

MINUTES OF THE ONE HUNDRED AND SEVENTY-SECOND MEETING
February 4, 1964

Pursuant to bylaws, the Ohio Turnpike Commission met in regular session in the conference room of the Division of Right of Way of the Ohio Department of Highways at 139 East Gay Street, Columbus, Ohio at 11:00 A. M. , eastern standard time, on February 4, 1964 with the key members of the staff; representatives, Mr. H. A. Harnden and L. Frank Harris, of the Consulting Engineers; a representative, Mr. Robert H. Bartholomew, of the Trustee; members of the press, and others in attendance.

The meeting was called to order by the Chairman, the roll was called, and the attendance was reported to be as follows:

Present: Chastang, Teagarden, Shocknessy.

Absent: Redman, Masheter.

The Chairman announced that a quorum was present. He said Mr. Redman had told him he might not be able to get to the meeting and that Mr. Masheter had a conference he had to attend at the office of Governor James A. Rhodes. He said the Director of Highways was represented at the meeting by the Chief Engineer of the Department of Highways, Mr. C. H. Makeever.

A motion was made by Mr. Chastang, seconded by Mr. Teagarden, that the minutes of the meeting of January 7, 1964, which had been examined by the Members of the Commission and on which the corrections suggested by the Members had been made, be approved without reading.

A vote by ayes and nays was taken and all Members present responded to roll call. The vote was as follows:

Ayes: Chastang, Teagarden, Shocknessy.

Nays: None.

The Chairman announced that the minutes stood adopted with the three Members present voting in the affirmative.

The Chairman reported that the revenue for January 1964 was approximately \$1,648,000, which was \$107,000 more than that for January 1963 and was a most appreciable increase over the revenue of January 1963, which was also the best previous January.

The Chairman reported further that the Commission's annual report for 1963 was undoubtedly the best annual report the Commission had ever had. He said he wanted to congratulate the Director of Information and Research especially for its production and everybody else who had anything to do with it, including those people responsible for the art work. He said he wanted especially to congratulate the artists on behalf of the Commission. He said the Commission was proud of the report.

The Chairman reported further that the Strongsville News of January 23, 1964 had an editorial about the association of motels located in the vicinity of the Strongsville - Cleveland Interchange and its fight against the interchange between the Ohio Turnpike and Interstate Route 71. He said he was very pleased the Strongsville editorial had taken a strong position in favor of the public. He said the Members had received copies of the editorial and asked that it be included in the record. The text of the editorial follows:

"How About
The Public?"

"Efforts of Strongsville motel interests to block route plans of U. S. 71 are getting tiresome.

"Motel owners are insisting that traffic be forced to go past Route 42 establishments. They threaten litigation if the proposed route is not changed.

"To the best of our knowledge, plans for the north-south freeway were in the making long before many motels in the Strongsville area were constructed.

"Did those motel corporations give any thought as to where U. S. 71 would be built?

"Does it make sense for location of motels to determine how a road shall be engineered?

"Certainly it is important for motel owners to do everything within good reason to protect their interests.

Public interest, however, cannot be sacrificed for private interest."

The Chairman reported further that at the last meeting the Executive Director had had something to say about putting in some conveniences for people who were traveling in trailers over the turnpike, many more of whom there were likely to be in 1964 than ever before because of the New York World's Fair. He said the Commission had had some objections raised. He said the Exit 6 Motel, which was located near the Fremont - Port Clinton Interchange, in a letter addressed to the Ohio Motel Association with a copy to the Commission under date of January 10, 1964 had raised an objection. He said the Commission replied to that letter and a paragraph in the reply was representative of the situation with respect to parking sites for trailers. He read from the reply as follows:

"It is our belief that the travellers who choose to park overnight in the service plazas do so because of a disinclination to leave the turnpike and seek parking facilities elsewhere. And, of course, they are not at all likely to be seeking motel-room accommodations . . ."

The Chairman said also that he considered that position quite valid because those people who were traveling in trailers were traveling in trailers ostensibly because they were not looking for motel accommodations. He said they were carrying their own sleeping accommodations with them. He said he did not consider people traveling in trailers to be necessarily or even likely motel patrons. He said that if the Commission did not provide some specific area for parking the trailers just as it provided areas for trucks and automobiles, the trailers would be parked some place anyhow and the Commission would be stuck with them for the night. He said the Commission already had a problem where the trailers were parked so he did not consider any complaints from motels or motel associations to be validly made.

The Chairman reported further that the Margaretta Township fire department by letter of January 11, 1964 offered the services of its rescue squad "at no cost or obligation" in event of accident on the turnpike for a distance of 25 miles east or west of the Castalia maintenance building. He said the reason that was important was that many of the fire departments located along the turnpike were complaining about being called and the Margaretta department had offered it services free. The Executive Director said the offer had been accepted.

The Chairman reported further that Interstate Route 71 was coming along in very fine style. He said he had occasion to report something which was a very positive advance, which was that the Bureau of Public Roads of the United States Department of Commerce had upheld the view often advanced by him that the state, in procuring right of way, seek a covenant from landowners of residue to agree not to permit erection of billboards on the residue. He said the Director of Highways had reported at the meeting of the I-71 group the day before that he would undertake at once to have the covenant included in appropriate deeds. He said that therefore that phase of the billboard problem in I-71 had been resolved.

The Chairman said also that the trouble with the City of Strongsville he mentioned at the last meeting of the Commission about the closing of Howe Road at I-71 had also been resolved. He said the Strongsville City Council had authorized the closing of a portion of Howe Road so that I-71 could proceed without any problem.

The Chairman said also that the principal thing being complained about in Strongsville currently was the direct connection between the turnpike and I-71, the complaint coming from motel owners. He said he did not consider the complaint a valid one. He said a representative of the owners at the time complaint was being made at a meeting the Executive Director held in his office said, "Why, do you realize that people drive as far as 400 miles just to stay overnight at my motel?" and then he contended that people would not drive a mile and three-quarters further to get to his motel. He said the First Assistant Ohio Attorney General, Mr. Gerald A. Donahue, had gone to Strongsville and spent two or three hours exploring the area involved and got a first impression and returned to Columbus and said, "Well, there isn't any legitimate complaint." The Chairman said he was impressed the same as Mr. Donahue.

Mr. Teagarden commented that a Miami newspaper had had a photograph of a rally of travel trailer owners which attracted 10,000 trailers. He said he could visualize what the World's Fair was going to mean with respect to travel trailers on the turnpike.

The Chairman said that in the absence of questions, the Chairman's report was accepted as offered. He said the report of the Secretary-Treasurer would be received.

The Assistant Secretary-Treasurer reported for the Secretary-Treasurer that since the last meeting the following had been sent to all Members:

1. Traffic and Revenue Report for December 1963.
2. Auditors' Report for the period ending December 31, 1963.
3. Report on Concessionaires - 1963.
4. Financial Report as of December 31, 1963.
5. Draft of the minutes for the January 7, 1964 meeting.
6. Detail of investment transactions for January 1964.

The Assistant Secretary-Treasurer reported further that the Reserve Account contained \$6,675,000 face value of a 3 1/4% United States Treasury Certificate due February 15, 1964 and the Treasury had offered and the Trustee had subscribed for the exchange of the Certificate for a note of a like face amount bearing interest of 3 7/8% to maturity, which would be August 13, 1965. He said the exchange would enhance the Commission's investment income somewhat so long as it held the new certificate. He said the new certificates were coming out at 99 7/8. He said the 3 7/8% interest rate was attractive for an 18-month maturity.

The Chairman said that in the absence of questions the report of the Secretary-Treasurer was accepted as offered. He said the report of the Committee on Service Plazas would be received.

The chairman of the Committee on Service Plazas, Mr. Teagarden, reported that preparation of plans, specifications, and invitations for bids in connection with renovation of the service plazas was on schedule. He asked the architect for the Consulting Engineers, Mr. Harris, to present in detail a progress report on the renovation program.

Mr. Harris reported that bids for furnishing air conditioning supply units, cooling towers, water chillers, toilet partition doors and marble toilet partitions would be opened on February 11, 1964. He said the delivery date for the cooling towers, water chillers and toilet partitions would be March 20 and for the supply units, April 1. He said the partition doors would be required by the contractors for contracts 42C and 43C. Mr. Harris said also that the reason for taking bids on materials was so that the materials and supplies would be on hand when the contractors needed them. He said that, if ordering of the materials and supplies were to be postponed until

the construction contracts were awarded, the materials and supplies could not be delivered in time to meet the deadline of May 15, 1964 for completion of contracts 42C and 43C.

Mr. Harris reported further that plans and specifications for contracts 40C and 41C, which were for relocation of the cooling towers and renovation of the air conditioning systems at thirteen service plazas, would be completed on February 10, bids would be opened on March 2, and the work would be begun on March 16 and be completed by May 15.

Mr. Harris reported further that plans and specifications for contracts 42C and 43C, which were for refurbishing the original rest rooms at nine service plazas, were completed January 27. He said advertising for bids was in process; bids would be opened on February 24, and work should be begun on March 9 and be completed by May 15. In response to a question by Mr. Chastang, he said the refurbishing comprised new toilet partitions, new fixtures where required, and new floors, but not enlargement of the original rest room areas.

Mr. Harris reported further that specifications for contracts 44C and 45C, which were for renovation of food service areas and gift shops at four service plazas - Commodore Perry, Middle Ridge, Great Lakes and Brady's Leap - would be completed February 17; bids would be opened March 6, and work would be scheduled to be begun March 16 and be completed by May 15. He concurred in the observation by the Chairman that the schedule for those contracts was very tight. He said coordination would be required.

Mr. Harris reported further that plans for contract 46C, which was for construction of travel-trailer parks at four service plazas - Blue Heron, Wyandot, Great Lakes and Brady's Leap - were scheduled to be completed March 9, with bids to be opened April 2 and work to be begun on April 13 and be completed on June 1. In response to a question by Mr. Chastang, he said Great Lakes was not among the four plazas originally selected. The Executive Director said problems of terrain at Portage Plaza, one of the plazas originally selected, would make installation of a travel-trailer parking area at that plaza very difficult to construct and very expensive, and Great Lakes Plaza therefore was substituted. The Executive Director said the original sites were suggested by the Association of Trailer Manufacturers and other organizations interested in trailers. In response to a question by Mr. Chastang, he said a little additional land would

have to be purchased but it would not be expensive land.

Mr. Harris reported further that the plans and specifications for contracts 47C, 48C, 49C and 50C, which were for enlargement and remodeling of existing public rest rooms at four service plazas, were scheduled to be ready on May 11, with bids to be opened June 19 and work to be begun July 15 and to be completed December 1. He said that along with that work the truckers' shower rooms at four service plazas - Middle Ridge, Commodore Perry, Great Lakes and Brady's Leap - were to be relocated in connection with modifications in the food service areas under contracts 54C and 55C. He said that dates and schedules for that work had not yet been determined but it would be done in 1964.

Mr. Harris reported further that dates had not been determined with respect to contracts 51C, 52C and 53C, which were for the remodeling and construction of the front entrance, new canopies, lounge treatment, and site improvement at two pilot plazas, but that the work would be accomplished in 1964.

Mr. Teagarden reported further for the Committee on Service Plazas that the enlargement and remodeling of the rest rooms would not interfere in any way with the traffic during the summer.

Mr. Teagarden reported further that since the last meeting of the Commission plans for remodeling the service plazas had developed to the extent that some costs had been determined, especially those that were the responsibility of the concessionaires. He said the concessionaires had expressed concern that those costs were not recoverable during the limited time remaining under the basic contracts and had requested that some means be provided to protect that investment. Mr. Teagarden said also that the Committee, believing the request to be a reasonable request, considered several possible solutions to the problem, and in its meeting the day before determined the best possible solution, if acceptable to the concessionaires, would be to agree to a depreciation factor that would amortize the investment over the time remaining in the basic contracts plus the five-year extension provided for in the contracts. He said that under that plan, if the contracts were extended for five years, the Commission would have no obligation but, if the contracts were not extended for the five-year period or were cancelled for cause at a later date, the Commission would assume the unamortized portion of the investment and pass it on to the concessionaires' successors as an obligation under the terms of the contracts bid upon. He said that possible solution followed closely the precedent established at the time

the Commission terminated the contract with the Olympic Commissary Company and passed on to its successor the debt incurred by the Commission in assuming as an obligation the depreciated value of the equipment owned by Olympic Commissary Company.

The Chairman said the advertisement for bids on the restaurant facilities early in 1965 would have to include the depreciated value of the equipment as an obligation to be assumed. Mr. Teagarden said that was so, provided the existing contracts were not renewed. He said that if there were no objections by the Commission to the Committee proceeding on the basis outlined, negotiations would be commenced with the concessionaires to determine acceptability. He said the Committee felt rather optimistic as to acceptance.

Mr. Teagarden reported further that at its meeting the day before the Committee considered also requests by the concessionaires for price increases for a number of controlled food items. He said that in comparing the increases with prices charged for those same items on other turnpikes and in comparable facilities off the turnpike the Committee found that prices charged for many items on the Ohio Turnpike were well below all others. He said the Committee's study indicated the need for price adjustments in certain items and some adjustments were granted. He said the Committee did not make all the adjustments requested nor did it give the concessionaires all the increases they asked for. He said the Committee went into each item and made a conclusion on each one of them. He said that even with those adjustments most prices charged on the Ohio Turnpike were at or below prices charged for the same items on other turnpikes and in restaurants of comparable quality off the turnpike.

In response to a request by the Chairman, the Executive Director detailed the items of price increase. He said the approved price for a four ounce glass of tomato juice was increased to 20¢ from 15¢. He said 20¢ was the standard price for that portion of tomato juice most places and the price was higher on several other turnpikes.

The Executive Director said also the Committee approved an increase in the price of tuna fish salad sandwich from 45¢ to 50¢. He said the new price compared to 50¢ on the Pennsylvania Turnpike, 55¢ on the New Jersey Turnpike, 35¢ on the Garden State Parkway, 40¢ on the Maine and Massachusetts Turnpikes, 65¢ on the Indiana Toll Road, 60¢ on the Illinois Toll Road, and 55¢ on the New York State Thruway.

Mr. Hartford said also the Committee approved an increase in the price of frankfurter on a roll from 25¢ to 30¢, which, he said, was standard for that item throughout the industry on and off the turnpike. He said requests for an increase in the price of a hamburger from 40¢ to 45¢ or for a decrease in patty size from one-sixth pound to one-seventh pound were not allowed. The Executive Director said also that the Committee approved an increase in the price of ham steak dinner from \$1.55 to \$1.65, which compared to \$1.65 on the Pennsylvania Turnpike, \$1.75 on the New Jersey Turnpike, \$1.65 on the Garden State Parkway, \$1.55 on the Maryland Northeastern Expressway and \$1.65 on the New York Thruway. He said also the Committee allowed an increase in the price of pot roast from \$1.50 to \$1.65, which compared to prices of \$2.00 on the Garden State Parkway and the Maine and Massachusetts Turnpikes, and \$1.75 on the New York Thruway.

The Executive Director said also the Committee approved an increase in the price of a baked smoked ham dinner from \$1.35 to \$1.50. He said the same meal on the Garden State Parkway was \$1.80; on the Indiana Toll Road, \$1.70; and on the New York Thruway, \$1.65. The Chairman pointed out that the restaurant concession on the Garden State Parkway was operated by the Gladieux Corporation which was also a concessionaire on the Ohio Turnpike.

In response to a question by the Chairman as to whether the increases were considered on a comparative rather than a cost analysis basis, the Executive Director said that cost analysis was taken into consideration but was a very difficult basis at the moment because of the fluctuation in prices. The Chairman said he did not want it to appear the Commission was making the price adjustments strictly on the basis of what other people were getting because one could pump oneself up pretty good that way. He said he wanted to be sure there was a cost analysis relationship. He said he was rather impatient with the statement he had heard made about the Howard Johnson Company that it was losing money on the Ohio Turnpike operation. He said one could not be certain of the validity of the prices paid for food materials if they were paid within a parent corporate structure. He said there was something in the general genus of malarky in a statement that the company was losing money on the restaurants because if it was losing money on the restaurants it was not losing money in its commissary operation. He said for that reason he raised the question of cost analysis because when prices on the Pennsylvania and Ohio Turnpikes were compared, Johnson prices were being compared. He said that held also with

respect to prices on the New Jersey Turnpike. He said therefore he did not consider that those comparisons necessarily had validity.

The Chairman said he wanted the record to show that the Committee was not basing its approval solely on the basis of comparative prices because he did not consider that comparative pricing had validity under the circumstances of the Committee's comparisons. He said he was willing to accept the Committee's conclusions because they were not spectacular. He said he was not complaining about comparisons provided they were not captive comparisons and he was not challenging the validity of the Committee's conclusions but he was uttering a warning about the method of arriving at them. He said he wanted that warning taken into account before the Committee came back another time.

Mr. Chastang said that some time before he had inquired if there was any way of ascertaining the net profits of the concessionaires on the turnpike. He said that at that time he had been told that such a determination was not possible or feasible because of auditing or accounting procedures. He said it struck him as kind of odd that the concessionaires claimed to be losing money if there was no way of ascertaining whether they were losing money. He said he did not believe that raising the price a nickel here or a dime there was the answer. He said what the Commission was trying to do was to furnish food service at a reasonable cost so that the concessionaires made a reasonable profit but not an exorbitant profit and did not lose money. He asked whether the concessionaires ever told the Commission specifically what they were earning. The Executive Director replied that if the concessionaires did, the figures would be received with reservations. Mr. Chastang said in such case one could assume that the earnings would be no less than the concessionaires stated them to be.

Mr. Teagarden said it was almost impossible to go into the cost of every item. He said the Committee did go into the cost of what it could with items such as hamburgers or frankfurters. He said the Committee got all the information it could get on the various items within the limitations.

The Chairman said that in the absence of further questions, the report of the Committee on Service Plazas was accepted as offered. He said the report of the Committee on Interchange Development would be received.

The Chairman of the Committee on Interchange Development, Mr. Chastang, asked the Executive Director to make the report. The Executive Director reported that the Committee was currently preparing a form of agreement between the Commission and the Director of Highways to cover all aspects of the construction of the proposed interchange between the Ohio Turnpike and Interstate Route 71 and expected to have it ready for formal submission to the Director for his consideration at an early date.

The Executive Director reported also that in addition there was need of an agreement between the Commission, the Director of Highways and the Federal Highway Administrator to satisfy a requirement of the federal law in order to make federal funds available for participation in the costs of connecting interstate highways to those portions of the Ohio Turnpike on the National System of Interstate and Defense Highways. He said a form of agreement had been prepared and would be submitted to the Director for his consideration at an early date. The Executive Director said also that the agreement was envisioned to be a basic agreement only covering the eligibility for the use of federal funds in certain cases and that each connection would require its own agreement to cover construction details similar to the one that had been prepared for the interchange with Interstate Route 71.

In response to a question by Mr. Makeever, the Executive Director said the second of the two agreements described was not being prepared in cooperation with the Bureau of Public Roads of the United States Department of Commerce. The General Counsel said that Mr. Henry J. Crawford of Fiscal Counsel had worked with him in preparation of the agreement and that the next step was to submit it to the Director of Highways. He said that if the agreement were acceptable to the Director of Highways it would then move to the Bureau of Public Roads, first in Columbus and then in Washington. He said he thought there had been some discussion already with the Bureau of Public Roads. Mr. Makeever said he was thinking about saving time if there could be agreement with the Bureau as the matter proceeded. The Chairman said Mr. Crawford's concern and the Commission's concern was entering into a contract which would have any impact on the Trust Indenture. He said Mr. Crawford thought the contract as submitted was not tolerable under the Trust Indenture and it was given back to him to make it tolerable. The General Counsel said Mr. Crawford had done so and that a copy had been sent to Mr. Chastang within the week. The Chairman said he did not think there was any need for any delay because of the agreement because there was no reason that arrangements for the interchange

with Interstate Route 71 could not go forward pretty generally irrespective of it. The Executive Director said that was correct. He said the Commission had issued its letter of intention. The Chairman said the Commission was bound to be feeling its way a little bit on the first interchange with the interstate system but there would be several more interchanges coming up and the precedents being established would make the next ones easier.

The Chairman said the report of the Committee on Interchange Development was accepted as offered. He said the report of the Executive Director would be received.

The Executive Director reported that R. D. Holt, a former toll collector, had plead guilty the day before to a charge of embezzling \$1, 000 before Common Pleas Judge Albert Caris of Portage County. He said Holt was reported in the newspapers to be free on a \$1, 000 bond pending a probation investigation and would come up for sentencing February 15. He said the Highway Patrolman involved in the incident had pleaded guilty to a charge of compounding a felony and had been fined \$50. 00 and costs in the Municipal Court in Ravenna.

The Chairman said the report of the Executive Director was accepted as offered. He ascertained there would be no report from the Director of Highways. He said the report of General Counsel would be received.

The General Counsel reported that the final matter - the payment of court costs - in the case of Harrison Construction Company vs Ohio Turnpike Commission had been disposed of, the Judge in the United States District Court having ruled on a motion by the Commission. He said the Commission paid about \$1, 700 in court costs. He said that currently there were eight cases involving the Commission pending in the courts.

The Chairman said the report of General Counsel was accepted as offered. He said the report of the Consulting Engineers would be received.

Mr. Harnden reported for the Consulting Engineers that he had investigated what was happening in the Indiana Toll Road Commission regarding the proposed combined toll collection program for the Ohio Turnpike and the Northern Indiana Toll Road at the Ohio - Indiana state line. He said he had corresponded with the representative of the Consulting Engineers at the Indiana Commission on several occasions and the last reply he had from him was that he had

discussed the matter with the General Manager of the Indiana Commission who had promised to talk to the Chairman of that Commission about the matter. Mr. Harnden said also that the Indiana representative of the Consulting Engineers said the Chairman of the Indiana Commission would reply to the Chairman of the Ohio Commission. The Chairman said the matter was not important. He said he just wanted to close the Commission's record on it. He said he would consider for the purpose at that time the record was closed. He said the Indiana Commission originated the matter. He said the Chairman of that Commission called him on it and he certainly entertained it and said he would refer it to the Ohio Commission's Consulting Engineers.

The Chairman said the report of the Consulting Engineers was accepted as offered. He ascertained there would be no report by the Director of Information and Research.

A resolution ratifying actions of administrative officers was moved for adoption by Mr. Teagarden, seconded by Mr. Chastang, as follows:

Resolution No. 2-1964

"WHEREAS the executive director, deputy executive director, chief engineer, general counsel, assistant general counsel, secretary-treasurer, assistant secretary-treasurer, comptroller, and the director of information and research of the Commission, have by various written and oral communications fully advised the members of the Commission with respect to their official actions taken on behalf of the Commission since the Commission's last meeting on January 7, 1964, and the Commission has duly reviewed and considered the same;

"NOW, THEREFORE, BE IT

"RESOLVED that all official actions taken by the aforesaid administrative officers of the Commission on its behalf since the Commission's meeting on January 7, 1964 hereby are ratified, approved, and confirmed. "

A vote by ayes and nays was taken and all Members present responded to roll call. The vote was as follows:

Ayes: Teagarden, Chastang, Shocknessy.

Nays: None.

The Chairman declared the resolution stood adopted with the three Members present voting in the affirmative. The resolution was identified as No. 2-1964.

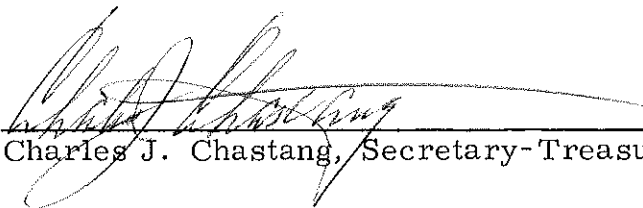
There being no further business to come before the Commission, a motion was made by Mr. Chastang, seconded by Mr. Teagarden, that the meeting adjourn subject to call of the Chairman. A vote by ayes and nays was taken and all Members present responded to roll call. The vote was as follows:

Ayes: Chastang, Teagarden, Shocknessy.

Nays: None.

The Chairman declared the meeting adjourned. The time of adjournment was 12:03 P. M.

Approved as a correct transcript of
the proceedings of the Ohio Turnpike
Commission



Charles J. Chastang, Secretary-Treasurer