

MINUTES OF THE OHIO RAIL DEVELOPMENT COMMISSION
REGULAR BI-MONTHLY MEETING
July 15, 2010

CALL TO ORDER

The meeting of the Ohio Rail Development Commission was called to order by Chairman James Bradley at 11:06 a.m. on Thursday, July 15, 2010.

MEMBERS PRESENT

Members present included: Chairman James Bradley, Commissioners Rob Greenlese, Bill Lozier, Jolene Molitoris, Larry Sowers, Barbara Hammontree-Bennett, William Murdock, Herk Wolfe, and Kim Wheeler for Senator Steve Buehrer. Commissioner Tom McOwen was unable to attend. Commissioner Solomon Jackson came in after the roll was taken. There were eight voting members present, therefore a quorum was obtained.

APPROVAL OF THE MINUTES OF THE MAY MEETING

Chairman Bradley asked for a motion to approve the minutes of the May 13, 2010 meeting. Commissioner Molitoris moved to approve the minutes and Commissioner Lozier seconded the motion. Roll call was taken. The minutes were approved as presented with nine votes in the affirmative.

EXECUTIVE DIRECTOR'S REPORT

Director Dietrich presented the Executive Director's Report on page 9 of the meeting packet. Director Dietrich gave an update on the CSX National Gateway TIGER Grant. The State of Ohio is the lead state and ORDC is the lead agency. This is a double stack project from North Baltimore, Ohio to the Port of Wilmington in North Carolina. The coalition of states was awarded \$98 million for the first phase which is from North Baltimore, Ohio to an intermodal facility in Chambersburg, PA. It encompasses the four states of Ohio, West Virginia, Maryland, and Pennsylvania. Originally, the project was assigned to FRA. After a great deal of discussion, the project was reassigned to FHWA-EFLD. This is the same FHWA division that successfully managed the NS Heartland Corridor. In June, Tom Burns and Director Dietrich attended the Kick-off meeting in Sterling, VA. The draft environmental document has been submitted to FHWA, with a goal of receiving environmental clearance by November. ORDC will be signing a revised Preliminary Terms and Conditions Sheet with FHWA as the lead agency. Director Dietrich said we will be signing a MOA with West Virginia, Pennsylvania, and Maryland which will delineate responsibilities for the completion of the project. We are working with both ODOT and ORDC legal counsel on the MOA.

Director Dietrich reported that the Preliminary National Rail Plan comments were submitted. He pointed out to Commissioner Wolfe that his concerns about all the potential rail assets that are now either abandoned or bypassed were included in these comments. Director Dietrich also said they worked closely with Leonard Evans to make sure that ORDC's comments were complimentary to ODOT's.

On June 28, 2010 the FRA published a Final Rule for the implementation of section 202 of the Rail Safety Improvement Act of 2008 (RSIA), that requires highway-rail grade crossing action plans to be developed by the 10 states that ranked the highest in number of crashes at highway-rail grade crossings. Director Dietrich said Ohio had concerns with the methodology. There was no normalization to the number of grade crossings or to the rail or highway traffic. We are a very heavily populated state. We have a great number of grade crossings. We have very high

traffic volumes both on highway and rail. It is just logical that we would be in the top 10. When you normalize the numbers, they look much different. Director Dietrich said we are looking at opportunities, both at the federal and state level, that provide funding for grade crossing highway safety, as well as allowing the state more flexibility for consolidation of road closures. Director Dietrich said the safest crossing is a crossing that no longer exists. If the crossing can't be closed, it should be improved.

On June 9th, ORDC participated in an effort led by ODOT and including almost 50 interested parties representing railroads, agribusiness, manufacturers, logistics, ports and public agencies to discuss steps the state could take to promote international trade by improving supply chains for international container movements. One of the discussions has been the possibility of overweight permits. We have been working closely with the Ohio Railroad Association to make sure we clearly identify their concerns and we are continuing to work with ODOT. Director Dietrich complimented ODOT's Chief of Staff, Steve Campbell, for trying to bring all the parties together to get all the input we can as a state.

On June 1st, the NOFA was issued for the USDOT National Infrastructure Investments under the Transportation, Housing and Urban Development, and Related Agencies Appropriations Act for 2010. On June 23rd, ORDC notified all of the railroads in Ohio of the program. To date, Director Dietrich has heard from one company and one railroad.

Director Dietrich said that the 3C project team has been working with local communities. He also said that the ORDC staff has been working with the FRA to release funding.

Director Dietrich reported that the PEIS work for the Ohio Hub has begun. On June 15th, ODOT held its kick-off meeting with AECOM. The early work will result in the route determinations for 110-mph service. The corridors being examined are Detroit-Toledo-Cleveland, Cleveland-Pittsburgh, Toledo-Columbus and Cincinnati-Columbus-Cleveland. The early work will consist of data collection and public meetings.

Director Dietrich said that in addition to on-going work with ODOT on passenger rail development and PUCO on grade crossing safety issues, ORDC staff continues to coordinate our activities with other state agencies. Lou Jannazo is part of the Ohio Department of Development's Job Ready Site Program review team.

Director Dietrich said that as discussed at the spring retreat, Stu Nicholson, Public Information Officer, has implemented very successfully, ORDC press releases to include local and company input. Stu said we are contacting all interested parties to see if they want to comment. We did a joint news release with NS and OKI on the "Heartland Corridor Extension". The release received wide media coverage including the Wall Street Journal, several newspapers, and several on-line media outlets. We are receiving national, regional and local coverage. Director Dietrich said this change has been well received and these partnerships need to be reflected.

Director Dietrich introduced Paul Russell, Assistant Section Chief at the Ohio Attorney General's Office Transportation section. Paul is joining our meeting in Alan Klodell's absence. He also introduced Dominic Jannazo, who is attending this meeting in order to earn his Boy Scout Citizenship in the Community badge.

Chairman Bradley suggested that after we rationalize the numbers published in the FRA report, we contact the state who is doing the best and find out what they are doing. We can see what we can learn from them. Director Dietrich said that Susan Kirkland has been working with ODOT Traffic to see what improvements can be made. She is also meeting with NS tomorrow. Director Dietrich said we are also interested in partnering with ODOT Legislative office. Chairman Bradley would like for Susan Kirkland to tell us at a later meeting what she has learned, what areas we need to improve upon, and what actions we need to take.

Commissioner Molitoris indicated that ODOT's district offices can be helpful with the National Gateway initiative. She reported that ODOT undertook \$2 billion in construction programming last year, in part by taking a "risky" approach to stimulus funds and putting together the biggest multimodal package in the country. The Transportation Review Advisory Council has a multimodal theme and is accepting applications through tomorrow. She then introduced Kelly Angel, project manager for the 3C, and distributed articles that have been in the press recently regarding passenger and freight rail.

FINANCE REPORT

Megan McClory, ORDC's Secretary-Treasurer, presented the Finance Report to the Commissioners, which can be found on page 27 of the commission packet. Ms. McClory said that we concluded FY2010 on June 30th. We awarded 16 GRF grants totaling over \$1.4 million. This total includes \$50,000 in operating savings that were able to be transferred into the grant program. The total grant budget for FY2010 is \$1.39 million for GRF and the total loan budget was \$1.2 million. Ms. McClory said she will be attending a meeting this afternoon to begin working on the 2012-2013 budget.

Ms. McClory said the fiscal staff has been working a lot on ARRA projects. Susan Arduini is our Prevailing Wage Coordinator and she is doing a great job making sure everyone is paying the correct wages. The Toledo-Lucas County Port spur project is almost complete. Construction has started on the Panhandle Rail Line Rehabilitation project and material purchases have been authorized for the Toledo Airline Yard Terminal and the Heartland Corridor Columbus-to-Cincinnati Extension. The restoration on the Camp Chase Bridge over West Broad Street will begin on Monday.

Ms. McClory said that we will have 2 interns beginning on Monday.

RESOLUTION 10-07 – AMERICAN RAIL CENTER HARDIN RAIL LOGISTICS CENTER LEAD TRACK REHABILITATION PROJECT LOAN

Lou Jannazo presented the briefing found on page 33 of the commission packet. The American Rail Center, headquartered in Walbridge, Ohio, is requesting a loan from ORDC of up to \$500,000 for the repair of approximately 7,900 ft. of the CSX Alger Industrial lead track in Kenton needed to serve American Rail Center's new Hardin Rail Logistics Center where large components of wind turbines can be transported into Ohio via rail. Jim Jacobs and Matt Jacobs, with the American Rail Center, were available to answer questions.

Commissioner Sowers asked whether the language had been incorporated regarding the BWC and insurance responsibility. Mr. Jannazo said that the language has been incorporated into our standard grant agreement.

Commissioner Sowers asked who was handling the jobs report since Beverly Lee has retired. Director Dietrich said that Tom Burns has now assumed all of Beverly Lee's responsibilities. In the interim, Suzy Pettet has been handling the administrative work on the report. Director Dietrich said there has been no gap in anybody handling the report. Director Dietrich also said that an annual report is given to the Commissioners.

Commissioner Murdock stated that he is pleased with the Hardin Rail Logistics Center project from a development perspective. Wind is an emerging technology and part of the state's energy strategy. Commissioner Greenlese made a motion to approve resolution 10-07. Commissioner Bennett seconded the motion. Roll call was taken with nine votes in the affirmative.

RESOLUTION 10-08 – MAUMEE & WESTERN RAILROAD REHABILITATION PROJECT GRANT

Lou Jannazo presented the briefing found on page 39 of the commission packet. Mr. Jannazo said that the Maumee & Western Railroad is requesting up to \$227,500 in order to rebuild its railroad between MP 38 and MP 39. The project would replace worn rail with heavier relay rail. Mr. Pete Bell, General Manager, was available to answer any questions.

Commissioner Sowers made a motion to approve this resolution. Commissioner Murdock seconded the motion. Roll call was taken with nine votes in the affirmative.

REPORTS OF COMMITTEES

Human Resources – Chairman Jackson

Commissioner Jackson said that the committee discussed three issues. They want to recalibrate and bring back into focus the project manager position; they want to make sure all lines of communication are open and flowing freely; and they need to define what the focus is of the committee going forward. He also stated that the committee does not want to lose sight of diversity and that when employees leave, he wants to be sure they are recognized for their service.

Chairman Bradley asked what the status was of the project manager position. Director Dietrich said that we have been working with ODOT personnel and executive staff to find an open slot for the position. Commissioner Molitoris said that she will work with us to try to resolve this issue as successfully as possible. She stated that identifying an open position is not as easy as it sounds and that this issue was just raised with her yesterday. Commissioner Molitoris committed to pushing forward with discussions and pointed out that ODOT helped ORDC save money on rent with the relocation to ODOT's Central Office building.

Economic Development and Strategic Planning Committee – Commissioner Bennett

Commissioner Bennett said that the committee is moving forward on Phase 2 of the State Rail Plan. Phase 2 will focus on priorities, visioning, and cost benefits analysis for projects that might come before the commission for funding. The committee met on June 30 with Andrea Stevenson of ODOT giving an overview of the Futures Plan. The committee discussed the consultant's scope of service. The consultant's contract is through ODOT. Commissioner Bennett said that they are hoping to have a commission work session at the October Retreat. Commissioner Bennett said how much she appreciates Leonard Evans' assistance in working on the State Rail Plan.

Commissioner Molitoris said that we need to assure what the future looks like. She suggested having a Futures Plan Presentation to the commission to share a working session sometime in November or January.

OLD BUSINESS

There was no old business to come before the Commission.

NEW BUSINESS

The Panhandle Long-Term Lease Committee will meet at 2:00 today.

PUBLIC COMMENT

Mr. Jim Jacobs with American Rail Center thanked the commission for approving the resolution. He and his son, Matt, are available if anyone has any questions. He also said that as an Ohioan, he would like to thank ORDC for all the railroad crossing markings. He also said that David Dysard in District 2 and Leonard Brown in District 1 have been very helpful to him.

Ms. Sally Weithman, from Crestline, Ohio, said that she would officially like to request that Crestline be considered as a rail stop for the north central corridor from Columbus to Cleveland. She has information with her about who they are; what they are; and what they have to offer.

ADJOURNMENT

Chairman Bradley called the meeting of the Ohio Rail Development Commission adjourned at 12:20 p.m.