
Committee Meeting

of

STATE LEASING AND SPACE UTILIZATION COMMITTEE

LOCATION: Committee Room 6
State House Annex
Trenton, New Jersey

DATE: December 14, 2020
2:00 p.m.

MEMBERS OF COMMITTEE PRESENT:

Senator Nicholas P. Scutari, Chair
Assemblyman Raj Mukherji
Robert Shaughnessy



ALSO PRESENT:

Carmelo T. Costantino
Office of Legislative Services
Committee Aide

Gary A. Kotler, Esq.
Committee Counsel

Tony Teixeira
Senate Majority
Committee Aide

Meeting Recorded and Transcribed by
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SENATOR NICHOLAS P. SCUTARI (Chair): Welcome to the Joint State Leasing and Space Utilization Committee meeting.

We haven't been here since February, but we made it two times in one year, at least.

Welcome.

Roll call, please

MR. COSTANTINO (Committee Aide): Senator Scutari.

SENATOR SCUTARI: Here.

MR. COSTANTINO: Assemblyman Mukherji.

ASSEMBLYMAN MUKHERJI: Here.

MR. COSTANTINO: And Deputy Director Shaughnessy.

MR. SHAUGHNESSY: Here.

MR. COSTANTINO: Sir, you have three members in attendance; you have a quorum.

I'm going to do the Open Public Meetings Act.

Notice of this meeting of the State Leasing and Space Utilization Committee was provided to the Secretary of State, the *Trentonian*, and the State House press on December 10, 2020, as part of the Open Public Meetings Act.

In addition, due to COVID-19 restrictions, the public is not permitted to attend this meeting in person. However, to comply with public access, we have set up a toll-free line in which the public can call should you have any questions or statements concerning a proposed lease. Should you want to speak, call 1-866-390-1828 and use the access code 4532976, and you'll be directed to the Committee at the appropriate time.

SENATOR SCUTARI: Okay.

The first order of business is the approval of the February 13, 2020, meeting minutes.

Any comments, questions? (no response)

Okay; seeing none, I'll entertain motion.

ASSEMBLYMAN MUKHERJI: So moved.

MR. SHAUGHNESSY: I'll second.

I'll just note that I was not able to attend that meeting; but I'm seconding it, and will be voting in the affirmative.

SENATOR SCUTARI: Great; roll call, please.

MR. COSTANTINO: On the approval of the February 13, 2020, minutes; Senator Scutari.

SENATOR SCUTARI: Yes.

MR. COSTANTINO: Assemblyman Mukherji.

ASSEMBLYMAN MUKHERJI: Yes.

MR. COSTANTINO: Deputy Director Shaughnessy.

MR. SHAUGHNESSY: Yes.

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

SENATOR SCUTARI: Okay; on to the regular order of business.

Tab No. 1, NPL 4526.

C H R I S T O P H E R C H I A N E S E: Good afternoon.

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

I'd like to thank you for this opportunity to present to the Committee the following proposed leases.

No. 1, NPL 4526, second amendment. This is for the Department of Children and Families, Child Protection and Permanency.

The lease is located at 84 Park Avenue in Flemington, and the building is in good condition. The advertisement was waived, as this lease was offered at cost savings. The lease term is five years, beginning January 1, 2021. It's for 13,650 square feet, and the savings will be \$13,650 over the term.

The landlord has proposed an option to renew for a five-year term. By extending with the cost reduction we will avoid relocation and associated costs. This has been determined to be the most cost-effective approach.

Thank you for your consideration.

SENATOR SCUTARI: I have a question -- not really as to this lease -- but just kind of overall, as we move forward today.

Obviously, we haven't been together in eight months, and the world has changed. And in lots and lots of places in government, people aren't really going to work; they're working from home virtually. Does that figure in-- I mean-- And this is more of a global discussion; I just want to ask you before we start voting on this. How do you think-- I'm assuming you've thought about it, but are you allowing that to enter into your guys' thoughts as you move forward with long-term lease extensions? Or are we just kind of thinking, "Hey, we're going to be back to normal practice next year, by now, hopefully?"

I just want to get your thoughts on how the world is changing and how it's affecting what we do here.

MR. CHIANESE: Thank you, Senator.

Yes, we've circled back with each of the departments for these leases to make sure that the need and the want is still there. And we believe that, in the future, the departments are going to look at it and possibly try to figure out ways to be able to work from home or work remotely.

SENATOR SCUTARI: Yes, I mean, you know, there's just-- I deal with a lot of different people at a lot of different levels of government, some of which are right in the middle of building projects. They're building stuff, they're leasing stuff, they're buying stuff. And then, all of a sudden, they're like, "Nobody's even coming to work right now."

We're going to build these large monstrosities, we're going to lease these giant buildings, or we're going to continue leasing buildings where people don't even have to go to work. So we're just kind of elongating out something that we may not really need as much as we did in the past.

Hey, listen, I hope that this is just hyperbole, and what I'm saying doesn't really mean anything; and that by next year the vaccinations will be successful, and people will be back to work, and have to go back to work.

I think the world is changing, though. I mean, in terms of just what I do as a lawyer, a lot of the simple stuff that we used to have to go to court for is being done via Zoom or telephonic conferences now. And I hope we never have to go back to that stuff, because it's just an amazing amount of wasting time: driving, leaving the office, parking the car, getting through the security, getting up to the court, signing in, waiting for your two-second conference with the judge, and then leaving. Then your whole day is pretty much shot.

That's the way I'm seeing it.

But a lot of these probably won't be affected, but some might. I mean, we have to think about long-term in terms of maybe some of these places that we're going to extend leases on are not going to need the same amount of space as they did in the future. I think we need to do a lot more consideration of that as a long-term thing. I agree; we can't just kind of decide, "Hey, we don't need these leases anymore; everybody's working remote." But maybe we're going to need less.

So I just urge you to consider that as you continue the process of review and consideration of lease proposals. Before we enter into really super-long ones that we think about the fact that maybe we're not going to need as many people in the office as we did before.

Just my thoughts.

Okay; 4526 -- questions? (no response)

This is for the 84 Park Avenue, Flemington, New Jersey, location.

Okay; is there anybody on the line--

MR. COSTANTINO: I'm going to make the announcement now, Senator.

SENATOR SCUTARI: Go ahead.

MR. COSTANTINO: Is there anyone on the line from the public who wishes to speak on NPL 4526? (no response)

SENATOR SCUTARI: We're going to wait 10 seconds.

MR. COSTANTINO: Is there anyone there? (no response)

Okay, not hearing anyone, we can call for a motion.

SENATOR SCUTARI: Okay, I'll entertain a motion for 4526.

ASSEMBLYMAN MUKHERJI: Motion.

MR. SHAUGHNESSY: Second.

SENATOR SCUTARI: Roll call, please.

MR. COSTANTINO: Senator Scutari.

SENATOR SCUTARI: Yes.

MR. COSTANTINO: Assemblyman Mukherji.

ASSEMBLYMAN MUKHERJI: Yes.

MR. COSTANTINO: Deputy Director Shaughnessy.

MR. SHAUGHNESSY: Yes.

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

NPL 4526 carries.

SENATOR SCUTARI: Okay; the next tab, Tab No. 1, NPL 3664.

MR. CHIANESE: NPL 3664: This NPL is submitted for an extension for the lease term for the Public Employment Relations Commission, which is the Hearing and Appeal Board.

The lease is for a five-year term, for 15,305 square feet, located at 495 East State Street here in Trenton, which expired on May 31, 2020.

This site helps support the State's overall presence in Trenton, and the continued support for the revitalization of the downtown area. If approved, the State will avoid expenses related to moving and other related costs. The landlord will provide a rent reduction in the per-square-foot rate that will save \$12,779 over the five-year term. The landlord has also agreed to interior and exterior repairs.

Thank you for your consideration.

SENATOR SCUTARI: Thank you very much.

Members, any questions, concerns, discussion regarding that?

(no response)

Okay; any members of the public wish to testify or speak on NPL 3664? (no response)

Okay, seeing none, I'll entertain a motion.

ASSEMBLYMAN MUKHERJI: Motion.

MR. SHAUGHNESSY: Second.

SENATOR SCUTARI: Roll call, please.

MR. COSTANTINO: Senator Scutari.

SENATOR SCUTARI: Yes.

MR. COSTANTINO: Assemblyman Mukherji.

ASSEMBLYMAN MUKHERJI: Yes.

MR. COSTANTINO: Deputy Director Shaughnessy.

MR. SHAUGHNESSY: Yes.

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

The motion for NPL 3664 carries.

SENATOR SCUTARI: Thank you.

Next is the Department of Corrections, NPL 4270.

MR. CHIANESE: This is a lease submitted for Corrections, Prison and Warehouse programs.

It's located at 171 Jersey Street in Trenton, Building 36. This is for a five-year extension, beginning January 1, 2021, for 1,500 square feet of office space and 17,690 square feet of warehouse space.

Advertisement was waived, as this lease resulted in cost savings.

Corrections has operated this site since 1991 as part of the downtown project in Trenton for the State prison. The lease ended on November 30, and it has been a month-to-month.

If approved, the State will save on expenses related to moving and other related costs. With the reduction, the State estimates savings to be about \$4,800 over the five-year term.

Thank you for your consideration.

SENATOR SCUTARI: Okay.

Members, any questions on the NPL as proposed? (no response)

Members of the public, is there anyone there who wishes to speak on NPL 4270? (no response)

Okay; hearing none, I'll entertain a motion.

ASSEMBLYMAN MUKHERJI: So moved.

MR. SHAUGHNESSY: Second.

SENATOR SCUTARI: Roll call, please.

MR. COSTANTINO: Senator Scutari.

SENATOR SCUTARI: Yes.

MR. COSTANTINO: Assemblyman Mukherji.

ASSEMBLYMAN MUKHERJI: Yes.

MR. COSTANTINO: Deputy Director Shaughnessy.

MR. SHAUGHNESSY: Yes.

MR. COSTANTINO: You have three votes in the affirmative.
NPL 4270 is approved.

SENATOR SCUTARI: Okay, next is the Department of the Treasury, 4729.

MR. CHIANESE: This is for a 10-year proposed lease for Taxation, with two, 5-year options.

This space is for Administration and Client Services located at 2 Paragon Way in Freehold. It is for 10,815 square feet with parking for 60 vehicles.

This proposed lease was advertised.

Taxation was at 1828 West Lake in Neptune, and requested relocation to a smaller, more efficient space. The square foot rate was \$25.50 in Neptune; it will be \$20 per square foot in Freehold in years one through five.

The proposed location has convenient access from the major roadways and fits into the need in Monmouth County.

Thank you for your consideration.

SENATOR SCUTARI: What's this place do, this Division of Tax over there -- of the Department of Treasury Division of Taxation? Like, are they open to the public, or are they just an office building?

CHARLES J. CONNERY: Yes, they do have a public component, so people from the outside can come in and get tax advice and information. And then they also do auditing and investigations from that site.

SENATOR SCUTARI: Okay; all righty.

Anything else? (no response)

Okay, any questions, members? (no response)

Members of the public, any questions? (no response)

Seeing none, I'll entertain a motion.

MR. SHAUGHNESSY: I'll move it, sir.

ASSEMBLYMAN MUKHERJI: Second.

SENATOR SCUTARI: I would think you would. This is your Department, isn't it?

MR. SHAUGHNESSY: Yes. (laughter)

SENATOR SCUTARI: Okay, roll call.

MR. COSTANTINO: Senator Scutari.

SENATOR SCUTARI: Yes.

MR. COSTANTINO: Assemblyman Mukherji.

ASSEMBLYMAN MUKHERJI: Yes.

MR. COSTANTINO: Deputy Director Shaughnessy.

MR. SHAUGHNESSY: Yes.

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

The motion to approve NPL 4729 is approved.

SENATOR SCUTARI: Great.

Next is the Department of Labor NPL. I've requested that we hold NPL 4281.

Do you want me to do that as a result of a motion? (confers with staff)

I'll move to hold 4281.

MR. SHAUGHNESSY: Second.

SENATOR SCUTARI: Roll call, please.

MR. COSTANTINO: Senator Scutari.

SENATOR SCUTARI: Yes.

MR. COSTANTINO: Assemblyman Mukherji.

ASSEMBLYMAN MUKHERJI: Yes. The vote is to hold?

MR. COSTANTINO: Yes, correct.

And Deputy Treasurer Shaughnessy.

MR. SHAUGHNESSY: Yes.

MR. COSTANTINO: You have three votes in the affirmative.
NPL 4281 is held.

SENATOR SCUTARI: Okay, next is 4370, which is Workers
Comp building in Atlantic City.

MR. CHIANESE: This is located at 1333 Atlantic Avenue in
Atlantic City. This is for a five-year term, retroactive to July 1, 2020, for the
not-to-exceed square footage of 5,560 for the judges' chamber, and six
parking spaces to accommodate staff.

Advertisement was waived at this location since the agreement is
with another government agency.

If approved, the State will avoid expenses related to moving and
other relocation costs.

Thank you for your consideration.

SENATOR SCUTARI: Which government agency are we
contracting with? I forgot. The County of Atlantic?

MR. CHIANESE: Yes.

SENATOR SCUTARI: And I guess the public -- they just park
on the street? I mean, it's only six spots for that location for the judges or
the staff, right?

MR. CHIANESE: That's correct.

MR. CONNERY: There is a lot of public parking in that area
that's public (indiscernible).

SENATOR SCUTARI: Yes; okay.

Any questions? (no response)

Any questions from the public? (no response)

Seeing none, I'll entertain a motion on 4370.

ASSEMBLYMAN MUKHERJI: So moved.

MR. SHAUGHNESSY: Second.

SENATOR SCUTARI: Roll call, please.

MR. COSTANTINO: Senator Scutari.

SENATOR SCUTARI: Yes.

MR. COSTANTINO: Assemblyman Mukherji.

ASSEMBLYMAN MUKHERJI: Yes.

MR. COSTANTINO: Deputy Director Shaughnessy.

MR. SHAUGHNESSY: Yes.

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

NPL 4370 is approved, sir.

SENATOR SCUTARI: Next is a Division of State Police lease, 4678.

MR. CHIANESE: This is for Law and Public Safety for the New Jersey State Police, for the New Jersey Emergency Medical Services Response Program, which is a Department of Health initiative that provides air medical services in the Northern and Southern Regions.

The lease is located at 75 Academy Road in Hammonton.

Advertisement was waived, as the lease was negotiated with another government entity amendment adding a 10-year extension with two, 5-year options.

It is for 7,044 square feet consisting of 2,738 square feet of office space and 4,306 square feet of hangar space.

This was the only viable option because of the immediate and continuing needs of the State Police at this operation.

Thank you for your consideration.

SENATOR SCUTARI: So what is this exactly? This is a-- I was looking at this earlier. This is the State Police contracting with the Department of Health?

MR. CONNERY: The State Police had an agreement with the Department of Health to shuttle patients to local hospitals.

So this was a part of a program called *Gemstar*, with the Department of Health. And the State Police had a role in that in shuttling patients, emergent patients, to hospitals via helicopter.

In addition, at this current time, I'm not -- I don't believe that program is going on; but they're looking for another grantee for that. But Law and Public Safety, in addition, runs a lot of missions for Homeland Security operations, search and rescue, and a variety of other missions that they do with their helicopters.

SENATOR SCUTARI: So this is a lease between the State Police and the Department of Health?

MR. CONNERY: No, the lease is between the State Police and the local municipality--

SENATOR SCUTARI: Oh.

MR. CONNERY: --that owns the hangar.

SENATOR SCUTARI: That owns the hangar.

MR. CONNERY: And the State Police generally has an agreement with the Department of Health to ferry patients back and forth to the hospitals.

SENATOR SCUTARI: Okay. So this hangar is in Hammonton.

MR. CONNERY: Yes.

SENATOR SCUTARI: What airport is this?

MR. CONNERY: That's a good-- It's a helicopter, so I don't know that they actually--

SENATOR SCUTARI: Tony, what is it?

MR. TEIXEIRA (Committee Aide): (off mike) I thought it was an airport.

SENATOR SCUTARI: That's what I thought.

Where is Hammonton?

MR. CONNERY: Hammonton is at the intersection of Routes 30 and 206--

SENATOR SCUTARI: Towards Atlantic City.

MR. CONNERY: --towards Atlantic City.

SENATOR SCUTARI: So this lease is for their-- I guess the municipality owns the hangar, and we're leasing the hangar to put the State Police helicopters in there?

MR. CONNERY: Correct.

SENATOR SCUTARI: But it's not an airport.

MR. CONNERY: I don't want to-- (laughter) I honestly have not been to this site. It may well be that there's a small airport there in Hammonton. Because I know that the hangar exists; it's owned by the city.

SENATOR SCUTARI: I know the hangar exists. I hope so; we're leasing it. (laughter)

MR. CONNERY: I'd be surprised if there was not an airport there.

SENATOR SCUTARI: Yes; I mean, why would they have a hangar if they don't have an airport? Unless it's helipads. And New Jersey has particular, kind of, regulations for where you can have a helipad.

(consults documents) Can't really tell.

You know, we can pass that; but if you could just let me know what that is.

MR. KOTLER (Committee Counsel): Senator--

MR. CONNERY: Yes, I'm sorry. It does say--

UNIDENTIFIED MEMBER OF COMMITTEE: It's Hammonton Municipal Airport; right?

SENATOR SCUTARI: There we go; Hammonton Municipal Airport. Yes, because Linden has an airport; similar situation.

MR. CONNERY: Yes, I'm looking at -- the State Police did a short write-up on it, and they said they're maintaining a base of operations at Hammonton Airport.

SENATOR SCUTARI: Okay; any other questions? (no response)

Questions from the public? (no response)

Seeing none, I'll entertain a motion.

ASSEMBLYMAN MUKHERJI: So moved.

MR. SHAUGHNESSY: Second.

SENATOR SCUTARI: Roll call, please.

MR. COSTANTINO: Senator Scutari.

SENATOR SCUTARI: Yes.

MR. COSTANTINO: Assemblyman Mukherji.

ASSEMBLYMAN MUKHERJI: Yes.

MR. COSTANTINO: Deputy Director Shaughnessy.

MR. SHAUGHNESSY: Yes.

MR. COSTANTINO: You have three votes in the affirmative.
NPL 4678 is approved.

SENATOR SCUTARI: Next is the Department of Community
Affairs, 4443.

MR. CHIANESE: This is a lease amendment for DCA for their
Housing and Community Resources program.

It's located at 100 First Street in Hackensack.

Advertisement was waived. This a short-term lease of less than
two years in the continued use of the existing facility.

The term is one year back to October 1, 2020, not-to-exceed
3,788 square feet.

This NPL is a result of the landlord's demands to request notice
saying that they are unwilling to continue to let the State remain as a month-
to-month tenant. By the end of the term, DCA had indicated that this office
would be consolidated with the DCA housing office in Passaic.

This lease includes office space for 10 full-time employees, and
space for the visitor meetings, as well as 14 parking spaces.

Thank you.

SENATOR SCUTARI: Any questions? (no response)

Members of the public? (no response)

Motion on 4443.

MR. SHAUGHNESSY: I'll move it.

ASSEMBLYMAN MUKHERJI: Second.

SENATOR SCUTARI: Roll call.

MR. COSTANTINO: Senator Scutari.

SENATOR SCUTARI: Yes.

MR. COSTANTINO: Assemblyman Mukherji.

ASSEMBLYMAN MUKHERJI: Yes.

MR. COSTANTINO: Deputy Director Shaughnessy.

MR. SHAUGHNESSY: Yes.

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

SENATOR SCUTARI: It's interesting. They demanded a lease, they go a short one, and now they're losing a tenant.

Okay; next is-- Actually, it's still the same Department, I guess -- DCA Housing Services on McCarter Highway in Newark, right?

Okay; NPL 4731, please.

MR. CHIANESE: This is a new lease for DCA Housing services.

The advertisement has been waived for this lease because it was negotiated with another government entity.

The lease is located at 375 McCarter Highway, Suite 101, in Newark.

The lease is for 8,238 square feet. The term is through December 31, 2023, with five, 1-year renewal options.

The landlord will provide 40 spaces at no additional cost.

This NPL seeks the approval for the assignment of the SDA, the School Development Authority, as a tenant under the lease for the benefit of DCA. DCA will pay \$28,833 at the beginning of the lease for fit-up costs, and SDA will pay approximately \$44,000 towards the fit-up as well.

DCA Housing currently occupies 7 Glenwood Avenue in East Orange on a month-to-month lease.

Thank you.

SENATOR SCUTARI: Is this the County of Essex -- the landlord?

MR. CONNERY: Yes.

I'm sorry, the landlord is not the-- The SDA has the lease. We're taking an assignment of it.

SENATOR SCUTARI: Who is the lease with?

MR. CONNERY: That's a good question. (consults documents)
I don't have that-- I can get that for you before the meeting ends.

MR. KOTLER: Senator, I think it's two LLCs.

MR. CONNERY: Is it on the disclosure?

MR. KOTLER: I think, Chuck, they may be out of New York.

SENATOR SCUTARI: Yes, it's not in here -- the landlord.

MR. CONNERY: We'll get that information.

SENATOR SCUTARI: Well, let's come back to that, then.

I was just sitting here thinking about all the parking that we gave to the Public Defender in Middlesex County. I'll bet you they're not using it right now. (laughter) Do you remember that lease I was not crazy about? I guarantee you, it's sitting there empty, and we're still paying. Not totally the fault of-- It just so happened that way.

Okay, so let's come back to No. 9. I mean, I think we need to know who the landlord is; we just need to know.

All right; so No. 10, 4537, and the variety of that.

Do you want to go through the various departments?

MR. CHIANESE: Sure; all at once?

SENATOR SCUTARI: We'll do it one at a time just to be clear.

MR. CHIANESE: One at a time? Okay.

NPL 4537, lease extension with a cost savings on behalf of the Treasury, Transportation, DCA, Human Services, and Children and Families. Location is 199 East Broadway in Salem, for 38,518 square feet. The term of the lease extension is from April of 2029 through March of 2048. The lease advertisement is waived as this lease resulted in significant cost savings in the current fiscal year and throughout the balance of the term. The State will realize cost savings of over \$6.3 million.

I should mention that the residual effect of our extension is that it also provides benefits to Salem City. It will provide the current insurer of the bonds position, on whether or not they will provide an insurance policy on the refunding bonds due to Salem's long-term credit rating.

It will extend the final maturity on Salem's bonds. It will allow Salem to utilize existing remaining Debt Service Reserve funds to offset the new Debt Service Reserve fund.

Thank you.

SENATOR SCUTARI: That's the reason, I guess, then-- My question was really why such a long-term in the future. I mean, this doesn't even take effect for nine years -- or eight-and-a-half, or so.

So we're giving them a 20-year lease that starts eight years from now. I mean, it's a little extraordinary, right?

MR. CHIANESE: I understand. It is different than what we usually do, but it is significant savings, as well, of over \$6.2 million, and Salem City will also benefit from it.

SENATOR SCUTARI: So I mean-- We're getting the savings, so I get it, and I understand why we need to do it.

But I just want to understand the reasoning -- I guess the bond holders are calling into question the ability for the city to pay the bonds off for the building?

I mean, that's the reason that we need to-- If we enter into this long-term lease, they're going to be able to point to a significant revenue going into the future that's discernable, and then-- That's unusual, right?

MR. CONNERY: Yes.

SENATOR SCUTARI: How did that even happen? Does anybody know how that even occurred? They must be in really poor financial shape, or something. What's the ratings of their bonds? (no response)

Anyone have any further understanding?

MR. CONSTANTINO: Wasn't this done through "Stand Up for Salem?"

MR. CONNERY: Yes.

MR. CHIANESE: Yes, "Stand Up for Salem."

SENATOR SCUTARI: What's this?

MR. CONSTANTINO: I asked him if it was done through "Stand Up for Salem." There was an organization that was put together.

SENATOR SCUTARI: As you explained before, it was as a result of-- Can you just go back over that, in terms of the creditor situation?

MR. CHIANESE: So the effect of our extension is that it also provides the benefits to Salem City. It will improve the current insurer of the bonds position, on whether or not they will provide an insurance policy on the refunding bonds, due to Salem's long-term credit rating. It will extend the final maturity of Salem's bonds, it will allow Salem to utilize existing remaining Debt Service funds to offset the new Debt Service Reserve fund.

SENATOR SCUTARI: Sorry -- are they going out to a new debt service; or are they refinancing some bonds, I'm assuming?

MR. CONNERY: Our understanding is that they are taking advantage of the favorable interest rates and refinancing.

SENATOR SCUTARI: So they're refinancing, they're going to get a better interest rate, and as a result of that to show; to go after the market place, "Hey we got a long-term revenue stream to support this," in order to get the better rates.

MR. CONNERY: That's my understanding.

SENATOR SCUTARI: I get it. All right, I don't have any other questions.

Anybody else? (no response)

Members of the public? (no response)

A motion?

MR. SHAUGHNESSY: Motion.

ASSEMBLYMAN MUKHERJI: Second.

SENATOR SCUTARI: Roll call, please.

MR. COSTANTINO: Senator Scutari.

SENATOR SCUTARI: Yes.

MR. COSTANTINO: Assemblyman Mukherji.

ASSEMBLYMAN MUKHERJI: Yes.

MR. COSTANTINO: Deputy Director Shaughnessy.

MR. SHAUGHNESSY: Yes.

MR. COSTANTINO: You have three votes in the affirmative on 4537.

SENATOR SCUTARI: Thank you.

Next, please--

MR. CONNERY: Senator, regarding that earlier lease, the landlord is 375 McCarter Real Estate LLC and 375 Real Estate 2 LLC, from Lyndhurst.

SENATOR SCUTARI: So that's a public -- that's not a public entity, that's a private entity that is leasing it--

MR. CONNERY: That's a private entity. Their lease is with SDA, we're taking an assignment of that lease.

SENATOR SCUTARI: So what's the length of the SDA lease?

MR. CONNERY: I think the initial lease runs to 2023 and then there's five 1-year options.

SENATOR SCUTARI: So do we really have that -- I don't want to use the word excuse, but the reasoning that we don't go out to public bid is usually when it's another governmental agency that we're dealing with it.

But in this instance, we're kind of the sub-leaser. We're an assignment.

MR. CONNERY: You are.

I think -- to be frank, I think the issue was because of changes in SDA. They no longer had a need for the lease, although they had an obligation to pay for it. So we've done this before with SDA, we inter-governmentally tried to figure out ways to save money and help everybody out.

So that was the thinking behind it.

SENATOR SCUTARI: Okay. All right, so let's go back to that and let's move 4731 then.

Can I get a motion for that?

ASSEMBLYMAN MUKHERJI: So moved.

MR. SHAUGHNESSY: Second.

SENATOR SCUTARI: Roll call, please.

MR. COSTANTINO: Do we have anyone from the public, sir?

SENATOR SCUTARI: Anybody -- I think we asked already.

Any public input for 4731? (no response)

Seeing none, we have a motion and a second. Let's have a roll call on that.

MR. COSTANTINO: Senator Scutari.

SENATOR SCUTARI: Yes.

MR. COSTANTINO: Assemblyman Mukherji.

ASSEMBLYMAN MUKHERJI: Yes.

MR. COSTANTINO: Deputy Director Shaughnessy.

MR. SHAUGHNESSY: Yes.

MR. COSTANTINO: You have three votes in the affirmative. NPL 4731 is approved, sir.

SENATOR SCUTARI: Okay. Then we've already done 4537, so now we're down to 3987.

MR. CHIANESE: This is for the departments of Human Services, Treasury, and Children and Families; some programs including Aging, Medical Assistance, Family Development, Development Disabilities, OMB, Governor's Counsel on Alcoholism, Administrative Law, and Child Protection and Permanency.

The lease is located at Quakerbridge Plaza on Quakerbridge Road in Hamilton Township. The term is for 10 years and existing square footage

of 33,494 square feet. The advertisement is waived, as this lease resulted in cost savings.

We feel the rate we are being offered is a good one; we are anticipating rental savings of over \$1.2 million. If approved, the State will avoid expenses related to moving and other relocation costs.

Thank you.

SENATOR SCUTARI: Thank you. I want to thank former Senator Kyrillos for bringing this to my attention and getting me to get down here and get this meeting going. So thank you to him, I know he was here earlier and I appreciate his assistance in this matter.

Any questions from the public or from the members for 3987?
(no response)

Public? Nobody? (no response)

Can I get a motion?

MR. SHAUGHNESSY: Motion.

ASSEMBLYMAN MUKHERJI: Second.

SENATOR SCUTARI: Roll call on 3987.

MR. COSTANTINO: Senator Scutari.

SENATOR SCUTARI: Yes.

MR. COSTANTINO: Assemblyman Mukherji.

ASSEMBLYMAN MUKHERJI: Yes.

MR. COSTANTINO: Deputy Director Shaughnessy.

MR. SHAUGHNESSY: Yes.

MR. COSTANTINO: You have three votes in the affirmative on the motion to approve NPL 3987.

SENATOR SCUTARI: Okay, No. 13, 4730.

MR. CHIANESE: This is for warehouse space for an interim rental for Treasury, OLS, and Judiciary. It is located at 6 Princess Road in Lawrenceville. The term is through October 31, 2021, for 29,268 square feet. The advertisement was waived for this as a short-term lease -- a short-term, two-year lease for an interim placement facility.

If approved, this lease will allow for the agencies to manage their storage in the short-term, as we build-to-suite a warehouse that is located at 380 Scotch Road; while that's being constructed. The new warehouse is scheduled to be completed in September of 2021.

The lease of the long-term warehouse on Scotch Road was previously approved in 2019. Additionally, the Committee approved a short-term warehouse lease for Lower Ferry Road in Ewing previously for these agencies; however, as we were finalizing the terms, the landlord chose to lease to another entity, which was for a longer term than our needs were.

Thank you.

SENATOR SCUTARI: The warehouse you're talking about -- we're building that, right, that's something we own? I remember this. How long has it been--

MR. CHIANESE: We're not building it. We are having someone build it and we're going to lease it on 380 Scotch Road.

SENATOR SCUTARI: Right. How long as that been going on?

MR. CONNERY: It was approved in late 2019, so in the meantime the landlord has been preparing his construction drawings, finalizing the lease, getting all his governmental approvals, and is breaking ground in spring, is my understanding, and will have it complete in October.

SENATOR SCUTARI: Okay. How long did we approve a lease for that to be built -- the warehouse?

MR. CONNERY: Twenty years.

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

Members of the public? (no response)

Okay, seeing none, I will entertain a motion.

ASSEMBLYMAN MUKHERJI: So moved.

MR. SHAUGHNESSY: Second.

SENATOR SCUTARI: Roll call, please.

MR. COSTANTINO: Senator Scutari.

SENATOR SCUTARI: Yes.

MR. COSTANTINO: Assemblyman Mukherji.

ASSEMBLYMAN MUKHERJI: Yes.

MR. COSTANTINO: Deputy Director Shaughnessy.

MR. SHAUGHNESSY: Yes.

MR. COSTANTINO: You have three votes in the affirmative. NPL 4730 is approved, sir.

SENATOR SCUTARI: Okay. Next one is 4457.

MR. CHIANESE: This is an extension in a month-to-month warehouse lease based on demand -- on a demand notice from the landlord at 121 First Avenue in Hamilton. There are various agencies in this lease, the term is June 1, 2020, to October 31, 2021, to coincide with the completion of the new warehouse on Scotch Road in Ewing. If we need a month-to-month after October 31, we anticipate that it will only be for a few months.

For some background, the building was sold in early 2020, and the new landlord wanted additional rent for us to stay. The square footage cost will go from \$4.60 to \$6.50, which is an annual increase of \$175,155.

Thank you.

SENATOR SCUTARI: Okay. I have a question on this one.

The application, the disclosure statement, question six: "Has the individual listed in item two ever been arrested, indicted, or convicted of a crime? If so, provide further explanations and copies of any relevant documents with the court."

The answer is yes. Attachment said it's submitted; I'm not certain what those submissions are. And then the name -- I can't really make out what the name is. Anthony (indiscernible), I think, is the applicant.

Is that accurate?

MR. KOTLER: Senator, I can address it.

It's in our package, and it is an IRS tax liability. I'm not even sure it's a criminal--

SENATOR SCUTARI: Well that's the question, right, because I don't think that's criminal.

MR. KOTLER: I don't think they needed -- if I'm reading this correctly -- that the landlord needed to check that box.

SENATOR SCUTARI: Unless it's something else.

MR. KOTLER: This is what has been submitted, because I specifically asked for that information.

SENATOR SCUTARI: You asked for submissions related to question number six?

MR. KOTLER: Correct.

SENATOR SCUTARI: And this is what he sent you?

MR. KOTLER: That's correct.

SENATOR SCUTARI: So if that's the case-- I know I just play a lawyer on TV, but I don't think that's-- Mukherji, what do you think? That's not a crime.

MR. KOTLER: And I also point out that this is -- goes back to October 2009, or sometime in 2009.

SENATOR SCUTARI: Yeah, I know that. But I'm saying this is -- what was confusing is it says, "Yes, see attached," and the only thing attached is something that's not related to a crime. You can see where the confusion is.

MR. KOTLER: Yes.

SENATOR SCUTARI: This is non-responsive. Either the question was answered wrong, or what he attached is wrong. Something is wrong.

So we're going to go on -- I'm assuming you want me to go on the assumption that he answered the question wrong and he attached something--

MR. KOTLER: That would be my assumption also, yes.

SENATOR SCUTARI: All right. Anybody else have any questions about that, or anything else on this issue? (no response)

Members of the public? (no response)

Okay, can I get a motion?

ASSEMBLYMAN MUKHERJI: So moved.

MR. SHAUGHNESSY: Second.

SENATOR SCUTARI: Roll call, please.

MR. COSTANTINO: Senator Scutari.

SENATOR SCUTARI: Yes.

MR. COSTANTINO: Assemblyman Mukherji.

ASSEMBLYMAN MUKHERJI: Yes.

MR. COSTANTINO: Deputy Director Shaughnessy.

MR. SHAUGHNESSY: Yes.

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

The motion to approve NPL 4457 is approved.

SENATOR SCUTARI: Next is 4412, and this is probation-- I've got a question before you even get into this.

These leases for court buildings and stuff, I thought-- So we're leasing them from the courts -- we're leasing these things from the counties? I thought they had to provide the courthouse. You know, the county courthouse is being leased to the State-- Can I get an overview on what we're doing here?

MR. CONNERY: Yes, this is not with the county, this is a lease with a private entity. DPMC is required by statute to provide leases for the Judiciary in certain circumstances. This is a lease that they've been in for a long time, and they had specifically--

SENATOR SCUTARI: Probation, yes. But I'm looking at the next one -- it says, "Tax and General Equity Courts" at the Essex County Court Complex.

MR. CONNERY: Yes, they have an obligation, I believe, to provide Superior Court--

SENATOR SCUTARI: Right--

MR. CONNERY: Space for Supreme Court judges, but not for Tax or Equity.

SENATOR SCUTARI: Pretty good, I didn't even notice that.

Okay, so I apologize. Let's go back to the originally scheduled programming here, 4412.

MR. CHIANESE: This is an extension of an existing lease for Judiciary Trial Court Services, Probation Division. The location is 171 Jersey Street in Trenton, buildings 6 and 7, second floor. The term of the lease is 10 years beginning on January 1, 2021, for 31,451 square feet. The advertisement was waived as this lease resulted in cost savings. We anticipate to save over \$23,000 over the lease term.

Thank you.

SENATOR SCUTARI: Great. Any questions? (no response)

Members of the public? (no response)

Can I get a motion?

ASSEMBLYMAN MUKHERJI: So moved.

MR. SHAUGHNESSY: Second.

SENATOR SCUTARI: Roll call.

MR. COSTANTINO: Senator Scutari.

SENATOR SCUTARI: Yes.

MR. COSTANTINO: Assemblyman Mukherji.

ASSEMBLYMAN MUKHERJI: Yes.

MR. COSTANTINO: Deputy Director Shaughnessy.

MR. SHAUGHNESSY: Yes.

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

The motion to approve NPL 4412 is released.

SENATOR SCUTARI: Next is 4713; which I didn't realize was for Tax and Equity. I can't believe that's-- You know, Tax Court is Superior Court. There probably is an argument to be made that they've got to give that to us for free.

Anybody agree with that? (no response)

I mean, the Tax Court is the Superior Court.

MR. CONNERY: It's been a long time since I looked at the statute, but I think we have that obligation.

SENATOR SCUTARI: I don't know. That's interesting.

Let's go onto the next one while I look this up.

Go to 4168.

MR. CHIANESE: You want me to go to 4168, okay.

Judiciary -- the Superior Court. The lease is located at 171 Jersey Street in Trenton. The term is for 10 years beginning January 1, 2021, for 13,650 square feet of office space and 9,361 square feet of -- is that warehouse space? (consults documents)

Storage space. It's 9,361 square feet of storage space.

Advertisement was waived as this lease resulted in cost savings. The lease location is attractive because of its proximity to the Justice Complex, which houses the Superior Court's clerk's office. The extension eliminates any relocation cost. Savings over the 10 years will be about \$20,745.

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

Seeing none, members of the public? (no response)

No? Okay, that's 4168. Can I get a motion?

ASSEMBLYMAN MUKHERJI: So moved.

MR. SHAUGHNESSY: Second.

SENATOR SCUTARI: Roll call.

MR. COSTANTINO: Senator Scutari.

SENATOR SCUTARI: Yes.

MR. COSTANTINO: Assemblyman Mukherji.

ASSEMBLYMAN MUKHERJI: Yes.

MR. COSTANTINO: Deputy Director Shaughnessy.

MR. SHAUGHNESSY: Yes.

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

The motion to approve NPL 4168 is approved.

SENATOR SCUTARI: Okay. There's some statute, it's not in the-- This is going back to the other one.

It's not a constitutional mandate, it's a statutory mandate, I guess, that the State-- We've got to look it up a little more carefully with the Tax and General Equity courts. We're paying for these, but we're not paying for the Criminal courts and the Civil courts. They've got to give us those, but they can bill us for Equity and Tax. That's what is being suggested, and I think that might be accurate. It seems nonsensical to me.

MR. CONNERY: That's 2B:6-1.

SENATOR SCUTARI: Is that what it is?

MR. CONNERY: Hold on. It's 2B:13-5. (indiscernible)

SENATOR SCUTARI: Chancery, it says, right? Is everybody charging us for-- No, Equity, I'm sorry, it's not Chancery. General Equity, right? They can't charge us for Chancery Courts, can they? (consults documents)

I want to allow everybody to take a look, because I'm educating -- I'm educating myself, too. I mean, it's interesting. (consults documents)

All right, I don't know if we're good, but I'll accept it. (laughter)

It seems to be that the State statute requires us to pay for Tax Court. I'm not certain what the General Equity court refers to; that's not chancery, right? Isn't it Chancery?

MR. CONNERY: Yes, it includes Chancery.

SENATOR SCUTARI: So this -- that doesn't say Chancery. That only says Tax Court.

MR. CONNERY: I think 2B:6-1 addresses Chancery and General Equity.

SENATOR SCUTARI: And that also commands the State to pay for it? Because I bet you there's a bunch of counties that are providing the Chancery courts for free. I guarantee it. I was a Freeholder for seven-and-a-half years; I don't remember us ever getting paid by the State to keep the Chancery Court there.

MR. CONNERY: We have a number of leases for Chancery courts with county--

SENATOR SCUTARI: Can you tell me about those at another time? Tell me which ones we have, and which ones we don't? Because every court -- every county should have a Chancery Court. I would be interested to know which ones are getting paid, and which ones are not.

But you're certain that's not just tax; it's also General Equity? Okay.

So then we'll entertain 4713--

MR. CONNERY: I'll look to the AG's officer for agreement.
(laughter)

SENATOR SCUTARI: All right, well, we'll wait. Take a look.
We've got other stuff to do, until we get that answer. (consults documents)

2B:6-1: Suitable courtrooms, chambers, equipment, and supplies for the Supreme Court, the Appellate Division of the Superior Court, and the Chancery Division -- other than the family part of the Chancery Division of the Superior Court -- shall be provided at the expense of the State by the Administration Director, in cooperation with the Director of the Division of Purchase and Property, in the Department of the Treasury. These courtrooms and chambers shall be located in a courthouse or other public building, so far as practical.

Okay. I guess that's that. But I will still be interested to see how many leases we have for that Equity thing.

So you're satisfied with that as well?

MR. CONNERY: Yes.

SENATOR SCUTARI: So we'll do No. 15, that is NPL 4713.

Any questions? (no response)

Questions from the public? (no response)

Motion.

ASSEMBLYMAN MUKHERJI: Motion.

MR. SHAUGHNESSY: Second.

SENATOR SCUTARI: Roll call.

MR. COSTANTINO: Senator Scutari.

SENATOR SCUTARI: Yes.

MR. COSTANTINO: Assemblyman Mukherji.

ASSEMBLYMAN MUKHERJI: Yes.

MR. COSTANTINO: Deputy Director Shaughnessy.

MR. SHAUGHNESSY: Yes.

MR. COSTANTINO: You have three votes in the affirmative.
NPL 4713 is approved.

SENATOR SCUTARI: Okay. Where did we leave off, Director?

MR. CHIANESE: I gave the details on 4168; I'm not sure if we
put it to a vote yet.

SENATOR SCUTARI: Did we put 4168, or no?

MR. SHAUGHNESSY: Yes.

SENATOR SCUTARI: We did? Okay. So that puts us at 4732.

MR. CHIANESE: This is also for the Judiciary General Equity
program; located at 583 Newark Avenue, Jersey City, for 2,959 square feet.
It's a 10-year term with two 5-year renewal options; advertisement was
waived at this location since the agreement is with another government
entity.

This is a continuing lease, and the program has been divided,
separating from the Appellate Division lease to create two leases -- 4733 is
the other. The current lease expired on November 30, 2020.

Thank you.

SENATOR SCUTARI: Same question here, but I guess I already
have the answer. (laughter)

Okay, any questions? (no response)

Questions from the public? (no response)

Seeing none, I'll entertain a motion.

ASSEMBLYMAN MUKHERJI: So moved.

MR. SHAUGHNESSY: Second.

SENATOR SCUTARI: Roll call.

MR. COSTANTINO: Senator Scutari.

SENATOR SCUTARI: Yes.

MR. COSTANTINO: Assemblyman Mukherji.

ASSEMBLYMAN MUKHERJI: Yes.

MR. COSTANTINO: Deputy Director Shaughnessy.

MR. SHAUGHNESSY: Yes.

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

NPL 4732 is approved, sir.

SENATOR SCUTARI: Okay, 4733 is also the Appellate division.

MR. CHIANESE: This is located at 583 Newark Avenue in Jersey City for 2,267 square feet. It's a 10-year term with two 5-year renewal options. Advertisement was waived at this location since the agreement is with another government entity.

This is a continuing lease and the program has been divided, separating from the General Equity division. Lease 4732 was the other. The current lease expired November 30, 2020, and the proposed lease will reduce the Appellate space by 1,644 square feet.

Thank you.

SENATOR SCUTARI: And the reduction is a result of the lease we just approved, right?

MR. CHIANESE: That's right.

SENATOR SCUTARI: Right, okay. It's a separation.

Any questions? (no response)

Questions from the public? (no response)

Members? (no response)

Let me get a motion.

ASSEMBLYMAN MUKHERJI: So moved.

MR. SHAUGHNESSY: Second.

SENATOR SCUTARI: Roll call.

MR. COSTANTINO: Senator Scutari.

SENATOR SCUTARI: Yes.

MR. COSTANTINO: Assemblyman Mukherji.

ASSEMBLYMAN MUKHERJI: Yes.

MR. COSTANTINO: Deputy Director Shaughnessy.

MR. SHAUGHNESSY: Yes.

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

NPL 4733 is approved, sir.

SENATOR SCUTARI: Okay, next is the Department of Environmental Protection.

MR. CHIANESE: NPL 4506 is for DEP, the Division of Compliance and Enforcement Site Remediation. The lease is located at 7 Ridgedale Avenue in Cedar Knolls. Advertisement was waived as this lease resulted in cost savings. The term of the lease is five years retroactive to March 1, 2020. It is for 26,400 square feet.

The DEP requested a continuation of the existing lease; and this is for their Northern field office. The site has been renovated over the years with State funds to fit-up as needed. If approved, the State will avoid expenses related to moving and other related costs.

Thank you.

SENATOR SCUTARI: Any questions?

MR. SHAUGHNESSY: No.

SENATOR SCUTARI: From the public? (no response)

Seeing none, I'll entertain a motion.

Mr. SHAUGHNESSY: Motion.

SENATOR SCUTARI: I'll second it.

ASSEMBLYMAN MUKHERJI: Second.

SENATOR SCUTARI: Oh, seconded by Assemblyman Mukherji.

Roll call, please.

MR. COSTANTINO: Senator Scutari.

SENATOR SCUTARI: Yes.

MR. COSTANTINO: Assemblyman Mukherji.

ASSEMBLYMAN MUKHERJI: Yes.

MR. COSTANTINO: Deputy Director Shaughnessy.

MR. SHAUGHNESSY: Yes.

MR. COSTANTINO: You have three votes in the affirmative. NPL 4506 is approved.

SENATOR SCUTARI: Okay, the final NPL is 4255; I have made a request to hold it.

I will make a motion to hold. Can I get a second?

ASSEMBLYMAN MUKHERJI: Seconded.

SENATOR SCUTARI: Roll call for the request to hold.

MR. COSTANTINO: Senator Scutari. This is on a motion to hold, correct?

SENATOR SCUTARI: Yes.

MR. COSTANTINO: Assemblyman Mukherji.

ASSEMBLYMAN MUKHERJI: Yes.

MR. COSTANTINO: And Deputy Director Shaughnessy.

MR. SHAUGHNESSY: Yes.

MR. COSTANTINO: You have three votes in the affirmative to hold NPL 4255.

MR. CHIANESE: Senator, I just would like to take the time to thank the staff at DPM&C for putting the packages together, as well as everybody in the other departments as well, to get everything together so we could present today.

Thank you.

SENATOR SCUTARI: No, thank you. Hey, we didn't meet for a long time, you know? Part of it was our pandemic that we're in, but I appreciate everybody being here today for important business.

People were waiting on this stuff for long periods of time; they want to know the future of their buildings and where they're going to be.

So thank you for that. Hopefully next time we meet we won't have to have masks on, but we'll see.

Any new business at all, any old business?

MR. CONSTANTINO: I have one housekeeping issue that I forgot.

NPL 3671 appears on the internet agenda; however, it was not heard today. I just wanted to make that statement.

SENATOR SCUTARI: Okay. Move to adjourn.

Roll call.

MR. COSTANTINO: Senator Scutari.

SENATOR SCUTARI: Yes.

MR. COSTANTINO: Assemblyman Mukherji.

ASSEMBLYMAN MUKHERJI: Yes.

MR. COSTANTINO: Deputy Director Shaughnessy.

MR. SHAUGHNESSY: Yes.

MR. COSTANTINO: We are adjourned.

(MEETING CONCLUDED)