
Committee Meeting

of

JOINT STATE LEASING AND SPACE UTILIZATION COMMITTEE

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

DATE: June 20, 2016
12:30 p.m.

MEMBERS OF COMMITTEE PRESENT:

Senator Nicholas P. Scutari, Chair
Assemblyman Thomas P. Giblin
Robert J. Shaughnessy Jr.



ALSO PRESENT:

Carl T. Costantino
Office of Legislative Services
Committee Aide

Mark S. Kaminski
Committee Secretary

Gary A. Kotler
Committee Counsel

Ed Oatman
Senate Majority
Committee Aide

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

STATE LEASING AND SPACE UTILIZATION COMMITTEE

**AGENDA
JUNE 20, 2016**

TAB#	NPL#	LEASING ACTION
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Approval of Transcription of January 7, 2016

DEPARTMENT OF HUMAN SERVICES

- 1 4436 Division of Developmental Disabilities, 227 Laurel Rd, Voorhees, NJ**
Five (5) year extension at existing location at a reduced rental rate.
- 2 4025 Division of Developmental Disabilities, 221 Laurel Rd, Voorhees, NJ**
Five (5) year extension at existing location at a reduced rental rate.

DEPARTMENT OF TREASURY

- 3 4457 Division of Property Management and Construction, 121 First Avenue, Hamilton, NJ and 1561 Olden Avenue, Trenton, NJ**
Expansion of existing lease for warehouse space based on same terms and conditions.
- 4 4536 Office of the Public Defender, 840 Bear Tavern Road, Ewing, NJ**
Five (5) year extension at existing location with cost savings.

DEPARTMENT OF ENVIRONMENTAL PROTECTION

- 5 3718 Environmental Protection, 15-35 Arctic Parkway, Ewing, NJ**
Five year extension of existing location with cost savings.

DEPARTMENT OF CHILDREN & FAMILIES

- 6 4582 Division of Child Protection & Permanency, 240 Frisch Court, Paramus, NJ**
Five year extension of existing location and five year option all with cost savings.

VARIOUS DEPARTMENTS AND OFFICES

- 7 **4357** **Department of Environmental Protection, Office of the Public Defender,
Department of Treasury, Department of Labor
2 Riverside Drive, Camden, NJ**
Five (5) year extension at current location with five year option.
- 8 **4518** **Department of Human Services and Department of Community Affairs
852 South White Horse Pike, Hammonton, NJ**
Five (5) year extension at current location with three year option all with cost savings.

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SENATOR NICHOLAS P. SCUTARI (Chair): Good afternoon, everyone. Welcome to the Joint State Leasing and Space Utilization meeting, June 20, 2016.

May I have a roll call?

MR. COSTANTINO (Committee Aide): Senator Scutari.

SENATOR SCUTARI: Here.

MR. COSTANTINO: Assemblyman Giblin.

ASSEMBLYMAN GIBLIN: Here.

MR. COSTANTINO: And Assistant State Treasurer Shaughnessy.

ASSISTANT STATE TREASURER SHAUGHNESSY: Here.

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

SENATOR SCUTARI: Thank you.

Can we have a reading of the Open Public Meetings Act?

MR. COSTANTINO: Sure.

Notice of this meeting of the State House Leasing and Space Utilization Committee was provided to the press on June 13, 2016, in accordance with the Open Public Information Act (*sic*).

SENATOR SCUTARI: Okay.

The first order of business is the approval of the January 7, 2016, meeting minutes.

ASSEMBLYMAN GIBLIN: I'll make a motion, Mr. Chairman, that the minutes, as presented, be approved.

ASSISTANT STATE TREASURER SHAUGHNESSY: Second.

SENATOR SCUTARI: Thank you.

Roll call.

MR. COSTANTINO: Senator Scutari.

SENATOR SCUTARI: Yes.

MR. COSTANTINO: Assemblyman Giblin.

ASSEMBLYMAN GIBLIN: Yes.

MR. COSTANTINO: And Assistant State Treasurer Shaughnessy.

ASSISTANT STATE TREASURER SHAUGHNESSY: Yes.

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

The meeting minutes are approved from January 7, 2016.

SENATOR SCUTARI: Great.

Okay. The first -- the next order of business is the presentation of NPLs. We'll start with Tabs 1 and 2, NPLs 4675 and 4677 (*sic*).

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

SENATOR SCUTARI: Welcome.

MR. SUTKIN: I'll be brief, because I know you're familiar with these matters.

SENATOR SCUTARI: Take your time.

MR. SUTKIN: The first two are the Department of Human Services, the Division of Developmental Disabilities. They are two leases in the Township of Voorhees. Both are being submitted for cost savings, or under the cost-savings provision, for a five-year term. The landlord has agreed to make certain improvements to the property, consisting of recarpeting and painting.

We respectfully -- unless you have any questions -- submit these for approval.

SENATOR SCUTARI: Thank you.

Members, any questions on those NPLs?

ASSEMBLYMAN GIBLIN: Is a motion in order, Mr. Chairman?

SENATOR SCUTARI: Moved by the Assemblyman.

ASSISTANT STATE TREASURER SHAUGHNESSY: Second, please.

MR. COSTANTINO: You got it.

SENATOR SCUTARI: Roll call.

MR. COSTANTINO: Senator Scutari.

SENATOR SCUTARI: Yes.

MR. COSTANTINO: Assemblyman Giblin.

ASSEMBLYMAN GIBLIN: Yes.

MR. COSTANTINO: And Assistant State Treasurer Shaughnessy.

ASSISTANT STATE TREASURER SHAUGHNESSY: Yes.

MR. COSTANTINO: Senator, you have three votes in the affirmative, zero in the negative. The motion to approve 4436 and 4025 carries.

SENATOR SCUTARI: Thank you.

The next order of business is Tabs 3 and 4, NPLs 4457 and 4536.

MR. SUTKIN: Thank you.

The first NPL is 4457. We're seeking to add some space at our consolidated warehouse in order to accommodate a computer operation for the Judiciary. We're seeking to add 9,026 square feet of space on the same terms and conditions as the existing lease. We analyzed our options and felt that this was the most cost-effective way to accommodate this group.

SENATOR SCUTARI: I just have one question.

When it comes to warehousing and that overall space that the State has -- and this is such a huge undertaking. We just recently -- the Union County Freeholders recently did what's called a *space study*. So we put, finally, pen to paper and figured out where every employee was and where every employee sits; and then a listing of all our leases. And we found out that, maybe, we have some duplicative warehousing needs, especially given the fact that scanners are becoming much more prevalent in our business usage, and perhaps we're able to move away from having so much storage for our paperwork.

Just with respect to the warehousing aspect of this, do you see any need, or less of a need, in the future for warehousing, based upon what I've just stated?

MR. SUTKIN: Well, it's interesting you mention that. We're actually having our warehousing operation reviewed by an independent consultant, at this time, to look for ways to consolidate our operations. As it stands now, we have one large warehouse--

SENATOR SCUTARI: And it's pretty big.

MR. SUTKIN: --and different groups, sort of spread out in other areas that maybe aren't appropriate for warehousing. So we engaged

a consultant to take a look at what we have. And our plan is to go out to bid and try to procure a consolidated leasing operation.

SENATOR SCUTARI: Okay, great.

One other question. So is there any place -- either on a document, or on a disk, or on a computer somewhere -- that exists, where there's a listing where every State employee works, in our leases and in all our locations?

MR. SUTKIN: I wouldn't--

SENATOR SCUTARI: I wouldn't be surprised if there wasn't, because we didn't have one, either. The County of Union did not have one, and we just started working on that.

MR. SUTKIN: I would say there's not a single database, but we've actually -- we recently employed a new Lease Management System, which is a database which holds all of our leases and provides a lot of the valuable information about it. There's a second phase to that, that's being worked on now -- which, it's my understanding, the goal will be to actually identify where people are, how many people are there and, really, have a good snapshot, at any given time, of where people are located throughout the state.

SENATOR SCUTARI: Great. I look forward to seeing that, whenever it is that that's completed. Maybe the Committee can get a copy of that.

MR. SUTKIN: Thank you.

SENATOR SCUTARI: Okay. Did we discuss 4536?

MR. SUTKIN: Not yet. NPL 4536 is an extension of a -- it's a five-year extension at an existing location with cost savings. It's an office for the Public Defender Law Guardian group in the Township of Ewing.

We would respectfully submit both for your approval.

SENATOR SCUTARI: Thank you.

Members, any questions on either of those NPLs?

ASSEMBLYMAN GIBLIN: Upon recommendation of the Administration, I move that these two leases be approved.

ASSISTANT STATE TREASURER SHAUGHNESSY: Second.

SENATOR SCUTARI: Roll call on the two NPLs.

MR. COSTANTINO: Sure.

MR. COSTANTINO: Senator Scutari.

SENATOR SCUTARI: Yes.

MR. COSTANTINO: Assemblyman Giblin.

ASSEMBLYMAN GIBLIN: Yes.

MR. COSTANTINO: And Assistant State Treasurer Shaughnessy.

ASSISTANT STATE TREASURER SHAUGHNESSY: Yes.

MR. COSTANTINO: Senator, you have three votes in the affirmative, none in the negative. The motion to approve NPL 4457 and 4536 carries.

SENATOR SCUTARI: Thank you.

The next order of business is NPL 3718, which is Tab No. 5.

MR. SUTKIN: Your honor, this is a Department of Environmental Protection lease. There's actually a lease where there exists two five-year options. What we're seeking is approval of both five-year

options with stated rates. There's a cost reduction in both five-year options. In the first five-year option we're seeking approval, the landlord is giving us a credit on operating expenses in the amount of \$25,000 in each year of that five-year term. That will not occur in the second five-year option, should we decide to renew it.

The landlord -- we're leasing 62,724 square feet of office space; 6,300 square feet of storage feet, which the landlord formerly charged us for, but will no longer charge us for; and 13,500 square feet of garage space.

So overall it's a cost savings, and we seek your approval for these two options.

SENATOR SCUTARI: Thank you.

Any questions on that NPL?

ASSEMBLYMAN GIBLIN: I'll move it, Mr. Chairman.

ASSISTANT STATE TREASURER SHAUGHNESSY: Second.

SENATOR SCUTARI: Roll call, please.

MR. COSTANTINO: Senator Scutari.

SENATOR SCUTARI: Yes.

MR. COSTANTINO: Assemblyman Giblin.

ASSEMBLYMAN GIBLIN: Yes.

MR. COSTANTINO: And Assistant State Treasurer Shaughnessy.

ASSISTANT STATE TREASURER SHAUGHNESSY: Yes.

MR. COSTANTINO: Senator, you have three votes in the affirmative, none in the negative. The motion to approve NPL 3718 carries.

SENATOR SCUTARI: Thank you.

The next order of business is Tab No. 6, NPL 4582.

MR. SUTKIN: This NPL is for a Division of Child Protection and Permanency group in Paramus. It's a 26,256-square-foot lease. We've achieved a cost savings with the landlord. We're seeking approval of a five-year extension and a five-year option at this time.

SENATOR SCUTARI: Just a question. Whose option is it at -
- ours, or theirs, or both?

MR. SUTKIN: Well, in this case, we are -- we have no current extension. So the only way we can extend the lease is if we can show a cost savings under the budget language. In this case, we've asked for a five-year extension and also a five-year option. We, at this time, will only exercise the five-year extension; the option will be at the discretion of DPMC and the agency when we get five years down the road.

(Senator Scutari's cell phone rings)

SENATOR SCUTARI: Sorry.

ASSEMBLYMAN GIBLIN: Sounds good.

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

Seeing none, may I get a motion on NPL 4582?

ASSEMBLYMAN GIBLIN: Move it, Mr. Chairman.

ASSISTANT STATE TREASURER SHAUGHNESSY: Second.

SENATOR SCUTARI: Moved and seconded. May I have a roll call?

MR. COSTANTINO: Senator Scutari.

SENATOR SCUTARI: Yes.

MR. COSTANTINO: Assemblyman Giblin.

ASSEMBLYMAN GIBLIN: Yes.

MR. COSTANTINO: And Assistant State Treasurer Shaughnessy.

ASSISTANT STATE TREASURER SHAUGHNESSY: Yes.

MR. COSTANTINO: Senator, you have three votes in the affirmative, zero in the negative. The motion to approve NPL 4582 carries.

SENATOR SCUTARI: Great. The final order of business on today's agenda is Tabs 7 and 8, NPLs 4357 and 4518.

MR. SUTKIN: Thank you, sir.

Regarding 4357, this is a consolidated lease in Camden, at 2 Riverside Drive. It was originally part of an economic development plan in the City of Camden. We're now seeking to extend that lease with the Delaware River Port Authority for another five years. Their proposal is, as I understand it, lower than any proposal that they currently have to any of their tenants.

There is a minor cost savings with it. They're going to reestablish their base, and they've also -- they are going to slightly reduce their rent.

And we are seeking a five-year term and a five-year option, in accordance with the rate set forth in the NPL.

SENATOR SCUTARI: Any questions on those two proposed leases?

ASSISTANT STATE TREASURER SHAUGHNESSY: No.

ASSEMBLYMAN GIBLIN: Move it.

ASSISTANT STATE TREASURER SHAUGHNESSY: I'll second.

SENATOR SCUTARI: Moved and seconded.

Roll call, please.

MR. COSTANTINO: Senator Scutari.

SENATOR SCUTARI: Yes.

MR. COSTANTINO: Assemblyman Giblin.

ASSEMBLYMAN GIBLIN: Yes.

MR. COSTANTINO: And Assistant State Treasurer
Shaughnessy.

ASSISTANT STATE TREASURER SHAUGHNESSY: Yes.

MR. COSTANTINO: Senator, you have three votes in the
affirmative, zero in the negative. The motion to approve NPLs 4537 and
4518 carries.

SENATOR SCUTARI: Thank you.

Members, any other business -- new business, or any other
needs?

ASSISTANT STATE TREASURER SHAUGHNESSY: No, sir.

SENATOR SCUTARI: Okay. Seeing none, a motion to
adjourn.

ASSEMBLYMAN GIBLIN: Motion.

ASSISTANT STATE TREASURER SHAUGHNESSY: Second.

SENATOR SCUTARI: Roll call.

MR. COSTANTINO: Senator Scutari.

SENATOR SCUTARI: Yes.

MR. COSTANTINO: Assemblyman Giblin.

ASSEMBLYMAN GIBLIN: Yes.

MR. COSTANTINO: And Assistant State Treasurer
Shaughnessy.

ASSISTANT STATE TREASURER SHAUGHNESSY: Yes.

SENATOR SCUTARI: Great, we're adjourned.

Thanks; thank you.

(MEETING CONCLUDED)