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PUBLIC MEETING

before

ASSEMBLY SELECT COMMITTEE ON LAND USE AND PLANNING

Review of Economic Analysis of Draft Preliminary
State Development and Redevelopment Plan

June 29, 1988
Room 403
State House Annex
Trenton, New Jersey

MEMBERS OF SELECT COMMITTEE PRESENT:

- Assemblyman Robert C. Shinn, Jr., Chairman
- Assemblywoman Maureen Ogden, Co-Vice Chairman
- Assemblyman John S. Penn, Co-Vice Chairman
- Assemblyman Joseph Charles, Jr.
- Assemblyman Nicholas R. Felice
- Assemblyman Robert J. Martin
- Assemblyman William E. Schluter
- Assemblyman Anthony J. "Skip" Cimino
- Assemblyman Alan J. Karcher

ALSO PRESENT:

- Assemblyman Garabed "Chuck" Haytaian, District 24
- Assemblyman John A. Rocco, District 6

Mark O. Smith
Office of Legislative Services
Aide, Assembly Select Committee
on Land Use and Planning

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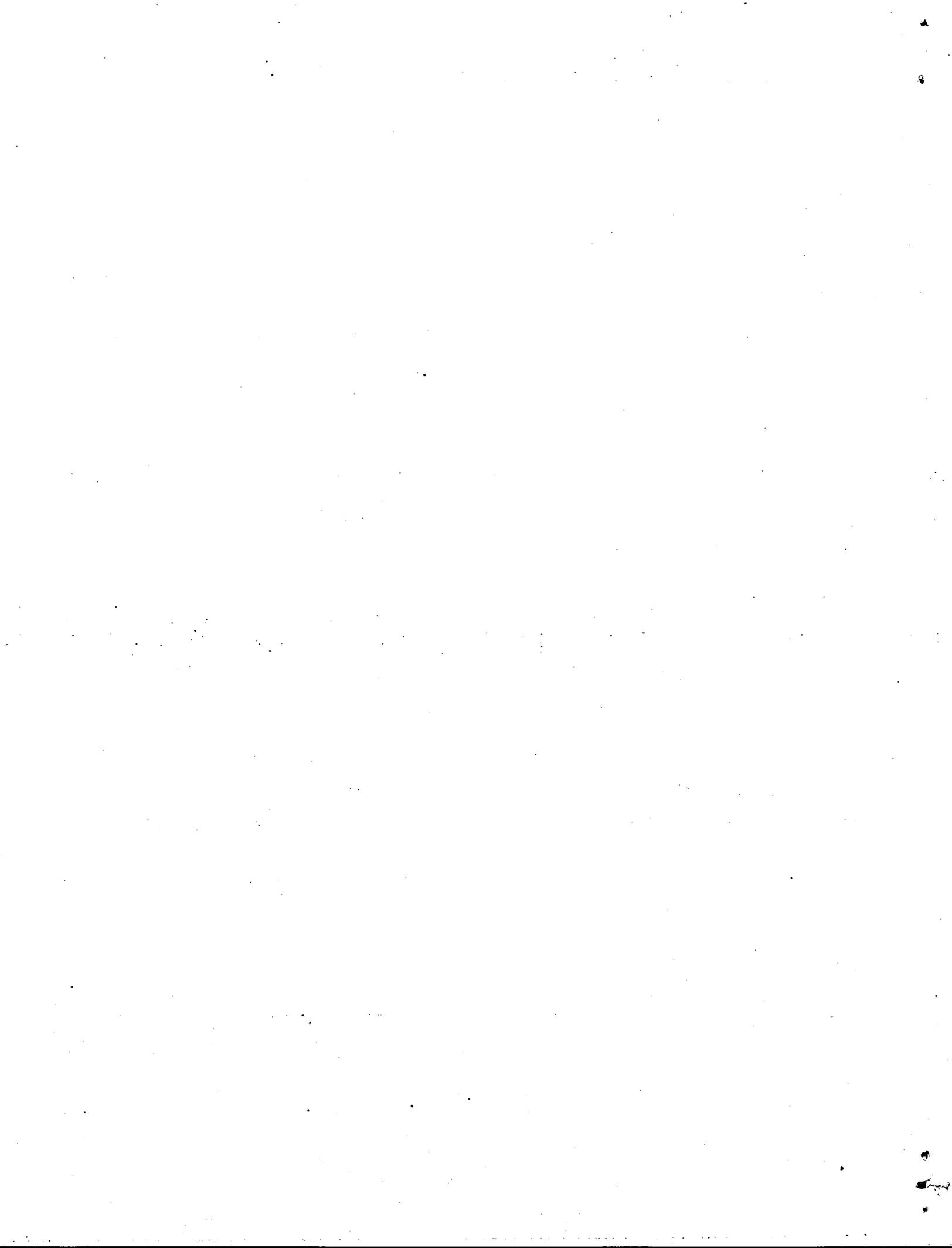
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TABLE OF CONTENTS

	<u>Page</u>
John Epling Executive Director State Planning Commission	1
Borden R. Putnam Commissioner New Jersey Department of Commerce, Energy and Economic Development	 55

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ASSEMBLYMAN ROBERT C. SHINN, JR. (Chairman): We're going to get started. Is John Epling-- Yeah, John is here, okay. Our basic schedule today is, we are going to go to 10 o'clock. We are going to start with John Epling, and proceed from there. John, would you care to join us? (Mr. Epling walks up to witness table)

By this time, I assume you have received five or six -- you have had the various drafts of this report in your possession.

J O H N E P L I N G: I do not have the September version, but we can talk about that.

ASSEMBLYMAN SHINN: When did you first receive the report?

MR. EPLING: I wonder, Mr. Chairman, would it be possible-- I will answer your question, but I would like to--

ASSEMBLYMAN SHINN: Sure. If you want to make a statement preliminarily, that's fine.

MR. EPLING: --go through a statement, if that is all right. I don't want to bore you, and I hope I don't.

ASSEMBLYMAN SHINN: That may eliminate a lot of questions I have.

MR. EPLING: Okay. I had some testimony prepared for Monday, but I felt that a lot of things were discussed, and there seemed to be some confusion about the nature of an economic assessment. If I may just talk for a few minutes about that, then you can go on. I will try to make it as brief as I can.

The legislative statute that was enacted in 1986 -- the State Planning Act -- stressed very clearly the importance of an economic assessment to the future of the State. Recognizing the tremendous pressures State residents were feeling as a result of growth, the statute set as a goal what they called "beneficial growth." That was in the Act. In its outline of tasks to the Commission, it asked that growth be

continued, but continued in ways that minimized the strain on our budgets for costly new infrastructure, and in ways that would preserve open space and farmland, protect environmental resources, and revitalize our cities.

The Commission is very mindful of the balance that must be achieved to assure this healthy growth. Under its statutory mandate, the Commission must assess the financial and other costs to the patterns of growth as we have experienced them for many decades. At current rates of growth, it is clear to the Commission, as it has become clear to New Jersey residents, that growing in the way we have been will be very costly in terms of infrastructure costs, loss of farmland, loss of open space, and loss of quality of life features which have made New Jersey the envy of the nation.

To give the Committee a sense of the magnitude of the problem, the analysis suggested, in very gross terms, that almost the entire State, outside of the Pinelands, would be developed, with few pockets of open space, by the year 2010. Again, with economic concerns as a guiding issue, the Commission considered two alternative versions to this trend type of growth: One which would force all prospective growth to the year 2010 into the older urban areas, and one which would provide incentives for redeveloping the cities, but which would also guide suburban growth into centers along major transportation corridors and into villages in rural areas.

Based on initial economic analyses, this latter concept appeared to offer some major advantages. First, it could accommodate the projected growth in the State where it appeared desired by business leadership and many private citizens in the suburban and ex-urban areas. It could reduce the amount of farmland and open space lost to development by a significant multiple over current trends, and it could save taxpayers substantially in terms of the cost of essential infrastructure necessary to support that growth.

The general conceptual approach of guiding suburban growth into corridor centers, into areas peripheral to freestanding towns, and in villages, then underwent a much more detailed translation based on the data available to the Commission on existing and planned infrastructure improvements, such as highways and sewers. A draft plan was then authorized for release in January of 1988 for public and State agency comments by May. The Commission is now reviewing those comments and it will, in the next several months, be considering revisions.

The result will be a preliminary plan which then goes to cross acceptance, and that is where the counties and the municipalities will be recommending revisions to tier boundaries, to the policies and standards contained in the plan and, as well, they will be identifying growth towns and villages in rural areas for inclusion in the plan. Following this cross-acceptance process, several more revisions will be made, and a plan hopefully will be adopted in late 1989, early 1990.

I mention this sequence to show its relationship to the matter of economic analysis. The cross-acceptance process which will allow individual municipalities to comment on, and frequently change the content of the plan will have a major impact on its final form. The economic consequences of the plan, therefore, to the extent that they can be evaluated at all, will be "analyzable" only after New Jersey municipalities, counties, elected officials, and private citizens have had an opportunity to comment, react, and reach agreement about how growth should occur.

As I have indicated, during cross acceptance the counties and municipalities will be identifying new growth centers in rural and suburban areas which may considerably alter the location and extent of growth areas in the plan. As the plan takes form during cross acceptance, it will gradually

be possible to undertake some form of economic assessment. Dr. Adam Broner and Dr. Rubin have both agreed that the necessary details for an analysis will not be ready until near the close of cross acceptance. We are willing and prepared to undertake an appropriate analysis at that time.

To give some of the most basic examples, an economic analysis could not be done until we know, for example: How much developable land will be realistically available under the proposed cross-acceptance plan? How much over and above current estimates will this infrastructure cost, based on the post cross-acceptance plan? What is the net impact of the proposed plan changes on sectors of the State's economy, for instance, the agriculture economy? What will be the relative impacts of the plan as compared to trends on the availability of affordable housing, and how will that factor affect New Jersey's competitiveness, given the tightness of the labor market, and we have seen some major corporations make decisions to move out of the State. That is not under plan; that is under trend development.

I think it is also important to stress that an economic impact assessment cannot be a predictor of the future. Many major economic events and unanticipated forces will intrude on any long-term forecast of effects. Moreover, the plan must be reviewed every three years to revisit basic assumptions, goals, and recommendations, to assess programs, and to make adjustments necessary for economic health, natural resource protection, and so forth. Perhaps more importantly, the plan will need to be assessed against what will happen if nothing about the way we are growing has changed. What will our infrastructure cost if we continue to grow haphazardly? Will we be able to support any mass transit to relieve congested highways, if there are no planned centers along these corridors of sufficient densities to support transit? What will be the economic costs of loss of agriculture if current

trends are not abated? Will New Jersey lose its competitiveness if it cannot provide affordable housing to its work force? Will major corporations locate here if all of New Jersey is a congested network of overburdened farm roads and parking lots? What will become of the cities if we do not protect our human and capital investments there?

What is very evident to the Commission and to many residents of the State -- as I think you know -- is that current patterns of unplanned growth are threatening those very characteristics which have fueled the State's recent economic surge -- open space, accessibility, residential choices, and quality of life.

I mention these issues to emphasize that we share your concerns regarding the ultimate economic impact of the plan. But there is no plan right now. We are only now beginning the cooperative planning process which will ultimately result in a plan. We are mandated by the legislation that you passed creating the Commission to come up with a sound plan which will encourage growth, conserve resources, and protect our quality of life, and we -- the Office of State Planning and the State Planning Commission -- want to assure you that we are complying with that Act, and by doing this, assuming some reasonable and beneficial economic future.

Regarding the specific issue bringing us together today, the report that is the subject of this meeting was commissioned by the Office of Economic Policy or by the Department of Commerce, and it was originally drafted, apparently, in September, 1987. My office was unaware that any report had been commissioned until October, at which time Commissioner Putnam forwarded to my office a revision of their original document, the document that apparently you have. I would characterize the report, however, that I received in October as critical of the April draft, the main criticism being that our approach was too doctrinaire, if I were to summarize some of their main problems.

The researchers apparently believe that the April draft was stated in unequivocal terms, and that it needed to be more flexible to accommodate unknown future events that could affect the plan. They felt a number of questions needed to be addressed which they believed were not in evidence in this April document. It is important to keep in mind that their report was written in response to a draft plan composed by my staff and consultants, written in April, 1987, which had no standing as a Commission document. In other words, at that point the State Planning Commission had not yet formulated a draft preliminary State development and redevelopment plan. That was not released until January of 1988, and then only after extensive revision and review of the April draft. The April draft was drawn up essentially to meet a deadline called for in the legislation, which said that a State development and redevelopment plan must be adopted 18 months after the Act was signed.

By the time the Commissioners were appointed and an initial staff hired for the Office of State Planning, almost a year had elapsed before we could come out with that document -- or begin preparing it. Consequently, there were only six months left, at that time, to adhere to the deadline and come up with at least a preliminary plan. The April draft was in response to this deadline. The status of the April draft was something that Dr. Seneca was not aware of when we discussed it with him initially and that, I think, was stated by Dr. Rubin when he was here Monday.

They also were not aware that the plan must be reviewed and revised every three years, and that counties and municipalities would be making changes in the preliminary plan during the cross acceptance. In early November, I circulated copies of the October report to my staff, and suggested that they arrange a meeting, or sit down and talk with Adam Broner to discuss their document. It was brought up at this meeting

State Planning Commission

that the plan on which the council was reporting was out of date. In fact, at that very time we were coming close to a final draft that could be sent for reproduction and given to the Commission in January.

We explained that substantial revision was taking place with respect to philosophy, policies, and tier boundaries. We explained that the problem concerning employment projections was also being corrected, as the Department of Labor's figures used in the April draft simply were not as recent as the ones used by Drs. Seneca and Rubin in their analysis for comparison. We added, however, that their report did raise a number of good issues which were valuable to the State planning process and eventually needed to be addressed. Subsequent to this, on November 13, a memorandum was received from Commissioner Putnam, who suggested that the process would benefit from more discussion between staff of his Department and the Office of State Planning. A meeting of this nature did take place, with an agenda essentially evolving around the points raised by the Commissioner in his memo. These issues and a brief response to each of them follows:

The first was that the plan should have an economic impact analysis. Our response was that before adoption of the final plan, research should include more economic data and development data in the plan. At the time of this meeting, staff research was already moving in that direction. For example, we were analyzing the availability of developable land to assure that there would be enough to accommodate growth, and that we would have this data in the discussions with municipalities and counties during cross acceptance.

The second point he raised was that we should include information on interim results in five-year increments, leading up to end results in the year 2010. It was our feeling that additional economic and fiscal data, indeed, should be incorporated in the plan at appropriate points before and after

cross acceptance. These points were substantiated in Dr. Broner's testimony to you on June 16, and in Commissioner Putnam's testimony on Monday. Again, the legislation provides for review of the plan every three years, so a monitoring program during this period would point to desirable revisions on each of these cycles.

The third comment was that the plan designates urban centers as the locations for significant growth, but we should include incentives that make this growth feasible -- to make these centers realistic. In our response to this, we realized that the April draft should have included stronger policy initiatives for the revitalization of older urban centers, and this was addressed, I think a lot better, in the January draft. I hope that when we come out of cross acceptance it will be addressed even better, once we get the urban center inputs -- the major city inputs.

Fourth, the plan should consider what is an acceptable level and pace of growth, bearing in mind existing population density, traffic problems, preservation of quality of life, etc. Our feeling is that prior to the release of the January draft, the Commission's first draft, research had already started on developing alternatives and scenarios which the Commission will be considering both in this revision and later.

Fifth and finally, an economic impact subcommittee should be created by the Commission. I think, as Commissioner Putnam indicated to you, the responsibility for economic impact matters has been placed with the Policy and Research Committee of the Commission.

Joseph Seneca said at this time, during these meetings with my staff, that he was satisfied that the issues raised in his report either had been addressed, or were being addressed, and we were moving in the right direction. The council issued another revised report -- which I did receive -- dated December 29, 1987.

As Commissioner Putnam stated, the report was always intended, for his purposes, as a draft which could be used for study. Again, this comes as part of the legislated mandated process. Our most recent step in this process is release of a draft preliminary plan. This is now being revised into a preliminary plan, and has been reviewed by virtually every department of State government, and the agencies thereof. Keep in mind, too, that it is not just the counties that will be going over this document, and if the municipalities do not agree with the conclusions of the county, they will have input independently of the cross acceptance.

After the draft plan is final -- or at least as the draft final plan is drawn and released -- we have to hold at least six public hearings before adoption of the final plan. I am saying this because you have to realize that there is no plan at the present time.

I would like to emphasize again that this is not a secret report. Neither the Commission itself, nor my office could withhold or repress a document which it did not procure. Further, once my staff was made aware of its existence in October, every effort was made to address the concerns which Dr. Seneca, Dr. Rubin, and the Department of Commerce had regarding the economic impact of our actions. This continues to be viewed as part of the normal dialogue amongst departments, as far as the planning process.

I regret the negative tone and counterproductivity that this issue has generated, and I appreciate the opportunity you have given me to appear before you today to answer questions. I do welcome the interest and participation of the public, the elected officials of the State, the business community, and the Legislature in what I consider to be the most important task of ensuring a beneficial economic future for this State.

I will be glad to answer questions.

ASSEMBLYMAN SHINN: Are there any questions? Who would like to start? Assemblyman Rocco?

ASSEMBLYMAN ROCCO: One of the major concerns, obviously, was that the Commission members never received the report. Apparently, even in a draft stage, one would think that Commission members should be entitled to know what kind of research is being done. Even if you choose to call it a preliminary plan, I would think you would want your Commission members to have that. That is really the basic reason, I guess, why we are here. I am not sure that that has really been responded to.

MR. EPLING: Well, first of all, I gather-- I notice Commissioner Putnam is here. I don't want to put words in his mouth, but I gather that if Commissioner Putnam, who commissioned the report, who reviewed the report, discussed it extensively with his own staff and with consultants he hired, if he had felt it was worthy of Commission consideration and as a member of the Commission, he would have sent that report to the Commission.

I have given the Commission every piece of research that I can think of that my office has prepared, and that my consultants have prepared. You've got to remember as well, I think, that at the time we received the December 29 version, we were virtually at press with the Commission's own plan -- the preliminary plan -- which was released at the end of the following month. You know, my assumption would be that if Commissioner Putnam -- the Department of Commerce -- felt that that consultant's report was relevant, we would have seen it in their comments that were submitted to us dated March 31, which I think you gentlemen have copies of. That is perfectly within his prerogative to submit that as part of his comments. That is what we were asking for.

In fact, after we released the January draft, they submitted comments, and so did the Economic Policy Council, and

I didn't see any of the versions that I received of that consultant's report. All I can tell you is, it wasn't my report; it wasn't my research. We were within days of coming out with a new plan. If the Commissioner had wanted to submit it, like I did with all State agency and public comments -- they are here in your library, and they have been made available to anyone who wanted copies of them -- they would have been available to the public. We were in the middle of a very intensive process of trying to get this preliminary plan out.

ASSEMBLYMAN ROCCO: The constituents of Camden County, and down in South Jersey in general, have a great reservation with regard to the plan, so obviously, you know, through the legislative process, we asked for the oversight ability, which was obviously pocket vetoed by the Governor. There are many legislators who still have a concern about the plan. We have a strong economy in this State, and if this plan has the potential to uproot that economy -- the success of the economy -- then I think that is where the concern exists. If that information does not get to planning members -- the Commission members -- I think that is a difficult position to be in, when what you do may, in fact, just uproot the economy of the State.

It is of great concern to us. It seemed to be an impingement upon the free enterprise system. It is almost a Big Brother mentality of zoning for vast areas of the State, in light of recent Supreme Court decisions about down zoning and the exposure the State would incur in such a situation.

So, I think there are many questions which are not minor, but which can significantly take the strong economy of the State and virtually throw it into disarray by this plan. I don't know of any other -- Does any other state have such a plan? Do we have any prototype of this? Maybe Red China.

ASSEMBLYMAN SCHLUTER: Mr. Chairman, if I may object to this line of questioning. Really, we are not discussing the

plan; we are discussing the circumstances about which this meeting is being held. But to characterize this plan as being like Red China or Big Brother or an impingement on free enterprise, I think is getting out of line to the basic purpose of this meeting. I would ask you to call it back into--

ASSEMBLYMAN ROCCO: Mr. Schluter, you are certainly entitled to your opinions, and I hope you will express them. I am certainly entitled to my opinions, and I plan to express them.

ASSEMBLYMAN SHINN: I think we should stay on the topic of the report. The meeting was called essentially to discuss the report, its origin, and how it was treated by the Planning Commission. So I think that rather than getting into the origin of the plan, we ought to try to focus on the report, how it was generated, what the Commission did with it, and that process.

ASSEMBLYMAN ROCCO: Well, Mr. Chairman, I think basically that is what I am doing. My point is simple: The most critical aspect of this plan is what it will do to the economy of this State. By Commission members not having the plan in their hands, to make judgments that will affect the economy of the State, not knowing what the data and the basic premises are behind it, I think damages their ability to make decisions based upon the proper information.

ASSEMBLYMAN SHINN: One of the issues we discussed in some detail at the first meeting was, before cross acceptance, you can't do a focused economic report, because let's assume the municipalities all decide that they don't want any more development, and they put all open space preservation and farmland in their plans, that is going to have a dramatic economic impact because there will be no place to accommodate housing or an expanded economy.

On the other hand, let's say there is no open space preservation and it's all economic development, that is going

to have a good economic impact, but an adverse impact on the environment. So, because that cross acceptance occurs, outside of guidelines for what the Planning Commission is doing, you can't do a focused economic report. I think we pretty much came to that agreement.

ASSEMBLYMAN ROCCO: Well, that's the chicken and the egg, is it not? In other words, if you go through cross acceptance and you don't know the economic impact, and then you implement a plan, per se, then you are back to the chicken and the egg situation.

ASSEMBLYMAN SHINN: That's not what we're saying. What we're saying is: If you have your economic guidelines -- and these five or six reports have generated some guidelines for the Commission and its process -- and then the municipalities and the counties go through cross acceptance, the mosaic of the plan comes together, and then you do the focused economic report on how the plan came together, and that is a meaningful document. I don't see how a meaningful document can come out of this process in the vacuum we're in. Without any response from any county or any municipality, it's just--

ASSEMBLYMAN ROCCO: But then, do you go back to those counties and have them again address the plan, becomes the question.

ASSEMBLYMAN SHINN: Yeah, after your first assemblage of cross acceptance. But I think that if we dwell on this topic, which is certainly proper in this Committee in another setting-- I would be happy to go through that in another meeting, but I think the focus of this meeting is really on the report, how it was generated, how it was received, how it was commented on, and how it was dispersed. Rather than get into the meat of the process or the concept or how it was established, I think if we can stay focused on the report--

ASSEMBLYMAN ROCCO: Well, that is my focus -- the economic impact. I was at the last Committee meeting, and the questions were not too dissimilar to the questions I have. Although maybe not as pointed, certainly there were questions to Mr. Rubin with regard to it that did not deviate too much from my premise. But, thank you, Mr. Chairman.

I guess we are going to move ahead at this point. Are the Commission members ever going to get the report? Do they have them now?

MR. EPLING: I don't-- No, they-- Are you talking about the economic assessment report?

ASSEMBLYMAN ROCCO: The economic report, yeah.

MR. EPLING: The individuals on the Commission who Commissioner Putnam listed for you on Monday that he had forwarded the report to obviously do have it. I don't think the other members have it, and I don't have any plans at the present time of giving it to them. But if they ask for one, I would be happy to supply it to them.

ASSEMBLYMAN ROCCO: Is it selective? Shouldn't all Commission members receive the report?

MR. EPLING: Sir, I guess my point is, I am not passing judgment. It is not my report; it's Commissioner Putnam's report. At the time, he made a decision to send it to certain people on the Commission who are heads of State departments. I am not going to question his judgment on that. If the Commission wants copies of this report, I would be happy to supply copies. We operate under the Open Public Meetings Act, like everybody else. If they want copies, we'll give them to them.

That is not the issue. We are so far beyond that now, I don't imagine that most of them are going to be particularly interested in it, particularly when they find out that it is an analysis, first of all, of the April draft, which makes it irrelevant, and second, because the economic figures that were

used in the analysis were updated figures of what we used in the April draft, and the researchers were not aware of that. That is what came out during our staff discussion. Instead of recognizing those projections as simply two different years for the Department of Labor's annual update of projections, they saw our lower figures as the results of the plan, and blamed the lower figures on the results of the plan. I think that was a matter of misunderstanding how we were using the data, and what year data we were using.

The plan is not driven by a million jobs or 1.2 million people. The plan has to be able to accommodate growth of a large range of projections. It can't be tied to 1.2 million people, because the following year if the Department of Labor comes up with a different projection, all of a sudden the plan is no good. The plan has to accommodate -- and has to be flexible enough to accommodate -- a broad range of growth scenarios in the future, and that is what we are trying to craft.

I simply don't understand how an economic assessment can be done until the municipalities have identified the growth areas that we need to add to the map, that are not on there now. We have made that clear in all of my presentations in South Jersey, and everywhere else.

I appreciate your concerns. I deal with those concerns frequently, particularly in South Jersey and in the northwest portion of the State. I will only tell you that there is a lot of misinformation out there about what the plan says. I'll give you an example. I don't want to pull it off, and you can pull it back, Mr. Chairman, if you wish. Nowhere in the State plan does it say anything about one unit to 20-acre zoning, but I must have 400 letters in my office from farmers and everybody else that talk about a 20-acre zone. The plan never talks about it.

ASSEMBLYMAN ROCCO: Well, the farmers are upset because they know what it can do to the economy of their individual units. The region, in general, is concerned--

MR. EPLING: Well, I would appreciate the opportunity to sit down with--

ASSEMBLYMAN ROCCO: --that the State will use the power of the State to just impose this zoning upon them.

So, the Commission members-- Again I keep going back to the same point. I would be of the opinion that the Commission members should have this plan at one time or another. At least the individual I talked to would very much like to see the draft of the plan.

MR. EPLING: You mean the report.

ASSEMBLYMAN SHINN: The economic report.

ASSEMBLYMAN ROCCO: The economic report, or whatever you want to call it, you know.

Okay, thank you, Mr. Chairman.

ASSEMBLYMAN SHINN: Yes, Assemblyman Penn?

ASSEMBLYMAN PENN: Thank you, Mr. Epling, for joining us today. I would just like to go back and focus on what we are here to talk about today. I really don't want to go into the merits of the plan. I believe in a State plan, as you know. I think we need one. I would like to get whatever we do today over with, so we can proceed ahead to develop something the State really needs, which is a good plan. I wanted to start out by letting you know where I am coming from on that particular thing.

I want to go back. Again, maybe you can clear something up for me. At our initial meeting, which was on May 19 -- you were there, and you provided us with a lot of input into the plan -- I asked you a specific question about whether there had been any economic impact study, or any economic analysis done, and you said, "Not to my knowledge." Again, I accepted that. Then, I read in the paper that, in fact, there was.

Before I give you a chance to answer, I would just like to continue. Maybe you should answer that, because that is one of my biggest concerns -- the fact that I felt you had been less than candid with me, because I asked the question, and you said no there wasn't, and then you went into the thing about interest rates, and so forth back on-- Do you remember that?

MR. EPLING: Let me start off by saying I don't remember right now exactly how you worded that question. Okay? I will tell you what I remember hearing, and then we can talk about it from that point.

What I remember hearing -- whether it was in the context or your actual wording -- was, has the Commission done any kind of economic impact assessment and, if not, do you plan to do one -- or undertake something? My response was no. I went into the interest rates and why it would be very difficult, but said we are going to be including a lot more data. Now, I heard that in the context of, has the Commission done anything? I guess, if you think about what I told you in my testimony a few minutes ago, even if you had asked if any economic assessment had been undertaken, and I responded no-- I wish I would have heard it that way, because then I could have told you that, indeed, the Commission did some economic assessment work back at the time we were preparing the April draft, where we looked at alternative scenarios of growing in the cities, growing in the corridors, trend development, and how much that would cost, in terms of infrastructure and so forth, to support.

It gets to the definition, in a way, of what you consider to be an economic assessment. I did not consider that to be an economic assessment of a plan. Okay? We're formulating a plan. The point I try to get across to everybody is, there is no concrete document. It is not going to come into concrete, if you will, until after cross acceptance. I

answered the question in the context of, no, the Commission has not done any economic assessment. I wasn't trying to mislead you. I don't consider anything that has been done to date an economic assessment of the plan, and I am not mincing words with you. I have to stand up before three or five groups every week, and audiences, and explain to them the process we are going through. The process is only started. It is a cooperative process by the mandates in the State Planning Act. The municipalities and counties have to show us these growth areas. Until that is done, you can't do an economic impact assessment. So, my purpose was not to mislead you.

ASSEMBLYMAN PENN: But I think that if at that time you had said yes, there was an economic impact study-- I don't agree with it, but I don't think we would be here today. In other words, I think that would have been the point. If you had said that, that would have been the end of the issue. In other words, I knew the question I was asking you, because I had heard rumors that such a report existed. I had not seen it at that time. There was, in fact, an economic analysis done.

Let me go on to one thing further. You know, Commissioner Putnam is a member of your Commission. It is his role, as a member of that Commission-- One of the things he offers that Commission is his expertise in economic planning and economic development. So, he was functioning by preparing and working on this plan, within the confines and the mission of your Commission. So, what he submitted was the best-- You also have Feather O'Connor on your Commission. I am sure she would also be interested in the economic aspects of it. I'm sure Dick Dewling would have a strong interest in the effects of projecting the environment in the plan. Each one of these Commissioners was put in there for a specific reason -- for their particular expertise and background. So, the Commissioner was doing his job as director of economic development for this State to make sure that that was a consideration of the plan.

Then I go to Dr. Rubin's testimony of the other day. He said that he had been meeting with your staff on the revisions. -- In other words, you talk about the economic study we had. I'll use it as a study, instead of saying a plan -- all right? -- an economic study we had submitted, that it was going back to the original plan when, in fact, the staff-- They had a meeting with your staff. This new revision should replace the existing-- Our meeting last week with the staff of the Commission was productive. Dr. Rubin and Dr. Seneca were meeting with your staff and upgrading their report -- that is what Dr. Rubin's testimony was -- to reflect the changes you had made in the State plan as it went along. And I think that's good. You know, I think they should be involved and work on the updated plan.

Our concern here is that you are being completely candid with us when you come before our Committee. If you don't understand the question, or the context of the question, then you should say, "I don't understand what you mean," and I would clarify it. I was specific in what I asked you, and maybe your response was to something-- Maybe you misunderstood my question. I accept that.

MR. EPLING: It's critical, number one, that you trust me -- all right? -- because I don't think you can trust the process if you are relying on me to give you information about it.

It would have been very helpful to me if, when I answered no, and you had heard about a report, if you could have given me some guidance, like-- I know each of you, I think, received a copy of a consultant's report from the Builders Association last year, that went into some depth analyzing the economic impact. I mean, they touched on these employment figures again, and a number of other things. If you had said, for instance, "Well, John, what about the Builders' report that was done last fall?" even if you didn't want to get

into this one that just came up, or whatever. If you had just said that, then I would have realized you wanted some kind of a historical treatment of the issue of economic impact analysis, and I would have told you about what the Commission did well over a year ago, in April. I could have discussed the Builders' report.

I have letters, editorials, memoranda, a number of things which are, in essence, economic assessments of the plan. The plan is seen by many people as being disastrous, and by some other people as being a boon. I answered the question the way I heard it. You know, I think of the plan, and I answer questions relative to whether an economic assessment has been done of the plan, and the only plan that exists is the Commission's plan. They are the only ones who are authorized under the State Planning Act to adopt a plan and formulate it.

The April draft never had any Commission status. I don't consider the work we did then an assessment of the plan. The plan was done in January. If you want to think of any document as the plan, the only one that exists -- and it is not even a plan yet; it is not going to be the plan until late-- The only version that exists is what the Commission produced in January. If Commissioner Putnam had asked the consultants who prepared the report on the April draft -- the economic research consultants -- to look at the January draft and submit an economic report, that would all be a matter of public information, because all of the comments of State agencies have been laid out for the public.

All I can tell you is--

ASSEMBLYMAN PENN: We have an economic study that was released in March, which is on your last revision.

MR. EPLING: That's right. That is the official comments, as far as we are concerned -- the Department of Commerce. I guess what I am trying to get across--

ASSEMBLYMAN PENN: The question I asked you was in May.

MR. EPLING: This past month.

ASSEMBLYMAN PENN: May 19, and I had not seen that March-- I don't think any member of the Select Committee had seen the March impact statement.

MR. EPLING: Okay. I'm sorry if you didn't, because that was put in the library here in the State Annex for the legislators to see. It was made public at the beginning of April.

ASSEMBLYMAN PENN: The first time I saw it was the day we came in here for the initial hearing. I don't know of any other member who had it.

MR. EPLING: I don't consider that, and maybe I am in error here-- Maybe we need to talk about what you mean by "an economic impact assessment." I don't consider the comments of March 31 to be an economic impact assessment of the plan. I will be glad to discuss what you do consider-- I am not mincing words. That, to me, is not an economic impact assessment, I don't think, but you would have to ask the gentlemen if they consider it an assessment of the plan. I don't.

ASSEMBLYMAN PENN: Dr. Rubin apparently did, by the fact that he said "a three-part plan." One was a preliminary, then one went into statistics, and the final one went into recommendations that should be continued on as the process moves along. There were some recommendations by Dr. Broner, as I understand it. That was the entire report.

But again, maybe we are talking about misunderstandings. You know, I am willing to--

MR. EPLING: I can't imagine. My staff sometimes worries perhaps about when I am stupid, but I don't think I would make the error of telling you, "No, one does not exist," when I just released to the public, you know, a document on March 31. I am trying to get across to you the idea that I simply didn't--

ASSEMBLYMAN PENN: Maybe you didn't understand the question. Is that what you're--

MR. EPLING: I understood the question to be: "Has the Commission done anything on the plan?" and the plan, as far as I am concerned is January and, as far as I am concerned, the Commission has done that. Again, if I could have gotten some guidance. Maybe there was no reason for you to think that I needed it at that point, because I answered it. I honestly heard the question in those terms. I don't think I would sit here in front of you and deny something that I made public. I just don't. It wouldn't make sense. So, if you asked it the way you did, I'm sorry that I didn't hear it that way, but I didn't.

ASSEMBLYMAN PENN: Fine.

ASSEMBLYMAN SHINN: Assemblyman Cimino?

ASSEMBLYMAN CIMINO: Thank you, Mr. Chairman. John, let me state first for the record that my remarks this morning are not directed at the plan itself, but we are dealing with these reports that came to us.

From my perspective, let me ask you, are you suggesting that, in fact, what we have here is a lot of verbiage by academia to suggest that, in fact, what we need is a study of the economic impact analysis? Is that what we have here?

MR. EPLING: In substance, I think that is correct, but the words-- I don't want to get in trouble with my academic--

ASSEMBLYMAN CIMINO: Well, we have to figure out what, in fact, it is we had. For two days we have heard different varieties of what we had.

What you are simply suggesting then -- if I understand you correctly -- is that we have many miles to travel with regard to the cross-acceptance process and that, in fact, this RFQ -- Request for Quotation -- to do an impact analysis should not derail the cross-acceptance process. Is that--

MR. EPLING: Absolutely.

ASSEMBLYMAN CIMINO: Okay. It seems to me -- and, again, I could be wrong -- from my analysis of what is going on, that in some way there is almost a -- for lack of a better term -- perception that, in fact, almost a siege mentality exists with regard to the State Planning Commission, to eliminate that kind of perception. Could we, in fact, suggest that the Commission itself turn over to the Assembly Select Committee all the contracts that it has let, all the things it has paid for and, in addition, all the products it has received?

MR. EPLING: Certainly.

ASSEMBLYMAN CIMINO: That may very well go a long way.

MR. EPLING: May I ask something with regard to that?

ASSEMBLYMAN CIMINO: Yes.

MR. EPLING: We have done that for the Builders Association. A number of months ago they wrote and requested copies of all contracts, the amount of money expended each fiscal year, the amount of money remaining in the balance -- I had to refer them to the Purchasing Department -- and the products resulting from those contracts. Please understand it is not that we are sitting on it. All you have to do is ask for it.

ASSEMBLYMAN CIMINO: Well, please understand as well that this is the Legislature of the State of New Jersey.

MR. EPLING: Sure.

ASSEMBLYMAN CIMINO: That the plan, in and of itself, I think, raises -- as I said the other day -- heightened sensitivities for a number of interests in this State, and that we are proceeding down a road that the State has never proceeded down before, so there are a lot of concerned people. That is understandable.

So that we can set parameters as the discussion goes from this point forward now--

MR. EPLING: Fine.

ASSEMBLYMAN CIMINO: This all seems to be, to some degree, behind us to some extent, I would guess. From what the Commissioner said the other day, and from what you're saying, I would just deduce that this is really nothing more than a RFQ and a very voluminous group of papers, and that's the extent of what has happened. That is probably why it may not have been shared with all of the Commission members.

But, can we get some parameters that, in terms of subcommittee meetings of the Commission itself, in terms of the public meetings-- For instance, as a member of the Assembly Select Committee, I think you had a meeting last Friday afternoon -- is that accurate? -- last Thursday or Friday, of the Commission.

MR. EPLING: Friday morning, yes.

ASSEMBLYMAN CIMINO: Friday morning. I received notification of that meeting in my Friday morning mail. Now, as a member of a Committee that, in fact, is supposed to have an even greater awareness of what you are doing, is there some way in which the Commission, or your staff, could make us more aware in a quicker fashion that, in fact, those meetings are happening? It is certainly not advantageous for us, as Assemblypeople on this Committee, to receive that information at a very late date.

MR. EPLING: I can appreciate that.

ASSEMBLYMAN CIMINO: I think Assemblyman Haytaian may have said something about that the other day. Additionally, can we also get a commitment from the Planning Commission and staff that where subcommittee meetings are held, that the public itself will be able to attend all of those, and that they will be announced? Again, we are dealing with a very sensitive document here. Cross acceptance may happen in six months. I don't think it will. I think it is going to be a far more extensive process. The intentions are very, very good here. I can't understand, for the life of me, as one having

been on a county planning board, why urban interests in this State aren't jumping up and shouting on your behalf, as to what the implications of the plan are?

But, I would like to see us be able to suggest out of this some new direction that, in fact, there will be more openness, a greater awareness on behalf of the Commission's sensitivity to the balance of the people, namely the people of the State of New Jersey and the Legislature. Can we get that kind of concurrence?

MR. EPLING: Yes. Let me add one thing. I will raise the issue of the open meetings with the Commission. I mean, I am not in a position to do that, or not do that, but I will say there are summary minutes of those meetings that are available to the public. The Commission meetings-- There is an 800 number so people can call. I am not expecting you to call -- don't misunderstand me -- but we do try to provide ways that people who are interested in attending those meetings can call during the month and find out where they are. We meet the last Friday of every month in the morning. We have changed the meeting place around, but we will get you that information. I think we can do a better job of that.

ASSEMBLYMAN CIMINO: In fairness, I understand that you are only the Executive Director, and some of those questions have to be answered by the Commission itself. But the Commission is laden with public interest members -- people who are appointed by the Governor who are, in fact, there to represent the public. Additionally, Commissioners within the Cabinet of the Governor of this State. Certainly, those people ought to understand the necessity for the maximum amount of public awareness and public input with regard to this process.

MR. EPLING: I will make sure they know of your concern.

ASSEMBLYMAN CIMINO: Thank you very much.

ASSEMBLYMAN SHINN: You indicated-- You may have misstated something, or I misunderstood it. You said, "summary meetings." Did you mean summary minutes?

MR. EPLING: Summary minutes.

ASSEMBLYMAN SHINN: They are available to the public?

MR. EPLING: Sure.

ASSEMBLYMAN SHINN: Minutes of the subcommittee meetings?

MR. EPLING: That is correct. The subcommittees themselves cannot take action. In other words, they can only recommend actions to the Commission, so it is not like there are decisions being made at a level that is not, you know, exposed to the public. But that still doesn't get, I don't think, to the issue you referred to, the siege mentality. If that is the image that the Commission is giving, I think they need to be aware of it, and I will make them aware of it.

ASSEMBLYMAN SHINN: That is something--

ASSEMBLYMAN PENN: Isn't it a fact that there is a meeting this morning -- that there is a subcommittee meeting this morning?

MR. EPLING: Yes. We have five subcommittees.

ASSEMBLYMAN PENN: I found out about it this morning. I left the house at seven o'clock.

ASSEMBLYMAN SHINN: You knew it before the Executive Director.

ASSEMBLYMAN PENN: You've got a very, very difficult task, I know. I understand that. I follow along with what Assemblyman Cimino said. What we want to be able to do is answer the people who contact us. In our offices, we want to be able to give them concrete answers and so forth.

I just want to ask-- Are you finished?

ASSEMBLYMAN CIMINO: I'm finished, yes, sir. Thank you, Mr. Chairman.

ASSEMBLYMAN PENN: I just want to ask one more thing. I notice that your Chairman is not here this morning.

MR. EPLING: No, sir.

ASSEMBLYMAN PENN: The May 27 Planning Commission Resolution 88-005 says, "The Chairman shall also serve as the official spokesman for the Commission, for the purpose of advising the public of the Commission's determination position on matters falling under the scope of the Commission's statutory duties and responsibilities. No other Commission member may act as the official spokesman for the Commission, unless specifically authorized to do so by the Chairman or the affirmative vote of not less than nine members of the Commission."

I just wondered-- I thought it was important-- He's got you here, and actually he should also be addressing some of these concerns. Jim Gilbert is the Chairman. I am just surprised that he hasn't-- Maybe he appointed you to speak on his behalf, I don't know. But anyway, all press releases, anything to the public, or any statements issued, should come from Mr. Gilbert, or his office. That is the way I interpret this memorandum -- or this amendment to your resolution of the State Planning Commission.

MR. EPLING: Yes, I think that is correct in terms of the Commission members. In other words, who among the 17 members of the Commission speaks for the Commission? I think it is him. I still have to speak for the Office of State Planning. He and I appear often, you know, at functions and talk together. To be frank with you, I have not talked with him since Monday. He was out of town from late last week through at least Monday, so I knew he could not be here on Monday. He did not appoint me, or ask me to be here. He just knew I was going to be, because most of the attention focused on me, I think, you know, last week. I don't know whether he is back in town or not. Yesterday I was in Washington, D.C. at

the National League of Cities all day, and I just haven't talked to him. But I'm here, I think, from the Office of State Planning. I don't think that resolution was really meant for me, as much as it was to clarify among the 17 members.

ASSEMBLYMAN PENN: Who would be their spokesman.

MR. EPLING: Yes, who would be their spokesman.

ASSEMBLYMAN PENN: Thank you.

ASSEMBLYMAN SHINN: Assemblyman Charles?

ASSEMBLYMAN CHARLES: I would like to preface my question by just making a couple of comments, comments similar, I guess, to the comments I made at the session we had on Monday. I am concerned about the process by which this Commission functions. I am concerned that the public and the Legislature be kept adequately informed of what's happening and how it's happening, and is kept abreast of all of the information. I mean, that is something we are all concerned about.

But my greater concern in this particular instance, though, is that these meetings -- the one we had on Monday and the one we are having here today directed at this so-called economic impact evaluation -- are being used not so much for the purpose of trying to ensure there is proper communication between the Commission and the public and the Legislature, not so much directed at the existence of a poor relationship between a particular Commission and the Legislature and the public -- that is, the way it has been handling its business to date -- but are directed more toward the reasons for disagreement with what has evolved as a preliminary State development plan.

I am just concerned that there is an effort being made to discredit what the preliminary projections of that plan are, and that this is being used as a vehicle to do that. I take exception to that. I think my position with respect to that is supported by some things that seem to be very obvious, and you correct me if I am wrong.

I have not heard, either today or on Monday, that what has been given up to this point by anyone can be fairly characterized as an economic impact analysis. I didn't hear Professor Rubin, I haven't heard Commissioner Putnam, nor have I heard you, Mr. Epling, say that what we have had so far is the final, or even the beginning of an economic impact analysis.

What I heard Professor Rubin say -- the person whose report is being used as the basis for calling these meetings -- is that he just has some questions about some things that have to be considered in evolving a final plan. Is that correct?

MR. EPLING: That is the way we have understood it to this point.

ASSEMBLYMAN CHARLES: Is that the reason why you indicated that to this point no economic impact analysis has, in fact, been done? Is that correct?

MR. EPLING: That is correct.

ASSEMBLYMAN CHARLES: All right. Now, in terms of the questions, I understood Professor Rubin to be saying that he looked at what was presented and he, as a planner, and as a person who knows about these areas, just thought that some things had to be considered -- the economic impact has to be considered. I can't imagine, as I said before, that this Commission, which sat and determined whose responsibility it was under the statute to propose this plan, didn't have discussions before the plan was issued. Is that correct?

MR. EPLING: We did discuss it.

ASSEMBLYMAN CHARLES: All right. Now, the plan that came out in January, 1988-- That was the Commission's preliminary plan. Is that correct?

MR. EPLING: That is correct.

ASSEMBLYMAN CHARLES: And that evolved after discussions of relevant information from your office by Commission members. Is that correct?

MR. EPLING: That is correct.

ASSEMBLYMAN CHARLES: During that discussion period that resulted in the plan, was there any discussion among the Commission members about the impact this plan would have?

MR. EPLING: I'm working--

ASSEMBLYMAN CHARLES: Let me shuffle my question for you.

MR. EPLING: No, I think I understand the question.

ASSEMBLYMAN CHARLES: My question is this: Did they just push out a plan? Did you just push out the January, 1988 plan, without saying -- without anyone on the Commission saying, "Well, how is the population projection factored into this plan? How is the employment projection factored into this plan?" Was it evolved without those considerations at all by the Commission members?

MR. EPLING: No, they were considered. Let me tell you how.

ASSEMBLYMAN CHARLES: Okay.

MR. EPLING: I think I indicated in my remarks initially that in the preparation for the April draft, we looked at a number of development scenarios: What would happen if the roads between now and the year 2010 were to occur only in the urban centers? In other words, what would happen if you tried somehow to push it, if you could? Just what would happen? What would happen as another alternative if you tried to push all of that growth just into the corridors, not in the cities and not in the rural areas? Then the alternative, what would happen if you just allowed trends to continue -- you know, development to occur the way it was?

We looked at the costs of that, particularly in terms of infrastructure. What we found was that the least expensive form of development was the urban concentration. In other words, if you could force development to occur that way, that would be the least expensive, because a lot of that

infrastructure is going to have to be renewed anyway. You know, whether you build new infrastructure somewhere else or not, you can't let that falter.

ASSEMBLYMAN CHARLES: I understand. I just want to get to the point I am trying to make. Rubin and Seneca raised certain things that they said people should look into. I mean, that is their job, to say, "Well, you have a report. I looked at it, I evaluated it, and I think you ought to pay more attention to this, that, or the other thing." Those kinds of things that they say more attention should be paid to-- Is it, or it is not true that some attention was paid to those things by the Commission in evolving what has been advanced as the January, 1988 plan? For example, the--

MR. EPLING: The analysis that I was just describing to you led the Commission to give direction to staff that, "Look, you can't force that growth in the urban--" If you will just bear with me a minute, you will understand why this is relevant. You can't force that growth. You will lose population. We found that out to begin with. In other words, if you try to force it in urban centers, you are going to lose about 200,000 or 300,000 people. I don't remember the number off the top of my head. Even though it is the least expensive, it will dampen growth. So, the Commission told the staff and consultants, "Look at an alternative that tries to maximize on the efficiency of growing in urban centers, but also the corridors, and doesn't dampen growth. It will accommodate the full projection of the population and employment growth to the year 2010."

That led us, in the April draft, to lay out, in a very skeletal way-- That is probably the problem we had with the April draft. It was a lot of good thoughts that were not fully fleshed out because of the time constraints we were working under. We also realized we had to have growth areas out in the rural areas of the State -- freestanding towns and villages --

but we couldn't do that in Trenton. We couldn't identify those. We have to go through a corss-acceptance process to do it. The point is, a lot of that analysis was done during and at the same time as the April draft -- okay? -- and it provided direction to the Commission as it went in and started revising that April draft and came out with the January draft.

It has always been in the back of our minds how the economics play out in those general terms. Now, there was no specific work that I can recall -- and I will check it out if you ask me to after I say this -- between April and January, except some research that Dr. Seneca and Dr. Rubin felt was the kind of thing they were looking for. That research was, for instance, to get acreage figures on the amount of developable land -- vacant developable land -- in the State. That required a massive mapping effort between around August of last year, right on into January, and actually into February. We have that data now, and they felt that was a key piece of data. You have to know how much land is out there that is vacant and could be developed, so you will know what you are dealing with, you know, in cross acceptance.

We have done that. We are trying to develop a fiscal impact model -- a computer model -- that would allow us to look at different scenarios to see how they affect the cost of infrastructure. So, we're moving in the way they want us to move.

ASSEMBLYMAN CHARLES: All right. Those recommendations they have made-- The information you have gathered as a result of some of those recommendations-- Does that in any way depreciate the value of what you were trying to accomplish in the January, 1988 draft?

MR. EPLING: No, sir, not in my opinion.

ASSEMBLYMAN CHARLES: I have no more questions.

ASSEMBLYMAN SHINN: Assemblyman Karcher?

ASSEMBLYMAN KARCHER: Thank you, Mr. Chairman. I have been looking over my colleagues' shoulders, and I see more notes-- Let me begin by telling you that I want to associate myself with Mr. Charles. I agree with everything he said. I happen to be someone who perhaps feels even more strongly than Joe does about what has been a designed pattern of criticism that would warrant the people at the Planning Commission to be inculcated with a siege mentality. I think a great deal of that siege mentality comes through, and it is legitimate. There is paranoia, and there is unjustifiable paranoia. There is real paranoia as well, and it's justifiable, and perhaps you should have it.

In my view, there is a concerted effort to discredit and a concerted effort to sabotage the work of this Commission, and I think that is very regrettable. I think your work is exemplary. I think you are moving strongly in the right direction, and I endorse it totally.

That leads me to the discussion I want to have with you about Dr. Seneca's and Dr. Rubin's report. Have you a personal opinion about the methodology of that report? You have had your own independent opportunity to evaluate how close they were to the mark.

MR. EPLING: They were in the course-- When I saw their first draft in October-- As you know, they had done their independent thing, and then they met with the Department of Commerce staff with the September report, which was then revised. The October date went on it. My impression was-- The report was sent to me. We looked at it, and they were still engaged in researching the report. What I am saying to you is, once we told them that the employment projections-- They say the plan is reducing employment by 200,000. That is not what the plan was doing. The plan was simply laying out the projections, and the difference between those and the later figures they had, they were blaming on us, because they thought

we had used the projections in a different way. They thought the projections were driving the plan. They were not.

Once they understood that, they understood the problem. But that is part of a research-- I don't think Dr. Seneca and them were at fault.

ASSEMBLYMAN KARCHER: With regard to that methodology, though, would it be accurate to say that there was, at the outset -- the initiation -- a bit of a problem with Seneca and Rubin as to cause and effect, which would precede which? Is that a fair--

MR. EPLING: That was our feeling -- the Office of State Planning.

ASSEMBLYMAN KARCHER: I say, parenthetically, that I have great admiration for Dr. Rubin. Dr. Seneca -- I'm not quite sure when I can point to the last time he was right about anything, so I would have some-- I do recall that in 1982 he told us that we had to cut taxes or it would be a disaster for the State. Somehow we raised income taxes and sales taxes, and somehow we didn't do too badly, notwithstanding Dr. Seneca's Cassandra-like wailing about what was going on.

I also noticed in the methodology-- Let me ask this question: Was there any discussion with regard to the preparation of this economic report as it might have interfaced with the \$2 million this State was spending in preparing the State and Local Expenditure and Revenue Policy Commission's Report, as to the numbers, and how the numbers that SLERP had developed would interface with this report?

MR. EPLING: I was not at one of the meetings where a couple of people from my staff met with Seneca and Rubin up in New Brunswick, so I can't say definitely that that didn't come up. But it was never reported to me that that came up. I am not aware--

ASSEMBLYMAN KARCHER: I don't even say that, because my briefest perusal of this report indicates that the

methodology adopted in many places-- For instance, with regard to local and State taxes and what might happen, they start with the premise that they are accurate today and, of course, they ignore the fact that over the last 10 years -- eight years -- we have taken billions of dollars off the books, if you will, by putting in user fees for sewage, for water, for garbage collection. They'll ignore it. I mean, it is just a patently flawed methodology they use. It just jumps out and sort of bites you when you look at it.

Lastly, are there plans to use others besides the good people at Rutgers -- and I am a double alumnus; I am not being critical of my alma mater-- But, are there plans being developed to engage, perhaps, institutions independent of in-house, if you will -- Wharton, or Stanford, or someone who can really do an objective econometric model of growth, if that is possible? Is there any such plan?

MR. EPLING: There is no plan to do so. We have been using the firm Hammersiler and George (phonetic spelling). They have helped us with a lot of the infrastructure. I think, in view of the discussion over the last week or so, that we may want to look at that. I think it is a valid suggestion. But we have made no plans yet to do so.

ASSEMBLYMAN KARCHER: Let me conclude, Mr. Chairman, by indicating to you and to Mr. Epling that not only do I personally feel the report deserves and warrants strong endorsement and strong encouragement from the Legislature without any attempt at sabotage, but the people who serve with me on the SLERP Commission do not share-- The vast majority of those people serving certainly do not share my political ideology. But, notwithstanding that, every person on that Commission -- blue-ribbon Commission -- was so impressed by what the State Planning Commission was doing, that we chose to incorporate, unanimously, a tax suggestion for future growth that would be parallel -- it would be piggybacked, if you will,

it would be made contingent upon -- the methodology and the direction that the State Planning Commission was going. It impressed an awful lot of people, enough so that that was an unanimous endorsement.

I just want to tell you that I regret personally that the Commission has been put through this. This has really been unpleasant -- unnecessarily unpleasant -- to have to delve into this report. I think it has been one of the greatest tempests in a teapot that I have ever been familiar with, and I have been familiar with an awful lot that has gone on in these buildings for the last 20 years. This might win some kind of a prize for a tempest in a teapot.

ASSEMBLYMAN SHINN: Thank you. If nothing else, it has certainly heightened the awareness of the economic impact of the plan.

MR. EPLING: It certainly has, sir.

ASSEMBLYMAN SHINN: Assemblyman Schluter is next on my list.

ASSEMBLYMAN SCHLUTER: Thank you, Mr. Chairman. I commend Assemblyman Penn for his questions, because they are the exact questions I was going to ask. I think they were right on the mark. They were what this whole meeting is about, and that is what you actually said and when you said it.

I would ask this of Assemblyman Penn: Did this subject also come up at the June 16 meeting? I don't recall everything, but I know you mentioned the May meeting when you asked Mr. Epling if there was an economic study.

ASSEMBLYMAN PENN: Skip Cimino asked a question. I don't remember exactly, but it is in basically the same context.

ASSEMBLYMAN CIMINO: A similar question to Dr. Broner at the June 16 meeting, when Dr. Broner was before us testifying.

ASSEMBLYMAN SCHLUTER: Oh, it was asked of Dr. Broner. Okay. So I think we have the context of how it came

up, and when it came up. I will offer my view that it is unfortunate that, for whatever reason, the full extent and the import of the question did not get across and was not properly interpreted, in whatever way, because it has caused this concern.

Will the Commission have an economic impact statement, and a full economic impact statement, at the end of the cross acceptance, and who will do it?

MR. EPLING: First of all, let me say that I would like, if it is appropriate-- I want to suggest to this Committee that perhaps in some way we can work on what a full impact assessment is. I don't want to belabor that. I would want to put into the plan -- and into any of the appendices and research documents -- whatever it is you feel we need in that plan. So, I can just offer that I would like to work with you to find out exactly what you feel a full assessment would be, and I will do everything I can to put it in there.

ASSEMBLYMAN SCHLUTER: So, from your answer, I take it that you do not have a definite scope now for the economic assessment at the end, but that is open for discussion, and it could be--

MR. EPLING: It is certainly open for discussion. Dr. Broner, I thought, at the meeting in June-- He provided some written testimony. He had an outline on the last page of that. I think he kind of put his thoughts down in an outline form. I thought that was an excellent thing. I think we will be talking with him more about what is realistic and what is not, and perhaps we can put something together and bring it back and give it to you folks and get a reaction. You can discuss it and see if it is what you think is necessary to address the issue when we come out of cross acceptance. I would offer that as a way to go about it.

ASSEMBLYMAN SCHLUTER: I, for one, would like to participate in that.

My second question, through you, Mr. Chairman, is: Mr. Epling, you have heard comments where members of this Committee have received notices of your meetings after the fact. I wonder if you would take it upon yourself, through your public information process at your offices, to let us know ahead of time, and be sure we are well-advised? Also, in New Jersey we do have these library depositories where information becomes public. But that doesn't mean that we know about it. So, if you could let us know -- if it isn't out of order -- about important documents, by just a very, very brief two-sentence synopsis of what is going into the public depository at such and such a date, then we will have that, and we will know about it, and we can, through staff and so on, be more up-to-date. Would that be possible?

MR. EPLING: Yes. I didn't mean to burden you with the responsibility of doing it. I just wanted you to know that I made that effort. It wasn't like I was sitting on those documents.

ASSEMBLYMAN SCHLUTER: Well, just because they are in a depository doesn't mean we are aware of them. This is part of the problem.

Finally, I notice that several people have used the terminology "a siege mentality," which perhaps has been visited upon the Commission. This isn't all bad, as long as it isn't a lynch mentality, and I certainly don't think that is going to come about.

ASSEMBLYMAN SHINN: Assemblyman Haytaian?

ASSEMBLYMAN HAYTAIAN: Thank you, Mr. Shinn. Mr. Epling, I apologize for not being here earlier. I had a speaking engagement this morning. I know a number of questions have been asked. I am not going to repeat them, although I truly don't know what questions were asked.

I am concerned. With due respect to Assemblyman Karcher, I'm sure he wants this moving as quickly as possible

and according to schedule, because during his Speakership this plan was put through the Legislature at 3:30 in the morning.

ASSEMBLYMAN KARCHER: You voted for it, too.

ASSEMBLYMAN HAYTAIAN: That is correct. (laughter)
So, I am sure he wants it to go.

ASSEMBLYMAN KARCHER: If I recall, you were the one who asked to have it posted, Assemblyman.

ASSEMBLYMAN HAYTAIAN: I think--

ASSEMBLYMAN KARCHER: In fact, I'm sure it was you who asked to have it posted.

ASSEMBLYMAN HAYTAIAN: Mr. Chairman--

ASSEMBLYMAN SHINN: I'm sure Assemblyman Haytaian loves to have his comments supplemented by Assemblyman Karcher.

ASSEMBLYMAN HAYTAIAN: I love it. Anytime you give me the opportunity to do the same damned-- I'm sure someone would rule me out of order, unfortunately.

ASSEMBLYMAN SHINN: If we could just restrain ourselves, under the circumstances. Please continue.

ASSEMBLYMAN HAYTAIAN: Again, we voted back in 1985 for what we thought was going to be a Planning Commission that would work in the open, without reports being suppressed, because I believe that is what occurred.

During Dr. Rubin's testimony -- or discussion, although it was more like testimony -- he indicated that the second draft came about after discussions with the Planning Commission staff and yourself and Mr. Gilbert, I believe. At least he said that in October-- No, sorry, not you and Mr. Gilbert, but with the staff. Do you have any knowledge of those discussions taking place?

MR. EPLING: Let me ask a clarifying question: When you say the second draft, are you talking about--

ASSEMBLYMAN HAYTAIAN: That was the October 20 version of the September, 1987 first draft.

MR. EPLING: I and, to my knowledge, the staff-- None of us had any knowledge that the September draft existed, or even that it had been commissioned. The first we knew of this study was when we received -- I received -- a copy of the October 23 draft from Commissioner Putnam. That is the first we knew of it.

ASSEMBLYMAN HAYTAIAN: That is the first you knew about this economic analysis being commissioned?

MR. EPLING: That is correct.

ASSEMBLYMAN HAYTAIAN: Therefore, there was no discussion, according to your knowledge, between Rubin and your staff?

MR. EPLING: Not between September and October.

ASSEMBLYMAN HAYTAIAN: That is not what Dr. Rubin had to say. He said quite-- In fact, you were here, and you heard him. He said there was discussion and, therefore, at that point, the second draft came out.

MR. EPLING: Sir, what--

ASSEMBLYMAN HAYTAIAN: Our meeting last week-- Let me see if I can get it--

MR. EPLING: What I heard was that the October draft was discussed between us and Dr. Rubin and Dr. Seneca. As a result of those discussions, there was a December 29 revision, which is the last revision I am aware of.

We talked with Dr. Seneca and Dr. Rubin between October 23 and December 29. I thought that was what he said.

ASSEMBLYMAN HAYTAIAN: You in particular, or just the staff? I think this is important to the whole of this meeting, the whole of this discussion. I will tell you what I am trying to get to.

I want to know if, because of those meetings, because of those discussions, this economic analysis was, in fact, watered down at the insistence of the Planning Commission and its staff? That is really what I want to get to. So, let's focus in on that.

MR. EPLING: (Mr. Epling is handed paper from a member of the audience) He gave me the meeting dates, so I could keep track of them.

Again, I knew nothing about the draft. I checked our log, and we had not received the draft. But that doesn't mean anything in the log, because sometimes interdepartmental mail will come in that doesn't get registered. But we did not get it, sir, and I had never heard of it. I did not know it had been commissioned before I received the October 23 revision. That is the only one I've got. I still have not seen -- I have not seen -- the September version. I still have not seen it. I testified to that earlier.

Now, what happened-- I received the October 23 draft. I went over and I gave it to my staff. It gets to the issue that Assemblyman Karcher was getting at. I was appalled at what they did in the analysis; that they did not understand and, again, they were in the process of research -- okay? I had no problem with that. There was no final report, where they had said, "This is it." They were still in the process. I only assume that because of the revision.

But, when we looked at it, we realized that they had completely misinterpreted what those employment projections were. Okay? As a result, the difference between two years of the Department of Labor's projections were attributed as a causal result of the plan. The other problem was, they had looked at the April draft as if that was a plan that would be in concrete until the year 2010. In other words, they had not investigated a whole lot the State Planning Act, in terms of being revised every three years. I don't think they had really focused on the cross-acceptance rule, with the municipalities changing the plan over the-- And so the report, at that point, to me, was just totally not valid at all. The staff looked at it and had the same reaction.

If you remember, I think Commissioner Putnam said that he had sent that to several other Commissioners -- Commissioner Gluck, and some of the others. I don't remember the full list, but other Cabinet people. We had a meeting, and I think he told you, with-- I had a meeting between myself, Seneca, Rubin, Feather O'Connor, Brenda Davis, Commissioner Putnam-- I think Jeff Rubin was there. It is not listed on here, but Jeff Rubin was there. We talked about it. I started that meeting off with about a 10-minute, or whatever, recitation, if you will, of what I saw as some very serious weaknesses in their analysis, which I just kind of described to you.

The result of that meeting was that we should sit down with Dr. Seneca and Dr. Rubin -- staff -- and show them what in the plan -- how the population projections were used -- population employment projections -- and what the cross-acceptance rule is; talk to them about the process so they would understand the planning process. I was not at the meeting that followed. That was at Rutgers. I think two members of my staff went to that meeting. I will check it out if it is important. If you tell me it is important, I will check it out. I think it was Dr. Bierbaum on my staff, and Paul Gottlieb. They met with Rubin in New Brunswick. It was a result of that meeting that I assume the December 29 draft -- you know, the final version of the report -- came out.

I, at no time, told Dr. Rubin, and would not tell any researcher -- and I wasn't in a position to besides -- to change a report. I didn't like the report for a number of very substantive reasons, and we told him what those reasons were. At none of the meetings I attended were they told to change anything. I can't say it any more frankly than that.

ASSEMBLYMAN HAYTAIAN: So, after the October 23 date is when you first knew of an economic analysis, that your Commission -- that you as Executive Director was responsible for and doing?

MR. EPLING: That is correct.

ASSEMBLYMAN HAYTAIAN: That was to present a redevelopment plan for the State of New Jersey. Now, during that time -- October, November, December -- I personally came to the State Planning Commission meetings, as you remember -- in fact, three times. Bob Littell came in April and testified. Senator Gagliano was there, and a number of others -- Assemblypeople.

We had asked -- and I don't know the exact questions, because I'm not sure if you record those meetings or not-- We asked about economic analysis, economic impact. Never once did anyone volunteer to say, "Yes, in fact, there was a study made, and it is in a draft now. It is in revision now." As Dr. Rubin said -- on page 2 of his testimony -- "As promised, we revised the September report several more times. We had two meetings with officials from the State Planning Commission staff -- one in Trenton and one in New Brunswick. It was our impression that they understood our comments and concerns, and were working to address them before a draft preliminary plan was completed." That is Dr. Rubin's testimony on Monday.

And yet, you never once told any of us that this was available. Then when I heard Mr. Cimino had asked a question, and Mr. Penn has asked a question, and now I'm hearing -- I asked Mr. Penn your answer -- that you didn't quite understand what he was asking. Is that a fair assessment of his question and your answer?

MR. EPLING: I tried to describe to Assemblyman Penn what I heard. What I heard him ask was, "Has the Commission done any kind of economic assessment of the plan and, if not, does it intend to do so?" and that is what I responded to. Okay?

ASSEMBLYMAN HAYTAIAN: You don't feel that the discussions between your staff and Dr. Rubin and Dr. Seneca had a relationship to what the Planning Commission was doing?

MR. EPLING: No.

ASSEMBLYMAN HAYTAIAN: None?

MR. EPLING: None, in terms of--

ASSEMBLYMAN HAYTAIAN: Then why did you meet with them? Why did you have your staff meet with them?

MR. EPLING: Maybe you ought to say that again, because-- It did have a relationship. Everything I am doing has a relationship to the State plan and the State Planning Commission. I think -- and I have said this before -- that that assessment is totally irrelevant -- totally irrelevant. It was an assessment of a staff draft. It had no Commission standing. It was an assessment that made erroneous assumptions about the planning process and the data that was used in the April draft. It was irrelevant because the Commission had come out with its own plan. If you want to talk about the plan, that is the January draft. I will tell you right now, if you ask me, "Has the Commission, or anyone else, done an economic assessment of the Commission's plan, or the plan?" I will say to you, "No."

ASSEMBLYMAN HAYTAIAN: Okay, then I will get to my last point. If that is the case, you are now in cross acceptance, or pretty close to it. When do you intend to have an economic impact statement on this plan that could have a devastating effect on the economy of New Jersey -- after it is completed?

MR. EPLING: No, sir. What we have tried to do with working with Dr. Seneca and Dr. Rubin and my own staff, is set up a program -- and with the Department of Commerce -- where that kind of data can be developed during cross acceptance, and we will have a statement, if you will -- or whatever, and that is what I suggested we work with-- If you have a conception of what the economic assessment should deal with, I would like to have that, because I don't want to give you something after cross acceptance, and you say, "This isn't an economic

assessment." We may all have different images of what that is. I would like to know yours, so that I don't step into a trap when we come out. I have no problem at all trying to do an economic assessment on this. I think there are some problems in the way many people think about an assessment. If I were proposing a tax reduction or a tax increase, and I were to look at the impacts of that, I could come out with some really nice numbers, because it is very clear. But, when you are dealing with a plan that is encouraging and providing incentives, and is a framework, it isn't even a zoning plan, it isn't a law, you know, it's very difficult. I don't know how if we have an increase of 2% in the prime interest rates-- I don't know how you can take the plan and what happens in that situation, and say, "The plan caused that."

So, we've got some problems to figure out. I want to work with the Department of Commerce to do that, and Seneca, and anybody else, including yourselves. I will do everything I can to give you the economic impact data that you feel you need to make a decision about this plan. I will do everything I can to get that to you before there is a final plan adopted, because I don't disagree, in some respects, that you do need that information before the Commission acts.

I will say, however, it is very difficult to assess anything that hasn't happened. You know, you can look at it that way. That is why I would like to work with you. You tell me what you mean, and I will try to satisfy that.

ASSEMBLYMAN HAYTAIAN: Well, let me just say that there is an awful lot of concern about this State redevelopment plan in my area -- Warren and Sussex Counties. I think you know that--

MR. EPLING: I am aware of that, sir.

ASSEMBLYMAN HAYTAIAN: --from responses you have received -- letters, calls. I mean, there was even a discussion yesterday. In fact, you were supposed to be there,

but you were in Washington, unfortunately. Marty Bierbaum was up and two others and a group of questioners. The headline in the article was, "Will You Have to Go to Newark to See your Tax Dollars at Work?" That is the kind of interest there is as to what is happening with this plan, what is happening with SLERP, what is happening in our area.

It is truly important to me that in the future, if you receive documents for discussion purposes, when they concern the State redevelopment plan, I would hope that you would send them to Assemblyman Haytaian, so that I, in turn, can have the information that you have -- even though it may be for discussion purposes at the time -- so that I can keep track of what's happening. From September, 1987 until two weeks ago Sunday -- and I forget the date -- that was the first time that I realized and had, in fact, been told -- although there were many rumors -- that, yes, there was an economic analysis of the plan accomplished by someone, whether it was the staff or not. You know, if you don't know there is a plan, you never know who did it.

I would hope that you could get it to the Legislature. Although we have no oversight, you are still children of the Legislature, in essence. I think you know that.

MR. EPLING: Yes, sir.

ASSEMBLYMAN HAYTAIAN: And you know that this plan -- in Mr. Karcher's terms -- is going forward, but it will not be implemented until at least 1990 and thereon, and we are going to have a new Governor and a new Legislature long before that. I am not quite sure what is going to happen, because every piece of legislation can be overturned, if it is shown that it is not in the best interest of this State.

MR. EPLING: Correct.

ASSEMBLYMAN SHINN: Assemblyman Martin?

ASSEMBLYMAN MARTIN: Thank you, Mr. Shinn. A great many of the questions I was going to pose have been answered. I have just a couple of comments initially.

I think there can be some good come out of this, regardless of Mr. Karcher's remarks about a tempest in a teapot. There is a paranoia, I think. I want to have confidence in this plan. I think the people of New Jersey want to have confidence in the plan, to the extent that it is perceived, rightly or wrongly, as being a choice simply between good environment versus good economy. I think if it takes that slant one way or the other, it is not going to work.

The only question I want to address at this point is, I agree we may need some final economic analysis afterwards, and I agree with you that I don't know how-- I can't even conceive how one can sort of bring in all of the different factors. As you just suggested, there are ramifications maybe with the dollar and whether it sells in Europe -- as to how that may impact upon the economy of New Jersey. But it seems to me that we need a lot more economic analysis during the period of cross acceptance, because we are moving forward with a plan at this stage. I am not sure, and perhaps you can enlighten me, but when this cross-acceptance process is going on with the 567 municipalities, and there are land use decisions being made which are going to have economic consequences, don't we really need some good people, whether they are from Stanford or in-house economists, who can sort of give us an update? I don't mean a final report, but just sort of a -- kind of a barometer, as we make those decisions, on what the economic consequences will be, so that when we get together and sort of come up with the summary of the cross acceptance, we won't have, at that point, to say, "Hey, we've done the job," or "We have questions," but rather we can have sort of some mid-course corrections during the process of cross acceptance.

You said we can go forward with cross acceptance. I just want to know a little more about how, with an assurance that the economic consequences will be considered as we go along through the process.

MR. EPLING: Let me suggest something to you, and this is totally off the top of my head. I see this issue of economic impact assessment in two ways: One, the plan should assure that there is a sufficient amount of developable land in areas we are identifying for growth -- and that will come out of cross acceptance -- in the proper places. Here we get into some mushy areas -- right? -- but generally in the proper market areas, if you will, of the State. In other words, you can't have all of the land in one county in South Jersey. I wouldn't walk in here and say, "Well, we've got enough land. It just happens to be all in this one place." It has to be in the right market areas, but with some general agreement that we know where those market areas are. If we do that -- if we come out of the plan with that -- I don't see the impact on growth. We are talking then about changing patterns of growth within confined market areas. That is what the plan tries to get to in its recommendations; for instance, where we say a gross density of one unit to 20 acres. This was in the January draft.

We were not saying to zone at that. We were saying, "Purchase development rights." We hope that you would have approved transfer development rights, any number of tools. Keep the density where we don't have to -- where we are not going to have demand for new infrastructure, when we can't solve the problems we have with the existing-- It is an issue aimed at keeping densities where you don't require new infrastructure. That is the issue. We don't say "zoning." There are any number of tools which, if you folks would give them to us, deal with the issues of compensation and equity that are raised in the rural areas of the State.

I guess what I am trying to get across to you is, the key area, in addition to the incentives, is the fiscal impact. I think we need to talk in this State, in coming out of cross acceptance, about the fiscal impact. What incentives are we talking about in urban areas to encourage growth to occur

there? We can't force it in there. You can't shut down growth in the rural areas and expect it to pop up in Newark. We have not said that. The January draft does not say that. The January draft says, "We need better patterns out there. We have some ideas on that. If you have better ones, let's have them during cross acceptance." But, if we want growth to happen in the urban centers of this State, we have to put some incentives and create some joint public/private programs of whatever to do that.

I see the economic and fiscal impacts as having to be laid out before this plan is adopted. I think I would owe you the data, and say, "We've got sufficient land in the proper places," or, "We don't, and here is the problem. We can't talk these folks into putting an infrastructure in." I will tell you what the problems are.

ASSEMBLYMAN MARTIN: I guess all I'm saying-- There is a suggestion that we should have an impact statement in some kind of a comprehensive form when we get to the end of cross acceptance. What I'm saying is, if we rely on that method, we go all the way through this process, and then there is some report that at that stage maybe raises some questions or shows there is some area that needed -- that should have been amended. We would have to go back, I would think, and perhaps reinvent the wheel. I don't think that is what we should be doing. I think we should try and work it through now, because if we rely on that process, I think we will go back to square one, and then we will have to play it out and then go back again. I don't want to see that happen, because we will be into the year 2010 before we ever get a plan that is workable.

MR. EPLING: I see three things needing to happen: We have to put more data in to begin with between now and before we go to cross acceptance, and we can. We're working on it now. There will be some more fiscal and economic data, not a whole lot, just what we can develop between now and, hopefully,

fall. I don't want to delay cross acceptance much more, because the municipalities and counties have been waiting for a year to get into this. They are the ones that are going to shape this plan, to a large extent. I think we need to get more data in before we go into cross acceptance.

Second, when we come out of cross acceptance, I think we need to look at what we've got and decide whether we have enough developable land, how much in services would it require where they don't exist, you know, and give you some data at that point. It is not going to be immediately after cross acceptance. It will be after we look at what comes out and we go back, maybe, and talk to some counties about problems we see, and try to negotiate out some differences. Then I think we owe you something along the lines of an economic fiscal impact.

But then, the third area, I think, that comes after the plan is adopted-- We need to set up a monitoring program, because we have a revision three years after that. We need to monitor and see what effects the plan is having on things, and in some way get out all of the international and national variables. But I don't have any conceptual disagreement with that, if you agree with it. That is what we are trying to work out with the Commerce Department now -- a way to do that.

ASSEMBLYMAN MARTIN: Let me just conclude by saying, I, for one-- I am not going to get into a battle of economists or experts or trying to characterize Dr. Rubin's report. It just seems to me that they-- Maybe that report is outdated, but it raised some concerns -- some slight concerns -- that I have heard with others who are in the building industry and other industries, which, very frankly, are going to be very affected by the plan. I think there is a legitimate concern that we need some more emphasis on the economic review, as we go through this process. As I said when I led off with my remarks, if we get that out of this, I would at least feel a

lot more confident that we are proceeding in the right direction.

ASSEMBLYMAN SHINN: Thank you. Assemblyman Felice?

ASSEMBLYMAN FELICE: Yes, thank you, Mr. Chairman. I would just like to add a few comments. I sat here Monday and listened to the Commissioner, Dr. Rubin, and others testify. It is interesting that we are here today, when in the past there was a lack of communication and misinterpretation of communication.

As a consulting engineer for 37 years, in this country and other countries, it is very similar to what we are going through here today. As a consultant, you take the input that is fed to you; you analyze it; and you come up with an initial phase one or phase two draft. When you are all finished, the final interpretation -- the final study-- I think the Commissioner mentioned that it would probably be a year to a year and a half before really a final study or report could even be put out to be analyzed or utilized. It is so similar to engineering or a consulting field, where the final output is when you finally have the input, the revisions, and you are ready to put it out for bid specification.

At that time, that is the final report of all the input, all the revisions, and you have something to base it on. Certainly, the concern throughout the State with this economic impact study is something that is going to be really reflected -- it was mentioned here and mentioned Monday by the consultant and the Commissioner -- the cross acceptance, the final analysis, how it affects the municipalities, economically, socially, and other problems that will be there.

I think that what has happened is a good lesson for all of us, and I think for the other members -- the other Commissioners. How important it is for us, as legislators: The people who depend upon us in our legislative districts, when they call us, we finally say, "Well, gee, where did you

read that?" and they say, "I saw it in the newspaper." It looks like we, as elected officials, aren't doing the job we were elected to do. It all boils down to one thing, and I think you hit it on the head this morning. It is the communications and the misinterpretation, or the lack of information relating to the input we need, as legislators, and as a Committee especially.

It was very interesting the last two days listening to all the reports how very similar it is to my profession, and how important that input is, from all the parties involved, whether it is the constituents, whether it is the Commissioners, or especially the consultants. I know of no consultant in the world who can take a first study and say, "This is it," because if they did, they would not be doing their job as professionals. I look upon this as hopefully a good lesson. I think by the time we get down to the final assessment and the cross acceptance, and how it affects the municipalities, how it affects the counties, and especially how it affects the State of New Jersey-- I think we have taken a step in the right direction today. Some of the other input we are getting is going to be very important, not only for this Commission, but for the other commissions that are being acted upon in the State of New Jersey.

ASSEMBLYMAN SHINN: Thank you. We have about five more minutes, Assemblywoman Ogden. I promised Commissioner Putnam that I would give him about three or four minutes, but first, Assemblywoman Ogden.

ASSEMBLYWOMAN OGDEN: Thank you, Mr. Chairman. I really want to sort of follow up and echo what Assemblyman Martin and Assemblyman Felice have had to say. I think this has been, while a painful process for you, Mr. Epling, and probably for others, at the same time a useful one, because it has given us a greater understanding of how the Commission operates, what it sees as its parameters, and has made you, I

think, aware, as well as us aware, of the need for greater communication and greater openness.....

---I--- would certainly follow up on what Assemblyman Schluter had to say in connection with us having more timely notice, at least 10 days if possible, of where the meetings are going to be. You told us they are the last Friday of every month. Maybe you should reconsider how the subcommittees operate. I don't know whether or not what is being discussed is in such rough form that it would cause more problems than shed light, if it is done in the public sector. But I know in my dealings with authorities, I find them always wanting to keep everything quiet because they feel they are going to be criticized. So they don't tell you what is going on until you read about it in the paper. I think commissions and authorities operate much better if they operate -- even though sometimes it is difficult -- much more in an open way.

Along the lines of what Assemblyman Martin was saying, I think it would be very helpful if somehow during this process we could maybe have sort of a running evaluation of the way we're going. We know there are a whole lot of variables out there, some we can't even envision at this point. Droughts-- Who ever thought two months ago that the West would be in the condition it is. It is possible the greenhouse effect will speed up and we will be faced with disaster at the shore with a rising ocean. Increase in interest rates, world-wide depression, all those things we really can't control. We can control some things, which will have, certainly, an impact on the development of a stable tax policy, housing, transportation, the quality of life, and things of that sort.

But, if it were possible, as we go along, to be factoring those in, you know, not in a detailed way, but to give everyone an idea of where we're going-- I don't know whether I am asking something impossible. I realize that in this report that was done -- the one I have gone through was in

September -- they kept talking about the plan, and we know that while there was a proposal, a plan does not exist. A plan will not exist until the cross-acceptance process is totally complete. So, whether there is some sort of interim evaluation that the Commission can do that would be helpful to everyone who is trying to understand the implications-- I don't know whether this is actually possible or not, but if it is, it seems to me that on the basis of what we have heard, and what everyone has been saying, it would be extremely helpful, not only to us, but also to you.

ASSEMBLYMAN SHINN: Thank you very much.

MR. EPLING: May I say one final thing before you let me go?

ASSEMBLYMAN SHINN: Sure.

MR. EPLING: I think I have indicated that I really regret this has happened, for whatever reason it happened. I think it is important that you do trust the process. I can't think of an agency or commission that has invited more criticism than the State Planning Commission has. We have been exposed, if you will, ever since April. My staff and I and the Commission members themselves have attended I don't know how many meetings and made presentations. I would say in most cases we were invited by groups who might be termed detractors of the plan -- of the process -- or at least people who do not understand it and are fearful of it.

So, we get an incredible amount of criticism. I would never withhold, or not provide something to the public because of criticism. I guess I feel vulnerable -- and I haven't talked to Commissioner Putnam -- because a lot of times I guess you could always reach down and grab something and say, "Why didn't you let me know about this?" I am going to give you everything that I can give you. It's just that there is so much. But I will make sure that you get everything that is going to help you to do your job, with the understanding that I

am dealing directly and straightforwardly with you. If you do have concerns, or you think there is something out there and you want it, then let me know, and I will do it.

Thank you.

ASSEMBLYMAN SHINN: Thank you very much. You sort of answered the comment I was going to make. I would just hope that this whole experience drives us to more openness and more candor on both our parts, and heightens the communication between us. I think that will lead to a better ultimate State plan, which I think is the goal for most of us. What we are interested in is having one that has balance and is going to offer future generations of this State an opportunity the same as we all had when coming to this State and, for the most part, thriving here. Thank you very much.

MR. EPLING: Thank you, sir. Thank you, members.

ASSEMBLYMAN SHINN: Commissioner Putnam?

C O M M I S S I O N E R B O R D E N R. P U T N A M
(speaking from audience): Thank you, Mr. Chairman. There is really nothing I would add at this point, unless you have any further questions of me.

ASSEMBLYMAN SHINN: Okay. In that case, we will adjourn.

(MEETING CONCLUDED)

