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# *Committee Meeting*

of

## JOINT STATE LEASING AND SPACE UTILIZATION COMMITTEE

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**LOCATION:** Committee Room 1  
State House Annex  
Trenton, New Jersey

**DATE:** May 18, 2023  
11:30 a.m.

**MEMBERS OF COMMITTEE PRESENT:**

Senator Nicholas P. Scutari, Chair  
Assemblyman Raj Mukherji  
Jeffrey DeCicco



**ALSO PRESENT:**

Mark McCaslin  
*Office of Legislative Services*  
*Committee Aide*

Daniel Hurley  
*Senate Majority*  
*Committee Aide*

Tamara Loatman-Clark, Esq.  
*Committee Counsel*

***Meeting Recorded and Transcribed by***  
The Office of Legislative Services, Public Information Office,  
Hearing Unit, State House Annex, PO 068, Trenton, New Jersey

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**SENATOR NICHOLAS P. SCUTARI (Chair):**

Let's call the Joint Space Leasing and -- I'm sorry, the Joint State Leasing and Space Utilization Committee to order.

Roll call, please.

MR. McCASLIN: Senator Scutari.

SENATOR SCUTARI: Here.

MR. McCASLIN: Assemblyman Mukherji.

ASSEMBLYMAN MUKHERJI: Here.

MR. McCASLIN: Mr. DeCicco.

MR. DeCICCO: Here.

MR. McCASLIN: Senator, you have three members in attendance; you have a quorum.

SENATOR SCUTARI: Thank you.

The first order of business is the approval of the minutes of February 27, 2023.

MR. McCASLIN: Senator, if I may read the Open Public Meeting Act notice?

SENATOR SCUTARI: Sure.

MR. McCASLIN: Thank you.

Notice of this meeting of the State Leasing and Space Utilization Committee was provided to the Secretary of the State, the *Trentonian*, and the State House Press, on May 15, 2023, as part of the Open Public Meeting Act.

SENATOR SCUTARI: Great.

First order of business is the approval of the February 27, 2023 meeting minutes.

Any commentary on that? (no response)

Seeing none, I'll entertain a motion.

ASSEMBLYMAN MUKHERJI: So moved.

MR. DeCICCO: Second.

SENATOR SCUTARI: Roll call, please.

MR. McCASLIN: Senator Scutari.

SENATOR SCUTARI: Yes.

MR. McCASLIN: Assemblyman Mukherji.

ASSEMBLYMAN MUKHERJI: Yes.

MR. McCASLIN: Mr. DeCicco.

MR. DeCICCO: Yes.

SENATOR SCUTARI: Three in the affirmative; motion to approve the minutes of February 27, 2023 is approved.

Next is the presentation of the NPLs. We received 10, and we have two supplemental, so we can entertain all 12, if that's what we want to do -- I'm OK with that.

OK, let's get started.

Director.

**C H R I S T O P H E R C H I A N E S E:** Good afternoon, I am Chris Chianese, the Director of Property Management and Construction.

I would like to thank my staff and everyone involved with preparing these proposals.

Senator, would you prefer that I do these separately, or by department?

SENATOR SCUTARI: You can do them by department, that's fine.

MR. CHIANESE: The first two items are for the Department of Corrections, NPL 4745 and 4756; 4745 is an NPL for the Parole Board. This NPL is not to exceed 11,060 square feet, and was advertised and awarded to the most cost-effective proposal.

The proposed lease location is 53 Haddonfield Road, Suite 306, in Cherry Hill. This NPL was advertised; the term is for 10 years with two five-year renewal options. Parole has outgrown their space, and they are actively hiring more officers in this district due to the Work Your Way Out Program, and the current facility is in poor condition. Parking for 89 vehicles is available at no additional cost.

And, the second is NPL 4756. This is a new term lease for 10 years with two renewal options of five years each. It is for the Department of Corrections, located at 329-333 North Broad in Elizabeth, for a not to exceed 8,165 square feet. This NPL was advertised; the Union County Division of Parole Operations is currently located on Halsey Street in Newark, with Essex County, and is overcrowded since it is housing two client service districts. The State Police Parole Board, Union County, has a second small office it leases in Elizabeth. This NPL will consolidate both offices in North Broad Street and Elizabeth.

Thank you.

SENATOR SCUTARI: Thank you.

Members, any questions regarding the two NPLs regarding the Department of Corrections?

ASSEMBLYMAN MUKHERJI: I'm good.

SENATOR SCUTARI: Seeing none, I'll entertain a motion for both NPL 4745 and 4756.

ASSEMBLYMAN MUKHERJI: So moved.

MR. DeCICCO: Second.

SENATOR SCUTARI: Roll call on both NPLs -- and NPL is Notice of Proposed Lease.

MR. McCASLIN: Senator Scutari.

SENATOR SCUTARI: Yes.

MR. McCASLIN: Assemblyman Mukherji.

ASSEMBLYMAN MUKHERJI: Yes.

MR. McCASLIN: Mr. DeCicco.

MR. DeCICCO: Yes.

MR. McCASLIN: Mr. Chairman, you have three votes in the affirmative and none in the negative.

The motion carries.

SENATOR SCUTARI: OK, and that's for both. So, now we have, what -- agenda items number three and four for the Department of the Judiciary.

Director.

MR. CHIANESE: Third item is NPL 4747. This NPL is for Judiciary, Probation - Intensive Supervision and Juvenile Intensive Supervision Programs, located at 22 Mill Street in Paterson. The term is for 10 years, with two five-year renewal options for not to exceed 7,648 square feet.

This is a new lease. This new lease was advertised. The new site allows for convenient access to major roads, and creates long-term stability. The landlord will perform renovations valued at an estimated \$215,000, and will provide tenant allowances for \$72,000.

For the fourth item, 4748, this NPL is for a lease term at existing space for the Judiciary's Chancery General Equity Court, located at 71 Hamilton Street in Paterson. The term is for 10 years, and is for 2,714 square feet. The advertisement was waived, as the space is leased from the County of Passaic. The space includes office space for the judge and staff, with parking at no additional cost, and there's a cancellation clause.

Thank you.

SENATOR SCUTARI: Thank you.

Any questions regarding the Judiciary leases? (no response)

Seeing none, I'll entertain a motion on NPL 4747 and 4748.

MR. DeCICCO: So moved.

ASSEMBLYMAN MUKHERJI: Second.

SENATOR SCUTARI: Roll call, please.

MR. McCASLIN: Senator Scutari.

SENATOR SCUTARI: Yes.

MR. McCASLIN: Assemblyman Mukherji.

ASSEMBLYMAN MUKHERJI: Yes.

MR. McCASLIN: Mr. DeCicco.

MR. DeCICCO: Yes.

MR. McCASLIN: Mr. Chairman, you have three votes in the affirmative, none in the negative.

The motion carries.

SENATOR SCUTARI: The NPLs are approved.

Next, we have the Department of Public Safety -- five lease proposals.

MR. CHIANESE: First item is NPL 4744. This NPL was advertised for on public safety, the Office of the Attorney General, Office of Public Integrity and Accountability, located at 400 Fellowship Road, Suite 200, in Mount Laurel. The lease is for 10 years with two five-year renewal options, for not to exceed 16,375 square feet.

The lease was advertised. It is this unit's plan to have this location serve as their southern region location for the long term. Fifty parking spaces are included in the lease. The lease also includes a video security system, processing, and interview rooms.

SENATOR SCUTARI: Just a question on that.

We did a pretty big space for them up in Florham Park a couple years ago, correct? For the Office of Public Integrity.

**T H O M A S E D E N B A U M, J.D.:** That's correct.

SENATOR SCUTARI: They have a northern and a southern office, I guess?

MR. CHIANESE: Yes, sir.

SENATOR SCUTARI: And, I understand they're working every day -- in person -- for the most part.

MR. CHIANESE: That is our understanding as well.

SENATOR SCUTARI: OK, thank you.

Any other questions on that lease? (no response)

Then you can move on, thank you -- sorry.

MR. CHIANESE: Item six is NPL 4474. This NPL is for a lease extension for an additional 10 years for the Juvenile Justice Commission, located at 1001 Spruce Street in Ewing Township. Advertisement was waived since cost savings were achieved. This extension is for 38,006 square feet.

To seek a new site would be more costly than remaining at the current site; NJJC would prefer to stay at this location. Thank you.

Item seven, 4737. This lease is for Law and Public Safety State Police, Port Norris Station. This is for a 40-year lease, and, at the end of the term, the ownership of the building will be transferred to the State of New Jersey for a dollar. Advertisement was waived, as this NPL is with the Cumberland County Improvement Authority. The Cumberland County Improvement Authority will construct a new facility for the State Police, and it will have frontage on Highland Street, Morristown Bypass Road, and Godfrey Lane in Port Norris.

SENATOR SCUTARI: Yes, I just had a quick question on that.

So, it's a 40-year lease, and, as long as we complete the lease, they get the building for \$1.

MR. CHIANESE: After 40 years, we would get the building for \$1, right.

SENATOR SCUTARI: Is there any way in which we wouldn't get the building? If we broke the lease, or something?

MR. CHIANESE: I'm sorry--

SENATOR SCUTARI: Is there any way we wouldn't get the lease -- I mean, get the building. Maybe if we broke the lease or something, or no?

MR. CHIANESE: If we had an issue with the lease, it would be a possibility, I would think. But the intention is not to break the lease.

SENATOR SCUTARI: OK, thank you.

MR. CHIANESE: This facility will provide a general and community policing to the residents in several towns in Cumberland County.

It was determined that this to be a more cost-effective -- it was more cost-effective to build a new facility than try to renovate and expand at the current lease location on Highland Street.

Item eight is 4758. This is a termed lease for Law and Public Safety for the New Jersey State Police Aviation Bureau and Special Operations Sections. Advertisement was waived, as it is with another government agency -- the County of Mercer. The term is for 10 years, with two five-year renewal options, for 62,000 square feet of aircraft hangar space, as well as office and a maintenance shop space. The New Jersey State Police Aviation Bureau currently leases space at the Trenton-Mercer Airport, in agreement with DMAVA. DMAVA's lease agreement has expired, and the State continues to occupy space on a month-to-month basis.

DMAVA's facility is needed by the airport as part of the Trenton-Mercer Airport expansion, creating a need for this NPL. Considering operational factors, the Trenton-Mercer Airport continues to be the most advantageous location for the Bureau's operations considering location, as well as other services.

Item number nine is 4752. This NPL is advertised; it is a two-year term, effective September 1, 2002, continuing to a 10-year term once approved by the Committee. The proposed lease is located at 1350 Campus Parkway in Wall Township for 36,000 square feet. The Law and Public Safety's Investigation Central Unit. The Investigations Unit was in a sub-lease with Ocean County for 4,132 square feet in 1027 Hooper Ave. in Toms River. The lease ended between Ocean County and the landlord on June 30, 2022. The landlord would not permit Ocean County and the State to remain

while we actively pursued space; we needed to continue, we needed to conduct an emergency relocation for the State Police.

DPM&C had conducted a public procurement, knowing the existing lease was expiring, and we received two bids that were deemed non-responsive: one for technical issues, and the other one because it was too costly. State Police had a visit at the location that had the technical issue, which is 1350 Campus Parkway in Wall, and felt that this met their needs. We entered into an interim rental agreement to allow the State Police to continue their operations; the State Police, after taking occupancy, requested the long-term lease at this location.

Thank you.

SENATOR SCUTARI: Thank you.

Any questions regarding the leases regarding the Department of Public Safety? (no response)

Seeing none, I'll entertain a motion for all five leases.

MR. DeCICCO: So moved.

ASSEMBLYMAN MUKHERJI: Second.

SENATOR SCUTARI: Roll call on NPL 4744, 4474, 4737, 4758, and 4752.

MR. McCASLIN: Senator Scutari.

SENATOR SCUTARI: Yes.

MR. McCASLIN: Assemblyman Mukherji.

ASSEMBLYMAN MUKHERJI: Yes.

MR. McCASLIN: Mr. DeCicco.

MR. DeCICCO: Yes.

MR. McCASLIN: Mr. Chairman, you have three votes in the affirmative, zero in the negative; the motion carries.

SENATOR SCUTARI: Thank you.

Next, to the Department of the Treasury.

MR. CHIANESE: Item number 10 is NPL 3985. The advertisement was waived for this proposed lease, as it is an expansion of existing space in an approved lease. The proposed lease is for the Police and Firemen's Retirement System, located at 50 West State Street in Trenton for an expansion of 13,564 square feet.

Upon the completion of the required improvements and occupancy, rent will commence for the expansion. The term of the expansion space will run concurrently with the existing space that expires June 30, 2029. The additional space will be added at the same rental rate as the existing space. The Police and Fire Retirement System will fund the one-time fit-out cost. The growth in the program has led to the need for additional space. This program requires that it be in close proximity to the Division of Investments, and the Division of Pension and Benefits, who are both located 50 West State Street.

Thank you.

SENATOR SCUTARI: How many more people did they add over there?

UNIDENTIFIED SPEAKER: Fifty-four.

MR. CHIANESE: Fifty-four?

UNIDENTIFIED SPEAKER: Fifty-four.

SENATOR SCUTARI: That's the total, or that's the additional folks?

UNIDENTIFIED SPEAKER: That is additional.

SENATOR SCUTARI: An additional 54 employees? OK.

Any questions? (no response)

OK, I'll entertain a motion on NPL 3985.

ASSEMBLYMAN MUKHERJI: So moved.

MR. DeCICCO: Second.

SENATOR SCUTARI: Roll call.

MR. McCASLIN: Senator Scutari.

SENATOR SCUTARI: Yes.

MR. McCASLIN: Assemblyman Mukherji.

ASSEMBLYMAN MUKHERJI: Yes.

MR. McCASLIN: Mr. DeCicco.

MR. DeCICCO: Yes.

MR. McCASLIN: Senator, you have three votes in the affirmative, zero in the negative; the motion carries.

SENATOR SCUTARI: Thank you.

Next is the lease regarding the Department of Children and Families, NPL 4759.

MR. CHIANESE: Sir, if we could-- Could we present 11 and 12 together? It's a unique circumstance.

SENATOR SCUTARI: Sure. And, that would include NPL 4760.

MR. CHIANESE: Yes.

So, 4759. The advertisement was waived for this NPL -- and the next NPL, 4760 -- because if we were to seek other replacement space, we would need over 160,000 square feet for Treasury agencies, and almost

250,000 square feet for Children and Family space, and each department would need to remain together because of the synergies that each requires.

The landlord has negotiated from an all-or-nothing standpoint, and never indicated any willingness or financial ability to separate the two leases. Both leases have the same landlord. We have done an extensive search of the available properties for lease, and do not see how any would fulfill the needs of the State.

NPL 4759 is for 246,138 square feet of office space, and 3,000 square feet of storage space for DCF. The short-term interim rental agreement went into effect February 1, 2023, and is set to expire January 31, 2024 for a rental increase to \$32.50 -- 32 dollars and 50 cents. If the Committee approves the lease, the interim rental agreement will be terminated, and replaced with this lease.

This site, as well as NPL 4760 for 33 West State Street, are important part of the revitalization of Downtown Trenton, and to the State's overall presence in the capital. We have researched current rental prices in the market, and the rates offered in NPL 4759 and 4760 are more cost-effective compared to the current market rates.

The term shall be for 15 years, beginning the first full month after the Committee's approval. Both NPLs 4759 and 4760 include many building improvements that will improve the amenities and lighting, and increase efficiency, thereby lowering the State's operating cost. The landlord will provide refurbishment allowance or a rent credit equating to \$5 per square foot, totaling over \$1.2 million after year five, plus \$500,000 for each to be used towards repainting and recarpeting at the start of the new lease term.

The landlord has also committed \$20 million in tenant improvement allowances for work done between both NPLs. If the tenant improvement amount is less than the \$20 million, the State can recapture the difference towards the rent. If the identifying improvements come in higher than the \$20 million, the landlord will absorb the cost.

For 4760, they mention the lease terms of the agreement in principle in NPL 4759. Various Treasury agencies and the Department of State are located at 33 West State Street. The landlord will provide a refurbishment allowance or rent credit equaling \$5 per square foot, totaling over \$817,000 after year five. The total square foot is 163,479, on the space at 33 West State Street.

Thank you.

SENATOR SCUTARI: What is the grand total -- annually -- cost for each of these leases? Is it 4.25, or is that for one of the leases?

I mean, I know it's a lot of space, but it's -- 15 years for a pretty substantial amount of money. Just, so everybody gets an understanding.

MR. EDENBAUM: The total annual cost for 4759 -- that's the 50 State Street -- is \$9,800,000. This is with all loaded in, operating costs, the whole thing.

So, just shy of \$10 million.

SENATOR SCUTARI: Ten million, and the other one is \$4.2, right, \$4.25 maybe?

MR. EDENBAUM: I can get you that number in just a second.

SENATOR SCUTARI: Just so we understand, it's \$15 million a year for 15 years.

MR. EDENBAUM: And, that comes in at -- I have it at \$6.6.

SENATOR SCUTARI: Oh, \$6.6 -- oh, you're right, sorry; \$6.6 and just shy of \$10.

MR. EDENBAUM: Yes.

SENATOR SCUTARI: That's almost \$16.5 million a year for 15 years for these two large spaces -- and, a lot going on there -- but, just given all the COVID money, and all the other things, (laughter) I don't think we're in a position to do anything more than what we're going to do today on this. We could build some things. (laughter)

These buildings are already there, and if they don't get leased, they're going to be sitting there empty, so, OK.

Any other questions or comments? (no response)

Seeing none, I'll entertain a motion.

ASSEMBLYMAN MUKHERJI: Roll call.

MR. McCASLIN: Senator Scutari.

SENATOR SCUTARI: Yes.

MR. McCASLIN: Assemblyman Mukherji.

ASSEMBLYMAN MUKHERJI: Yes.

MR. McCASLIN: Mr. DeCicco.

MR. DeCICCO: Yes.

MR. McCASLIN: Mr. Chairman, you have three votes in the affirmative, zero votes in the negative; the motion carries.

SENATOR SCUTARI: We'll probably meet again next month. I'll talk to Assemblyman Mukherji about the potential date to consider some additional (indiscernible).

We don't need to do that. We're adjourned. I've always said we don't have to call the roll call to adjourn, and that's how we're going to do it from now on.

**(MEETING CONCLUDED)**