
Committee Meeting

of

STATE LEASING AND SPACE UTILIZATION COMMITTEE

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

DATE: January 28, 2021
1:30 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
The Office of Legislative Services, Public Information Office,
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SENATOR NICHOLAS P. SCUTARI (Chair): Let's call this joint State Leasing and Space Utilization Committee meeting to order.

Today is January 28, 2021.

Roll call, please.

MR. CONSTANTINO (Committee Aide): Senator Scutari.

SENATOR SCUTARI: Yes.

MR. CONSTANTINO: Assemblyman Mukherji.

ASSEMBLYMAN MUKHERJI: Yes.

MR. CONSTANTINO: And Deputy Director Shaughnessy.

MR. SHAUGHNESSY: Here.

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

SENATOR SCUTARI: Thank you.

Please repeat the Open Public Meetings Act.

MR. CONSTANTINO: 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 January 22 of 2021, as part of the Open Public Information Act (*sic*).

Additionally, due to COVID-19 restrictions, the public is not permitted to attend this meeting. 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 1-888-557-8511 and use the access code 2529435, and you'll be directed to address the Committee at the appropriate time.

One other -- two other housekeeping issues real quick. NPL 4719 and NPL 3078 will not be heard today. Senator, we will elect a new Chair since it's our first meeting of the new year.

Do I have a nomination?

SENATOR SCUTARI: Great. Do we have a nomination for Chair?

ASSEMBLYMAN MUKHERJI: I would like to nominate the Honorable Nicholas P. Scutari to continue in his role of Chairman of this august Committee.

MR. SHAUGHNESSY: I'll second it.

SENATOR SCUTARI: Thank you, Assemblyman. Thank you, Director.

MR. CONSTANTINO: On the nomination to elect Senator Scutari Chair: Senator Scutari.

SENATOR SCUTARI: Yes.

MR. CONSTANTINO: Assemblyman Mukherji.

ASSEMBLYMAN MUKHERJI: Yes.

MR. CONSTANTINO: And Deputy Director Shaughnessy.

MR. SHAUGHNESSY: Yes.

MR. CONSTANTINO: You have three votes in the affirmative. Congratulations, Senator.

SENATOR SCUTARI: Thank you. I wield the gavel with great restraint.

Okay, first is the approval of the December 14, 2020 meeting. We received those and reviewed them. Any exceptions? (no response)

Seeing none, I'll entertain a motion.

ASSEMBLYMAN MUKHERJI: So moved.

MR. SHAUGHNESSY: Second.

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

MR. CONSTANTINO: Senator Scutari.

SENATOR SCUTARI: Yes.

MR. CONSTANTINO: Assemblyman Mukherji.

ASSEMBLYMAN MUKHERJI: Yes.

MR. CONSTANTINO: And Deputy Director Shaughnessy.

MR. SHAUGHNESSY: Yes.

MR. CONSTANTINO: Senator, you have three votes in the affirmative. The motion to carry the December 14 minutes is approved.

SENATOR SCUTARI: Thank you.

Ok, the reason we're back here so quickly is we did have some leftover agenda items that were a bit time-sensitive. So we are back, and we

have three tabs, NPL's 4281, 4255, and 3987. I think they are somewhat related, or are leftovers from the old meeting.

So why don't we start with 4281.

CHRISTOPHER CHIANESE: Good afternoon.

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

The first item is NPL 4281. This is a lease amendment for an extension of 10 years, beginning November 1, 2020, for the Department of Labor's Vocational Rehabilitation, Unemployment Insurance, and Workforce Development Group. This lease is located at 60 North Taylor Avenue in Neptune. It is for 17,853 square feet. The advertisement was waived as the lease resulted in a cost savings.

The landlord won't take Capital Improvement projects for IT monitorization; parking lot resealing, restriping, and drainage; roof installation; carpet replacement; and restroom upgrades. The State will receive \$553,350 in capital improvements over the 10-year issue -- the ten-year lease.

The total rent savings over the lease will be \$151,750. This location serves the Department of Labor's Monmouth County operation.

Thank you.

SENATOR SCUTARI: Thank you.

Tony, was this the one that we were missing a document, or was that number three?

MR. TEIXEIRA (Aide): Yes.

SENATOR SCUTARI: Okay.

So we received the updated document, which was the-- Say what it is. It was the Ethics Waiver Letter that was like 20 years old, the last one? And I believe we have an updated one, let's see.

Yes, January 20, 2021 -- to the former Commissioner of the New Jersey Highway Authority, Mr. Zaro, and that is now dated January of 2021, so that is-- Okay. I don't have any more questions on this; anybody else?

MR. SHAUGHNESSY: No.

SENATOR SCUTARI: Okay. Can I get a motion?

Roll call.

MR. CONSTANTINO: I just want to verify we have no one on the line.

SENATOR SCUTARI: Anybody on the line who wishes to be heard on the NPL as just described -- 4281? (no response)

Okay, no one is responding. Call the roll.

MR. CONSTANTINO: Senator Scutari.

SENATOR SCUTARI: Yes.

MR. CONSTANTINO: Assemblyman Mukherji.

ASSEMBLYMAN MUKHERJI: Yes.

MR. CONSTANTINO: And Deputy Director Shaughnessy.

MR. SHAUGHNESSY: Yes.

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

The motion to approve 4281 carries.

SENATOR SCUTARI: Okay, the next is NPL 4255. We discussed this last time, why don't we go over that again.

MR. CHIANESE: This is an extension of an existing lease for Military and Veteran Affairs, for 1,188 square feet. It is located at 1135 Elizabeth Avenue in Elizabeth.

This is for a Recruiting Unit for the New Jersey National Guard. Advertisement was waived since the negotiations resulted in cost savings. The MAVA is pleased with the location, as it is the first floor and is in close proximity to the high school. The term is for one year beginning January 1, 2021, with four one-year renewal options.

Thank you.

SENATOR SCUTARI: Thank you.

This was the -- just to recall, this is the property in Elizabeth, on Elizabeth Avenue, that Mr. Teixeira and I are intimately familiar with; but we're satisfied with that location at this point in time.

Anybody else on NPL 4255, the Division of Recruiting and Retention? (no response)

All right, anybody on the line who has anything to say about that? (no response)

That's NPL 4255. (no response)

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

ASSEMBLYMAN MUKHERJI: Motion.

Mr. SHAUGHNESSY: Second.

SENATOR SCUTARI: Roll call on that, NPL 4255.

MR. CONSTANTINO: Senator Scutari.

SENATOR SCUTARI: Yes.

MR. CONSTANTINO: Assemblyman Mukherji.

ASSEMBLYMAN MUKHERJI: Yes.

MR. CONSTANTINO: Deputy Director Shaughnessy.

MR. SHAUGHNESSY: Yes.

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

The motion to approve NPL 4255 carries.

SENATOR SCUTARI: Excellent.

The last NPL for consideration today is tab No. 3, NPL 3987. Why don't you describe that -- I think it has some relation with the other one?

MR. TEIXEIRA: Yes, it was approved on December 14, but the parties determined that there was a misunderstanding as to the business terms. So I believe this is a cleanup to that.

SENATOR SCUTARI: Is that accurate, Mr. Chianese?

MR. CHIANESE: That is accurate.

SENATOR SCUTARI: Okay. Do you want to describe it and talk about the cleanup language, and then we'll consider it?

MR. CHIANESE: Sure.

The lease is located at Quakerbridge Plaza for various agencies in Hamilton Township. After the approval by this Committee, the parties determined that there was a misunderstanding as to the business terms in the amendment.

We're presenting this with the missing business terms as part of the agreed upon consideration with the landlord. The missing business term gives the State the ability to give back a total of 9,069 square feet located in building three.

We're asking that this be included in the previously approved NPI.

SENATOR SCUTARI: And what was missing, anyway?

MR. CHIANESE: What was missing was that we could have the ability to give back a little over 9,000 square feet.

SENATOR SCUTARI: Just explain that to me again. Get back over 9,000 square feet? Give back 9,000 square feet? Just explain to me what was missing.

MR. KOTLER: Actually, Senator, it's a little different since I've worked on this.

SENATOR SCUTARI: Okay.

MR. KOTLER: And that is--

SENATOR SCUTARI: Turn your mic on. It's on? Okay, good, I can hear you now. Sorry.

MR. KOTLER: It is on. In the existing lease, the State has the right to surrender approximately 9,000 square feet in building 3. There's a number of buildings there. The parties actually had agreed that as part of that overall transaction we approved last week, that the right of the State to surrender that space was to be waived and deleted.

In other words, that we would continue in that space for the duration of the term. But that did not get into the NPL last time, so this is to put back in that essential term as part of the Committee approval, that the State agrees that it will not exercise its right to surrender back 9,000 square feet.

SENATOR SCUTARI: Okay. I mean, when you say that-- I understand the words that are coming from you, but I'm having difficulty conceptualizing what we are doing versus what we already did.

If we didn't do this, what would happen?

MR. KOTLER: If we did not do this -- that's a great question -- the landlord would not do-- And Chuck and Chris, if you could, because it's escaping me how much renovations the landlord was going to do -- but the landlord would not do the renovations to these various buildings unless he knew he was getting that rental flow.

SENATOR SCUTARI: And so we're taking away the option for us to surrender that lease, we're accepting that amount?

MR. KOTLER: That space within the lease, yes.

SENATOR SCUTARI: Space within-- And we didn't surrender at the last lease anyway, right? Even though we had the option to?

MR. KOTLER: Yes.

SENATOR SCUTARI: Is that accurate?

MR. KOTLER: Yes. For quite some time.

SENATOR SCUTARI: Okay.

ASSEMBLYMAN MUKHERJI: In other words, we're giving up -- Mr. Chairman, through you -- we're giving up our *out* so that the landlord can put the Caps back in to the additional fit-out.

MR. KOTLER: That's correct.

SENATOR SCUTARI: And that's-- We're doing that so we can get these improvements?

MR. KOTLER: Correct.

SENATOR SCUTARI: And that was intended upon the last time, but for some reason wasn't in there? All accurate?

MR. CHIANESE: That's correct, we're giving up the right to surrender it.

SENATOR SCUTARI: Okay. And that's in exchange for getting these improvements?

MR. CHIANESE: Yes.

SENATOR SCUTARI: Okay.

Any other questions? (no response)

All right, any questions from the public on that NPL that we just talked about -- 3987 -- on the Division of Aging in the Quakerbridge Road, Hamilton location? (no response)

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

MR. SHAUGHNESSY: I'll move, Mr. Chairman.

ASSEMBLYMAN MUKHERJI: Second.

SENATOR SCUTARI: Roll call, please.

MR. CONSTANTINO: Senator Scutari.

SENATOR SCUTARI: Yes.

MR. CONSTANTINO: Assemblyman Mukherji.

ASSEMBLYMAN MUKHERJI: Yes.

MR. CONSTANTINO: Deputy Director Shaughnessy.

MR. SHAUGHNESSY: Yes.

MR. CONSTANTINO: You have three votes in the affirmative, none in the negative. The motion to approve 3987 carries.

SENATOR SCUTARI: Okay. Any other business?

We've got to do this more often, instead of this once a year stuff.

MR. CONSTANTINO: We need a motion to adjourn.

SENATOR SCUTARI: I don't even know why we need to do that. I just usually say adjourned.

MR. CONSTANTINO: Adjourned.

SENATOR SCUTARI: We're adjourned.

(MEETING CONCLUDED)