well as the State

House Press, on September 21 and September 27, 2005, in accordance with N.J.S.A. 10:4-6 and 10:4-21, known as the Open Public Meeting Act.

You may proceed, Assemblywoman.

ASSEMBLYWOMAN POU: Thank you, Bobbie.

Give me just one second before we begin -- or before we continue, I should say.

I'm sorry, again.

I think what we're trying to do is get our tab numbers correct and make sure that we're all on the same page.

Good morning.

If you would, please begin.

Before you do -- I'm sorry, Steve -- before you do, let me just make an announcement.

There are going to be two leases that we are currently going to hold from taking any action today. It's been the request from the various departments overseeing those particular leases, for reasons that either they require additional information or that there's going to be further discussion on.

So at this time, I'd like to announce that Lease No. 29 on your -- Tab 8. I'm sorry, it's Lease No. 4005, the Department of Treasury. And the other being 4578 -- oh, I'm sorry, wait, wait -- 4573, from the Department of Labor. Both of those leases, at this time, will be held until our next meeting, or until further discussion.

Okay.

Thank you very much. And I'm going to--

If we can begin from the same order, Steve, we can take it from-- And we can begin with NPL 2142, and go sequentially thereafter.

In my confusion with what's going on here today, please -- Thank you very much -- with the reading of the minutes.

Roll call.

MS. SCHOTT: This would be a motion to approve the minutes of May 19, 2005.

ASSEMBLYWOMAN POU: Motion to move?

SENATOR SWEENEY: Motion.

DEPUTY TREASURER SMARTT: Second.

ASSEMBLYWOMAN POU: Motion has been made and seconded.

Roll call.

MS. SCHOTT: Assemblywoman Pou.

ASSEMBLYWOMAN POU: Yes.

MS. SCHOTT: Senator Sweeney.

SENATOR SWEENEY: Yes.

MS. SCHOTT: Deputy Treasurer Smartt.

DEPUTY TREASURER SMARTT: Yes.

MS. SCHOTT: The minutes are approved.

ASSEMBLYWOMAN POU: Thank you very much.

Steve, we can begin.

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

Before I begin, I just want to say that the vast majority of the items in the book follow the agenda you've been given faithfully. There's a

couple that are out of sequence. So we can either go by the agenda, or we can go by the book, whichever it is that you prefer.

ASSEMBLYWOMAN POU: Is the agenda the same as the tab numbers that I have here?

MR. SUTKIN: Yes.

ASSEMBLYWOMAN POU: Can we then do the tab-- Listing them might be-- It's a smaller document to have to keep going back and forth to. In case there's any questions, we can certainly refer to the book.

MR. SUTKIN: Okay. And they're exactly consistent up until 12, I believe.

ASSEMBLYWOMAN POU: Thank you.

MR. SUTKIN: The first item on the agenda is NPL 2142. It is a notice of proposed lease submitted for approval, pursuant to demand letter -- a demand notice we received on a month-to-month lease. It's for the Division of Parole office, at 99 First Street, in Clinton. There is a move planned for 114 Prospect Street, in the city of Passaic. And this is intended to keep the unit of the Division of Parole stable until that relocation has taken place. I believe that the -- it's only a couple of months away -- the completion of the fit out. We had targeted November, maybe December. But it's very short-term. But just to ensure the stability of the agency, we're seeking the approval for this continued occupancy.

ASSEMBLYWOMAN POU: Seeing no questions, motion for a roll call.

SENATOR SWEENEY: Motion.

DEPUTY TREASURER SMARTT: Second.

ASSEMBLYWOMAN POU: It's been moved and seconded.

Roll call.

MS. SCHOTT: Motion to approve NPL 2142. Chairwoman
Pou.

ASSEMBLYWOMAN POU: Yes.

MS. SCHOTT: Senator Sweeney.

SENATOR SWEENEY: Yes.

MS. SCHOTT: Deputy Treasurer Smartt.

DEPUTY TREASURER SMARTT: Yes.

ASSEMBLYWOMAN POU: Steve.

MR. SUTKIN: Thank you.

The next item on the agenda, No. 2, is a renegotiation of a lease down the block, at 329 West State Street. It houses the Division of Finance and the Division of Taxation. And pursuant to the budget language that allows us to renegotiate leases when there is a cost savings, we negotiated with the landlord for a 10-year extension, in accordance with the terms in the packages. And we submit it for approval.

ASSEMBLYWOMAN POU: Any questions? (no response)

Hearing no questions, motion to move.

SENATOR SWEENEY: Motion.

DEPUTY TREASURER SMARTT: Second.

ASSEMBLYWOMAN POU: It's been moved and seconded.

Roll call.

MS. SCHOTT: Motion to approve NPL 3560. Chairwoman
Pou.

ASSEMBLYWOMAN POU: Yes.

MS. SCHOTT: Senator Sweeney.

SENATOR SWEENEY: Yes.

MS. SCHOTT: Deputy Treasurer Smartt.

DEPUTY TREASURER SMARTT: Yes.

MS. SCHOTT: Motion is approved.

ASSEMBLYWOMAN POU: Next item, please.

MR. SUTKIN: The next item on the agenda is a leasing action on behalf of the Division of State Police, in Upper Deerfield, New Jersey. It's for a month-to-month lease in response to quit and demand for the police barracks in Bridgeton. As I said, it's in response to a quit and demand, and pending the evaluation of alternative plans for the State.

I submit it for approval.

ASSEMBLYWOMAN POU: Any questions? (no response)

Hearing none, motion to move.

DEPUTY TREASURER SMARTT: So moved.

SENATOR SWEENEY: Second.

ASSEMBLYWOMAN POU: It's been moved and seconded.

Roll call.

MS. SCHOTT: Motion to approve NPL package 3643.

Chairwoman Pou.

ASSEMBLYWOMAN POU: Yes.

MS. SCHOTT: Senator Sweeney.

SENATOR SWEENEY: Yes.

MS. SCHOTT: Deputy Treasurer Smartt.

DEPUTY TREASURER SMARTT: Yes.

MS. SCHOTT: Motion is approved.

ASSEMBLYWOMAN POU: Next item, please.

MR. SUTKIN: The next item is No. 4 in the agenda, NPL 3705, for the State Police Troop B, in Hope Township, New Jersey. This is another action in response to a quit and demand, seeking a two-year interim lease, pending evaluation of the long-term plan for State Police in that area. And I submit it for approval.

ASSEMBLYWOMAN POU: Any questions? (no response)

Hearing none, motion to approve.

SENATOR SWEENEY: Motion.

DEPUTY TREASURER SMARTT: Second.

ASSEMBLYWOMAN POU: It's been moved and seconded.

Roll call.

MS. SCHOTT: Motion to approve NPL 3705. Chairwoman Pou.

ASSEMBLYWOMAN POU: Yes.

MS. SCHOTT: Senator Sweeney.

SENATOR SWEENEY: Yes.

MS. SCHOTT: Deputy Treasurer Smartt.

DEPUTY TREASURER SMARTT: Yes.

MS. SCHOTT: Motion approved.

ASSEMBLYWOMAN POU: Thank you.

Next item, please.

MR. SUTKIN: The next item is a lease in Vineland for the Motor Vehicle Commission. It's a new, two-year lease at the existing location for the Motor Vehicle Commission in Cumberland County. We were served with a quit and demand for possession. And we entered into

negotiations with the landlord for a two-year extension, pending completion of the long-term, statewide plans for Motor Vehicle, which are underway.

DPMC submits it for approval.

ASSEMBLYWOMAN POU: Any questions? (no response)

Hearing none, motion to approve.

DEPUTY TREASURER SMARTT: So moved.

SENATOR SWEENEY: Second.

ASSEMBLYWOMAN POU: It's been moved and seconded.

Roll call.

MS. SCHOTT: Motion to approve NPL 3768. Chairwoman
Pou.

ASSEMBLYWOMAN POU: Yes.

MS. SCHOTT: Senator Sweeney.

SENATOR SWEENEY: Yes.

MS. SCHOTT: Deputy Treasurer Smartt.

DEPUTY TREASURER SMARTT: Yes.

MS. SCHOTT: Motion is approved.

ASSEMBLYWOMAN POU: Next item, please.

MR. SUTKIN: The next item is No. 6 in your book. It's NPL 3791. It's a lease for multiple departments, various agencies, in the facility at 5 Woodstown Road, in Salem. This particular leasing action is for a two-year interim lease at the current location in response to a demand letter that we received from the landlord. This will allow continued occupancy by the agencies, pending the identification of a new, long-term location. This is tied to the initiative we talked about a few months ago, where the State is partnering with the county.

ASSEMBLYWOMAN POU: Any questions? (no response)

Motion to approve.

SENATOR SWEENEY: Motion.

DEPUTY TREASURER SMARTT: Second.

ASSEMBLYWOMAN POU: It's been moved and seconded.

Roll call.

MS. SCHOTT: Motion to approve NPL package 3791.

Chairwoman Pou.

ASSEMBLYWOMAN POU: Yes.

MS. SCHOTT: Senator Sweeney.

SENATOR SWEENEY: Yes.

MS. SCHOTT: Deputy Treasurer Smartt.

DEPUTY TREASURER SMARTT: Yes.

MS. SCHOTT: Motion is approved.

ASSEMBLYWOMAN POU: Next item, please.

MR. SUTKIN: The next item, I believe, in the agenda is 3841 -- not following the book, the agenda. This is where there's an inconsistency -- 3841 is in your book at 13, but it appears, I believe, as No. 7 in the agenda.

ASSEMBLYWOMAN POU: Okay.

MR. SUTKIN: This is for the Department of Law and Public Safety, State Police, Hunterdon County, in Union Township. It is in response to a notice to quit from the landlord. And, again, we negotiated a two-year term, pending the long-term plan for State Police. We submit it for approval.

ASSEMBLYWOMAN POU: Any questions? (no response)

Motion to approve.

SENATOR SWEENEY: So moved.

DEPUTY TREASURER SMARTT: Second.

SENATOR SWEENEY: Can I ask one question?

ASSEMBLYWOMAN POU: Sure.

SENATOR SWEENEY: When do you think, Steve, we're going to have plans in place for these different government agencies, long-term plans?

MR. SUTKIN: I'd have to address each one of them individually.

SENATOR SWEENEY: Let's say the State Police.

MR. SUTKIN: State Police -- I know, anecdotally, that over the past few years, there's been exploration to purchase facilities. I don't know if those conversations have bore any fruit. But I know that -- consistent initiative by them to present studies and show whether it's cost-effective-- I haven't been party to those conversations. But if they don't get resolved that way, then we're in a situation where we're vulnerable with month-to-month. And we negotiate these. I know we have representatives from State Police that can speak to that particular issue. But I know that's one of the reasons that we have to have so many on the agenda looking for an extension.

SENATOR SWEENEY: The other, I guess, question I have is-- And, again, this is a big issue for me. As you know, we have no assets a lot of the time, after-- We're spending a lot of money, and we don't have anything to show for it.

Is there any timelines that these agencies need to respond to, to present a long-term plan to the Division? I mean, is the State Police-- Or has the administration, Treasury, someone said, "You will get these reports in by X," or is it just out in the air right now?

MR. SUTKIN: I think it's out in the air.

SENATOR SWEENEY: We should insist on that, through these different departments, because we're making such large commitments -- that they come up with a plan so that we're not here two years, again, negotiating two-year emergency leases. It's not on your end, it's these different departments in government that have a responsibility to put a plan together.

MR. SUTKIN: I think that's correct. I think the large part of the problem is the inability to have the cash available to either purchase, or construct, or borrow. So the hope is that you can build State facilities. The problem is, I think, the cash to build.

SENATOR SWEENEY: Steve, I ran one of the numbers.

And I'm not going to debate, Assemblywoman. I'll stop at this.

I ran one of the numbers on one of the leases. And it actually showed that it's about the same, if not a little bit more expensive, to lease than it would be to own a building. That's what has been driving me, when I look at some of these numbers. Debt service is debt service. The State has the ability, different agencies have the ability to bond, whether it's construction-- The Building Authority or other authorities do have the ability to bond. So that's what we need to focus on.

MR. SUTKIN: We're happy to participate in that conversation.

SENATOR SWEENEY: As you should, too.

MR. SUTKIN: As you know, the other side of the house is construction procurement.

SENATOR SWEENEY: Yes.

Okay. Thank you.

ASSEMBLYWOMAN POU: You're very welcome.

Senator, I think I'd like to just pick up on something that you've just pointed out.

Just to use this as a matter of example, we just completed the lease just before us, which talked about various -- that dealt with various departments, also for the very same information -- or same reasons that you gave us -- that it went from month-to-month. Or actually, in this particular case, you were only able to do that for a two-year period. So it seems to be that there is a pattern developing, in terms of a two-year period for the extension of any of the ongoing discussion or lease agreement.

My concern is that, along the lines that the Senator has made -- but as real estate continues to become more and more expensive, the two-year interim period -- it's only going to create an even greater cash problem, or a greater cost to the State of New Jersey. So I think it's prudent for us -- not just using -- not just the State Police but all the agencies and the departments that are going to come before us -- to start looking at putting together a comprehensive plan, in terms of where we're going to go from this point on.

Thank you.

Any other questions or comments with regards to this particular lease? (no response)

SENATOR SWEENEY: Motion.

DEPUTY TREASURER SMARTT: Second.

ASSEMBLYWOMAN POU: A motion for approval has been made by Senator Sweeney and seconded by Deputy Treasurer Smartt.

Roll call.

MS. SCHOTT: Motion to approve NPL package 3841. Assemblywoman Pou.

ASSEMBLYWOMAN POU: Yes.

MS. SCHOTT: Senator Sweeney.

SENATOR SWEENEY: Yes.

MS. SCHOTT: Deputy Treasurer Smartt.

DEPUTY TREASURER SMARTT: Yes.

MS. SCHOTT: Motion is approved.

ASSEMBLYWOMAN POU: Steve, are we now back to -- back on order?

MR. SUTKIN: We're on 3861, No. 7. Is that what you have?

DEPUTY TREASURER SMARTT: Before you go, can I assure the Committee, on behalf of DPMC, that next month the tabs and the agenda will be in sync?

MR. SUTKIN: Absolutely.

DEPUTY TREASURER SMARTT: Thank you. I thought that might be your answer.

ASSEMBLYWOMAN POU: Steve, if you could just tell me the NPL agreement that we're-- Are we on 3841?

MR. SUTKIN: Six-one.

ASSEMBLYWOMAN POU: Okay. That would be Tab 8.

MR. SUTKIN: Seven.

ASSEMBLYWOMAN POU: My sheet says No. 8. So just bear with me, because I am just trying to follow you.

MR. SUTKIN: I have seven.

ASSEMBLYWOMAN POU: We're going to go-- We're changing. Let's go by the book then, that way-- My list indicates something different. We'll go by the book. And then it's a lot easier for all of us.

So we're at 3861.

MR. SUTKIN: Yes.

ASSEMBLYWOMAN POU: Okay.

Please proceed. Thank you.

MR. SUTKIN: It's 3861 -- is Tab No. 7. It's additional space for DYFS, another 2,500 square feet of space at 22 Mill Street, in Paterson. It's allowed, pursuant to a regulatory provision that allows us to add additional space, as long as the lease ends at the same period for the additional space, coterminous amendment. And it's submitted for approval.

ASSEMBLYWOMAN POU: What's the lease agreement amount? Is it two years or five years?

MR. SUTKIN: We're not affecting the term.

ASSEMBLYWOMAN POU: Oh, this was just the expansion of the space.

MR. SUTKIN: The term is going to remain the same. We're just going to add more space within the same building.

ASSEMBLYWOMAN POU: Okay. Thank you.

Are there any questions? (no response)

Motion to approve.

SENATOR SWEENEY: Motion.

DEPUTY TREASURER SMARTT: Second.

ASSEMBLYWOMAN POU: It's been moved and seconded.

Roll call.

MS. SCHOTT: Motion to approve NPL 3861.

Assemblywoman Pou.

ASSEMBLYWOMAN POU: Yes.

MS. SCHOTT: Senator Sweeney.

SENATOR SWEENEY: Yes.

MS. SCHOTT: Deputy Treasurer Smartt.

DEPUTY TREASURER SMARTT: Yes.

MS. SCHOTT: Motion is approved.

ASSEMBLYWOMAN POU: Please continue.

MR. SUTKIN: No. 8, NPL 4005, as we discussed before, is off the agenda.

ASSEMBLYWOMAN POU: Next item, please.

MR. SUTKIN: No. 9 is a five-year extension to a leasehold that houses the Office of the Public Defender, on 7 Broad Street, in Freehold. It's a lease extension for a period of five years. It's a negotiated savings done pursuant to the budget language that allows DPMC to do so when it's cost-effective. It was negotiated, and it is now submitted for approval.

ASSEMBLYWOMAN POU: Any questions? (no response)

Motion to approve.

SENATOR SWEENEY: Motion.

DEPUTY TREASURER SMARTT: Second.

ASSEMBLYWOMAN POU: It's been moved and seconded.

Roll call.

MS. SCHOTT: Motion to approve NPL 4013. Chairwoman
Pou.

ASSEMBLYWOMAN POU: Yes.

MS. SCHOTT: Senator Sweeney.

SENATOR SWEENEY: Yes.

MS. SCHOTT: Deputy Treasurer Smartt.

DEPUTY TREASURER SMARTT: Yes.

MS. SCHOTT: Motion carries.

ASSEMBLYWOMAN POU: Next item, please.

MR. SUTKIN: The next item on the agenda is No. 10, NPL 4341, Department of Treasury's Capital Post Office. This is another renegotiated lease. It's a very inexpensive lease, \$10.10 a square foot for the post office. It's where the Capital Post Office is. And we've locked in an additional five years for the lease, in accordance with the budgetary language that I referred to earlier. And DPMC submits it for approval.

ASSEMBLYWOMAN POU: Any questions? (no response)

Hearing none, motion to approve.

SENATOR SWEENEY: Motion.

DEPUTY TREASURER SMARTT: Second.

ASSEMBLYWOMAN POU: It's been moved and seconded.

MS. SCHOTT: Motion to approve NPL 4341. Chairwoman
Pou.

ASSEMBLYWOMAN POU: Yes.

MS. SCHOTT: Senator Sweeney.

SENATOR SWEENEY: Yes.

MS. SCHOTT: Deputy Treasurer Smartt.

DEPUTY TREASURER SMARTT: Yes.

MS. SCHOTT: Motion approved.

ASSEMBLYWOMAN POU: Next item, please.

MR. SUTKIN: The next item is No. 11. It's a lease for Human Services, Division of Developmental Disabilities, in West Orange, New Jersey. And it's at the existing facility, and it's a two-year extension to that lease.

ASSEMBLYWOMAN POU: Any questions? (no response)

Motion to approve.

SENATOR SWEENEY: Motion.

DEPUTY TREASURER SMARTT: Second.

ASSEMBLYWOMAN POU: It's been moved and seconded.

Roll call.

MS. SCHOTT: Motion to approve NPL 4417. Chairwoman
Pou.

ASSEMBLYWOMAN POU: Yes.

MS. SCHOTT: Senator Sweeney.

SENATOR SWEENEY: Yes.

MS. SCHOTT: Deputy Treasurer Smartt.

DEPUTY TREASURER SMARTT: Yes.

MS. SCHOTT: Motion approved.

ASSEMBLYWOMAN POU: Next item, please.

MR. SUTKIN: The next item is 4454, No. 12 in your book. It's a two-year extension. It's for the Department of Human Services. The book indicates it's the Division of Developmental Disabilities. I believe it's DYFS, however. It's for DYFS. It's in Mount Laurel, New Jersey. And it's a two-year extension at a cheaper rental rate. And it's submitted for approval.

ASSEMBLYWOMAN POU: Any questions? (no response)

Motion to approve.

SENATOR SWEENEY: Motion.

DEPUTY TREASURER SMARTT: Second.

ASSEMBLYWOMAN POU: It's been moved and seconded.

Roll call.

MS. SCHOTT: Assemblywoman Pou.

ASSEMBLYWOMAN POU: Yes.

MS. SCHOTT: Senator Sweeney.

SENATOR SWEENEY: Yes.

MS. SCHOTT: Deputy Treasurer Smartt.

DEPUTY TREASURER SMARTT: Yes.

MS. SCHOTT: Motion is carried.

ASSEMBLYWOMAN POU: Next item, please.

MR. SUTKIN: The record will show we already did Item 13, correct, Ms. Schott?

MS. SCHOTT: I'm sorry, yes.

MR. SUTKIN: So we'll move on to 14.

No. 14 is a lease action, NPL 4557, for Human Services, DYFS, in Dover Township, New Jersey. It's part of the DYFS reform plan. It

establishes the Ocean County area office at this location. It is a new, two-year lease put together in conjunction with the State's consultant, that it's engaged to help with the DYFS reform plan and DYFS initiatives.

ASSEMBLYWOMAN POU: Any questions? (no response)

Motion to approve.

SENATOR SWEENEY: Motion.

DEPUTY TREASURER SMARTT: Second.

ASSEMBLYWOMAN POU: It's been moved and seconded.

Roll call.

MS. SCHOTT: Motion to approve NPL 4557. Chairwoman
Pou.

ASSEMBLYWOMAN POU: Yes.

MS. SCHOTT: Senator Sweeney.

SENATOR SWEENEY: Yes.

MS. SCHOTT: Deputy Treasurer Smartt.

DEPUTY TREASURER SMARTT: Yes.

MS. SCHOTT: Motion approved.

MR. SUTKIN: The next lease is Lease No. 15, 4561, for the
Department of Military and Veterans' Affairs, in their Hackensack office.

ASSEMBLYWOMAN POU: Steve, did you skip NPL 4559?

MR. SUTKIN: Yes.

DEPUTY TREASURER SMARTT: Are you confused by the
difference between the tabs and the agenda? (laughter)

ASSEMBLYWOMAN POU: We're really trying really hard to
stay with you, Steve.

MR. SUTKIN: It's easier from that side of the table. (laughter)

SENATOR SWEENEY: Of course it is.

MR. SUTKIN: Okay, 4559 it is.

ASSEMBLYWOMAN POU: Okay.

MR. SUTKIN: This is for the Department of Human Services, Division of Youth and Family Services. It's on 102 First Street, in Hackensack, and it's for the Bergen County area Office for Human Services. It was an advertised lease: 10-year term, two five-year options; and we're awarding to the most cost-effective bidder. And I submit it for approval.

ASSEMBLYWOMAN POU: Steve, when you said it was an advertised lease -- aren't they all advertised?

MR. SUTKIN: Well, for example, the two-year extensions, naturally, are not.

ASSEMBLYWOMAN POU: Oh, okay. But for long-term lease agreements -- are all advertised.

MR. SUTKIN: The long-term ones are all -- all the 10-years, except in the circumstance where we're negotiating at a cost savings, and there's really no real alternative. And there was, on your agenda earlier -- I think the 329 building.

ASSEMBLYWOMAN POU: Okay. I just wanted you to clarify.

MR. SUTKIN: Yes.

ASSEMBLYWOMAN POU: Are there any questions? (no response)

Motion to approve.

SENATOR SWEENEY: Motion.

DEPUTY TREASURER SMARTT: Second.

ASSEMBLYWOMAN POU: It's been moved and seconded.
Roll call.

MS. SCHOTT: Motion to approve NPL 4559. Chairwoman
Pou.

ASSEMBLYWOMAN POU: Yes.

MS. SCHOTT: Senator Sweeney.

SENATOR SWEENEY: Yes.

MS. SCHOTT: Deputy Treasurer Smartt.

DEPUTY TREASURER SMARTT: Yes.

MS. SCHOTT: Motion approved.

ASSEMBLYWOMAN POU: Next item, please.

MR. SUTKIN: The next item is the one I briefly mentioned before, Item 4561 -- NPL 4561 -- for the Department of Military and Veterans' Affairs in Hackensack. What we're doing is, we're moving the Department out of its current location in order to make room to accommodate the Labor, One-Stop initiative up in Hackensack -- with Labor -- the Department of Labor collocating with its counterpoint in the county. And the DMVA will be moving -- the Department of Military and Veterans' Affairs will be moving into the 385 Prospect Avenue site. It's a one-year interim lease. And we submit it for approval.

ASSEMBLYWOMAN POU: Any questions from the members? (no response)

Hearing none, motion for approval.

SENATOR SWEENEY: Motion.

DEPUTY TREASURER SMARTT: Second.

ASSEMBLYWOMAN POU: It's been moved and seconded.

Roll call.

MS. SCHOTT: Motion to approve NPL 4561.
Assemblywoman Pou.

ASSEMBLYWOMAN POU: Yes.

MS. SCHOTT: Senator Sweeney.

SENATOR SWEENEY: Yes.

MS. SCHOTT: Deputy Treasurer Smartt.

DEPUTY TREASURER SMARTT: Yes.

MS. SCHOTT: Motion is approved.

ASSEMBLYWOMAN POU: Next item, please.

MR. SUTKIN: The next item is No. 17. It's a lease for the State Police. It's a two-year lease to house the Narcotics South Unit of the State Police, which will be housed in Gloucester Township, on the South Black Horse Pike. It's for a 1,827 square foot facility pending finalization of a more permanent location. And it's submitted for approval.

ASSEMBLYWOMAN POU: Any discussion? (no response)

Motion for approval.

SENATOR SWEENEY: Motion.

DEPUTY TREASURER SMARTT: Second.

ASSEMBLYWOMAN POU: It's been moved and seconded.

Roll call.

MS. SCHOTT: Motion to approve NPL 4562. Chairwoman
Pou.

ASSEMBLYWOMAN POU: Yes.

MS. SCHOTT: Senator Sweeney.

SENATOR SWEENEY: Yes.

MS. SCHOTT: Deputy Treasurer Smartt.

DEPUTY TREASURER SMARTT: Yes.

MS. SCHOTT: Motion approved.

ASSEMBLYWOMAN POU: Next item, please.

MR. SUTKIN: No. 18 is NPL -- notice of proposed lease 4563, for the Department of Labor -- its Unemployment and Workforce Development initiative division. It's at a new location. It was an advertised procurement. And the space at 25 Howe Street (*sic*), Passaic, was found to be the most cost-effective, and it is therefore submitted for approval.

ASSEMBLYWOMAN POU: Any questions? (no response)

Motion for approval.

SENATOR SWEENEY: Motion.

DEPUTY TREASURER SMARTT: Second.

ASSEMBLYWOMAN POU: It's been moved and seconded.

Roll call.

MS. SCHOTT: Motion to approve NPL 4563. Chairwoman
Pou.

ASSEMBLYWOMAN POU: Yes.

MS. SCHOTT: Senator Sweeney.

SENATOR SWEENEY: Yes.

MS. SCHOTT: Deputy Treasurer Smartt.

DEPUTY TREASURER SMARTT: Yes.

MS. SCHOTT: Motion is approved.

ASSEMBLYWOMAN POU: Next item, please.

MR. SUTKIN: The next item is No. 19 in the agenda. It is a new, two-year lease for DYFS, in West Long Branch, New Jersey. And this

office will accommodate the DYFS area office in Monmouth County, and is part of the initiative to create two satellite local offices to supplement their offices in Asbury Park and Redbank. It's a two-year lease, and it is submitted for your approval.

ASSEMBLYWOMAN POU: Any questions? (no response)

Motion for approval.

SENATOR SWEENEY: Motion.

DEPUTY TREASURER SMARTT: Second.

ASSEMBLYWOMAN POU: It's been moved and seconded.

Roll call.

MS. SCHOTT: Motion to approve NPL 4564. Chairwoman
Pou.

ASSEMBLYWOMAN POU: Yes.

MS. SCHOTT: Senator Sweeney.

SENATOR SWEENEY: Yes.

MS. SCHOTT: Deputy Treasurer Smartt.

DEPUTY TREASURER SMARTT: Yes.

MS. SCHOTT: Motion is approved.

ASSEMBLYWOMAN POU: Next item, please.

MR. SUTKIN: The next item is No. 20 on the agenda, NPL 4565, for the Division of Youth and Family Services, on 2 Headquarters Plaza, in Morristown. It's a two-year lease to accommodate DYFS's staff expansion and creates an area district office for Morris and Sussex counties. It is a two-year lease, which we submit for approval.

ASSEMBLYWOMAN POU: Any questions? (no response)

Motion for approval.

SENATOR SWEENEY: Motion.

DEPUTY TREASURER SMARTT: Second.

ASSEMBLYWOMAN POU: It's been moved and seconded.

Roll call.

MS. SCHOTT: Motion to approve NPL 4565. Chairwoman
Pou.

ASSEMBLYWOMAN POU: Yes.

MS. SCHOTT: Senator Sweeney.

SENATOR SWEENEY: Yes.

MS. SCHOTT: Deputy Treasurer Smartt.

DEPUTY TREASURER SMARTT: Yes.

MS. SCHOTT: Motion is approved.

ASSEMBLYWOMAN POU: Next item, please.

MR. SUTKIN: The next item is No. 21 in your agenda, NPL 4566, an initiative for Human Services, DYFS. It was an advertised selection process, resulting in the lease proposal that you have before you for Echo Plaza, on Fries Mill and Hurfville-Crosskeys Roads in Sewell. We submit it for your approval.

ASSEMBLYWOMAN POU: Any questions? (no response)

Motion for approval.

SENATOR SWEENEY: Motion.

DEPUTY TREASURER SMARTT: Second.

ASSEMBLYWOMAN POU: It's been moved and seconded.

Roll call.

MS. SCHOTT: Motion to approve NPL 4566. Chairwoman
Pou.

ASSEMBLYWOMAN POU: Yes.

MS. SCHOTT: Senator Sweeney.

SENATOR SWEENEY: Yes.

MS. SCHOTT: Deputy Treasurer Smartt.

DEPUTY TREASURER SMARTT: Yes.

MS. SCHOTT: Motion is approved.

ASSEMBLYWOMAN POU: Next item, please.

MR. SUTKIN: No. 4567 -- NPL 4567, No. 22 in your book, is for an office -- two units of the Office of Public Defender in Morris County. This will house the Parental Representation Unit, which represents adults that are involved in family court and DYFS matters -- provides representation. It was an advertised procurement resulting in the facility, Headquarters Plaza on Speedwell Avenue, in Morristown, which we are submitting for your approval.

DEPUTY TREASURER SMARTT: Is somebody from the Public Defender here -- somebody from the Office of Public Defender here?

MR. SUTKIN: Yes.

ASSEMBLYWOMAN POU: Good afternoon.

If you could, please just identify yourself for the record.

M I C H A E L T O Z Z I: My name is Michael Tozzi. I handle the real estate for the Public Defender's office, statewide.

ASSEMBLYWOMAN POU: Mr. Tozzi -- did I say that correctly?

MR. TOZZI: Tozzi. (indicating pronunciation)

ASSEMBLYWOMAN POU: Mr. Tozzi, if you could, just take a moment to explain to us the number of offices that you do have

throughout the state, and how many offices in each of the counties. And in this particular lease agreement, do you have more than one office in this particular county?

MR. TOZZI: In this particular county, we have two different offices. There's the base Public Defender Office, which we have in every county seat -- all 21 counties -- that services each courthouse in every county. But we also have an Office of Parental Representation in this county, also.

ASSEMBLYWOMAN POU: You have -- I'm sorry?

MR. TOZZI: An Office of Parental Representation is also in this county. That's also attached to the Public Defender's Office.

ASSEMBLYWOMAN POU: Is this the only county that has this particular Office of Parental--

MR. TOZZI: No.

ASSEMBLYWOMAN POU: Okay. So every county has--

MR. TOZZI: No, not every. It's basically regionalized. We're actually just doing it now. We're putting this together now as part of the child welfare program.

ASSEMBLYWOMAN POU: Okay. The reason for the questioning is so that you would help to explain what are the number of offices, with respect to the Office of Public Defender, and what additional offices, as result of any of the change. Particularly when I took notice that there is more than one office-- So I just wanted to get a clarification as to what the two--

MR. TOZZI: Well, there are roughly-- The Public Defender's Office, itself, is in every county.

ASSEMBLYWOMAN POU: I'm aware of that.

MR. TOZZI: In a few counties, there are more than one office. For example, we have an appellate section up in Newark. Attached to the Public Defender are a number of -- for lack of a better term -- satellite legal functions. They would include things like the Office of Parental Representation, which we now will have about six of them around the entire state; the Office of Law Guardian, which will have close to 10 different locations around the state; the Office of Mental Health, which has four units around the entire state.

And there are other satellite functions too, but they're attached to these offices. Wherever we could attach them, we tried to. Where we can't attach them, we don't. And, also, we can't attach Law Guardian units with Office of Parental Representation units. It's considered a conflict, so we have to separate them. And in this case--

DEPUTY TREASURER SMARTT: So it wasn't possible in this case -- in Morristown -- to have a single facility.

MR. TOZZI: That's what we're doing. It was possible to-- There's no conflict between the Public Defender and the Office of Parental Representation. If we stuck the Law Guardian Office in there, then there would be a conflict. So we take it case by case, and that's what we've been doing.

And the location is ideal for both. The Public Defender handles only Morris County, but the Office of Parental Representation handles, I believe, three counties out of that site -- or it will be.

ASSEMBLYWOMAN POU: Any other questions? (no response)

Thank you very much.

MR. TOZZI: Thank you.

ASSEMBLYWOMAN POU: Steve, this is a 10-year lease?

MR. SUTKIN: Yes, a new 10-year lease.

ASSEMBLYWOMAN POU: Thank you.

Motion to approve.

SENATOR SWEENEY: Motion.

DEPUTY TREASURER SMARTT: Second.

ASSEMBLYWOMAN POU: It's been moved and seconded.

Roll call.

MS. SCHOTT: Motion to approve NPL 4567. Chairwoman
Pou.

ASSEMBLYWOMAN POU: Yes.

MS. SCHOTT: Senator Sweeney.

SENATOR SWEENEY: Yes.

MS. SCHOTT: Deputy Treasurer Smartt.

DEPUTY TREASURER SMARTT: Yes.

MS. SCHOTT: Motion is approved.

ASSEMBLYWOMAN POU: Next item, please.

MR. SUTKIN: The next item on the agenda is No. 23, NPL 4568. It's a DYFS initiative in the Salem Business Center, in Carneys Point. It proposes a-- This is a new, two-year lease to create a new DYFS area office in Salem County, as part of the DYFS reform plan. And this also is pending completion of the Finlaw Building, as we've discussed before, in the city of Salem, which will house multiple agencies.

ASSEMBLYWOMAN POU: What are the agencies that will be housed in that same facility?

MR. SUTKIN: Bob, you know them off the top of your head.

R O B E R T L a B A T E: In the Finlaw Building we'll have DYFS, Public Defender, Motor Vehicle, I believe there are two other smaller agencies -- DMVA and (indiscernible) office, I believe. But the principle tenants will be Motor Vehicle and DYFS.

ASSEMBLYWOMAN POU: But this agreement is only for that particular -- for DYFS, at this time.

MR. LaBATE: Just a satellite office for the DYFS office that will be relocating to Salem City, yes. The other-- Earlier on the agenda there was one for Mannington Township, on Woodstown Road. That houses the other agencies right now.

ASSEMBLYWOMAN POU: But the facilities are different though. It's not in the very same facility -- the one that you're talking about.

SENATOR SWEENEY: Right now they're separate, but they'll be in the new ones.

MR. LaBATE: In the existing facility on Woodstown Road, there is no room for expansion. We occupy the whole building as it is. So in order for DYFS to be able to hire the new people for Salem County, we have to take some additional space in a separate building until the new building is done.

ASSEMBLYWOMAN POU: How many new employees do we have to provide space for?

MR. LaBATE: I believe this one is about -- for this particular office, there are about 40 people that are targeted for going in here that we don't have space for right now.

ASSEMBLYWOMAN POU: Thank you.

Any questions? (no response)

Motion to approve.

SENATOR SWEENEY: Motion.

DEPUTY TREASURER SMARTT: Second.

ASSEMBLYWOMAN POU: It's been moved and seconded.

Roll call.

MS. SCHOTT: Motion to approve NPL 4568. Chairwoman Pou.

ASSEMBLYWOMAN POU: Yes.

MS. SCHOTT: Senator Sweeney.

SENATOR SWEENEY: Yes.

MS. SCHOTT: Deputy Treasurer Smartt.

DEPUTY TREASURER SMARTT: Yes.

MS. SCHOTT: Motion approved.

ASSEMBLYWOMAN POU: Next item, please.

MR. SUTKIN: The next item on the agenda is No. 24. It's a leasing initiative for the Office of Counter-Terrorism. It's a lease at 33 Washington Street, in Newark. And it's to provide emergency space to establish a satellite office for the Office of Counter-Terrorism. And it is a two-year lease, pending finalization of the agency's long-term space needs. And it's submitted for approval.

ASSEMBLYWOMAN POU: Any questions? (no response)

Motion to approve.

SENATOR SWEENEY: Motion.

DEPUTY TREASURER SMARTT: Second.

ASSEMBLYWOMAN POU: It's been moved and seconded.

Roll call.

MS. SCHOTT: Motion to approve NPL 4569. Chairwoman
Pou.

ASSEMBLYWOMAN POU: Yes.

MS. SCHOTT: Senator Sweeney.

SENATOR SWEENEY: Yes.

MS. SCHOTT: Deputy Treasurer Smartt.

DEPUTY TREASURER SMARTT: Yes.

MS. SCHOTT: Motion is approved.

ASSEMBLYWOMAN POU: Next item, please.

MR. SUTKIN: The next item on the agenda is NPL 4572,
Item No. 25 in your book. It's a lease for the Department of Labor,
Unemployment Insurance and Employment Services, at 50 South Clinton
Street, in East Orange. And this is another submission in a series for
furthering the One-Stop initiative for the Department of Labor. It's for
programs administered by Essex County to provide common core services
based on the One-Stop delivery model. It's a 10-year lease, and it is leased
with the county. And we submit it for approval.

ASSEMBLYWOMAN POU: Any questions? (no response)

Motion for approval.

SENATOR SWEENEY: Motion.

DEPUTY TREASURER SMARTT: Second.

ASSEMBLYWOMAN POU: It's been moved and seconded.
Roll call.

MS. SCHOTT: Motion to approve NPL 4572. Chairwoman
Pou.

ASSEMBLYWOMAN POU: Yes.

MS. SCHOTT: Senator Sweeney.

SENATOR SWEENEY: Yes.

MS. SCHOTT: Deputy Treasurer Smartt.

DEPUTY TREASURER SMARTT: Yes.

MS. SCHOTT: The motion is approved.

ASSEMBLYWOMAN POU: Next item, please.

MR. SUTKIN: No. 26, NPL 4573 has been pulled from the
agenda.

No. 27 is NPL 4575. It is a two-year lease for the Division of
Youth and Family Services, for its Hunterdon office. And it's part of the
DYFS reform plan, and it's to cover staff expansion in that area. And we
submit it for approval.

ASSEMBLYWOMAN POU: Any questions? (no response)

Motion for approval.

SENATOR SWEENEY: Motion.

DEPUTY TREASURER SMARTT: Second.

ASSEMBLYWOMAN POU: It's been moved and seconded.

Roll call.

MS. SCHOTT: Motion to approve NPL 4575. Chairwoman
Pou.

ASSEMBLYWOMAN POU: Yes.

MS. SCHOTT: Senator Sweeney.

SENATOR SWEENEY: Yes.

MS. SCHOTT: Deputy Treasurer Smartt.

DEPUTY TREASURER SMARTT: Yes.

MS. SCHOTT: Motion is approved.

ASSEMBLYWOMAN POU: Next item, please.

MR. SUTKIN: The next item on the agenda is Item No. 28 in your book, NPL No. 4577, for the New Jersey Judiciary branch, the Appellate Division, a judges' chambers that will be located in West Long Branch, New Jersey. It will house four Appellate judges who are located in different areas of the state, presently. And this was an advertised procurement securing a 10-year facility. And it is submitted for approval.

ASSEMBLYWOMAN POU: Any questions? (no response)

Motion for approval.

SENATOR SWEENEY: Motion.

DEPUTY TREASURER SMARTT: Second.

ASSEMBLYWOMAN POU: Roll call.

MS. SCHOTT: Motion to approve NPL 4577. Chairwoman Pou.

ASSEMBLYWOMAN POU: Yes.

MS. SCHOTT: Senator Sweeney.

SENATOR SWEENEY: Yes.

MS. SCHOTT: Deputy Treasurer Smartt.

DEPUTY TREASURER SMARTT: Yes.

MS. SCHOTT: The motion is approved.

ASSEMBLYWOMAN POU: Next item, please.

MR. SUTKIN: The next item on the agenda is NPL 4578, 29 in your book. It's for the Department of Education, Office of Assistant Commissioner. It's a leasehold that will house the Assistant Commissioner of Education for the central region -- to Mercer County Community College. So it is a lease with the county, another governmental entity. And it is submitted for approval.

ASSEMBLYWOMAN POU: Any questions? (no response)

Motion for approval.

SENATOR SWEENEY: Motion.

DEPUTY TREASURER SMARTT: Second.

ASSEMBLYWOMAN POU: It's been moved and seconded.

Roll call.

MS. SCHOTT: Motion to approve NPL 4578. Chairwoman Pou.

ASSEMBLYWOMAN POU: Yes.

MS. SCHOTT: Senator Sweeney.

SENATOR SWEENEY: Yes.

MS. SCHOTT: Deputy Treasurer Smartt.

DEPUTY TREASURER SMARTT: Yes.

MS. SCHOTT: The motion is approved.

ASSEMBLYWOMAN POU: Next item, please.

MR. SUTKIN: The next item came by way of the supplemental agenda. It's NPL 4493. It is for the Department of Labor, various units of that Department. It is a five-year leasing action and advertised lease procurement for the DOL's unemployment insurance employment services, vocational rehabilitation facility in Morris County.

The most cost-effective proposal was submitted by the landlord owning 1 West Blackwell and North Sussex Streets, in Dover. And we, therefore, submit it for approval.

ASSEMBLYWOMAN POU: Any questions? (no response)

Motion for approval.

SENATOR SWEENEY: Motion.

DEPUTY TREASURER SMARTT: Second.

ASSEMBLYWOMAN POU: It's been moved and seconded.

Roll call.

MS. SCHOTT: Motion to approve NPL 4493. Chairwoman Pou.

ASSEMBLYWOMAN POU: Yes.

MS. SCHOTT: Senator Sweeney.

SENATOR SWEENEY: Yes.

MS. SCHOTT: Deputy Treasurer Smartt.

DEPUTY TREASURER SMARTT: Yes.

MS. SCHOTT: The motion is approved.

ASSEMBLYWOMAN POU: Next item, please.

The next item on the agenda -- the next items will be -- will have a different presenter. And I, therefore, step aside.

ASSEMBLYWOMAN POU: Yes.

SENATOR SWEENEY: What, did we wear you out, Steve?

ASSEMBLYWOMAN POU: I'm going to ask if the person who is here representing the city of Trenton -- to please come forward so we can discuss our agreement, NPL--

MS. SCHOTT: It doesn't have a number. It came in the supplement, so it's the EDA lease amendment and the Law and Public Safety.

ASSEMBLYWOMAN POU: Okay. Thank you.

Good afternoon. If you could, please identify yourself.

DENNIS GONZALEZ: Good afternoon.

My name is Dennis Gonzalez. I am Assistant Business Administrator for the city of Trenton.

ASSEMBLYWOMAN POU: Welcome, Mr. Gonzalez.

If you would, just please share with us the intent of this lease, and what it's looking to do, and what you're hoping to see.

MR. GONZALEZ: Well, the purpose of this lease, that we have been talking to Treasury about for quite some time, is to provide for, frankly, a revenue stream in order to complete the development of an important area of the city of Trenton, our capital city. And that is the area of the War Memorial, the hotel, and the Department of Human Services, all which were done in conjunction with each other -- the plan, at least, was together.

The Marriot Hotel, in the city of Trenton, is a first-class facility that was an idea of the Mayor's -- Mayor Palmer's -- in the early '90s. It took quite some time, and the efforts of many, to put it together. We have a first-class hotel for the first time in many, many years. And it is critical to Mayor Palmer and, I think, to the State of New Jersey to ensure that the Marriot continues to survive and to prosper. The Marriot -- many good things have happened with respect to the Marriot. And that is, it has been used by a wide range of people and entities in the city of Trenton.

As some people may recall, some years ago, when the financing was first being put together for the hotel, it was-- The State government, at the time, was approached and informed that it was anticipated that an approximately \$10 million State subsidy was needed in order to make the Marriot a reality. And, in a sense, that \$10 million subsidy grant was never provided, unlike other locations such as New Brunswick.

But it has come full circle, as the Marriot ownership -- which is a nonprofit corporation that was created specifically to construct the Marriot Hotel and to manage the Marriot Hotel -- is doing what it was charged to do originally. And that is to manage -- construct the hotel and manage the hotel until such time as it should go to the private sector. That time has come.

And in order for the hotel to be conveyed to a -- to the private sector, we need to ensure that the bonds that paid for the construction of the hotel are fully defeased. We do not anticipate that the sales price of the hotel will generate sufficient funding in order to defease all of the bonds. In fact, strangely enough, although we don't know the exact number at this time, we expect that the deficit would be approximately \$10 million, which is what the then State government was informed the hotel needed, in terms of a subsidy. And Mayor Palmer has asked me to let you know that it is, in his view, critical for the city of Trenton, critical for the State capital that we ensure that the Marriot continue to function, that it function in the public sector. And we are hopeful that this Committee and State government will be able to help us in this regard.

ASSEMBLYWOMAN POU: Are there any questions or comments?

Deputy Treasurer.

DEPUTY TREASURER SMARTT: Could you explain specifically how today's action differs from the earlier action with regard to this that the Committee took?

MR. GONZALEZ: I cannot. But I believe that Mr. Levine may be able to explain.

ASSEMBLYWOMAN POU: If Mr. Levine could please come forward to the mike and please identify yourself for the purpose of our stenographer.

A S S T. T R E A S U R E R D A N I E L H. L E V I N E: Good afternoon.

I'm Dan Levine. I'm an Assistant State Treasurer.

And as Dennis explained, I think the background as to the importance of the Marriot and how that is linked with the other development, including the DHS property--

This specific action--

By way of background, you may recall that, earlier this year -- in May or March -- this Committee approved a supplemental rent amount for this building of approximately \$1.3 million per year. That supplemental rent agreement was needed to pay for a pilot that EDA -- owner of the building -- negotiated with the city of Trenton.

This action-- The purpose of that payment then-- That building had never had a pilot on it. There had been pilots on other State office buildings.

The purpose of today's action is to allow the city to bond that payment for purposes of privatizing and investing -- making new investment

in the Marriot Hotel. It is not a request for new money. It is-- As their bond counsel has examined the transaction, they realized that, for whatever reason, there was a scenario that was going to prevent a bond issuance. And that scenario was that in the event that the State were to vacate the property -- which we own -- and sell that property, that would create some uncertain risk. And we would have made appropriation, and not appropriate the money, and this was creating a scenario of risk that they felt was going to jeopardize the bond issuance.

This amendment is specifically saying that in the event that the State were to vacate that premise and sell the premise, that the proceeds -- that the sale price it seeks -- will be sufficient to retire the original bond issue, as well as the supplemental bond issue. It is a scenario that we don't envision happening. It was a scenario raised by bond counsel, who is examining this transaction and felt that that scenario, for whatever reason, created a risk that would have made the security unmarketable.

DEPUTY TREASURER SMARTT: So today's action by the Committee is -- regards that specific item. It doesn't -- no matter how worthwhile the possibility of \$10 million might be -- that really isn't what's before us today.

ASSISTANT TREASURER LEVINE: Correct. It is not a request for new money.

ASSEMBLYWOMAN POU: Thank you.

Any other questions or comments? (no response)

Thank you for that clarification. I think our -- my desire was just simply to try to get a clear understanding of how this, indeed, tied into

the last action that we took, and how it would help to move your purpose forward -- or that of the city of Trenton.

So with that said, and seeing that there are no other questions or comments, motion for approval.

SENATOR SWEENEY: Motion.

DEPUTY TREASURER SMARTT: Second.

ASSEMBLYWOMAN POU: It's been moved and seconded.

Roll call.

MS. SCHOTT: Motion to approve a lease amendment for the Department of Human Services at Capital Place One. Chairwoman Pou.

ASSEMBLYWOMAN POU: Yes.

MS. SCHOTT: Senator Sweeney.

SENATOR SWEENEY: Yes.

MS. SCHOTT: Deputy Treasurer Smartt.

DEPUTY TREASURER SMARTT: Yes.

MS. SCHOTT: The motion is approved.

ASSEMBLYWOMAN POU: Thank you very much.

Gentlemen, thank you so very much.

Steve, if you can--

There's major confusion around here, gentlemen.

The Department of Law and Public Safety, the Justice Complex Parking lease extension and modification agreement is yours?

MR. GONZALEZ: Yes, it is, ma'am.

ASSEMBLYWOMAN POU: It is. Okay.

Thank you for that--

If you would please, also, then, now describe the purpose of that lease extension and modification, please.

MR. GONZALEZ: Thank you.

By way of history, the Justice parking lot is on approximately 11.5 acres, and is owned by the city of Trenton. That property was leased, originally, to the State of New Jersey for parking on a temporary basis, when the Justice Complex was constructed some 25 years ago. The original lease has gone through several extensions over several periods of time. And it was a lease that included provisions that the property would be developed by the city of Trenton. And that, at some point, when development was imminent, the State of New Jersey would need to find an alternate location for the parking of State employees, whether they're at the Justice Complex or some other facility.

Several years ago, the city of Trenton informed the State of New Jersey that it had a developer and a designated developer for those properties. And we've continued to have discussions with Treasury over several years, because we were very sensitive to the fact that an answer to the parking issue is needed to be resolved. In working with-- What this lease extension does is, I think, finally resolve the issue in a manner that provides sufficient time for a parking alternative to be created for the State employees, as well as ensure the development of the property by the city of Trenton in approximately two years.

What this lease modification does is, it adds the County Improvement Authority as a party to the existing lease of the city, and provides for the State to -- provides for the County Improvement Authority to build a parking garage related to the new courthouse development, and

to provide sufficient spaces for State employees at the time that it is completed, so that the employees parking on the city property behind the Justice Complex and the Trent House will then be able to move, once the garage is completed, to garage spaces a half a block away, thereby allowing the city parking lots to be developed as originally intended.

And this agreement -- I should tell you that over the period of years, the city of Trenton has provided the parking to the State of New Jersey at well below market rates. The current rate -- I can remember the current rate of \$75 a space for about 577 spaces. In fact, over a thousand -- often 1,100 cars park in the Justice parking lots. So there is some measure of equity in the request for the parking fees that we speak of.

The agreement also provides for the assignment of this lease directly to the County Improvement Authority, once their spaces are available to the State of New Jersey.

ASSEMBLYWOMAN POU: Are there any questions? (no response)

Motion to approve.

SENATOR SWEENEY: Motion.

DEPUTY TREASURER SMARTT: Second.

ASSEMBLYWOMAN POU: It's been moved and seconded.

Roll call.

MS. SCHOTT: Motion to approve the lease extension and modification for the Justice Complex parking. Chairwoman Pou.

ASSEMBLYWOMAN POU: Yes.

MS. SCHOTT: Senator Sweeney.

SENATOR SWEENEY: Yes.

MS. SCHOTT: Deputy Treasurer Smartt.

DEPUTY TREASURER SMARTT: Yes.

MS. SCHOTT: The motion is approved.

MR. GONZALEZ: Thank you very much.

ASSEMBLYWOMAN POU: Thank you so very much gentlemen.

This concludes our meeting.

At this time, I'd like to ask for a motion for adjournment.

SENATOR SWEENEY: Motion.

DEPUTY TREASURER SMARTT: Second.

ASSEMBLYWOMAN POU: It's been moved and seconded.

Roll call.

MS. SCHOTT: Chairwoman Pou.

ASSEMBLYWOMAN POU: Yes.

MS. SCHOTT: Senator Sweeney.

SENATOR SWEENEY: Yes.

MS. SCHOTT: Deputy Treasurer Smartt.

DEPUTY TREASURER SMARTT: Yes.

MS. SCHOTT: We're adjourned.

ASSEMBLYWOMAN POU: Thank you.

(MEETING CONCLUDED)