

90-87

NJ  
10  
R628  
1989e

COMMITTEE MEETING

before

SENATE SPECIAL NEW JERSEY HIGHWAY AUTHORITY  
INVESTIGATION COMMITTEE

Proposed recommendations concerning the  
Garden State Arts Center  
and the possibility of eliminating tolls  
on the Garden State Parkway

February 22, 1989  
Room 424  
State House Annex  
Trenton, New Jersey

MEMBERS OF COMMITTEE PRESENT:

Senator Gabriel M. Ambrosio, Chairman  
Senator Christopher J. Jackman, Vice Chairman  
Senator John A. Lynch  
Senator Henry McNamara

ALSO PRESENT:

E. Joan Oliver  
Office of Legislative Services  
Aide, Senate Special New Jersey Highway  
Authority Investigation Committee

New Jersey State Library

\* \* \* \* \*

Meeting Recorded and Transcribed by  
Office of Legislative Services  
Public Information Office  
Hearing Unit  
State House Annex  
CN 068  
Trenton, New Jersey 08625

90-07

03  
10  
R400  
1989e

C O M M I T T E E M E E T I N G

before

SENATE SPECIAL NEW JERSEY HIGHWAY AUTHORITY  
INVESTIGATION COMMITTEE

Proposed recommendations concerning the  
Garden State Arts Center  
and the possibility of eliminating tolls  
on the Garden State Parkway

February 22, 1989  
Room 424  
State House Annex  
Trenton, New Jersey

MEMBERS OF COMMITTEE PRESENT:

Senator Gabriel M. Ambrosio, Chairman  
Senator Christopher J. Jackman, Vice Chairman  
Senator John A. Lynch  
Senator Henry McNamara

ALSO PRESENT:

E. Joan Oliver  
Office of Legislative Services  
Aide, Senate Special New Jersey Highway  
Authority Investigation Committee

New Jersey State Library

\* \* \* \* \*

Meeting Recorded and Transcribed by  
Office of Legislative Services  
Public Information Office  
Hearing Unit  
State House Annex  
CN 068  
Trenton, New Jersey 08625





GABRIEL M. AMBROSIO  
*Chairman*  
CHRISTOPHER J. JACKMAN  
*Vice Chairman*  
JOHN A. LYNCH  
LAURENCE S. WEISS  
DONALD T. DiFRANCESCO  
JOHN H. DORSEY  
HENRY McNAMARA

**New Jersey State Legislature**  
**SENATE SPECIAL NEW JERSEY HIGHWAY AUTHORITY**  
**INVESTIGATION COMMITTEE**  
ROOM 376  
STATE HOUSE ANNEX, CN-068  
TRENTON, NEW JERSEY 08625  
TELEPHONE: (609) 984-7381

MEMORANDUM

February 15, 1989

TO: MEMBERS OF THE SENATE SPECIAL NEW JERSEY HIGHWAY  
AUTHORITY INVESTIGATION COMMITTEE

FROM: SENATOR GABRIEL M. AMBROSIO, CHAIRMAN

SUBJECT: COMMITTEE MEETING - WEDNESDAY, FEBRUARY 22, 1989

(Address comments and questions to: E. Joan Oliver, Committee Aide  
Telephone: (609) 984-7381.)

---

The Senate Special New Jersey Highway Authority Investigation Committee will meet on Wednesday, February 22, 1989, at 10:00 a.m., in Room 424 of the State House Annex, Trenton, New Jersey. The committee will discuss proposed recommendations concerning the Garden State Arts Center. The committee also will explore the possibility of eliminating tolls on the Garden State Parkway.



TABLE OF CONTENTS

APPENDIX:

	<u>Page</u>
Statement submitted by Senator Gerald Cardinale District 39	1x

\* \* \* \* \*

pmp: 1-19



**SENATOR GABRIEL M. AMBROSIO (Chairman):** Good morning. I'm just going to give you an update as to what we're doing. We're waiting for Senator Lynch, who is tied up in traffic, and that will give us our quorum for the meeting. Two of our other Committee members are out-of-state and will not be here. So we expect to have four of our seven members here.

The purpose of today's meeting is really a public caucus -- I guess that's the best way to describe it. We are not going to take any testimony. There was never any plan to take testimony. What I wanted to do was get our Committee together to discuss the work that we've done to date and to review the outline of an interim report -- No. 2 -- that we expect to give direction to staff to complete; and then discuss what further work our Committee is going to do in the future. I want to wait until Senator Lynch gets here to have that discussion. And I will say this, there is an agenda that I think is available to the press and anyone else that's here that basically covers the ground that we're going to cover this morning.

I'd also like to note for the record that Senator Cardinale is here. He was under the impression that this was going to be a meeting that we take testimony and came here to make a statement. I've advised the Senator that that is not the purpose of today's meeting. However, I have accepted the statement that he has prepared and we'll make it a part of the record of today's proceedings. So, Senator, consider your statement as having been received by the Committee and it will be part of our record.

**SENATOR CARDINALE:** Thank you very much.

**SENATOR AMBROSIO:** I want to acknowledge that Senator Jackman was here at 10:00 on the button, ready to go as always.

**SENATOR McNAMARA:** 10:05 for myself. (laughter)

SENATOR AMBROSIO: He always bawls me out for not having the Committee lined up and ready to go.

SENATOR LYNCH: Well, there are other people who are here, you know.

SENATOR AMBROSIO: And I want to acknowledge that Senator Lynch is here.

SENATOR LYNCH: That's right.

SENATOR AMBROSIO: Okay. Again, I just want to reiterate that this is basically a public caucus of the Committee and the purpose of today's meeting is to review where we are and to get some direction to staff to prepare our second report, which would be Interim Report No. 2, and to have some discussion on where we are going as a Committee, both in terms of recommendations concerning the Arts Center and in terms of recommendations on the whole toll structure on the Parkway. Committee members have been given the agenda and I'd just like to know if anybody is-- My goal is to have staff to take the agenda items that we have here and to flush out an interim report to give to the Committee members within 30 days.

Our hope is that the interim report will be in the hands of the full Committee by March 22. The Committee members will have 10 days to review it and to make comments on it, and then we will have a brief meeting of our Committee to adopt the interim report. Does anybody have any problem with that? (negative response) My two colleagues on my right-- We're going to try to get an interim report ready within 30 days to submit to the full Committee and have ten days or so to review it and then to adopt it. Does anybody have any questions or problems with item I, with the changes that have occurred at the Authority and the detail of the abuses that the Committee has found by virtue of its public hearings to date? (negative response)

Okay. What I'd like to do is somebody make a motion we direct staff to prepare the interim report based upon the items contained in I, and to be supplemented by any additional

information that staff believes is pertinent in the findings that have occurred to date. Does somebody want to make that motion?

SENATOR JACKMAN: I move--

SENATOR LYNCH: Second it.

SENATOR AMBROSIO: All in favor? (positive response)

Do we need a roll call?

MS. OLIVER: Sure, I'll do it if you want to.

SENATOR AMBROSIO: Yes.

MS. OLIVER: Senator Ambrosio?

SENATOR AMBROSIO: Yes.

MS. OLIVER: Senator Jackman?

SENATOR JACKMAN: Yes.

MS. OLIVER: Senator Lynch?

SENATOR LYNCH: Yes.

MS. OLIVER: Senator McNamara?

SENATOR McNAMARA: Yes.

SENATOR AMBROSIO: Okay. I'd like to get to the discussion on the items II and III on the agenda. We'll take II, first. And I know we've all had private discussions on this and have our own view of what this Committee's role should be and where we should be going, but it's my feeling that up to this point we have fairly well documented that the Highway Authority's operation of the Art Center has been a disaster; that they have not operated it in a professional manner, in a businesslike way, and have basically shown that the Art Center is, at best, using their figures, a break-even proposition. And questions have been raised as to whether or not this Committee should recommend divestiture of the Arts Center from the Highway Authority, at least from an operational standpoint.

I believe that everybody has expressed their view on this, and if anybody wants to comment further on it, I'd like to hear it.

SENATOR JACKMAN: I've received some information about it, Mr. Chairman, that there is a separation, from what I understand, in the Art Center operation; meaning that the people running that are not associated as such with the highway, and they are professional -- so-called -- people who are involved in the entertainment business.

Now that's totally a brief analysis that I got back and I don't know how true that is. I'm not going to go into any detail on it, but I think some of your studies may be more attuned than mine are.

SENATOR AMBROSIO: Senator?

SENATOR McNAMARA: On that specific issue, I think I most probably, and with little variance of some of the things I've read in the papers to the Committee, if in fact, through the testimony which we have heard time and time again-- If, in fact, funds that have been generated have been used to supplement the Art Center, then if we're going to do anything with it, it either should remain-- If they can prove that they can efficiently operate it and generate a net income, that could then -- those funds -- go back into their general revenue source which would help to offset further toll increases; or at least that it be leased out to a private vendor-- Because quite frankly, if it were to go to the Sports Authority, the only reason that the Sports Authority would want it is that it's another revenue source to supplement the Sports Authority's budget.

And if the people driving on the Highway Authority -- using the Garden State Parkway have been paying the bill, the benefit should inure to them. I mean, it just doesn't make sense that if those people have, via their tolls, paid for this Arts Center one way or another -- whether it was right or wrong, they paid for it -- well then, damn it, they should get the direct benefit of any benefit at all that will come out of that. And if the most efficient way is to lease it to some

outside corporation-- the reason I object strongly against the Sports Authority taking it, is the Sports Authority ran races up at the Meadowlands. And there was a very interesting quote from Mulcahy. They lost hundreds of thousands of dollars while they ran those races. But at the end of that contract, they leased the operation out at a net benefit to the Sports Authority and the comment was made by the executive officer of that Authority, in the press, that they find that they are more successful in renting the facilities than they are in operating anything. I honestly think that we should think about that comment, because if the benefit from this particular Arts Center is to go to anyone, it should be to the tollpayers of the Garden State Parkway.

SENATOR AMBROSIO: Well, my feeling has been the Arts Center should be treated as a separate entity and should not be confused with the toll road. The Highway Authority clearly has not been able to demonstrate a track record whereby they are able to operate that facility and to maximize it as a cultural and arts center independently on their own. I think our hearings have firmly established that.

In addition, when we had the hearing on the Arts Center reception facility, our findings here confirmed that they demonstrated that they built this facility without a feasibility plan, without a marketing plan, with no survey whatsoever. My guess is that we had that hearing back six months ago. At the time we had the hearing they did not have a single booking for this facility that was just completed for between \$6 million and \$8 million depending upon whose figures you believe. And my guess is that today, they still have not booked that facility. So, that demonstrates to me that we have an Authority that doesn't know--

SENATOR McNAMARA: Maybe we're arguing, Senator, maybe we're agreeing; and it's a matter of my verbalizing my position. I'm not saying that the Arts Center has to stay

within the Highway Authority, but I have a strong problem with it going to another authority who then, whatever benefit would generate from their net income, that benefit would go to that authority.

SENATOR LYNCH: May I suggest that you may be putting the cart before the horse. I mean, the real question is, we have to determine in the first instances, should it remain where it's at? After that, I think you get to the point of whether you privatize the operation in some way; whether you put it under one umbrella. Then you can vent on the Sports Authority. But I think in the first instance, we have to focus on where it's at, how it's being operated today, and get to the bottom line of why we have a problem in the first place. Number one: I disagree with you that there's been any benefit to the tollpayer, or is there likely to be. What is likely to occur, if we continue the current course, is the tollpayer will continue to subsidize the arts facilities in one way or another, as we have seen over the past 20 plus years.

SENATOR McNAMARA: That being the case, Senator, then we could move to the second point as to where it does belong. I do agree with you that it has to go through a natural progression. But in looking at this particular item under paragraph 2 and item 2 underneath it, it discusses private vendors versus other public agencies. And quite frankly, I might have come somewhat to the conclusion that you have, but I have a major concern because of a number of the articles that I have read in the press reported as statements from members of the Committee, that it seemed as a fait accompli. I just want to voice a very strong opposition at this point that I think it's got to be looked at objectively. And I want to see, because I think we've all concluded, that the people riding the Parkway have paid for it one way or another. If that's the case, any financial benefit that should come from that particular facility, should go back to those ratepayers.

SENATOR LYNCH: How about any debt? I mean, really what we're talking about is it's been a negative -- it's been an albatross to some extent around the backs of the tollpayers all along. But, again, for the sake of interruption, I guess, or at the risk of interruption, I believe that the first item is not necessarily on here; and that is that, is the Authority, itself, capable of changing its structure and its ways to be able to administer separately and apart this Arts Center in a professional manner and not in a style we've seen administered over the last 20 plus years, which has been a clubhouse for the participants and the members of the Authority and the people who are close in? And if that were feasible and we saw that structure change and we felt comfortable with it, then we might be looking at it in a different way.

I have no idea-- Maybe some of the members here or the staff has any idea as to what the Highway Authority has done over these last several months to restructure and to insure the independent operation of the Arts Center?

SENATOR AMBROSIO: Senator, I'm getting a sense that we all sort of have an agreement that things are not right here and that we ought to pursue changing things. Let me tell you some of the things that I believe that our Committee has discovered, but may not be on the record in terms of the public meetings, because we have a lot of documents that have not literally been testified to. But, we know this: that there really are no professionals that are running the Arts Center, that the executive director is in charge of that facility, and he is not someone who has a background in the entertainment industry. So, we're starting with people who have really no expertise in how to operate an Arts Center or is familiar with the entertainment industry.

What they've done is they've hired a consultant, basically, at a fixed fee to book that facility. That's Ron Delsener. And they pay him a certain amount of dollars each

year and he is in charge of booking that facility. We've seen some of the attendance figures that indicate that the facility has a very poor attendance record in a good number of its events. And it is clearly not being promoted in a way that maximizes its use.

In addition, some of the information that has been given to me directly, which I think probably we'll have to develop in further hearings, is that the whole entertainment industry is changing, and there's going to be some tremendous competition with the Arts Center. There are a number of outdoor amphitheaters being planned in other areas of the State that will outdo the Arts Center in terms of the location and the physical facilities. And it could very well be that the Arts Center is in trouble in the future. There is one being planned for Liberty State Park, which could have a serious impact on the Arts Center's revenues. There is another one being planned in Waterloo Village. There's another private one being planned in South Jersey. So, the whole question of where we're going as a State in terms of maintaining this facility; whether if we're going to talk about taking it away from the Highway Authority-- If we're going to talk about the Sports Authority, I agree with you that it appears in the press that I've said that's where it belongs. And all I've ever said is that we ought to consider that. If the Sports Authority is going to take over the operation of the Arts Center, it has to make its case that it's got the expertise and the capability and the plan to maximize that facility's potential.

So, I don't think that as a Committee we have to make a judgment that the Sports Authority is the right entity, or that another State agency is the right entity. I think we have to start the process by coming to a conclusion that the Highway Authority clearly has not done its job and there's something incompatible between running a road and running an Arts Center, and maybe we ought to address the question as to who takes over

in terms of the legislative process somewhere down the road. But I think we need some more--

SENATOR McNAMARA: Senator, I think that's appropriate after-- You know, what Senator Lynch's comments were. We really should start there.

SENATOR AMBROSIO: Yeah.

SENATOR McNAMARA: I mean, those are really apropos. That's where we should start and then follow the natural progression after that. But I think we really have to go back to number one -- the points that Senator Lynch just rose.

SENATOR AMBROSIO: Okay. So, it's my sense of the Committee that we want to get the Highway Authority back before our Committee to expand on some of the things that we've begun to discover and find out really what they can and cannot do, before we make a judgment. Is that--

SENATOR JACKMAN: Yeah. And I think John hit the nail on the head, too. You've got to remember, it's a limited facility. You can't use the facilities in the winter. You can't use it when it's raining. When it's raining, the amount of people diminish. So, consequently, you're talking in terms of something that is not a moneymaker. Let's not kid ourselves. It's not a moneymaker. It hasn't been. You know it and I know it.

SENATOR AMBROSIO: Why isn't it a moneymaker?

SENATOR JACKMAN: For that matter-- And I'll tell you why. This sounds ridiculous, but for that matter, the Byrne Arena is not a moneymaker, number one. Remember that. And the Giants Stadium is not a moneymaker. It's the race track. And the race track is falling down because Atlantic City is making it too attractive to come down there by busing for free, practically. You get \$15 a ride fly down, and you get your money back when you get down there. So, we're getting to the point where I don't know where the answers are going to come from.

SENATOR AMBROSIO: The question is whether or not, as a Committee, we have to make this judgment now.

SENATOR JACKMAN: Right.

SENATOR AMBROSIO: I think that we can't ignore what we've discovered in the hearings that we've had so far. This facility has really been supported by the toll road, and without a toll road, this facility would have gone under. Now, the questions is, should we allow that to continue, or should we decide that this facility has to make it on its own, and find out a mechanism to make that happen?

SENATOR JACKMAN: Makes sense.

SENATOR LYNCH: Do we have any information from staff as to what has happened at the Authority in recent months? Has there been any attempt that we know of to restructure the Arts Center component of the Authority, to professionalize it, to make it independent, to get rid of the clubhouse atmosphere that we've seen? Seriously, they are the questions that need to be answered. There needs to be an institutional change here that we can feel confidence in. If there's not, then obviously, we have to go in a different direction. If there's something that's being done that we can be confident in and comfortable with, then we'll have to weigh that. But, I know of nothing, I've seen nothing, and I was hoping that maybe staff had some information about what was going on.

SENATOR AMBROSIO: Well, it might be appropriate, Senator. I don't believe we have current information-- It might be appropriate without further delay to get an update from the Highway Authority as to what they've done since our last meeting, in terms of trying to turn this facility around, and what their marketing plan is for the future.

For, example, I'll just give you one example-- They turned over the booking rights to this facility to one individual. And on days that this facility is dark, I happen to know that there are other promoters that would like to book

acts there, and the Highway Authority has told them that they cannot use that facility, that all of the bookings must go through this one individual. I don't know why, when we have a facility that we're trying to maximize, and there are other promoters that want to book events there when the facility is dark, why the Authority made the judgment that they are not going to allow that to happen?

SENATOR McNAMARA: It's the clubhouse.

SENATOR AMBROSIO: Well, that could very well be. Frankly, several other promoters have contacted me that would like to come before our Committee and testify as to why they believe the Arts Center is not operating in the way that our professional arts promoter should be operating. So, I think the gist of what I'm getting here is that--

SENATOR JACKMAN: I think you hit the nail on the head. I think that's it. Let's review that and get them in here.

SENATOR AMBROSIO: Okay. We'll do that in a relatively short time and we'll deal strictly on the question of what are they doing with the Arts Center and the reception facility, and what is their marketing plan, and why are they doing it the way they are doing it?

SENATOR JACKMAN: Good.

SENATOR AMBROSIO: Okay. But I also sense the Committee's belief that unless they can show us a dramatic improvement in their track record, that we're going to recommend that they be divested of the control of the facility. Is that fair to say?

SENATOR McNAMARA: That's fair to say, in a general statement. Yes.

SENATOR AMBROSIO: Okay. The next area that I would like to get into is the whole question of where our Committee should go in regard to the toll structure of the Highway Authority and whether or not we should proceed down the road of

examining the question of whether tolls should be eliminated completely.

SENATOR JACKMAN: That subject matter deserves a tremendous amount of study. You're talking about debt service, you're talking about employees, you're talking about everything, and you're not going to be able to do that today. I think you have a competent staff. Let the staff make some real in-depth studies, and I think then as a full Committee we'll sit down and go over the subject matter. This subject matter is going to take a lot of study. You just can't haphazardly say that you are going to eliminate the tolls and then find out like Connecticut did-- They cut their nose off to spite their face and now are talking about reinstituting the tolls back again on the roads.

SENATOR AMBROSIO: Senator, I couldn't agree with you more. The purpose of today is not to get a motion that we eliminate tolls.

SENATOR JACKMAN: Okay.

SENATOR AMBROSIO: There's no way we could do that today.

SENATOR JACKMAN: Okay.

SENATOR AMBROSIO: But let me paint this scenario before this Committee to make the case that we should study that question and study it very seriously. I want to refer to the Highway Authority's reports, because I think they are startling in terms of the numbers that are presented to us. The report that I'm referring to is their five-year financial plan dated October 14, 1988 in which they put forth a budget based upon their current plan to increase tolls to 35 cents without a discount token; and it would be a 35-cent toll but also a 35-cent token. The budget numbers for 1989 indicate that their total budget -- total revenues -- for 1989 would be \$163,975. I'm sorry -- \$163 million. One hundred sixty-three

million, nine hundred seventy-five dollars is what their operating budget for 1989 would be.

One of the things that immediately pops out is that of that 163 million, only 30,725,000 is going to be used for maintenance. The other numbers are another \$13,775,000 for police and traffic control. There's built-in to that \$164 million budget \$26,400,000 for toll collection and \$23,763,000 for administrative costs. So, there's over \$50 million of that \$164 million budget is for toll collection and administrative cost.

SENATOR McNAMARA: It sounds like government.

SENATOR AMBROSIO: The question is whether or not that is an efficient way to run a toll road? And I think we've got to really examine these numbers to find out what the real numbers are that are needed to maintain this road and whether or not there's a more effective and efficient way to raise those revenues rather than to put barriers up every ten miles or so and have people throw quarters in baskets. We've seen some preliminary studies from Connecticut which I'm going to be sharing with the Committee, and some of the other studies that some other agencies have performed which indicate that when you eliminate toll barriers across the roads, you do several things. The first thing you do is you make the roads safer. There are studies that indicate that a significant number of the accidents occur within the vicinity of toll booths. The second thing you do is you increase the capacity of the roads, because by putting those barriers up, you impede the free flow of traffic and reduce the capacity of the road. You also make the road, obviously, more efficient to use.

The other thing you do is you reduce air pollution problems that backups at toll barriers produce. So, there are a whole host of good reasons that you can make for eliminating the tolls. The obvious question is if you eliminate the tolls, where do you get the revenue to maintain the road and to handle

the debt service that is needed to pay off the \$400 million worth of bonds, and what do you do with that \$400 million dollars worth of bonds? Those are questions that I don't know if our Committee, even our staff, is equipped to handle. One of the questions that I raised privately and I just want to raise it publicly, is whether or not our Committee can have at its disposal whether it be through the Department of Transportation or otherwise, some kind of expert analysis of what impact there would be if we eliminated the tolls?

I've gotten, and I'm sure members of the Committee are saturated with the numbers of reports that have been generated by the Highway Authority and the Department of Transportation -- Every single report that I've seen has dealt with the question of what happens if we increase tolls. There hasn't been a single report generated either by the Department of Transportation or any other consultant or agency as to what happens if we eliminate the tolls. I'd like to know what would happen, for example, to the Turnpike revenues? I'd like to know what would happen to traffic impact on the highway itself, on the feeder roads, and the entire transportation network of the State if we were eliminate tolls on the Parkway. And it seems to me that before, as a Committee we can responsibly recommend the elimination of tolls, we've got to know what it's going to do to us as a State, not only from a financial standpoint, but from the traffic flow and a traffic control standpoint.

So, I'd like the authority of this Committee, and maybe by resolution, to at least obtain proposals from outside consultants as to what it would cost us to do a comprehensive study for the elimination of tolls. Does anybody have any problem with that -- at least obtaining proposals from outside consultants as to what it would cost us?

SENATOR JACKMAN: Outside consultants?

SENATOR AMBROSIO: Yes.

SENATOR JACKMAN: To pay--

SENATOR AMBROSIO: Just to solicit proposals.

SENATOR JACKMAN: You'd better check your solicit proposals and find out what they want--

SENATOR AMBROSIO: Right.

SENATOR JACKMAN: --and then we'll have to find the source of revenue, because Larry Weiss is not in such good humor today.

SENATOR AMBROSIO: Well, again, we don't even know what those costs are going to be. So, before we know what we're talking about--

SENATOR McNAMARA: I hear what you're saying and I'm not so sure whether it belongs before this Committee. It particularly might be better served if it was before Rand's Committee and the Department of Transportation, or Larry Weiss' Committee when it comes to Revenue and Finance, because when all is said and done, whether we take away the tolls, we all know one thing: the maintenance has to be paid, the State Police has to be paid, and the debt service has to be paid.

SENATOR AMBROSIO: Exactly.

SENATOR McNAMARA: Now whether that is half the budget, 60% of the budget, 50%, it still has to be paid, and in the general state of affairs in New Jersey at the moment, you know, who believes who, is a question.

SENATOR AMBROSIO: I understand that.

SENATOR McNAMARA: But I'm not so sure that I like what you're saying and that number one, the initial thing that has to be looked at is what's the impact on all the arterial roads and what's the impact on the income for the Turnpike? Make it free, and guaranteed it's going to increase the traffic -- I mean, I don't think anybody would dispute that at all. And what that does to the surrounding communities, I have no idea.

SENATOR AMBROSIO: Yeah, that might have a beneficial impact on the surrounding communities. But if the capacity of

the Parkway were to be enhanced. It may have a positive effect on the surrounding communities and the arterial roads. But we don't know that.

SENATOR McNAMARA: They may have a negative effect.

SENATOR AMBROSIO: Again, we don't know that. We don't have the expertise to do that nor does staff. And the type of consulting that I think we need is not financial; it's traffic study.

SENATOR LYNCH: Henry, you just answered the question. I mean you posed the reason why we need a study; because nobody has those answers. And we're not going to get those answers from the Department of Transportation. We're not going to get those answers from the committees you referred to unless somebody drives it forward. Those committees would have to revise this proposal. Those funds would have to be appropriated ultimately to fund such a proposal. I think what the Chairman is doing is the correct thing. Let's find out what nobody has done. We hear all these people theorizing about how the curves are going to meet someday, and it's going to be less expensive to do this as a non-toll road than it is today when you factor in the Federal funding and the like. Let's see somebody play that out in a comprehensive way so that we can make some informed judgments before referring this, you know, even further. So, I would agree with the Chairman for the very reason on the question you raised. We don't know the answers, but we probably should.

SENATOR JACKMAN: Let me also inject one thought. I've got to compliment the staff. They've done a very, very concerted job. And they deserve a lot of credit. They give us the kind of information I think is very important and they should be commended. They've done a good job.

SENATOR AMBROSIO: I certainly agree with you, Senator. We have as much information to mull over as any Committee could ever have, in terms of the operation of the

Highway Authority and we certainly have not been short in terms of the information that we need. The problem is that the staff, by virtue--

SENATOR JACKMAN: Is limited.

SENATOR AMBROSIO: --is limited in terms of their expertise.

SENATOR JACKMAN: I think John hit the nail on the head. Let's proceed along that and let's make an investigation and check on them and make an inquiry to see what we can come up with.

SENATOR AMBROSIO: Senator, do you have any problem with us at least soliciting proposals as to what it would-- I don't know, have any idea--

SENATOR McNAMARA: Well, no. It would be idiotic for this Committee to make any recommendation to do anything without-- I mean, I hear proposals every day: "Do away with the tolls; don't worry about it; we'll take it out of here; we'll take it there; we'll add this; we'll add that." I think, get down to the basics. Find out where the hell you're going and whether it's the right place to go, because I understand now that Connecticut is talking about putting back on the tolls.

SENATOR JACKMAN: Putting the tolls back on again.

SENATOR McNAMARA: So, you know, you talk about political courage. It didn't take much to take the tolls off. I want to know how many stand up and put it back on, whether it's for the benefit of Connecticut or not.

SENATOR AMBROSIO: Okay, I'd also-- As a matter of fact, if somebody would put that in the form of a motion that we solicit proposals to determine what it would cost for us to get a feasibility study for the elimination of tolls from a control of traffic flow standpoint and not from an economic standpoint--

SENATOR McNAMARA: Well, I think you almost have to have both, though. You know, because then you're going to turn it over to the Revenue and Finance Committee who's going to

say, "Where's the money come from?" So, if you're going to do the study, I think you have to go beyond-- Look, if this stands in the way and you're going this way and you have to go around it, obviously it takes longer. Take this out. I can tell you the conclusion of the study as far as traffic flow goes. If you take the impediment out to the traffic, it's going to increase the flow of the traffic. I think your comments as to the impact on the arterial roads, the impact on the income of the Turnpike are critical to that study. But I also think the financial question is just as important, because the study can say, it's the best thing to do, but we can't afford to do it. So, we've got to definitely tie-- I think you've just go to broaden the scope of the study.

SENATOR AMBROSIO: Well, let's take a roll call vote on soliciting proposals for a comprehensive study.

SENATOR LYNCH: Henry, we can do it anyhow, though. It's kind of like voting to full fund of schools, you know, without identifying where the money is coming from. We can do that.

MS. OLIVER: Senator Ambrosio?

SENATOR AMBROSIO: Yes.

MS. OLIVER: Senator Jackman?

SENATOR JACKMAN: Yes.

MS. OLIVER: Senator Lynch?

SENATOR LYNCH: Yes.

MS. OLIVER: Senator McNamara?

SENATOR McNAMARA: Yes.

SENATOR AMBROSIO: The other items on the agenda -- I think our staff can do some work on it. The one particular thing that has been written about quite a bit that we're really in the dark about is the availability of Federal funding. I think we should direct staff to pursue that question as to really what Federal funding is available. I've been lead to believe that Federal funding would only be made available to the Parkway if we were able to incorporate that into the

interstate system and make it an interstate road. And there are some proposals that I've heard of that could make that happen. I think we have to pursue that and find out what the Federal law is and what we would have to do to be eligible for Federal funds and what those funds would be.

SENATOR LYNCH: Mr. Chairman I thought, and Madelyn (referring to Staff Aide) just raised it, but I thought that that would also be part of the study that we were just talking about. It would have to be. That has to be factored in.

SENATOR AMBROSIO: The funding?

SENATOR LYNCH: Sure, because the funding that would be available to you is going to control your bottom line decision. And that also would include whether you could have this considered to be part of the interstate system and what Federal funds might be available. I think that all should be part of the one study.

SENATOR JACKMAN: That's right.

SENATOR AMBROSIO: All right. I'll go along with that. Okay, so what we really want to do is solicit proposals to cover all of the items on III there in terms of whether or not if we eliminate tolls, there would be a sound basis, both fiscally and from a traffic control standpoint.

SENATOR JACKMAN: Yeah.

SENATOR AMBROSIO: Okay. We're going to do that. At this point, it doesn't seem that our Committee has anything further to discuss today unless anybody wants to bring up anything else. But we're going to pursue the Arts Center aspect of this thing without further delay.

SENATOR JACKMAN: Okay.

SENATOR AMBROSIO: Okay. And we're going to get a draft of an interim report based upon (roman numeral) "I" here within 30 days. Anybody have anything further? (no response) Okay. The meeting stands adjourned.

**(MEETING CONCLUDED)**



**APPENDIX**



ELIMINATION OF TOLLS ON THE GARDEN STATE PARKWAY

STATEMENT BY

ASSISTANT SENATE MINORITY LEADER GERALD CARDINALE

FEBRUARY 22, 1989

ALL OVER NEW JERSEY, PEOPLE ARE ANGRY ABOUT THE PROPOSED TOLL INCREASE FOR THE GARDEN STATE PARKWAY. WHEN THE HIGHWAY WAS FIRST BUILT, THEY WERE TOLD THAT THEY WOULD ONLY HAVE TO TOSS QUARTERS INTO TOLL BASKETS FOR A COUPLE OF YEARS.

THAT TIME HAS COME AND GONE, AND NOW THE PUBLIC IS FACED WITH HAVING TO DIG EVEN DEEPER INTO THEIR POCKETS IN THE NEAR FUTURE.

NEW JERSEY HIGHWAY AUTHORITY OFFICIALS TELL US THAT A TOLL INCREASE IS THE ONLY WAY OUT. THEY SAY IT'S THE ONLY WAY THEY'LL BE ABLE TO KEEP THE PARKWAY IN OPERATION.

HOWEVER, I BELIEVE THERE IS A BETTER WAY. IT MAY SOUND DRASTIC TO THOSE WHO ARE USED TO ACCOUNTING FOR BILLION DOLLAR HIGHWAY BUDGETS, BUT I BELIEVE IT IS A MEASURE THAT WE MUST TAKE. THE ONLY WAY WE CAN EFFECTIVELY IMPROVE THE OPERATION OF THE GARDEN STATE PARKWAY IS TO BULLDOZE THE TOLL BOOTHS.

THE ORIGINAL PLAN WHEN THE PARKWAY WAS CONSTRUCTED 35 YEARS AGO WAS TO ALLOW AN EFFICIENT MEANS OF EGRESS FOR OUR SHORE AREAS. THE ROAD WAS WELL LAID OUT TO ACCOMPLISH THAT PURPOSE BUT A MISTAKE WAS MADE. BARRIERS WERE PLACED ACROSS THAT ROADWAY WHICH IMPEDE THE EFFICIENT FLOW OF TRAFFIC.

AND SOMEHOW, WHEN THE NEW JERSEY HIGHWAY AUTHORITY OFFICIALS REALIZED WHAT A MONEY-MAKER THE PARKWAY WAS, ANOTHER AGENDA HAS TAKEN OVER. NOW, ALL WE HEAR ABOUT IS PROPOSED TOLL INCREASES.

THE FINANCIAL PROBLEM WITH THE GARDEN STATE PARKWAY STEMS LARGELY FROM MISMANAGEMENT, OVERINFLATED SALARIES AND SUPPORTING THE GARDEN STATE ARTS CENTER, A FACILITY THAT SHOULD LOGICALLY HAVE NO RELATIONSHIP TO PARKWAY TOLLS.

IF PARKWAY TOLLS WERE ABOLISHED, ONE THIRD OF PARKWAY EXPENSES WOULD BE REMOVED. THAT ONE THIRD IS THE AMOUNT IT TAKES TO RUN THE AUTHORITY AND MAINTAIN TOLL BARRIERS.

AFTER TOLLS ARE ELIMINATED, THE MANAGEMENT OF THE PARKWAY SHOULD BE TURNED OVER TO THE DEPARTMENT OF TRANSPORTATION. ONCE THIS IS DONE, AN EXPENSIVE, UNEFFECTIVE LEVEL OF BUREAUCRACY WOULD BE ABOLISHED. THAT WOULD BE A SIGNIFICANT SAVINGS TO THE PEOPLE OF THIS STATE.

THE DOT SHOULD LEASE THE GARDEN STATE ARTS CENTER TO A PRIVATE OPERATOR. THE MONEY THE PRIVATE OPERATOR PAYS TO THE STATE COULD HELP DEFRAY SOME OF THE MAINTENANCE COSTS FOR THE ACTUAL OPERATION OF THE PARKWAY. BY THE WAY, THE PARKWAY SPENDS TWO AND A HALF TIMES PER LANE MILE WHAT THE DOT SPENDS PER LANE MILE ON MAINTENANCE.

THE ARTS CENTER SHOULD BE TRANSFORMED INTO A PROFITABLE ARENA FOR CULTURAL ENTERTAINMENT. IT WOULD NO LONGER BE AN EXPENSIVE "CLUB HOUSE" FOR PARKWAY OFFICIALS TO ENTERTAIN THEIR FRIENDS. OUR MOTORISTS DON'T BENEFIT FROM MARBLE FLOORS OR MILLIONS OF DOLLARS SPENT ON A CLUB HOUSE FOR THE ELITE.

THE REMAINING TWO-THIRDS OF THE PARKWAY'S EXPENSES COULD ALSO BE SUPPLEMENTED THROUGH FEDERAL HIGHWAY AID. ONCE THE TOLLS ARE REMOVED, THE PARKWAY WOULD BE ELIGIBLE FOR SUCH ASSISTANCE. UNDER THE AUTHORITY OF THE DOT, THE PARKWAY WOULD OPERATE IN THE SAME MANNER AS OTHER STATE ROADS. MAJOR STATE ROUTES, SUCH AS 1, 9, 55 AND 206 ARE MAINTAINED IN THIS MANNER.

ELIMINATING THE TOLLS WOULD ALSO ACHIEVE THE AIM OF THOSE WHO HAVE BEEN ADVOCATING AN EXPANSION OF THE PARKWAY, SINCE TOLL BOOTHS, BY THEIR VERY NATURE, ARE ROAD BLOCKS. TOLL BOOTHS ARE THE SOURCE OF MOST MAJOR BACKUPS ON THE PARKWAY, BECAUSE A LARGE NUMBER OF VEHICLES ON THE MULTI-LANED HIGHWAY MUST CONSTANTLY

MERGE TOGETHER IN ORDER TO PASS THROUGH A SMALLER AMOUNT OF OPEN BOOTHS. THE SLOWING DOWN AND STOPPING IS WHAT CREATES THE TRAFFIC JAMS, NOT THE NEED FOR WIDER ROADS. IT ALSO CAUSES AIR POLLUTION AND CONTRIBUTES TO ACCIDENTS.

GOVERNMENT HAS A DUTY TO IDENTIFY PUBLIC NEEDS AND TO SEE THAT THOSE NEEDS ARE MET, EFFICIENTLY AND COST-EFFECTIVELY. INCREASING TOLLS ON THE GARDEN STATE PARKWAY WILL ONLY OPEN THE DOOR TO FUTURE INCREASES AND LEAD TO STILL WORSE TRAFFIC JAMS AS MOTORISTS LOOK FOR ADDITIONAL COINS AND AS AUTOMATIC TOLL TAKERS JAM MORE FREQUENTLY.

WE NEED TO TAKE ACTION TO SEE THAT THE PUBLIC PURPOSE OF THIS ROAD IS SERVED, NOW AND IN THE FUTURE.

THE EFFICIENT FLOW OF TRAFFIC, NOT THE EFFICIENT MILKING OF OUR MOTORISTS' MONEY SHOULD BE OUR GOAL.

