

**MINUTES FROM THE OHIO RAIL DEVELOPMENT COMMISSION
REGULAR BI-MONTHLY MEETING
May 23, 2018**

CALL TO ORDER

The meeting of the Ohio Rail Development Commission was called to order by Chairman Policinski at 11:08 a.m. on Wednesday, May 23, 2018. Chairman Policinski began by welcoming Anthony Reams to the Commission. Commissioner Reams is from the Toledo area and previously served as the President of the Toledo Metropolitan Area Council of Governments.

MEMBERS PRESENT

Chairman Mark Policinski, Commissioners Solomon Jackson, Mark Johnson, Eric Richter, Tom Zitter, Meghan Wadsworth, Thomas Maphet, Dean Hempfling, and Anthony Reams were in attendance. Commissioner Lozier, Commissioner Klein, Representative Sheehy, Representative Dever, and Senator LaRose were unable to attend. There were 9 voting members present, therefore a quorum was obtained.

APPROVAL OF THE MINUTES OF THE MARCH MEETING

Chairman Policinski asked for a motion to approve the minutes of the March 6, 2018 meeting. Commissioner Maphet moved to approve the minutes and Commissioner Jackson 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 6 of the packet. He welcomed Meghan Wadsworth, Legislative Director at the Ohio Development Services Agency, who was recently named as a designee for ODSA Director David Goodman. Director Dietrich then described the recent project solicitation process. Staff sent a letter to all Ohio railroad owners and operators in March and received 13 project requests from 10 railroads. The total amount requested was \$3.1 million for projects totaling \$7.6 million. Staff have analyzed the requests and are in the process of sending letters to all applicants identifying whether a project is recommended for funding, needs further information, or is not recommended for ORDC participation.

Director Dietrich explained that staff has received a number of complaints recently about blocked crossings, specifically in Sharonville, Evendale, and Lockland in southwestern Ohio, and Lima, Mt. Victory, and Archbold. When such complaints are received, staff makes sure the railroad is aware of the situation and asks whether the blockages are expected to be temporary or are expected to continue over an extended period. We then ask about operational changes that could help alleviate the situation, and, finally, explore capital projects that could address the problem. Director Dietrich thanked Bryant Thomas of NS and Rusty Orben of CSX for assisting us when these issues arise.

The State Rail Plan update continues, with Tim Brown being recognized not only for representing ORDC at 14 stakeholder meetings, but also for managing the overall rail plan update process. The survey will be available on ORDC's website until May 31.

Lastly, Director Dietrich described the ORDC's comments to the Federal Railroad Administration in response to a request for information about automation in the rail industry.

There were no questions.

FINANCE REPORT

Megan McClory, Secretary-Treasurer, presented the Finance Report to the Commissioners, which can be found on page 15 of the packet. Ms. McClory explained that with the end of the fiscal year approaching, the projects on today's agenda will fully utilize the Commission's grant budget. The grade crossing safety budget is also being used, with about 65% of the funds encumbered by the end of April. Ms. McClory also highlighted two consultant contracts that the Ohio Department of Transportation has entered into on ORDC's behalf. The two contracts will provide preemption and general engineering services in support of ORDC's grade crossing safety programs.

There were no questions.

RESOLUTION 18-03 – Ashtabula, Carson & Jefferson Railroad 25-Year Lease

Commissioner Jackson recused himself at 11:20 a.m.

ORDC staff member Tom Burns presented to the Commissioners the briefing on page 26 of the commission packet. Mr. Burns provided the background information found in the packet and explained that Bob Callahan, who runs the railroad, was out of town at the NS Short Line meetings and unable to attend today. Mr. Burns stressed that this lease is the last piece in standardizing ORDC's freight rail operating leases. This effort began in 2012 with the Panhandle Rail Line lease and operating agreement.

There were no questions.

Commissioner Zitter made a motion to approve Resolution 18-03 and Commissioner Maphet seconded it. Roll Call was taken and the resolution was approved as presented with 8 votes in the affirmative.

Commissioner Jackson returned at 11:23 a.m.

RESOLUTION 18-04 – IORY Springfield Bridge Undercutting

ORDC staff member Tim Brown presented to the Commissioners the briefing on page 51 of the commission packet. Mr. Brown provided the background information found in the packet and introduced Marty Pohlod, Senior Vice President of Genesee & Wyoming's Midwest Region, and Jared Hutcheson, Manager of Sales and Marketing, to elaborate on the project. Mr. Hutcheson described the Indiana & Ohio Railway's partnership with CP to bring intermodal containers through Vancouver to the Ohio Valley area. Vancouver is the largest Canadian port with 900,000 containers in the first quarter of 2018. Mr. Pohlod described the all-steel-wheel route from Vancouver, coming through Chicago via the Indiana Harbor Belt Railroad and on to the

G&W's Chicago, Fort Wayne & Eastern Railroad, then to the Indiana & Ohio Railway. The transit time from Vancouver to Jeffersonville, Ohio, is 8 days. The COLC is already loading containers now for export; this project will give new opportunities for both Ohio importers and exporters. Chris Frank, AVP of Engineering for the Midwest Region, outlined the three locations at which additional vertical clearance is needed. The railroad will undercut the subgrade, install new track and turnouts, and construct new retaining walls where needed. In addition to the vertical clearances, Mr. Pohlod pointed out that the railroad is upgrading its track between Lima, Springfield, and Cincinnati, and is making significant capital investments in this initiative.

In response to a question from Chairman Policinski, Mr. Frank explained that the work is expected to take 3-4 months, depending on the ease of the excavation work. Commissioner Zitter asked about traffic volumes, and Mr. Pohlod explained that the containers will run on existing service to and from Chicago. Depending on demand, containers could arrive more frequently or perhaps someday be carried on a dedicated train.

There were no further questions.

Commissioner Johnson made a motion to approve Resolution 18-04 and Commissioner Maphet seconded it. Roll Call was taken and the resolution was approved as presented with 9 votes in the affirmative.

RESOLUTION 18-05 – NS River Line BUILD Grant Submission

Commissioner Jackson recused himself at 11:36 a.m.

ORDC staff member Tom Burns presented to the Commissioners the briefing on page 56 of the commission packet. Mr. Burns provided the background information found in the packet and introduced Bryant Thomas from the railroad to elaborate on the application. Mr. Thomas explained that this project was previously submitted for the FASTLANE and INFRA programs, and now is being considered for the BUILD program. The rehabilitation of the rail line along the Ohio River will serve the proposed PTT Global facility in Belmont County, which has expanded to 500 acres with an estimated investment of \$7.5-10 billion. PTT would take a Marcellus Shale product and convert it to polyethylene, used in plastics production.

There were no questions.

Commissioner Zitter made a motion to approve Resolution 18-05 and Commissioner Johnson seconded it. Roll Call was taken and the resolution was approved as presented with 8 votes in the affirmative.

RESOLUTION 18-06 – KNWA CRISI Grant Submission

ORDC staff member Tim Brown presented to the Commissioners the briefing on page 60 of the commission packet. Mr. Brown provided the background information found in the packet and introduced Derrick Jackson from the railroad to elaborate on the application. Mr. Jackson explained that there are 290 bridges on the 306-mile railroad, with 110 of the bridges in Ohio.

The KNWA needs to rehabilitate the line, bridges, and yard in order to aggressively pursue new traffic for the line.

There were no questions.

Commissioner Reams made a motion to approve Resolution 18-06 and Commissioner Maphet seconded it. Roll Call was taken and the resolution was approved as presented with 8 votes in the affirmative.

Commissioner Jackson returned to the meeting at 11:43 a.m.

PROJECT BRIEFING – CUOH Raccoon Run Bridge Repair

ORDC staff member Tom Burns presented to the Commissioners the briefing on page 64 of the commission packet. Mr. Burns provided the background information found in the packet and introduced Charles Hunter and Jerry Klein from the railroad to elaborate on the project. Mr. Klein explained that they will rebuild and replace one track at a time, on weekends. The railroad expects the work to prolong the life of the bridge by 20-30 years. Director Dietrich added that this project had been submitted for the state capital bill but was not selected for funding. The railroad went back to the drawing board and came up with this proposal that was much less expensive but substantially prolongs the life of the bridge.

There were no questions.

PROJECT BRIEFING – Ellwood Engineered Castings Expansion

ORDC staff member Tom Burns presented to the Commissioners the briefing on page 67 of the commission packet. Mr. Burns provided the background information found in the packet and introduced Nathan Cesene, Project Manager, and Patrick Callihan, President of Ellwood's Casting Division, to elaborate on the project. Ellwood Group was started in Ellwood City, Pennsylvania, about 108 years ago. They manufacture ingot molds that supply other steel manufacturers and are starting a new project to produce domestic aluminum. Phase I will add 30 jobs and Phase II will add about 50 more jobs, so about 80 total new jobs. Mr. Callihan explained that half of the inbound material for Ellwood will come in via rail, and they will also use rail for a significant portion of their outbound product. Mr. Cesene described the current condition of the bridge, which was downgraded by Norfolk Southern after a recent inspection. The new bridge design would be higher than the water level and have a span of 70', longer than the current 50' structure.

There were no questions.

COMMITTEE REPORTS

Commissioner Jackson reported on the Administrative Committee by explaining that Tom Burns had given the Committee an overview of the use of commitment, or go-forward, letters. In addition, the Committee discussed and recommended increasing the Director's signature

authority from \$25,000 to \$50,000. The Committee asked that a resolution be prepared for the next Commission agenda to formalize this change.

Commissioner Zitter reported that the Policy Committee heard an update on the State Rail Plan. Tim Brown explained that he had updated the Committee on the overall status of the Plan, discussed some of the emerging stakeholder themes, and shared draft work products (including the economic impact of rail) from the consultant. Mr. Brown anticipates further drafts being available for full Commission review at the September meeting.

There were no questions.

OLD BUSINESS

There is no old business.

NEW BUSINESS

There is no new business.

PUBLIC COMMENT

There was no public comment.

Director Dietrich asked new ORDC staffers Joshua Skaggs and Sean Neef to introduce themselves.

ADJOURN

Chairman Policinski adjourned the meeting at 12:00 noon.

COMMISSIONER TRAINING

Jennifer Adair of the Ohio Department of Administrative Services (DAS) conducted required State of Ohio Sexual Harassment Awareness & Prevention Training for commissioners.