MEMORANDUM			
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тоJohn Degnan		FROM _	Alan Sagner		
	Assistant Counsel to the	**************************************	Commissioner of		
	Governor		Transportation		
SUBJEC	Route 81 Project	DATE _	July 23, 1975		

I am enclosing, herewith, a report on the status of Route 81 prepared by Jack Freidenrich, Director of Engineering and Operations.

I had a meeting with the late Governor Alfred E. Driscoll on May 15, 1974, at which time he reaffirmed his interest in proceeding with this project.

Also, at that time, I had proposed that a possible spread of the cost would be 50% for the Port Authority, 25% for the Turnpike and 25% for the Department of Transportation, based on the original cost of \$35 million with the Port Authority picking up an override as they would be the main beneficiary.

Please advise if you want this office to participate in your proposed meeting with the Turnpike.

Enclosure AS/wdm

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To <u>Commis</u>	sioner Alan Sagner	•			FROM <u>Jack Freid</u>	<u>enrich</u>
		•	• • •		Director o	f Engineering
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SUBJECT				····	DATE	975

In accordance with John Degnan's July 16, 1975 request to your office, herewith is the background concerning the Route 81 project.

Route 81 was originally conceived in the early 1960's as a connecting road from the New Jersey Turnpike, Goethals Bridge, Route 278 Interchange, to the Newark Airport bypassing Routes 1 and 9 through Elizabeth. A map of the original proposal is attached hereto. Subsequently, the Turnpike was widened and that widening occupied the corridor originally contemplated for Route 81, thereby negating Route 81 as originally conceived. This, in turn, dictated the elimination, during construction, of portions of Route 278 and the interchange with the Turnpike and the Goethals Bridge approach.

Some time after, the Port Authority proposed a new concept for Route 81 which would come into a new interchange with the Turnpike, the location of which is shown approximately on the aforementioned attached map in red. It is my recollection that at first, the Turnpike was reluctant to get involved financially in such a project, but that subsequently, Chairman Driscoll did agree that the project was useful and negotiations for cost participation were undertaken between Department of Transportation, the Port Authority, and the Turnpike. At the time, the project was estimated to cost \$36 million and it is my understanding that the Department agreed that its responsibility should be 25% of the total cost up to a ceiling of \$9 million for the Department's share. I am not certain whether full agreement was ever reached between the Port Authority and the Turnpike as to their respective shares of the remaining cost. In any event, to my knowledge, the Department was never able to develop the necessary funding source for its share and the project sort of ended up in limbo.

Relatively recently, Roger Gilman of the Port Authority reopened the entire matter and we agreed to determine whether the project would, in part, be eligible for Federal-aid. In order to accomplish Federal participation, it became very clear that the Route 278, Goethals Bridge, Turnpike Interchange, which now has several free-standing bridges as a result of the aforementioned deletion, would have to be resolved. The Department has recently met twice with the Port Authority which were the first two of anticipated series of meetings between the Department of Transportation, the Port Authority, and the Turnpike, with a view to reconciling the Goethals Bridge Interchange problem.

If Route 81, as presently conceived, can be made eligible for Federal-aid, it will, in all probability, be on the Urban Extension System. The project cost has, in all probability, escalated from the previous \$36 million estimated to approximately \$50 million. With all of the demands on the minimally funded Urban Extension System, it is difficult to predict when this project could actually get funded, even if it is made eligible for Federal-aid.

We have discussed in the past a possible funding source alternative. As you are aware, the Port Authority, by agreement with the Department, made available to the Department \$25 million to be used in improving highways which would enhance the flow of traffic to the George Washington Bridge. It is my understanding that there is still remaining a balance of approximately \$10 million in that fund. If the existing agreement with the Port Authority could be modified to allow the utilization of those monies for the enhancement of highways leading to any Port Authority facility, rather than being restricted to the George Washington Bridge, a policy determination could then be made to use those monies for this project. The advantage to such an arrangement would be that while the Goethals Bridge Interchange problem would still have to be reconciled, this particular project would not be a function of such a reconciliation.

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Att.

cc: Dep. Comr. Manuel Carballo Asst. Comr. D. R. Goodkind Messrs. F. S. Parker
E. Dayton

