

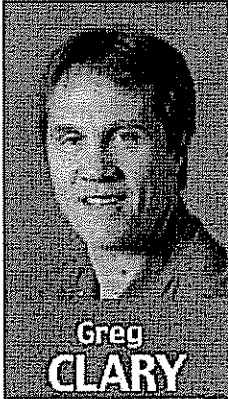
State: Bridge for sale, great view of Hudson

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We've all heard about it and chuckled.

The scammer leaning over to the country bumpkin and offering to sell him the Brooklyn Bridge. It's a buyer-beware story famous with New Yorkers, and even with their Midwest cousins. You don't really own the bridge, but you get some rube to buy it — for cash.



Deeds, a title, a closing at the lawyer's office? Nah, we don't work like that here. Just give me the money and it's yours.

Gov. George Pataki's 2005 budget proposal floats the idea of selling state-owned transportation assets, such as the Tappan Zee Bridge or whatever crossing they decide to put in its place.

Either the majority of us don't understand the value of such an idea or the governor is desperately seeking solutions to financial problems his administration hasn't sorted out since 1995, when he first took office.

"Pataki hasn't been willing to raise money through taxes," said Chestnut Ridge resident Jeff Zupan, a 40-year transportation analyst who currently works for the Regional Planning Association in Manhattan. "So now he's hocking the Tappan Zee Bridge."

Pataki's budget office says private-public partnerships are only being discussed and that any sale of a transportation asset would go only to fund transportation improvements.

"What the executive budget says is that this could be an option in future years," said Scott Reif, a spokesman for Pataki's budget office. "There are no plans in place."

Still, state officials acknowledge there have been meetings with such companies as Macquarie Securities, an Australian investment bank, and LCOR, a Pennsylvania developer, to discuss a partnership that would build a replacement for the Tappan Zee Bridge and manage it under a long-term lease.

Macquarie is a major player in the Chicago Skyway 99-year lease that put \$1.8 billion in the Second City's general coffers last month while the private sector collects the tolls until 2104.

LCOR built and now manages a terminal at Kennedy International Airport through a partnership with the Port Authority of New York and New Jersey. The terminal opened in 2001 and state budget officials think that deal has been a success.

The idea of selling state assets doesn't sit too well with the common folk, however, the people whose weekly paychecks were smaller in order to buy these assets in the first place.

The axiom that comes to mind is that you don't sell the house to buy groceries.

"If you build a new bridge, it's a money-making proposition," said Kenneth Rosen, a 35-year veteran of financial planning who works at Brookstreet Securities in Suffern. "It generates revenue, so why get rid of it? If they do, I'd like to buy a tollbooth. As an investment professional, I think it would be a phenomenal investment."

The numbers in actuality are very complicated, but simplified for the sake of discussion, they look like this:

In 2004, the Tappan Zee Bridge had 25.7 million paying customers and generated \$76 million. Rounded off, that's \$3 a vehicle. Divide that toll into \$3 billion for a new crossing, and you need a billion rides through the tollbooth over 40 or so years, in today's dollars.

That's fine if you get 40 years out of the initial investment; bridges like the Tappan Zee are often costed out from 30 to 50, and with the state planning to invest \$150 million in the span in the next five years, no sane finance person would conjure a rosy cost analysis very far into the future.

"Where is the incentive for whoever buys it unless they can achieve a profit?" Zupan said. "And they'd achieve that profit by raising the fees for the public."

State officials have said that whatever partnership with the private sector might be formed, there would be strict controls on a company's ability to raise fares or tolls, as well as standards for maintenance and the like.

Zupan said a longer view is what's needed.

"I think it's a gimmick, a one-time thing," Zupan said. "What we really need is a stable source of revenues, rather than a governor looking for ways not to raise taxes. Transportation here is in deep financial crisis and now they're so much in debt they can't go that route anymore."

Rosen, the financial planner, doesn't like the idea of putting billions of dollars from the sale of an asset within reach of state officials.

"What do you do five years down the road?" he said. "If you get \$1.8 billion for a bridge now, that's a lot of money, but what do you do with the money? I'm always leery of what government does with money."