

**MINUTES FROM THE OHIO RAIL DEVELOPMENT COMMISSION
REGULAR BI-MONTHLY MEETING
July 17, 2019**

CALL TO ORDER

Due to the absence of Chairman Policinski, Vice Chairman Jackson called the meeting of the Ohio Rail Development Commission to order at 11:00 a.m. on Wednesday, July 17, 2019.

MEMBERS PRESENT

Vice Chairman Solomon Jackson, Commissioners Dean Hempfling, Mark Johnson, Bill Lozier, Jack Marchbanks, Rachel Near, Eric Richter, Allen Biehl, and Thomas Zitter were in attendance. Senator Manning and Representative Sheehy sent representatives from their offices. Chairman Mark Policinski, Commissioner Tony Reams, Senators Sykes and Manning and Representatives Hoops and Sheehy were unable to attend. There were 9 voting members present, therefore a quorum was obtained.

APPROVAL OF THE MINUTES OF THE MAY MEETING

Vice Chairman Solomon Jackson asked for a motion to approve the minutes of the May 15, 2019 meeting. Commissioner Biehl moved to approve the minutes and Commissioner Johnson seconded the motion. The minutes were approved with 9 votes in the affirmative.

EXECUTIVE DIRECTOR'S REPORT

Executive Director Dietrich presented his report to the Commissioners, which can be found on page 8 of the Commission packet.

Executive Director Dietrich reported that HB 166, while not yet approved, left the Governor's funding amount of \$2 million annually unchanged for ORDC. The remaining ORDC funding, which includes operations, the revolving loan fund, and federal funds for grade crossing safety and freight development, were all previously approved in the transportation budget (HB 62).

Executive Director Dietrich reported ORDC is working very closely with ODOT on a Grade Crossing Adaptability Study to develop a methodology to assess a crossing's adaptability within a community or corridor. The intent of this study is to develop a measurement tool that can be applied to rail corridors and crossings to alleviate issues that arise from blocked or occupied crossings.

Executive Director Dietrich mentioned the recent FRA award of a \$3.2 million CRISI Grant to the Indiana & Ohio Railway. He indicated that staff will be elaborating further on this grant award as it is part of the Commission packet (Resolution 19-07) for today's review.

ORDC has once again partnered with Operation Lifesaver in providing a grant to assist in paying for the booth at the Ohio State Fair to promote the message of safety. Executive Director Dietrich announced that ORDC will continue to expand upon its public outreach efforts. He reported that he recently moderated a webinar for the Ohio Economic Development Institute titled *The Role of Rail Service in Economic Development*. JobsOhio, Burgess and Nipel, NS, CSX, and the Wheeling & Lake Erie all participated in this well-attended webinar.

Executive Director Dietrich asked if anyone had any questions. There were no questions so Vice Chairman Jackson asked Megan McClory to present her Finance Report.

FINANCE REPORT

Megan McClory, Secretary-Treasurer, presented the Finance Report to the Commissioners, which can be found on page 10 of the packet. Ms. McClory reported that ORDC had a successful close to the 2019 fiscal year. She reported ORDC committed \$3.2 million in development/grant funds and just over \$15 million in grade crossing safety funding and we have 7 loans currently in good standing.

The Office of Budget and Management, Office of Internal Audit, completed an audit on the oil and gas royalty receipts we receive as well as the ORDC's invoicing process in regard to the Grade Crossing Safety Program. We are continuing to work to implement their recommendations but overall our results were "well-controlled." Ms. McClory reported she will distribute the audit findings to the Commissioners once they become available.

Director Marchbanks asked a question from page 15 of the Commission packet and inquired whether Level 3 Communications is a utility company. Ms. McClory responded by saying that this company is not a utility but rather a company that has communication lines that cross ORDC-owned property.

Commissioner Lozier asked about the rail-grade crossing safety reimbursement and what that term means. Ms. McClory indicated this is ORDC's reimbursements to the railroads for the projects we have entered into formal agreements with and is a result of the completion of the projects.

Vice Chairman Jackson asked how often an audit is conducted and reiterated that he would be interested in seeing the results of the audit.

Executive Director reported that Sean Neef, our intern over the past couple of years, will be leaving ORDC as of August 7, 2019 to become a civil engineer at the US Army Surface Deployment and Distribution Command in Nebraska. Sean has been a tremendous asset to the ORDC staff and we wish him well in this new endeavor.

RESOLUTION 19-07 – Indiana & Ohio CRISI Grant Funding

ORDC staff member Tom Burns presented the briefing on page 25 of the meeting packet. Mr. Burns introduced Leila Ford and Chris Frank who were representing the G&W Midwest Region to speak about the CRISI Grant award and what the award will mean.

Ms. Ford thanked the commission for the assistance with this grant as it will mean a substantial expansion to the IORY yard in Delta, Ohio and support customers more efficiently along the line.

Mr. Frank reported that the yard in Delta is a four-track yard but a few of the tracks are buried by vegetation due to non-use. The grant will assist the company in bringing these tracks back into service and will increase the efficiency to their current customers as well as future customers.

Commissioner Zitter asked for clarification on the number of sidings in the yard. Mr. Frank reported there are four tracks, not four sidings.

Vice Chairman Jackson asked what the size of the yard is currently. Mr. Frank stated the company is only using two tracks; one track for service and the other track for storage. This project will greatly enhance the capacity. Vice Chairman Jackson asked when the company anticipates the start of construction. Mr. Frank stated that as soon as all permits are in place they look forward to beginning the project. Commissioner Lozier asked who applied for the grant. Executive Director Dietrich reported that ORDC submitted the application but that the railroad is committing \$3.6 million to the project.

Commission Lozier moved to approve Resolution 19-07 and Commission Zitter seconded the motion. Roll call was taken and the motion was approved with nine votes in the affirmative.

RESOLUTION 19-08 – Acceptance of Jackson Rail Line by ORDC

ORDC staff member Tom Burns presented Resolution 19-08 to the Commissioners, which is found on page 30 of the commission packet. Mr. Burns presented the history of this project and introduced George Andres and Mayor Randy Heath from the City of Jackson to speak on behalf of the transfer. Mayor Heath complimented the Rail Commission for stepping up to assist the city in this endeavor. He reported that ORDC was there to help when the previous operator abandoned the line, leaving a major customer in the area potentially without rail service. Mr. Andres also thanked the Commission for its support over the years and was happy to report that they recently installed their 40,000th tie and that the line is now restored to Class II condition.

Commissioner Lozier mentioned that the 20-page lease agreement to the City of Jackson was modeled after the Panhandle Lease Agreement which has been a successful partnership over the years. The agreement to the City of Jackson, he said, was because of “lessons learned” from the Panhandle lease agreement process and an indication that this model can work.

Commissioner Lozier asked if there were any concerns or major differences in this lease versus the Panhandle lease? Executive Director Matt Dietrich reported there are no substantive changes.

Prior to taking roll call Megan McClory indicated that Resolution 19-08 was updated after the commission packet was distributed and a new copy of Resolution 19-08 has been distributed to each commissioner. Mr. Burns reported the changes are two additional “conditions” (Numbers 3 and 4) for Exhibit A and the addition of two commissioner’s names for the table for roll call on page 2 of the resolution.

Commissioner Johnson moved to approve Resolution 19-08 and Director Marchbanks seconded the motion. Roll call was taken and the motion was approved with nine votes in the affirmative.

Commissioner Near departed the meeting at 11:36 a.m.

PROJECT BRIEFING – Amware/Recycle-It Spur Rehabilitation

ORDC staff member Tom Burns presented the briefing on page 59 of the commission packet. Mr. Burns introduced Mr. David Byrnes with Amware/Recycle-It to give some background on the project. Mr. Byrnes thanked the commissioners for their consideration of this project. He spoke about the history of the company in Brook Park, Ohio. The company recycles paper in a clean, cost-effective manner. Amware is currently utilizing trucks but they have access to rail service near their facility, so they are looking to enter into a contract with CSX to provide the company service. Vice Chairman Jackson asked if anyone had any questions. There were no questions asked of Mr. Byrnes who, once again, thanked the Commission for their support of the project.

PROJECT BRIEFING – CCET & Mt. Carmel Stabilization Spur

ORDC staff member Tom Burns presented the briefing on page 62 of the commission packet. He introduced the two companies and the representatives in attendance at the meeting. Chris Whitley from CCET and Neil Ryan and Doug McPherson from Mt. Carmel Stabilization were present to speak about the project.

Before any details were given about this project, Vice Chairman Jackson recused himself from the meeting due to CCET operating on track currently leased from NS. Vice Chairman Jackson asked Commissioner Zitter to preside over the meeting in his absence. (Commissioner Zitter had been appointed as Presiding Officer at a prior Commission meeting.) Vice Chairman Jackson departed the meeting room at 11:40 a.m.

Mr. Whitley spoke about the project that will include the rehabilitation of a bridge on CCET property which is necessary in order to handle the increase in rail traffic. He also spoke about the necessary rehabilitation of a rail spur that accesses the Mt. Carmel facility. Neil Ryan from Mt. Carmel spoke about the company's need for the rail service and reiterated their commitment to this project by noting the \$2 million investment they have made as well as the commitment of 200 new rail carloads.

Commissioner Zitter thanked the representatives for coming to present their project and asked the Commissioners if anyone had any questions. There were no questions asked.

PROJECT BRIEFING – Engines, Inc.

ORDC staff member Tom Burns presented the Engines, Inc. briefing on page 65 of the Commission packet. Mr. Burns introduced Dr. Bill Dingus, Executive Director of the Lawrence Economic Development Corporation, who spoke about the project. Dr. Dingus presented a short PowerPoint on "The Point Industrial Park" and how critical rail is to the Park. He reported that Engines, Inc. located to the industrial park because of the rail access and thanked the Commission for its support of this project which, he noted, is so critical to the area.

Dr. Dingus offered to answer any questions the commissioners might have. There were no questions.

Vice Chairman Jackson returned to the meeting at 11:49 a.m.

PROJECT BRIEFING – Indiana Eastern Railroad Track Rehabilitation

ORDC staff member Tim Brown presented the briefing for the Indiana Eastern Railroad Track Rehabilitation project which can be found on page 68 of the commission packet.

Mr. Brown introduced George Andres to speak about the project. Mr. Andres spoke about the 6.8 mile section of rail that is in need of tie replacement to prevent slow orders (10 mph) on the line. Mr. Andres reported this line serves major customers (Nease Corporation, Nutrien Ag Solutions and Proctor & Gamble) and ORDC assistance is necessary to assist with the planned replacement of more than 4000 ties to get the track back to Class II condition. He stressed the importance of this project to the companies they are currently serving.

Commissioner Zitter asked Mr. Andres if Proctor & Gamble (P&G) is transloading. Mr. Andres indicated that Nease Corporation is providing the cleaning compound to P&G but it is strictly rail in and rail out.

Vice Chairman asked if there were any additional questions. No additional questions were asked.

PROJECT BRIEFING – OSCR Bridge Repairs & Grade Crossing Surfaces

ORDC staff member Tim Brown presented the project briefing for OSCR Bridge Repairs & Grade Crossing Surfaces. This briefing can be found on page 71 of the commission packet.

Mr. Brown reported this project consists of bridge repairs and replacement of grade crossing surfaces on the Jackson Line. A total of 13 timber bridges on the Jackson spur require repairs. There are seven crossings that require rehabilitation. Mr. Andres reported they are ready to begin the rehabilitation as soon as possible.

Director Marchbanks asked Mr. Andres if they have contacted District 9 about these projects. Mr. Andres reported they are currently working with ODOT on two additional 50/50 projects and that they are very grateful for ODOT's support. Director Marchbanks commented that he was glad to hear they were working with the District.

COMMITTEE REPORTS

Vice Chairman Jackson reported that the Policy Committee did not meet but that the Administrative Committee did meet and he asked ORDC staff member Megan McClory to give a brief update of the Administrative Committee's discussions.

Ms. McClory reported the Administrative Committee reviewed the Jobs and Carloads Report. Ms. McClory stated there are five projects that are currently finishing their monitoring period. The committee discussed two of the grants that have projects that are short of their jobs and/or

carload commitments but that the committee decided to accept the progress that has been made. They also discussed one additional company and the committee decided to extend the monitoring period for that company to allow them the additional time needed to fulfill their requirements.

OLD BUSINESS

There was no old business.

Commissioner Lozier asked to take the opportunity to introduce his summer intern, who was in attendance at the meeting. He also took a moment to congratulate ORDC's intern, Sean Neef, on his next opportunity.

PUBLIC COMMENT

Larry Robertson of All Aboard Ohio distributed the group's latest news publication and invited anyone that would like more information regarding passenger rail to feel free to contact them to learn more.

ADJOURN

Vice Chairman Jackson adjourned the meeting at 12:00 pm.