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# *Committee Meeting*

of

## JOINT STATE LEASING AND SPACE UTILIZATION COMMITTEE

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**LOCATION:** Committee Room 7  
State House Annex  
Trenton, New Jersey

**DATE:** June 27, 2019  
12:00 p.m.

**MEMBERS OF COMMITTEE PRESENT:**

Senator Nicholas P. Scutari, Chair  
Assemblyman Raj Mukherji  
James F. Kelly



**ALSO PRESENT:**

Carl T. Costantino  
*Office of Legislative Services*  
*Committee Aide*

Mark S. Kaminski  
*Committee Secretary*

Gary A. Kotler  
*Committee Counsel*

Tony Teixeira  
*Senate Majority*  
*Committee Aide*

***Hearing Recorded and Transcribed by***  
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Hearing Unit, State House Annex, PO 068, Trenton, New Jersey

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**SENATOR NICHOLAS P. SCUTARI (Chair):** I'll call this meeting to order of the Joint State Leasing and Space Utilization Committee.

Today is June 27, 2019.

Roll call, please.

**MR. COSTANTINO (Committee Aide):** Senator Scutari.

**SENATOR SCUTARI:** Here.

**MR. COSTANTINO:** Assemblyman Raj Mukherji.

**ASSEMBLYMAN MUKHERJI:** Here.

**MR. COSTANTINO:** And Assistant Director Kelly.

**MR. KELLY:** Here.

**MR. COSTANTINO:** Okay; Senator you have a quorum.

I just want to make a quick announcement -- that the Assistant Director is sitting in for Bob Shaughnessy this morning.

Welcome; thank you, and we appreciate your input.

**MR. KELLY:** Thank you.

**SENATOR SCUTARI:** Welcome, Assistant Director.

**MR. KELLY:** Thank you.

**MR. COSTANTINO:** The next thing on the agenda is the Open Notice.

Notice of this meeting, of the State Leasing and Space Utilization Committee, was provided to the Secretary of State, the *Trentonian*, the State House Press, on June 24, 2019, as part of the Open Public Meetings Act.

And our next order of business is-- It's our first meeting of the year, and so we're required, by statute, to select a new Chair.

SENATOR SCUTARI: Correct.

MR. COSTANTINO: And do I have a nomination?

ASSEMBLYMAN MUKHERJI: I nominate the Honorable Nicholas P. Scutari.

MR. COSTANTINO: Excellent; do I have a second?

MR. KELLY: Second.

MR. COSTANTINO: On the nomination for Chair; Senator Scutari.

SENATOR SCUTARI: Yes.

MR. COSTANTINO: Assemblyman Mukherji.

ASSEMBLYMAN MUKHERJI: Yes.

MR. COSTANTINO: And Assistant Director Kelly.

MR. KELLY: Yes.

MR. COSTANTINO: You have three votes in the affirmative, none in the negative.

Congratulations, sir. You're the Chairman.

SENATOR SCUTARI: Oh; oh, wow. Yay. (laughter)

All right; I have a 10-minute speech prepared. (laughter)

Okay; so the first order of business is the approval of the October 29 meeting minutes.

I'll move the meeting minutes, and I'll ask for a second.

ASSEMBLYMAN MUKHERJI: Second.

SENATOR SCUTARI: Roll call on the meeting minutes.

MR. COSTANTINO: Senator Scutari.

SENATOR SCUTARI: Yes.

MR. COSTANTINO: Assemblyman Mukherji.

ASSEMBLYMAN MUKHERJI: Aye.

MR. COSTANTINO: And Assistant Director Kelly.

MR. KELLY: Yes.

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

The meeting minutes of October 29, 2018 are approved.

SENATOR SCUTARI: Okay.

I just have a general question, and I think Tony has that question. And I'm not sure of the answer; I should know it after all these years. But Tony, why don't you ask the proper question -- on these leases in general.

MR. TEIXEIRA (Committee Aide): So if this Committee approves a lease for 10 years, and there are two, five-year extensions available, do those five-year extensions come back prior to them being granted?

MR. KOTLER: No. If it's part of the approval, then they're-- It's an option, in most cases, for the State to exercise that.

MR. TEIXEIRA: The department would exercise.

MR. KOTLER: Yes.

MR. TEIXEIRA: It wouldn't need to come back to this Committee.

MR. KOTLER: Correct.

SENATOR SCUTARI: Right; so, if we do a 10-year lease today with five-year options, we may never see this lease again in our lifetimes--

MR. KOTLER: Yes, correct.

SENATOR SCUTARI: --more than likely.

Okay, all right.

Well, I guess that's going to be the end of a lot of this business here today.

All right; so we have several NPLs to consider.

We have NPLs 4236, 0413, and 4056, which are State Police leases.

Director.

**CHRISTOPHER CHIANESE:** Good afternoon.

I'm Chris Chianese, the Director of the Division of Property Management and Construction.

I'd like to thank the Committee for allowing us to present our proposed leases today.

Lease 1, Tab No. 1, 4236, is for the Department of Law and Public Safety for the State Police.

It's an amendment to extend the lease and adds a State option. Advertisement was waived, since this lease is for air monitoring and antenna stations. It's located at 3851 Boardwalk Avenue in Atlantic City. The term is for five years with one, five-year renewal option.

The requirement is for a room to house communications equipment and space to attach an antenna. The total cost is \$44,332.80 for 150 square feet, which includes electric.

**SENATOR SCUTARI:** Great.

Do you want to go over the second one?

**MR. CHIANESE:** The second one, NPL 0413, is also for Law and Public Safety, State Police.

The advertisement was waived, since the amendment has resulted in cost savings to the State for this fiscal year, as well as the term.

It is located at 1722 Route 206, in Southampton Township. The term is for five years.

Law and Public Safety identifies this site is a good location for its operations, and supports the lease extension.

This station is responsible for general police duties in the towns that do not have their own police department, including Shamong, Tabernacle, Southampton, and Woodland. The lessor has also agreed to replace the flooring in the men's locker room.

The space is 53,387 square feet, and the State will realize \$2,693.50 worth of annual savings.

Tab 3, 4056, is Law and Public Safety, located at 2 Squirrelwood Road in Woodland Park.

This is a lease extension, which has resulted in cost savings.

The term is 10 years, with an option to terminate.

Law and Public Safety needs space for 39 detectives, and the current space meets their needs.

Thank you.

SENATOR SCUTARI: Thank you.

And just as a -- because it's the first meeting of the year, and we could go over generally -- we've talked about this for, probably, many years, in terms of lease versus construct. And if you could just give the members of the Committee -- just a new overview on, you know, what you guys go through, and the analysis you go through, before making a decision on a long-term lease versus the potential to build something.

And we've been doing that; I know, in Motor Vehicles, there have been a couple that, instead of leasing, you've constructed a couple of buildings. And I think there are a lot of things that go into that.

MR. CHIANESE: Sure.

So what we're-- Traditionally, what we'll do is, we'll look at the cost of the lease currently; the projected cost of the lease in the out years; how long we may want to have that lease for. We would compare it to the cost to build a building, the cost to buy the land and build on that site; or the cost to renovate a building. And then we would put it into a net present value exercise, where we're coming up with what makes sense, in terms of leasing rather than buying or owning.

Part of what we think about is-- I mean, these leases run for a period of time. So it's sometimes difficult to tell the needs in the future. And if we have a lease, we have the ability to get out of the lease; we have termination clauses. Where, if we were to-- You know, the workforce grows and shrinks over a period of time, from Administration to Administration. So we try to lay all that into our decision-making.

SENATOR SCUTARI: Now, is that something -- that analysis, is that something you do in each and every decision that you make, with respect to each of these NPLs?

MR. CHIANESE: No, I can't say that we do it for every one. You know, it depends on what we think is available in the areas that the agencies have their needs, and the availability of land or buildings -- if it's a larger lease, and it would be more difficult to create or build a new building, or to buy a building and renovate it.

SENATOR SCUTARI: I mean, I can tell you, from my perspective-- And I know we've been talking about this since -- I don't know how long you've been here -- but even when Senator Sweeney sat on this Committee; and I've been on it probably 10 years -- you know, the thought that, obviously, in some instances, it's more cost-efficient to buy versus to lease; but not always. And the response to those continued conversations -- I think there has been some building that has occurred.

I would just like us to continue to focus on that, as a consideration, for basically every lease; at least a thought process. Like, "Hey, we considered it; it doesn't work for these reasons." And then you can communicate that to us, so I don't have to wonder about it every time.  
(laughter)

MR. CHIANESE: No, I understand, and I agree.

Two good examples are the new Health and the new Tax buildings. Before we decided to build, we looked at -- would it be more cost-effective for the State to lease. But the answer in the end was "no," so we constructed -- we're in the process of constructing two buildings.

SENATOR SCUTARI: Great. And I'd like to continue to see that, for the next meeting -- whenever it is that that is -- when we have NPLs in front of us that at least that's under consideration. And you can just communicate that to me; when I ask you about the NPLs, you say, "Hey, we looked at it. It doesn't make financial sense in this instance. There's nothing around, there's no land, it's not cost-effective" -- for whatever reason you've decided to go in the leasing versus the buying. And then I'll feel more comfortable in giving 20-year deals.

MR. CHIANESE: I understand.

SENATOR SCUTARI: Great; okay.

With that, we have three NPLs -- NPL 4236.

Assemblyman or Deputy Director, any questions?

MR. KELLY: None.

SENATOR SCUTARI: Seeing none, I'll entertain a motion for NPL 4236.

MR. KELLY: So moved.

ASSEMBLYMAN MUKHERJI: Second.

SENATOR SCUTARI: Roll call.

MR. COSTANTINO: Senator Scutari.

SENATOR SCUTARI: Yes.

MR. COSTANTINO: Assemblyman Mukherji.

ASSEMBLYMAN MUKHERJI: Yes.

MR. COSTANTINO: Assistant Director Kelly.

MR. KELLY: Yes.

MR. COSTANTINO: Senator, you have three votes in the affirmative, none in the negative. The motion to approve NPL 4236, 0413, and 4056 is approved.

MR. KOTLER: No, I think he only referenced the first one.

SENATOR SCUTARI: I think I only referenced the one, but I'm fine with all three--

MR. COSTANTINO: Oh, I'm sorry. I thought we-- Okay.

SENATOR SCUTARI: --unless there was-- We can consider that vote for all NPLs--

MR. COSTANTINO: Okay.

SENATOR SCUTARI: --if that's what everyone thought they were doing.

Is that fine, Assemblyman, Assistant Director?

MR. KOTLER: So that would be an amended motion?

SENATOR SCUTARI: We'll amend the motion for it to be NPL 4236, 0413, and 4056.

MR. COSTANTINO: Okay, thank you.

SENATOR SCUTARI: Great; okay.

Next is the Judiciary, the General Equity and Tax Courts in Newark.

MR. CHIANESE: Tab 4 is for NPL 4713 for General Equity and Tax Courts.

Advertisement was waived because the lease space is with the County of Essex, which is another government agency.

It's located at 465 Martin Luther King Boulevard in Newark.

This action, if approved, will consolidate the Tax Court offices from Trenton, Hackensack, Morristown, and Newark's 153 Halsey Street leases.

Essex County is proposing a new building and a parking garage structure on our Essex County Court Complex property that will not only house the Tax Court, but also other County offices. The new space would add about 13,000 square feet to allow for more occupants, as well as up-to-date courtrooms.

The term of the lease is 20 years. The rental rate actually increases, post-plan, contrary to what the package says in the plan

summary. We anticipate it will take about 18 months to construct once the lease documents are executed.

SENATOR SCUTARI: So when is this lease going to commence, assuming that they get it completed, right?

MR. CHIANESE: Right.

So we're figuring, you know, about 18 months from July; so, 2022, 2021.

SENATOR SCUTARI: And legitimately, when this goes forward, there's going to be a -- they're going to move all the Tax Courts into one central location statewide?

MR. CHIANESE: The ones that I noted, yes.

SENATOR SCUTARI: The ones that you noted. Where are the others -- do you know where the others are going to remain?

I'm not sure.

CHARLES J. CONNERY: Well, they still maintain a Tax Court in Trenton, by statute. To be honest, I'm not sure what other Tax Courts we have.

Do you know (indiscernible)?

UNIDENTIFIED MEMBER OF AUDIENCE: (off mike) No.

MR. CONNERY: This encapsulates all the Tax Courts. So we're going to have them in Trenton and Newark.

SENATOR SCUTARI: And that's it?

MR. CONNERY: Correct.

UNIDENTIFIED MEMBER OF AUDIENCE: (off mike) Yes.

SENATOR SCUTARI: Okay.

All right; thank you.

Any other questions on NPL 4713? (no response)

Seeing none, I'll entertain a motion.

ASSEMBLYMAN MUKHERJI: So moved.

MR. KELLY: Second.

SENATOR SCUTARI: Roll call on NPL 4713.

MR. COSTANTINO: Senator Scutari.

SENATOR SCUTARI: Yes.

MR. COSTANTINO: Assemblyman Mukherji.

ASSEMBLYMAN MUKHERJI: Yes.

MR. COSTANTINO: And Assistant Director Kelly.

MR. KELLY: Yes.

MR. COSTANTINO: You have three votes in the affirmative, none in the negative. The motion to approve NPL 4713 carries.

SENATOR SCUTARI: Thank you.

The Department of Children and Families has two NPLs for your consideration: 3940 and 4571.

MR. CHIANESE: Tab 5 is 3940, and that's -- the advertisement was waived, since our negotiations have resulted in cost savings to the State for the current fiscal year. And the term of the lease, located at 855 State Route 10 in Randolph -- the term is for five years.

The landlord was not open to a month-to-month lease, and DPMC was able to negotiate a slight reduction over the extension.

The space is for 19,700 square feet; and year one to three savings are \$2,955; and \$985 in years four and five.

And NPL 4571, for a Child Protection and Permanency unit, is located at 415 East Washington Street in Washington Township, amending a lease to add space for the growth in the program.

The term is for 10 years, with an existing term when the 5-year renewal option is exercised.

This is an expansion of an existing program. The advertisement was waived.

DCS conveyed the need to expand their space, from 16,062 square feet to a not-to-exceed square footage of 23,304 square feet.

Noting severe overcrowding is an issue, DCF feels this location is to serve their clients best. Also, DCF has the approval to hire 13 additional employees.

SENATOR SCUTARI: The Randolph location -- was that lease expired -- NPL 3940?

MR. CONNERY: That's currently expired.

SENATOR SCUTARI: It's currently expired. So we just did-- That's just a five-year extension. You were, I guess-- Were we in a month-to-month at some point?

MR. CONNERY: We were.

SENATOR SCUTARI: He didn't want to remain in that; and I wouldn't either, I guess, if I was the landlord. I mean, it's minuscule savings, but it's a savings.

Okay; any questions on NPLS 3940 or 4571? (no response)

Seeing none, I'll entertain a motion on those two together.

ASSEMBLYMAN MUKHERJI: So moved.

MR. KELLY: Second.

SENATOR SCUTARI: Okay; roll call on the two NPLs.

MR. COSTANTINO: Senator Scutari.

SENATOR SCUTARI: Yes.

MR. COSTANTINO: Assemblyman Mukherji.

ASSEMBLYMAN MUKHERJI: Yes.

MR. COSTANTINO: Assistant Director Kelly.

MR. KELLY: Yes.

MR. COSTANTINO: Senator, you have three votes in the affirmative, none in the negative. The motion to approve NPL 3940 and 4571 carries.

SENATOR SCUTARI: Okay.

The next order of business is the Motor Vehicle Commission. There are four NPLs for your consideration.

MR. CHIANESE: NPL 7, for MVC, is for a Service Center for consumer transactions.

It's located at 450 Main Avenue in Wallington.

The term is for five years with two, five-year renewal options, for 4,000 square feet.

Advertisement was waived; this lease was renegotiated, and resulted in cost savings.

MVC has reviewed their needs, and considers the site suits the public's interest best. Their remaining at this site also avoids the costs associated with relocation.

Tab 8, NPL 3997, is located at 34 Center Street in Springfield.

This is a two-year extension, retroactive to May 1, 2019, with rights to terminate.

The advertisement was waived.

This is a short-term lease for no more than two years.

MVC would ultimately like to close the Springfield office and relocate. At this time, we would recommend entering a short-term lease, and will continue to work to relocate MVC to a long-term site.

The approval of this NPL will allow us to move forward without the fear of a quick eviction, since we are currently in a month-to-month. We've made several attempts, unsuccessfully, to advertise and award, but were unable to for various reasons.

Tab 9, NPL 4308 -- this is a lease extension for seven years, with the right to cancel after five, for 4,160 square feet.

This is a client service operation, located at State Highway 70 and Airport Road in Lakewood, and works well for MVC.

The extension will result in cost savings to the State in the current fiscal year and for the term.

Advertisement was waived. This lease provides parking at no additional rental cost.

Tab 10, 4715, is located at 17 Caldwell Place in Elizabeth. The term is for 10 years with two, 5-year renewal options.

This lease was negotiated with the Elizabeth Parking Authority, and advertisement was waived.

MVC's current space in East Orange is insufficient and lacks the proper parking allotment for their customers. MVC needs 7,000 square feet, 28 parking spaces, and 67 visitor spaces available at any one time, and can be accommodated with the vacant space available from the Elizabeth Parking Authority.

SENATOR SCUTARI: Great.

Who's here from MVC?

Can you come up? I want to ask you a question.

Thank you.

MR. COSTANTINO: Please state your name for the record.

**S T E P H E N M O O R H A T C H:** Stephen Moorhatch, from Motor Vehicles.

SENATOR SCUTARI: And what is your title?

MR. MOORHATCH: Construction Management Specialist.

SENATOR SCUTARI: Okay; thank you, sir.

So I want to just direct your attention to NPL 3997, which is the Springfield two-year extension.

What is MVC's -- what is their thought process on what's going to happen with the Springfield location, where it is going to be relocated? Are you going to build something somewhere; is that the reason for this? And if you are, what location do you guys want to move it to?

MR. MOORHATCH: At this point, we do not have plans to build in Springfield. There is not available land there. Typically, we'd like to use buildable State land to build on. We've done an inspection station, as well as other places like that, that we already have property. That's; not really available in the Springfield area. We feel like that area needs to be served by the Motor Vehicle agency.

So the plan was to find another lease site; but at this point in time, we've been unable to find one. And that's why this two-year extension is here.

SENATOR SCUTARI: What's the issue with the particular lease site that's not perfect for MVC? Just so I understand it.

MR. MOORHATCH: This site that we're in right now? It's literally falling apart. The building has some severe issues with cracking in floors and walls. We've had numerous problems with this site. It's small; it's one that we really want to get out of.

SENATOR SCUTARI: Okay; all right.

Well, keep us posted on that.

MR. MOORHATCH: Sure.

MR. MOORHATCH: I actually have some familiarity with it, so I just want to know what-- I wasn't aware of the structural issues with it.

MR. MOORHATCH: Yes, we've had some issues with that.

SENATOR SCUTARI: Yes.

MR. MOORHATCH: Yes.

SENATOR SCUTARI: Okay. And you believe that the Springfield area, or some adjacent-to town, would probably -- needs to be served?

MR. MOORHATCH: Yes, yes. We have a catchment area, you know, that we use. It includes some surrounding areas. But, at this point, we haven't been able to find an available lease in that. But we do feel that's an area that we need to have a Motor Vehicle Agency in.

SENATOR SCUTARI: Maybe you can coordinate with Tony from my office, since he's familiar with that area, in helping to locate a proper location.

MR. MOORHATCH: Okay; that would be great, yes.

SENATOR SCUTARI: We have a couple of years.

MR. MOORHATCH: Sure, yes.

SENATOR SCUTARI: Great; thank you.

MR. MOORHATCH: Thank you.

SENATOR SCUTARI: Okay, any other questions with respect to Motor Vehicle leases? (no response)

Seeing none, I'll entertain a motion for the four NPLs associated with Motor Vehicles.

ASSEMBLYMAN MUKHERJI: So moved.

MR. KELLY: Second.

SENATOR SCUTARI: A motion and a second.

Roll call, please.

MR. COSTANTINO: Senator Scutari.

SENATOR SCUTARI: Yes.

MR. COSTANTINO: Assemblyman Mukherji.

ASSEMBLYMAN MUKHERJI: Yes.

MR. COSTANTINO: Assistant Director Kelly.

MR. KELLY: Yes.

MR. COSTANTINO: Sir, you have three votes in the affirmative, none in the negative. The motion to approve NPL 4389, 3997, 4308, and 4715 is approved.

SENATOR SCUTARI: Okay, thank you.

All right; so--

MR. COSTANTINO: It's the warehouse one.

SENATOR SCUTARI: Yes, we've talked about these before; but we have the Treasury and the Board of Utilities, NPL 4708 and 4393.

MR. CHIANESE: NPL that's for DPM&C, OIT, Taxation, OLS, Judiciary, Law and Public Safety, Health, and Agriculture.

It's for 195,000 square feet of warehouse space that will allow for consolidation of various storage facilities.

It's a 20-year lease with two, five-year renewal options. It's located at 380 Scotch Road in Ewing.

This lease was advertised on three separate occasions, resulting in this recommendation for award.

The City of Trenton has been included in previous advertisements.

The consolidation is an effort to move away from old and inefficient space; space that is not properly ventilated and creates difficult work conditions in the warmer months. Additionally, some of the current storage areas are not properly developed for the needs of the agencies.

Included in these are large collections of State historical artifacts that are currently susceptible to damage and devaluation because of the current conditions.

Once a new warehouse is available, DPM&C will be able to properly maintain and store material in a safe and appropriate temperature-controlled environment.

SENATOR SCUTARI: And there was some litigation associated with this the last time, I remember, Carl?

MR. CHIANESE: Right; and it's our understanding that there is a settlement agreement in place. And the representatives from the landlord are here, if you'd like to speak to them.

SENATOR SCUTARI: No, I don't think so.

Any questions? (no response)

Okay.

NPL 4708 and 4393 -- any questions? (no response)

MR. COSTANTINO: Actually, we're doing them one at a time.

SENATOR SCUTARI: Oh, sorry.

MR. COSTANTINO: We're doing 4708 first.

SENATOR SCUTARI: NPL 4708 -- I'll entertain a motion.

ASSEMBLYMAN MUKHERJI: So moved.

MR. KELLY: Second.

SENATOR SCUTARI: Roll call.

MR. COSTANTINO: Senator Scutari.

SENATOR SCUTARI: Yes.

MR. COSTANTINO: Assemblyman Mukherji.

ASSEMBLYMAN MUKHERJI: Yes.

MR. COSTANTINO: And Assistant Director Kelly.

MR. KELLY: Yes.

MR. COSTANTINO: Senator, you have three votes in the affirmative, none in the negative. The motion to approve 4708 carries.

SENATOR SCUTARI: Okay; NPL 4393 -- any questions? (no response)

MR. CHIANESE: NPL 4393 is for BPU, Civil Service, and DEP.

This is an expansion of a lease space for an existing program at this site for BPU, Civil Service, and DEP.

It's located at 44 South Clinton Avenue in Trenton, which is recognized as Station Plaza.

The increase is for an additional 20,087 square feet that will increase the total at this site to 297,092 square feet. The additional space would be added at the same rental rate as the existing space. The landlord will contribute \$602,610 in improvement costs, and the agencies will pick up \$145,975 worth of improvements.

SENATOR SCUTARI: Okay; any questions on that presentation? (no response)

Okay; I'll entertain a motion for NPL 4393.

ASSEMBLYMAN MUKHERJI: So moved.

MR. KELLY: Second.

SENATOR SCUTARI: Roll call, please.

MR. COSTANTINO: Senator Scutari.

SENATOR SCUTARI: Yes.

MR. COSTANTINO: Assemblyman Mukherji.

ASSEMBLYMAN MUKHERJI: Yes.

MR. COSTANTINO: Assistant Director Kelly.

MR. KELLY: Yes.

MR. COSTANTINO: Senator, you have three votes in the affirmative, none in the negative. The motion to approve NPL 4393 carries.

SENATOR SCUTARI: Okay; Department of the Treasury.

MR. CHIANESE: Treasury -- Taxation, Audits. It's a five-year lease extension for 2,733 square feet, with a State option to extend the lease.

It is located in Des Plaines, Illinois.

Advertisement was waived, since the lease is for out-of-state.

The Division of Taxation represents the need to maintain out-of-state offices in order to conduct audits regionally of companies with significant business activity in New Jersey.

Taxation has had an office in Illinois since 1924. There are nine employees at this office. The square footage of 2,037 would remain the same. Costs will increase \$1.25 in year one, with an annual increase of 25 cents per year thereafter.

SENATOR SCUTARI: So I went and saw this lease. (laughter) I think there are more than nine people out there, quite frankly. It's only listed as nine employees? I thought there were 13 or something; I don't remember.

DENNIS SHILLING: (off mike) There are nine in the Chicago area--

MR. COSTANTINO: Please come forward, sir, so we can get your information on the record.

Thank you.

SENATOR SCUTARI: And, you know, not that I go and see all the leases, but the out-of-state ones really just kind of-- I can say they bother me. (laughter) But the people were very nice.

State your name and your title.

MR. SHILLING: Dennis Shilling; Executive Deputy Director for the Division of Taxation.

SENATOR SCUTARI: Hi.

MR. SHILLING: Hi.

There are nine folks who are located in the Chicago area, where we put that office. There are some other folks in some other states who are assigned to that office. But for the most part, they're working out of those other *substates*.

SENATOR SCUTARI: So I think it really is a larger conversation that we need to have -- not in this setting, I think -- and that it is really whether or not we want to be in this kind of business.

And I'm satisfied with a work product that the people present; I'm satisfied, quite frankly, that the lease is probably appropriate. But it's not-- And since it's our discretion whether or not to extend the lease, I want to have a broader discussion about the needs of out-of-state State employees not associated, essentially, with New Jersey. They are Illinois people, hired from Illinois, to do the work here; but they are paid with a New Jersey State check. And whether or not those jobs would be more appropriate being here and contributing to our economy, versus there.

Now, I'm not certain I'm right or wrong; I just want to have a broader discussion about that. And we can do that in person, since I took the time to go check it out.

And I probably should have had that already, since I was there. I haven't had that opportunity, so I apologize personally.

And the Assemblyman was out there as well.

So I want to hold that one issue for today until our next meeting, and then we'll make a decision on it, whether or not to-- I'm not saying I'm against it; I'm just saying I want to have a further discussion with respect to what I saw and what we think we need out there. And if that case can be made, then I'm fine with it.

That's my thought for today's purpose.

Assemblyman, do you agree with that?

ASSEMBLYMAN MUKHERJI: I concur.

SENATOR SCUTARI: So we do have the other NPLs, 4013--

MR. KOTLER: Excuse me, Senator.

I think I need a motion to hold -- an approval to hold that, please.

MR. COSTANTINO: This is going to be done separately; we're going to do this one separately from the others.

SENATOR SCUTARI: Yes; so we can do that now. I'm going to move to hold, pending further discussion, NPL 3835.

ASSEMBLYMAN MUKHERJI: So moved.

SENATOR SCUTARI: Second.

MR. COSTANTINO: Senator Scutari.

SENATOR SCUTARI: Yes.

MR. COSTANTINO: Assemblyman Mukherji.

ASSEMBLYMAN MUKHERJI: Yes.

MR. COSTANTINO: Assistant Director Kelly.

MR. KELLY: Yes.

MR. COSTANTINO: You have three votes in the affirmative, none in the negative. The motion to hold NPL 3835, pending additional information, carries.

SENATOR SCUTARI: Okay. We also have three NPLs for the Office of the Public Defender.

MR. CHIANESE: Tab 14, NPL 4013, for the Public Defender Trial Unit.

Advertisement was waived.

This is a lease extension, with cost savings and a renewal option, for 11,460 square feet of office, and 2,165 square feet of storage space.

This is a lease extension until December 31, 2028. It takes advantage of a cost savings upon execution.

OPD requested DPM&C to review the existing lease to take advantage of favorable extension conditions. The location is ideal for the agency, as it is walking distance to the courthouse. It offers adequate parking.

There are 43 employees, plus consultants and part-time employees. There is parking for 45 vehicles at no cost to the State. There is a new roof and new windows at the facility, and the landlord has been open to do work with OPD -- their needs, to modify space with the recent changes in the Bail Reform Act.

As part of the extension, the landlord will be renovating bathrooms and installing coded thermostats to reduce energy costs. Also, the landlord has provided recent improvements that have created operating cost savings to the State.

Tab 15, NPL 4656, for the Office of Law Guardian in Morris, in the Northwest Region.

Advertisement was waived. The amendment is required for expansion of an existing program that cannot function at a separate location. It is located at 2 Speedwell Avenue in Morristown.

The term will run concurrent with the existing lease that is being extended to February 28, 2029. The existing space is 3,243 square

feet and OPD has indicated the need for expansion not to exceed 4,123 square feet, bringing the total need of the site to 7,366 square feet.

Additional space is needed to eliminate overcrowding and to create a new Division of Mental Health and Advocacy Office. This office is required because OPD is taking over the caseload from Sussex County.

The landlord is going to provide a tenant improvement allowance of up to \$200,965.22 to be used towards costs associated with building out the expansion. In return the State would exercise its five-year option renewal and waive the cancellation of the option in 2021.

Tab 16, NPL 3918 for OPD is a five-year lease extension, with cost savings and expansion of the lease for program growth. It is located at 20 East Clementon Road in Gibbsboro.

The additional need for space is due to programing expansion, and advertisement was waived.

OPD's Mental Health Advocacy Unit has grown due to the added responsibilities of additional counties, rendering the space inefficient. Currently, we lease 11,987 square feet of space, and there's an additional need for 2,401 square feet.

The landlord will provide rent reduction and will provide almost \$6,000 worth of savings with the remainder of the term; and almost \$24,000 for the extended term.

SENATOR SCUTARI: Thank you.

Who's here from the Office of the Public Defender?

**MICHAEL SILVESTRI:** (off mike) I am.

SENATOR SCUTARI: Oh, great.

Come on up.

MR. COSTANTINO: Come forward.

SENATOR SCUTARI: Welcome.

MR. SILVESTRI: Thank you.

SENATOR SCUTARI: Would you state your name and title for the--

MR. SILVESTRI: Michael Silvestri, Building Management Services Specialist.

SENATOR SCUTARI: Welcome.

So, off topic, what is going on-- You may not know this, but when we relocated the New Brunswick Office of the Public Defender--

MR. SILVESTRI: Yes.

SENATOR SCUTARI: --we moved them out of the downtown; we moved them over to where the Workers Comp courts were.

MR. SILVESTRI: Yes.

SENATOR SCUTARI: And we leased a parking lot.

MR. SILVESTRI: Yes.

SENATOR SCUTARI: How's that parking lot being utilized?

MR. SILVESTRI: We utilize it quite well. The issue we have is it's -- there's no gate in the lot. There has been a lot of unauthorized vehicles parking there. We have been maintaining records of our daily usage. I do not have those with me today, but--

SENATOR SCUTARI: I didn't expect it.

MR. SILVESTRI: Yes.

SENATOR SCUTARI: I just wanted to-- I knew you were here, so I wanted to chat with you about it.

MR. SILVESTRI: Yes, yes.

SENATOR SCUTARI: So if you could put that together, and then give us an update on who's-- Because I heard the same thing -- that people are using the lot who aren't authorized.

MR. SILVESTRI: Yes.

SENATOR SCUTARI: You have an Office of Public Defender lot, and other people are going into the lot.

MR. SILVESTRI: Correct; yes.

SENATOR SCUTARI: They're parking in there.

MR. SILVESTRI: Yes.

SENATOR SCUTARI: So you don't need big a lot, like I anticipated.

MR. SILVESTRI: Well, we have an issue where we keep calling up, having vehicles towed; or staff have to be parking somewhere else, which creates issues with them trying to get in and out of the Court House.

SENATOR SCUTARI: Why can't the landlord put a gate on it, with a thing, and you guys have a card that gets in and out?

MR. SILVESTRI: We've looked into this; the landlord wasn't willing to incur the cost, and they--

SENATOR SCUTARI: We should have done that before we gave him the lease. (laughter)

MR. SILVESTRI: Yes. They wanted to charge us around \$20,000 to put it in, which we were not amenable to paying.

SENATOR SCUTARI: Yes; \$20,000 for an electronic gate. Well, follow up on that and let me know.

MR. SILVESTRI: Okay.

SENATOR SCUTARI: Because I'm there a lot, I see that lot.

(laughter)

MR. SILVESTRI: Yes, yes.

SENATOR SCUTARI: Okay; thank you.

MR. SILVESTRI: You're welcome.

SENATOR SCUTARI: All right; any questions on the NPLs for the Office of the Public Defender, 4013, 4656, and 3918? (no response)

Seeing none, I'll entertain a motion for the three NPLs.

ASSEMBLYMAN MUKHERJI: So moved.

MR. KELLY: Second.

SENATOR SCUTARI: Roll call, please.

MR. COSTANTINO: Senator Scutari.

SENATOR SCUTARI: Yes.

MR. COSTANTINO: Assemblyman Mukherji.

ASSEMBLYMAN MUKHERJI: Yes.

MR. COSTANTINO: And Assistant Director Kelly.

MR. KELLY: Yes.

MR. COSTANTINO: You have three votes in the affirmative, none in the negative. The motion to approve NPL 4013, 4656, and 3918 carries.

SENATOR SCUTARI: Thank you.

The final order of business is NPL 4716, for the Department of Labor, for the Workforce Development in Cherry Hill.

MR. CHIANESE: This is a temporary lease for 63 months, with termination rights after 39 months.

It is located at the Woodcrest Corporate Center, at 101 Woodcrest Avenue in Cherry Hill.

The lease is with the County of Camden, and the advertisement was waived.

Labor has been at Mount Ephraim Avenue since 1999. That property was originally privately owned, and recently acquired by Camden County. The facility is in poor condition; the County would like to demo the site and build new.

We anticipate working with Camden County to negotiate a new lease and occupancy once constructed.

Pending construction of a new facility, we're asking for approval to co-locate with Camden County at the Woodcrest Corporate Center.

SENATOR SCUTARI: All right; thank you.

Any questions on NPL 4716? (no response)

Seeing none, I'll entertain a motion.

ASSEMBLYMAN MUKHERJI: So moved.

MR. KELLY: Second.

SENATOR SCUTARI: Roll call, please.

MR. COSTANTINO: Senator Scutari.

SENATOR SCUTARI: Yes.

MR. COSTANTINO: Assemblyman Mukherji.

ASSEMBLYMAN MUKHERJI: Yes.

MR. COSTANTINO: Assistant Director Kelly.

MR. KELLY: Yes.

MR. COSTANTINO: You have three votes in the affirmative, none in the negative. The motion to approve NPL 4716 carries.

SENATOR SCUTARI: Great.

I'll move to adjourn; can I get a second?

ASSEMBLYMAN MUKHERJI: Second.

SENATOR SCUTARI: All in favor? (affirmative responses)

Okay; we're adjourned.

Thank you, everyone.

**(MEETING CONCLUDED)**