

Committee Meeting

of

STATE LEASING AND SPACE UTILIZATION COMMITTEE

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

DATE: December 13, 2012
11:00 a.m.

MEMBERS OF COMMITTEE PRESENT:

Senator Nicholas P. Scutari, Chair
Assemblyman Albert Coutinho
James Kelly



ALSO PRESENT:

Carl T. Costantino
Committee Aide

Mark S. Kaminski
Secretary

Gary A. Kotler
Counsel

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SENATOR NICHOLAS P. SCUTARI (Chair): Okay. Welcome everyone to the State Leasing and Space Utilization Committee, December 13, 2012.

MR. COSTANTINO (Committee Aide): Senator, before we do roll call, I just want to make one quick announcement that Mr. James Kelly from OMB will be sitting in today for Deputy Treasurer Romano. We have a letter in the file.

We can move forward with the roll.

SENATOR SCUTARI: Thank you.

Roll call.

MR. COSTANTINO: Senator Scutari.

SENATOR SCUTARI: Here.

MR. COSTANTINO: Assemblyman Coutinho.

ASSEMBLYMAN COUTINHO: A little late, but here.

(laughter)

MR. COSTANTINO: And Mr. Kelly.

MR. KELLY: Here.

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

SENATOR SCUTARI: 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*, the State House Press on December 10, 2012, as part of the Open Public Meetings Act.

The next item on the agenda is the approval of the May 24, 2012 meeting minutes.

ASSEMBLYMAN COUTINHO: I'll move them.

MR. KELLY: Second.

SENATOR SCUTARI: Roll call on the approval of the meeting minutes.

MR. COSTANTINO: Senator Scutari.

SENATOR SCUTARI: Yes.

MR. COSTANTINO: Assemblyman Coutinho.

ASSEMBLYMAN COUTINHO: Yes.

MR. COSTANTINO: And Mr. Kelly.

MR. KELLY: Yes.

MR. COSTANTINO: Senator, you have three votes in the affirmative, none in the zero -- none in the negative. The motion to approve the 24th meeting minutes carries.

SENATOR SCUTARI: Okay. Let's move on to the regular agenda.

Mr. Sutkin.

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

Before I get started on the agenda, I just wanted to follow up on an issue that we came across two years ago, where we had a challenge on a lease and you spent some time debating it. It was the meeting that we had at Thomas Edison. If you might recall, there was some discussion about that.

We were-- It was appealed, and we were upheld in a decision that was issued about a month ago. So I'm not going to give you the details of it unless you have any questions.

SENATOR SCUTARI: It was related to the Newark property, correct?

ASSEMBLYMAN COUTINHO: Newark or Maplewood?

MR. SUTKIN: It was Maplewood.

SENATOR SCUTARI: Oh, Maplewood.

MR. SUTKIN: So we were upheld in a written decision about a month ago.

SENATOR SCUTARI: Okay. Congratulations. (laughter)

MR. SUTKIN: Thank you.

ASSEMBLYMAN COUTINHO: Did the Newark project get challenged, or did that -- now that you mention it.

MR. SUTKIN: Which project?

ASSEMBLYMAN COUTINHO: I believe it was IDT.

MR. SUTKIN: Oh, the Newark project? That one did not go forward. We're going to be re-advertising for that project in the spring of 2013.

SENATOR SCUTARI: Okay.

ASSEMBLYMAN COUTINHO: I think they might have been the same meeting or back to back meetings.

MR. SUTKIN: It might have been back to back.

ASSEMBLYMAN COUTINHO: Thank you.

SENATOR SCUTARI: Okay.

MR. SUTKIN: The first item on the agenda is for the Department of Children and Families, Division of Youth and Family Services. It's a 10-year lease that was an advertised procurement in Edison, New Jersey. This was the most cost-effective bid proposer. And we propose to give that lease -- execute that lease, which is for 10 years, with back-out provisions after 5 years and 7 years.

SENATOR SCUTARI: Any questions on the Division of Youth and Family Services lease? (no response)

Roll call.

Oh, motion, please.

ASSEMBLYMAN COUTINHO: Moved.

MR. KELLY: Second.

MR. COSTANTINO: Senator Scutari.

SENATOR SCUTARI: Yes.

MR. COSTANTINO: Assemblyman Coutinho.

ASSEMBLYMAN COUTINHO: Yes.

MR. COSTANTINO: And Mr. Kelly.

MR. KELLY: Yes.

MR. COSTANTINO: Senator, you have three votes in the affirmative, zero in the negative. The motion to approve NPL 4650 carries.

SENATOR SCUTARI: Thank you.

Next is the Judiciary.

MR. SUTKIN: Yes, I understand you want two and three to be handled together. They're both for the General Equity Courts in the Judicial Branch. One is in Trenton, 4562; the second is in Mays Landing, 4649. And they're both for five years. I present them for consideration.

SENATOR SCUTARI: I just have one question. In regular courthouses -- let's just say the Elizabeth Courthouse in Union County or New Brunswick-- That facility is provided by the counties, is it not?

MR. SUTKIN: There is a bifurcation, and I don't know where it comes from. But it's historic that the State has certain responsibilities with respect to the Chancery Division and the General Equity. And for some reason the law division and some other parts of the county courthouse are county responsibilities. I don't know exactly how it's divided, but I know with respect to Chancery and General Equity, that is more of a State responsibility.

SENATOR SCUTARI: I mean historically, a few years ago, the State took over the county employees, particularly--

Okay. All right.

Any questions on the two Judiciary leases? (no response)

ASSEMBLYMAN COUTINHO: So moved.

MR. KELLY: Second.

SENATOR SCUTARI: Roll call.

MR. COSTANTINO: Senator Scutari.

SENATOR SCUTARI: Yes.

MR. COSTANTINO: Assemblyman Coutinho.

ASSEMBLYMAN COUTINHO: Yes.

MR. COSTANTINO: And Mr. Kelly.

MR. KELLY: Yes.

MR. COSTANTINO: Senator, you have three votes in the affirmative and zero in the negative. The motion to approve NPL 4652 and 4649 carries.

SENATOR SCUTARI: Thank you.

MR. SUTKIN: The next item -- actually the next two items relate to the question that we received from the Assemblyman. They're leases for the (indiscernible) building. They're short-term extensions that we need in order to obtain the savings that we've negotiated pending the procurement. So they're limited two-year leases to extend the savings that we've been getting since we've negotiated the hold-over term. And it's for the two buildings: the one at 153 Halsey Street, and the one at 707 Broad Street.

MR. COSTANTINO: Steve, just so you know, we have 4159 as a single approval.

SENATOR SCUTARI: Let's do that first.

MR. COSTANTINO: Can we do that? That should be on your agenda.

MR. SUTKIN: Sure.

MR. COSTANTINO: And then we're grouping 707 with 124 Halsey.

SENATOR SCUTARI: Okay. So can I have a motion to approve NPL 4159?

ASSEMBLYMAN COUTINHO: So moved.

MR. KELLY: Second.

SENATOR SCUTARI: Roll call, please.

MR. COSTANTINO: Senator Scutari.

SENATOR SCUTARI: Yes.

MR. COSTANTINO: Assemblyman Coutinho.

ASSEMBLYMAN COUTINHO: Yes.

MR. COSTANTINO: And Mr. Kelly.

MR. KELLY: Yes.

MR. COSTANTINO: Senator, you have three votes in the affirmative, zero in the negative. The motion to approve NPL 4159 carries.

SENATOR SCUTARI: Okay. And the next one is, I think, 4161.

MR. COSTANTINO: Correct.

SENATOR SCUTARI: And you spoke to that regarding the two-year extension on Halsey Street.

No questions, I assume.

ASSEMBLYMAN COUTINHO: Well, the one question just for clarification is, I know then--

I was trying to remember-- Did we actually ever-- Was IDT a challenger to these things originally, or were we going to do something with IDT? Because this was, like, two years ago.

MR. SUTKIN: Right. Our recommendation to the Committee was that the Committee award-- There were three packages -- *A*, *B*, and *C* -- to accommodate the entirety of the Newark procurement. Our recommendation to the Committee was that you award two of the packages to IDT as the most cost-effective proposer and one of the packages to a third bidder for the third package. We asked for a decision, and we never got a decision. And then the procurement was pulled.

SENATOR SCUTARI: That's my recollection as well.

ASSEMBLYMAN COUTINHO: Okay, all right.

And now the net effect of, let's say, this and the other activity in Newark-- How much have we reduced -- how much space did we reduce? Do you know?

MR. SUTKIN: We've reduced space in and around-- So there were certain other leases that expired. For example, my recollection was 33 Washington Street. We got out of that lease. I don't have the exact details in front of me. We got out of that lease. And we did some other consolidation in order to take advantage of the very cheap rates that we negotiated in our other Newark procurements.

ASSEMBLYMAN COUTINHO: And if I may -- I don't know if this is recording well -- but the BPU space which was vacated-- Has that been, like-- I don't know if that lease completely expired. But I know we were going to sort of reorganize everything we were doing in Newark. These two bills -- I mean, these two leases we're voting on today -- does that complete what we're doing, at least for the short-term, or is there more reorganization going on in Newark?

MR. SUTKIN: This is just for the short-term. The BPU space that you mention in the Gateway Building -- we have two floors there. One of the floors is completely occupied, the second floor is partially occupied. We've been marketing that space and trying to get a subtenant for that space. My understanding is that it expires in 2015--

UNIDENTIFIED MEMBER OF AUDIENCE: It's April 30.

MR. SUTKIN: --April 30, 2015. And we're in discussions with the leaser about what our options are at this point.

ASSEMBLYMAN COUTINHO: Okay, all right.

And again, for the purposes of the record, I'm just asking this to make sure where this fits in our overall strategy of the different things that are going on in Newark -- to make sure I have that clear.

I have no problem with this lease, per se.

SENATOR SCUTARI: Motion on 4161.

ASSEMBLYMAN COUTINHO: So moved.

MR. KELLY: Second.

SENATOR SCUTARI: Roll call.

MR. COSTANTINO: Senator Scutari.

SENATOR SCUTARI: Yes.

MR. COSTANTINO: Assemblyman Coutinho.

ASSEMBLYMAN COUTINHO: Yes.

MR. COSTANTINO: And Mr. Kelly.

MR. KELLY: Yes.

MR. COSTANTINO: Senator, you have three votes in the affirmative, zero in the negative. The motion to approve NPL 4161 carries.

SENATOR SCUTARI: And the next order of business is NPL 4221.

MR. SUTKIN: Yes, this is a five-year lease extension with cost savings for a building that we lease in Toms River that houses various departments, including the Office of the Public Defender and the Department of Law and Public Safety.

SENATOR SCUTARI: It's like a house, right? It kind of looks like a house building, doesn't it?

ASSEMBLYMAN COUTINHO: Toms River.

Did it sustain any damage? I'm just curious, is it still there?

MR. SUTKIN: No damage that we're aware of.

ASSEMBLYMAN COUTINHO: Out of curiosity -- again, no problem with this -- have we -- do we actually have, let's say, a listing of any significant damage to properties -- let's say State properties -- either leased properties--

MR. SUTKIN: We do. For the buildings that we manage in the Division of Property Management and Construction -- which is about 40 buildings mostly in Trenton -- we sustained very little damage. We had people on 24/7. There were some roof leaks, there were some leaks that we got in windows from the horizontal rains and wind. But we were pretty lucky. We had a couple issues in the West Trenton facility. And I know that DEP had significant damage at their Liberty State Park facility -- the terminal building -- which we are helping them out with.

SENATOR SCUTARI: With respect to this lease in Toms River-- From what I can gather, the State leases the entire building. Is that right?

MR. SUTKIN: Yes.

SENATOR SCUTARI: How long have we been in that building?

MR. SUTKIN: I don't have that information in front of me, Senator. I can get back to you.

SENATOR SCUTARI: Do you know how old the--

MR. SUTKIN: It's been a while.

SENATOR SCUTARI: Do we have any expectation that we're going to go-- I mean, what's housed in there? Based upon what I can gather from the information that was provided, the Office of the Public

Defender is housed in this particular building. There are offices for the Division of State Police.

MR. SUTKIN: Right. What's happened is, we're doing a lot of juggling in order to consolidate space and make sure we're using up the majority of our space. We're actually-- The Judicial Branch is presently in there, and we're moving them out to 1510 Hooper Street (*sic*) -- a lease we have there -- and we're moving the New Jersey State Police into this space to address some of the vacancy.

SENATOR SCUTARI: Where are they coming from?

MR. SUTKIN: They're coming from 1510 Hooper. It's essentially a swap in order to take care of vacancies and fill out the space better.

SENATOR SCUTARI: Does the State own any property in the Toms River area?

MR. SUTKIN: They do. And what we're doing-- We just inherited a building from DOT that has a building in Freehold that they didn't need. And so we're taking the Commission for the Blind and Visually Impaired in the Department of Human Services and relocating them out of the 1510 Hooper Street lease and putting them into the Freehold lease -- into the Freehold-owned space.

SENATOR SCUTARI: How much space do we need in Toms River for everything that we're talking about here today?

MR. SUTKIN: This is the-- Off the top of my head, this is the only lease that I'm aware of -- these two leases -- one at 236 Main Street and one at 1510 Hooper Street.

SENATOR SCUTARI: Hooper Street is the courts though, isn't it?

PAUL J. CAMPANELLA: Senator, Paul Campanella, from the department of Property Management and Construction, Lease Negotiations.

We have several other leases. We have 1433 Hooper Avenue and 1510 Hooper Avenue. One of the leases -- I believe it's the Nexus one -- is, what, 1510? -- is about 55,000 square feet in total. So there are various State agencies throughout Toms River that we have leases with.

SENATOR SCUTARI: But we don't own anything in Toms River. We don't have a State building there.

MR. CAMPANELLA: Not a consolidated State-owned building under debt service in Toms River. No, sir.

SENATOR SCUTARI: Right. So we have nothing down there? I mean, everything we have down there we have to lease in southern or middle Ocean County.

MR. CAMPANELLA: Well, Asbury Park, but that's in Monmouth.

SENATOR SCUTARI: I'm talking Toms River. It's nowhere near Asbury Park.

MR. CAMPANELLA: That's correct.

SENATOR SCUTARI: I mean, are we planning on getting out of the business of having employees down in Toms River? Just looking long-term, it's a major hub of activity for Ocean County. It's their county seat. Should we not at least think about, in the future, having something

down there instead of continually renting all these particular areas and splitting up all these people? You could put it in one building.

MR. CAMPANELLA: Part of the problem is with the Public Defender -- well that portion of it needs to be by the courthouse. The other functions don't necessarily have to be by the courthouse.

SENATOR SCUTARI: There's no statutory requirement that the Public Defender's office be next to the courthouse.

MR. CAMPANELLA: Not next to it.

SENATOR SCUTARI: They could be down the street, they could be two miles away. We're talking about the convenience that the lawyers can walk across the street.

MR. CAMPANELLA: That's correct. To be honest with you, we've been trying to--

SENATOR SCUTARI: My office is nowhere near the courthouse in Elizabeth.

MR. CAMPANELLA: Believe me, we understand it completely. We're trying to get that kind of agreement with the agency themselves. Because we do have problems regarding locating public defender offices in urban areas where parking--

SENATOR SCUTARI: Toms River is not necessarily that--

MR. CAMPANELLA: No, I understand. But I'm saying in other locales throughout the state, our problem is with having space within walking distance. If we go outside those areas we get better bang for the buck. We understand that.

SENATOR SCUTARI: Right.

MR. CAMPANELLA: We're just trying to illustrate that to the agency and get their cooperation with that.

SENATOR SCUTARI: How do you think we could help do that?

MR. CAMPANELLA: Anything you can do to help would be appreciated.

SENATOR SCUTARI: How about we hold this? And then we can get them to-- (laughter) I mean, that's the possibility.

MR. CAMPANELLA: We'd appreciate that, indeed.

SENATOR SCUTARI: And if we held this, then you could say, "Hey, the Space Utilization Committee doesn't like the fact that you're very uncooperative with respect to the location that we're thinking about."

MR. CAMPANELLA: That would work.

SENATOR SCUTARI: I mean, we're all trying to achieve the same thing. It's just the best use of taxpayer dollars.

MR. CAMPANELLA: Absolutely. That's why we're here everyday.

SENATOR SCUTARI: Thank you.

MR. CAMPANELLA: You're welcome.

SENATOR SCUTARI: Let's hold this agenda item for a little bit.

Do I have motion to hold that?

ASSEMBLYMAN COUTINHO: I'll move to hold it.

MR. COSTANTINO: Senator Scutari.

SENATOR SCUTARI: Yes.

MR. COSTANTINO: Assemblyman Coutinho.

ASSEMBLYMAN COUTINHO: Yes to hold.

MR. COSTANTINO: And Mr. Kelly.

MR. KELLY: Yes.

MR. COSTANTINO: Okay. So we have three votes in the affirmative, zero in the negative on the motion to hold NPL 4221. That carries.

SENATOR SCUTARI: The next agenda item is NPL 4651.

MR. SUTKIN: Yes. I understand you want to treat the next--

SENATOR SCUTARI: We're going to treat those together. That's right. I'm sorry.

MR. COSTANTINO: We're actually treating -- this is 4651, 4427, 4077, and 4021, which are all Department of Law and Public Safety.

SENATOR SCUTARI: That's correct. Okay. Thank you.

MR. SUTKIN: The Trenton Parking Authority, City of Trenton, had an issue with -- structural issues with the lease that we had at Broad and Front Street for parking. And so we're not using those spaces pursuant to an existing lease. So we've spread them out to the first three leases here -- 7, 8, and 9 -- agenda items 7, 8, and 9 -- one on Front Street, and one on Lafayette Street, and one on North Warren Street -- that would accommodate the spaces lost. And it's with the same leaser.

SENATOR SCUTARI: Okay. Any questions on those?

I'll entertain a motion for those.

ASSEMBLYMAN COUTINHO: So moved -- 7,8, 9 combined.

SENATOR SCUTARI: It's 7, 8, 9, and 10, sir.

ASSEMBLYMAN COUTINHO: Is 10 separate?

MR. SUTKIN: Ten is separate. Ten is to handle the two years for the leases on Halsey Street that we mentioned in earlier agenda items.

SENATOR SCUTARI: Could we group it together with--

MR. SUTKIN: Seven, 8, 9, and 10.

ASSEMBLYMAN COUTINHO: I move that we approve agenda items 7, 8, 9, and 10.

MR. KELLY: Second.

SENATOR SCUTARI: Roll call.

MR. COSTANTINO: Senator Scutari.

SENATOR SCUTARI: Yes.

MR. COSTANTINO: Assemblyman Coutinho.

ASSEMBLYMAN COUTINHO: Yes.

MR. COSTANTINO: And Mr. Kelly.

MR. KELLY: Yes.

MR. COSTANTINO: Sir, you have three votes in the affirmative, zero in the negative. The motion to approve NPLs 4651, 4427, 4077, and 4021 carries.

SENATOR SCUTARI: The next is No. 11, 2903.

I've already expressed my concern with the agenda item at the last meeting. In response to that, I sent written communication to the Treasurer on September 10 to which I have not received a response. So I'm going to ask that agenda item to be held.

But before we do that, I have a question because I continue -- and I've already expressed my concern with out-of-state offices. This Committee recently approved leases in California, Chicago for purposes of tax collection, which I had indicated I will not support in the future. That's

not about this agenda item, but it just goes along those lines. So there is plenty of notice that those leases are the end for the people who have worked in California on the State's dime.

With telecommunications, with technology constantly improving, I cannot -- unless I'm convinced otherwise -- approve those. But I digress for a moment just so I'm on the record and we're clear regarding out-of-state leases that the State of New Jersey pays for.

Now, as it goes to agenda No. 11, NPL 2903: I continue to question the efficacy of this office, the usefulness of it, and the reason for it. But be that as it may, I'm also awaiting response to the September 10, 2012, correspondence with the Treasurer. And until I get that, and until I am convinced otherwise, I won't support that. So at this point in time, unless there are any other questions, I'm going to hold the item. Or if you want me to move to hold the item -- I could do it that way. But if it doesn't pass, I will vote against it. So let's just be clear.

ASSEMBLYMAN COUTINHO: In the interest of this hopefully getting worked out sometime in the near future, I'm going to move that we hold the item so that we don't move to reject it. So I will move to hold.

Do I get a second? (laughter)

MR. KELLY: Do I have to second?

SENATOR SCUTARI: You don't have to. It would probably be worse though. (laughter)

ASSEMBLYMAN COUTINHO: That's why I put that comment out there. In the spirit of -- so that we don't have to reject the item.

SENATOR SCUTARI: Right.

I'll second it.

Roll call to hold the item.

MR. COSTANTINO: To hold the item. This motion is to hold the item.

Senator.

SENATOR SCUTARI: Yes.

MR. COSTANTINO: Assemblyman Coutinho.

ASSEMBLYMAN COUTINHO: Yes.

MR. COSTANTINO: And Deputy Treasurer -- I'm sorry, Mr. Kelly.

MR. KELLY: I'll abstain.

MR. SUTKIN: Senator, I'd be remiss if I didn't say for the record that I haven't seen, until today, your letter. And my information from the Treasurer's Office is that they similarly have not seen the letter. So I don't know if it was an administrative issue associated with the mailing. But no one has-- And had we seen the letter, we would have acted upon it immediately.

SENATOR SCUTARI: I'm not questioning you. I didn't send it to you. I sent it to the Treasurer because he was the one who sent me the original correspondence that I received from him on June 27. When I received that from him, later on we delineated some requests for information on September 10 and communicated that to the Treasurer. And we have yet to receive a response.

But in addition to that, I want to know why we need that office. I know the Governor was recently in Washington, D.C., to meet

with the President of the United States to talk about FEMA efforts. Was he in the office?

MR. SUTKIN: I can't testify to that.

SENATOR SCUTARI: I mean, if he wasn't in the office on that day, I just can't possibly fathom why we need that office. We have two United States Senators who have a permanent presence down there, we have a multitude of Congressmen, we have plenty to do here in Trenton. I just-- I can be convinced otherwise, but I want to know why we need that office. I want to know why we need office space for eight employees and we only have three parking spaces. I really don't understand why we have to have an office down there. That's my number one concern. And that's my continued concern about the offices in California and in Chicago that we pay for.

That's just my thought for the day on that. I will await the response of the September 10 letter. I will get you a copy of that today if we haven't already done so.

And we'll move on to the next order of business, which is NPL 4567.

MR. SUTKIN: Thank you, Senator.

This is a lease for the Office of the Public Defender in Morristown, and it's a lease expansion to accommodate additional Office of the Public Defender employees. I believe it's three Public Defender attorneys and two part-time staff.

SENATOR SCUTARI: Any questions on NPL 4567?

ASSEMBLYMAN COUTINHO: No.

SENATOR SCUTARI: Can I have a motion?

ASSEMBLYMAN COUTINHO: So moved.

MR. KELLY: Second.

SENATOR SCUTARI: Roll call on that.

MR. COSTANTINO: Senator Scutari.

SENATOR SCUTARI: Yes.

MR. COSTANTINO: Assemblyman Coutinho.

ASSEMBLYMAN COUTINHO: Yes.

MR. COSTANTINO: And Mr. Kelly.

MR. KELLY: Yes.

MR. COSTANTINO: Senator, you have three votes in the affirmative, zero in the negative. The motion to approve NPL 4567 carries.

SENATOR SCUTARI: Thank you.

The next agenda items are tabbed 13, 14, and 15, the Department of Law and Public Safety.

MR. SUTKIN: Yes, thank you.

The first lease is a State Police station in Tuckerton, New Jersey, which is a five-year extension where we've negotiated cost savings. The second one, 3989 -- item No. 14 -- is a radio tower up in Sussex County. And the third one is a warehouse that we obtained a lease on for donations from around the country in order to assist with Hurricane Sandy efforts.

SENATOR SCUTARI: With respect to Item No. 13, the West Creek State Police station, I thought we owned that. I've been by that a million times. Why don't we own that? Why don't we own something down there? I mean, it's a pretty rural South Jersey area. I don't think

we're going to be getting out of the police business in southern Ocean County.

MR. CAMPANELLA: Senator, you're absolutely right. This is one of six locations that the State Police, Law and Public Safety, has identified for the next round of purchasing. And if you note in your package you'll see a purchase option price already incorporated into this deal. So it will be at some point in the future, pending funding.

SENATOR SCUTARI: Understood. Thank you.

MR. SUTKIN: You may recall that recently we did purchase five other State Police barracks.

SENATOR SCUTARI: I do. That's excellent. Thank you.

Any questions on the other agenda items for consideration?

ASSEMBLYMAN COUTINHO: Could you describe how we came about No. 15 -- the donations. I know it's a small item, but I'm just curious to what extent, as part of our emergency management plans-- In any of the shelters or anything, we don't have anything secured where we could have done it?

MR. SUTKIN: Sure. Craig did this one personally, actually during the Hurricane when the State was closed. And he ran around all over local areas. He could take you through some of the steps he went through.

ASSEMBLYMAN COUTINHO: We are talking about-- It's going to cost us-- It's \$150,000 to collect donations. I mean, it does seem a little steep. I'm just curious how we went about it. And as we go forward, you know-- One of the things, obviously, the Legislature is doing is seeing what our response was and what we can do in the future and what we can

do better. And I think clearly this \$150,000 -- there is no-- If we put it into a plan, this easily could have been avoided.

MR. SUTKIN: I'm pretty comfortable that the steps we took were reasonable, and the efforts that Craig undertook as well. And he can speak to them directly, Assemblyman.

C R A I G B R U C H: We were requested by OEM to try to secure sufficient space for donations that were coming from all over the country to support the victims of the Superstorm.

We identified 16 locations. And they needed to be in an area where you had great access to the Turnpike and Interstate 295. We looked as far north as Middlesex County and as far south as Mercer. We identified 16 locations, some of which were already taken when we looked in Costar; some of which were already taken-- Some weren't available because of companies having damage to their own locations and they were using their warehouses and expanding. Some had available space at the time. And when the Hurricane hit, they had to use their own warehouses. So we identified just two: one in Middlesex and one in Mercer County here. And it was decided, from a cost perspective, that this site was the best one.

SENATOR SCUTARI: We didn't even start this lease yet though, right?

MR. BRUCH: Pardon me?

SENATOR SCUTARI: Are we occupying this? This is a warehouse.

MR. BRUCH: We are occupying it under an interim lease agreement.

SENATOR SCUTARI: And this lease agreement will start at the end of December, right, or did it start November 28?

MR. BRUCH: They actually occupied November 15. And it's subject to your approval.

SENATOR SCUTARI: I mean, based upon-- It says it expires on February 28.

MR. BRUCH: Three-month lease, yes, sir.

SENATOR SCUTARI: That's three-and-a-half months.

And you'll be done with it by then? I mean, will you be done with the utilization of that warehouse?

MR. BRUCH: I spoke to the gentleman from OEM, and he was trying to find out if we would conclude the operations by then. We have three, one-month extensions at the same rate.

SENATOR SCUTARI: What's in there now?

MR. BRUCH: It's all clothing and donations. Items from Sears and major corporations that are being dispersed to the residents. Some of it's clothing -- new clothing, it's tools, it's everything imaginable.

ASSEMBLYMAN COUTINHO: Again, the reason I just bring this up-- Again, obviously we're there already. I'm going to support it, but-- And this isn't being critical about anybody. I just think it's an observation, and we need to -- part of our emergency management planning going forward -- there really was no reason for this money to have to be spent. I think we could have-- Going forward we need to plan and see that we have space available to do different things. It's \$150,000 more that could be used to help rebuild in some other place. It's a lesson learned

more than anything. It's not a criticism about anybody, just a lesson learned.

SENATOR SCUTARI: It's a pretty big amount of space.

ASSEMBLYMAN COUTINHO: That's the other interesting question. Is this FEMA reimbursable?

MR. BRUCH: There was no space in our portfolio to handle this.

SENATOR SCUTARI: That's a good question. Is it FEMA-- Is this part of the application for FEMA funding?

MR. BRUCH: I believe we will get reimbursed for some, if not all, of it.

Here is Jeff Burns from OEM.

J E F F R E Y B U R N S: Senator, my name is Jeff Burns. I'm the Emergency Management Coordinator for the Department of the Treasury.

SENATOR SCUTARI: Welcome.

MR. BURNS: We're a resource agency to any agency that responds.

SENATOR SCUTARI: I see you have a sweater; no fleece.
(laughter)

MR. BURNS: I did not expect to be here today. I was invited shortly before the meeting started. That's why I'm in this attire.

SENATOR SCUTARI: I have no objections.

MR. BURNS: The reason why we entered into this lease so hastily is because we don't normally lease empty warehouses. And the purpose of the donations management process is, the donations are going to come into an affected area no matter what. And if you don't manage the

process, they become part of the problem. So the State stood up the warehouse. They're receiving the donated goods and then they're pushing them out to the nongovernmental agencies statewide as needed.

We received some things that we probably will never use. But that's better than it being dumped in a parking lot somewhere and then seeing a bulldozer put it in the back of a dump truck somewhere.

SENATOR SCUTARI: We simply don't have the space to put all the donations that you were getting in. You're getting stuff from all over the country I would imagine.

MR. BURNS: We are.

SENATOR SCUTARI: And you needed a place to centrally locate it and, I'm assuming, organize it and prepare it for redistribution.

MR. SUTKIN: In fact, we've been very aggressive over the last five years in getting rid of excess warehouse space so we'd lighten the burden on the central rent budget.

SENATOR SCUTARI: Do we even have excess warehouse space right now?

MR. SUTKIN: Little pockets, but nothing to--

SENATOR SCUTARI: Not enough to centrally locate this kind of--

MR. SUTKIN: Correct.

SENATOR SCUTARI: How filled up are we over there now?

MR. BURNS: We have 150,000 square feet. We probably have three-quarters of the footprint filled. It's always evolving. We get stuff in, stuff gets pushed out.

SENATOR SCUTARI: Do you have people over there full-time managing this?

MR. BURNS: We were actually utilizing nongovernmentals to manage it. (indiscernible) Community Services is staffing up and managing the warehouse -- all part of the VOAD effort, the Volunteer Organizations Active in Disaster. That's what they specialize in.

SENATOR SCUTARI: I know we've digressed a little bit, but just for educational purposes, how do you manage all that stuff? And how do you determine who gets it, where it goes? How do you keep track of it?

MR. BURNS: There is a national donations management network called Aidmatrix where people can pledge a donation and we can accept that pledge. We can schedule delivery if we receive something -- just somebody comes up to the door and drops stuff off. We can enter it into the inventory. We keep an inventory. We advertise the inventory out to all the nongovernmental agencies so that they can essentially shop from it. We're being asked for things we don't have, but we're taking those requests so that we can look for the proper donations. The State doesn't solicit donations, but it doesn't mean we don't look for them, if that makes any sense. We don't call people up and knock-- We're not knocking on doors.

SENATOR SCUTARI: How do you determine the legitimacy of a request from someone or some company?

MR. BURNS: We're using the bona fide, nongovernmental 501(c)(3). Am I using the right term for nonprofits? And there have been some pop-ups -- Save the Shore and different things. And we actually go out and vet them and make sure they're actually supplying the people in need.

SENATOR SCUTARI: Is that who it's all given to? It's not individuals, it's organizations that come to you?

MR. BURNS: It's been given to organizations, faith-based groups, and other nonprofits -- United Way, Red Cross, Salvation Army. And if we have a pop-up group-- We have a group in Toms River that has been asking for stuff. And we've been asking them to work through a local, bona fide nonprofit. We'll give it to them in the name of them so that we have some accountability for it.

The stuff doesn't belong to the State of New Jersey. People donate it to the people in need. But we're managing it so that, accountability wise, it's not just filling somebody's coffers with stuff.

SENATOR SCUTARI: Right.

ASSEMBLYMAN COUTINHO: Again, if I may -- just so that we can move on -- this wasn't meant to be critical. In fact, OEM did an incredible job responding to the storm. And I understand doing what you have to do. Let's just get it done and move forward.

I do think though, as a Department, as we refine our plans going forward-- I mean, I'm thinking about issues such as Fort Monmouth, which is wide open there; the National Guard facilities; Fort Dix. Some temporary housing is part of an emergency management plan. That's the sort of stuff we can use and not spend on this.

Again, this was a learning experience for all of us. And I think that as your department is involved in reshaping these plans going forward, you'd take that into consideration. Something we would have never thought of before -- possibly having space afterwards -- that that be taken into consideration.

That's all I'm saying. I think this is a learning opportunity for us. Obviously in perfect circumstances it would never happen, but I do think that if we had structure-- I mean, something similar happened -- and I don't know, probably it shows up on somebody's budget -- part of the emergency management plan for out-of-state personnel was a space in Harrison which, when the storm happened and they went there, it was under development. They ended up in Linden. You saw those-- Did you see those temporary tents that ended up at the GM plant in Linden? They were supposed to be in Harrison. Obviously these things happen.

All I'm saying is, let's see as we go forward -- take that into consideration.

SENATOR SCUTARI: I can only imagine that you're going to need to extend this lease if you have that much material there. There is no way you're going to have it all out of there.

MR. BURNS: I just had this conversation. I'm working with the Lieutenant Governor's Office -- their lead on this, and I'm part of their committee to run it on a day-to-day basis. And we're trying to define our long-term life and whether it's going to evolve into long-term recovery -- and that being building material -- not just water, and diapers, and cleaning supplies. Is it going to evolve into building material to support the Habitat for Humanity and different agencies that will come in and help people rebuild their homes. And I don't know the answer to that right now.

ASSEMBLYMAN COUTINHO: For the record, I think we should-- I'd be remiss, since I brought this up -- and if somebody is actually listening -- people can listen on the Internet -- this is an incredible rate. I

believe we're talking about 150,000 square feet for three-and-a-half months. It comes out to \$0.33 a square foot. It is a really good rate.

Let's just see, going forward, that we learn from this and incorporate it into our future planning.

I think we've discussed this--

Mr. Chairman, I can move it whenever you're ready.

SENATOR SCUTARI: I just want to clarify the rates. What was the rate amount on this -- the square footage rate?

MR. BURNS: It cost \$4.

SENATOR SCUTARI: It's \$4 a square foot.

ASSEMBLYMAN COUTINHO: So how did we-- Well, I miscalculated something.

MR. BURNS: To be honest with you, the warehouse is 300,000 square feet, and they're letting us spread our wings a little bit. They're very good neighbors.

ASSEMBLYMAN COUTINHO: It's still a good rate.

MR. SUTKIN: Just also for the record, we did look at Fort Monmouth, and there wasn't space available. And we did reach out and ask for donated space, and we weren't successful on that. So we explored those avenues as well. But we're amenable to a lesson-learned analysis, and we'll go through that. But there was a lot of due diligence associated with this leasing initiative.

SENATOR SCUTARI: On that FEMA reimbursement issue-- So this, I'm assuming, will be made part of whatever request the State makes for FEMA reimbursement as part of our--

MR. BURNS: It will be part of our agency's expenses put forward for reimbursement -- whatever the match is -- 75 or 90 percent -- whatever the match is going to be.

SENATOR SCUTARI: Okay. Thank you very much.

On the motion to approve--

ASSEMBLYMAN COUTINHO: So moved.

MR. KELLY: Second.

SENATOR SCUTARI: Roll call.

MR. COSTANTINO: Senator Scutari.

SENATOR SCUTARI: Yes.

MR. COSTANTINO: Assemblyman Coutinho.

ASSEMBLYMAN COUTINHO: Yes.

MR. COSTANTINO: And Mr. Kelly.

MR. KELLY: Yes.

MR. COSTANTINO: Senator, you have three votes in the affirmative, zero in the negative. The motion to approve NPLs 0941, 3989, and 4653 carries.

SENATOR SCUTARI: Thank you.

The next agenda item is NPL 4553, Tab 16, Division of Developmental Disabilities.

MR. SUTKIN: Yes, Senator. This is a lease for the Division of Developmental Disabilities in the Department of Human Services. It's a lease expansion and extension. It's a one-year extension, and it's going to be accommodating an additional 25 employees due to programmatic issues and reassignments at the Department of Human Services.

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

Could I have a motion?

ASSEMBLYMAN COUTINHO: So moved.

MR. KELLY: Second.

SENATOR SCUTARI: Roll call.

MR. COSTANTINO: Senator Scutari.

SENATOR SCUTARI: Yes.

MR. COSTANTINO: Assemblyman Coutinho.

ASSEMBLYMAN COUTINHO: Yes.

MR. COSTANTINO: And Mr. Kelly.

MR. KELLY: Yes.

MR. COSTANTINO: Senator, you have three votes in the affirmative, zero in the negative. The motion to approve 4553 carries.

SENATOR SCUTARI: Thank you.

The last agenda item is Tab No. 17, NPL 4545.

MR. SUTKIN: Yes, it's a lease expansion for the Motor Vehicles Commission -- an additional 3,700 square feet for license restoration services and other services that they have.

SENATOR SCUTARI: Any questions? (no response)

Can I have a motion?

ASSEMBLYMAN COUTINHO: So moved.

MR. KELLY: Second.

SENATOR SCUTARI: Roll call.

MR. COSTANTINO: Senator Scutari.

SENATOR SCUTARI: Yes.

MR. COSTANTINO: Assemblyman Coutinho.

ASSEMBLYMAN COUTINHO: Yes.

MR. COSTANTINO: And Mr. Kelly.

MR. KELLY: Yes.

MR. COSTANTINO: Senator, you have three votes in the affirmative, zero in the negative. The motion to approve 4545 carries.

SENATOR SCUTARI: Thank you.

May I have a motion to adjourn?

ASSEMBLYMAN COUTINHO: So moved.

MR. KELLY: Second.

SENATOR SCUTARI: Roll call.

MR. COSTANTINO: Senator Scutari.

SENATOR SCUTARI: Yes.

MR. COSTANTINO: Assemblyman Coutinho.

ASSEMBLYMAN COUTINHO: Yes.

MR. COSTANTINO: And Mr. Kelly.

MR. KELLY: Yes.

MR. COSTANTINO: Thank you.

SENATOR SCUTARI: Thank you. We're adjourned.

(MEETING CONCLUDED)