



OHIO LEGISLATIVE SERVICE COMMISSION

Bill Analysis

Margaret E. Marcy

H.B. 256

132nd General Assembly
(As Introduced)

Reps. Butler and Zeltwanger

BILL SUMMARY

Major Air Hub Council

- Creates the Major Air Hub Council to oversee the construction of two regional commercial service airports, transportation centers near major metropolitan areas of the state, and a high-speed rail system connecting the transportation centers to the regional airports.

Phase I

- Requires the Council to study all issues relating to the construction of airports, to prepare a detailed plan addressing all aspects related to the financing, construction, and marketing of airports, and to take all actions necessary to construct the two regional commercial service airports.
- Requires one airport to be located in Fayette County and one to be located in Portage County.
- Requires the Council to review proposals from airline companies regarding terminal privileges and leasing of gates.
- Specifies ways that the Council must obtain the funds necessary to pay for the construction of the airports, including through the issuance of revenue bonds.
- Requires the Council to construct transportation centers near new or existing interstate highways near specified municipal corporations.
- Requires the transportation centers to include parking and options for passengers to check into flights, check luggage, pass through security, and enter into the airport terminal.

- Requires the Council to construct a high-speed rail passenger transportation system to connect the transportation centers to the two new airports.

Phase II

- Requires, when economically feasible, the creation of a high-speed rail passenger transportation system to connect the transportation centers to prominent metropolitan areas.

Phase III

- Requires, when economically feasible, the creation of a high-speed rail passenger transportation system to connect the transportation centers to each other.

The Northern Ohio and Southern Ohio Airport Authorities

- Creates the Northern Ohio Airport Authority and the Southern Ohio Airport Authority.
- Specifies that, at the time of completion of the airport in Portage County, the Council must transfer the airport to the Northern Ohio Airport Authority to operate and maintain the airport.
- Specifies that, at the time of completion of the airport in Fayette County, the Council must transfer the airport to the Southern Ohio Airport Authority to operate and maintain the airport.
- Establishes a board of directors for each Airport Authority.
- Establishes the powers, duties, and authority of each Airport Authority, which are similar to the powers, duties, and authority of a port authority.

CONTENT AND OPERATION

Major Air Hub Council

The bill creates the Major Air Hub Council with a primary purpose of creating two new regional airports, multiple transportation centers, and various high-speed rail passenger transportation systems linking the airports, transportation centers, and major metropolitan areas. The Council consists of seven members: three appointed by the Speaker of the House, three appointed by the President of the Senate, and one appointed by the Governor. The members serve four-year staggered terms. Members of

the council are not compensated, but are reimbursed for their actual and necessary expenses.¹

The first duty of the Council is to hire an executive director, who must be experienced in the construction and operation of major airports. The Council must hold monthly meetings until the executive director is hired, and then must meet at least once every six months after that point. The Council must establish the duties of the executive director, including assisting the Council in its primary purpose.² If necessary, the Council must prepare a budget to cover the costs incurred by the Council in executing its duties to submit to the Office of Budget and Management every biennium.³ As part of fulfilling its duties, the Council is permitted to conduct public hearings, hire consultants and experts, and request assistance in any form from any other department, division, agency, or state office.⁴

The Council must dissolve after it finishes establishing the airports, transportation centers, and high-speed rail passenger transportation systems.⁵

Phase I

Under the bill, the construction of the regional airports, transportation centers, and high-speed rail passenger transportation systems occurs in three phases. The first phase focuses on the construction of two commercial service airports, transportation centers near new or existing interstate highways that are near specified municipal corporations, and high-speed rail passenger transportation systems connecting the transportation centers to the airports.⁶

Regional airports

The Council is required to take all actions necessary to construct two commercial service airports. Either or both may be international airports. One airport must be constructed in Fayette County, near the interchange of Interstate Route 71 and U.S. Route 35. The second airport must be constructed in Portage County, in the area immediately north of Interstate Route 80 near Ravenna. The Council must study all

¹ R.C. 4563.40(A) through (C).

² R.C. 4563.40(D) and (E).

³ R.C. 4563.40(F).

⁴ R.C. 4563.41(G) and (H).

⁵ R.C. 4563.40(G).

⁶ R.C. 4563.41.



issues related to the construction, financing, and marketing of the airports and prepare a detailed plan addressing those issues.⁷

Either during or after the preparation of the detailed plan, the Council must distribute a request for proposals to airline companies regarding terminal privileges and the leasing of gates at the airports, particularly aimed at airlines wishing to make one or both of the airports a major airline hub. After reviewing submissions, the Council must select one or more companies to contract for the terminal and leasing privileges. If there are sunk costs by an airline from a prior hub, the Council is permitted to contract to reimburse those costs.⁸

After executing contracts with the airline companies, the Council must obtain the funds necessary to pay for the construction of the airports. In order to obtain those funds, the Council must issue revenue bonds to be repaid from the revenues received from terminal privileges and leased gates, seek any available existing funds from the state and federal government, and pursue any other available financial method. In issuing the revenue bonds, the Council has all of the authority to issue the bonds, collect the proceeds from the sale of the bonds, collect the revenues pledged to pay the amounts owed under the bonds, apply the pledged and collected revenue to pay the amounts owed under the bonds, and take any other action or hire any person or entity to accomplish the tasks necessary related to the bonds. Construction on the airports will not begin until the Council has the appropriate contracts with the airline companies and has secured sufficient funding. The Council is permitted to enter into any agreement with any entity that is involved in the construction and operation of major airports in the U.S., including a private sector entity.⁹ The Council also may request assistance from agencies and departments of state government. Those agencies and departments must provide assistance when it is requested.¹⁰

Transportation centers

In addition to the airports, the Council must construct transportation centers near new or existing interstate highway exits in or near the municipal corporations of Akron, Canton, Cincinnati, Cleveland, Columbus, Dayton, and Youngstown. Whenever possible, the centers must be constructed near on interstate highways that are loop or spur highways. The centers must provide parking facilities for motor vehicles that are either free or that cost at most two dollars per day. The centers also must provide

⁷ R.C. 4563.41(A).

⁸ R.C. 4563.41(B) and (C).

⁹ R.C. 4563.41(D).

¹⁰ R.C. 4563.41(H).



options for passengers to check into flights, check luggage, pass through security, and enter into the airport terminals directly.¹¹

High-speed rail passenger transportation system

In order to facilitate airport terminal access from the transportation centers, the Council must construct a high-speed rail passenger transportation system to connect the centers to the airports. The system may be a light rail system. The transportation centers near Columbus, Dayton, and Cincinnati must connect to the airport in Fayette County. The transportation centers near Akron, Canton, Cleveland, and Youngstown must connect to the airport in Portage County.¹²

Phase II and III

In addition to the high-speed rail passenger transportation system connecting the transportation centers to the airports, the Council, as phase II, must construct, when economically feasible, a similar system connecting each transportation center to prominent metropolitan areas. The Council has the discretion to determine the specific metropolitan areas to be connected. The Council must also construct, when economically feasible, a high-speed rail system connecting the transportation centers to one another as phase III.

Transfer of authority

After the construction of the airport in Portage County is complete, the Council must transfer the airport to the Northern Ohio Airport Authority for that Airport Authority to operate and maintain the airport. After the construction of the airport in Fayette County is complete, the Council must transfer the airport to the Southern Ohio Airport Authority for that Airport Authority to operate and maintain the airport.¹³ Both airport authorities are created by the bill.

The airport authorities

The Northern Ohio Airport Authority, as created by the bill, consists of the municipal corporations of Akron, Canton, Cleveland, and Youngstown.¹⁴ The Southern Ohio Airport Authority, as created by the bill, consists of the municipal corporations of

¹¹ R.C. 4563.41(E)(1).

¹² R.C. 4563.41(E)(2).

¹³ R.C. 4563.41(I).

¹⁴ R.C. 4565.02(A).



Cincinnati, Columbus, and Dayton.¹⁵ Both Airport Authorities are considered bodies corporate and politic, and thus, may sue and be sued, may plead and be impleaded, and have the powers and jurisdiction specifically given by the General Assembly.¹⁶ The municipal corporations making up each Airport Authority are permitted to appropriate and spend public funds to finance or subsidize the operation and authorized purposes of the Airport Authorities.¹⁷

Board of directors

Each Airport Authority must have a board of directors to govern that Airport Authority. The Board of Directors for the Northern Ohio Airport Authority must consist of 15 people appointed by the member municipal corporations. The Board of Directors for the Southern Ohio Airport Authority must consist of 11 people appointed by the member municipal corporations. The number of representatives from each municipal corporation must be proportional to each's municipal corporation's population compared to the combined population of the municipal corporations making up each Airport Authority.¹⁸

The initial members on both boards serve staggered terms, as determined by the directors. Afterward, the members serve four-year terms. Directors are eligible for reappointment. A director may be removed by a municipal corporation for misfeasance, nonfeasance, or malfeasance. Additionally, a board may remove a director who fails to attend three consecutive regular meetings.¹⁹ Each director is entitled to compensation for his or her services as a director and for reimbursement of reasonable expenses incurred in the performance of official duties.²⁰ Additionally, a director is not personally liable for monetary damages that arise from actions taken in the performance of the director's official duties, except any acts or omissions that are not in good faith, that involve intentional misconduct or a knowing violation of law, or any transaction in which a director derives an improper personal benefit.²¹

¹⁵ R.C. 4565.02(B).

¹⁶ R.C. 4565.02(C).

¹⁷ R.C. 4565.03.

¹⁸ R.C. 4565.04(A). The population of a municipal corporation is the population as reported by the most recent federal decennial census.

¹⁹ R.C. 4565.04(A) through (C).

²⁰ R.C. 4565.04(E).

²¹ R.C. 4565.05.



The boards must each elect one of their members as chairperson and another as vice-chairperson and appoint a secretary. A majority of the members of the board constitute a quorum for purposes of holding a meeting. An affirmative vote by a majority of the quorum is necessary in order to approve any action taken by the Airport Authority, unless the boards determine by rule that a greater number of affirmative votes is necessary for a particular action.²² The boards are permitted to hold meetings through interactive video conference or by teleconference under certain conditions.²³ All final actions of the Airport Authorities must be journalized and the journals are considered public records, available for request and inspection. However, certain financial and proprietary information submitted to the Airport Authorities are specifically exempt from public records requests and may be presented in a closed session.²⁴

Responsibilities, powers, and provisions similar to current law

The bill models the responsibilities, powers, and provisions granted to the two Airport Authorities after the responsibilities, powers, and provisions governing the daily operation of a port authority under R.C. Chapter 4582. Therefore, each Airport Authority is authorized to do all of the following:

- (1) Adopt bylaws and an official seal;²⁵
- (2) Adopt rules, not in conflict with general law, that it finds necessary or incidental to the performance of its duties and the execution of its powers;²⁶
- (3) Generally promote, advertise, and publicize the Airport Authority and its interests;²⁷
- (4) Employ workers and contract with certain professionals to carry out its authorized purposes;²⁸

²² R.C. 4565.04(D).

²³ R.C. 4565.19.

²⁴ R.C. 4565.18.

²⁵ R.C. 4565.08(A)(1) and (2).

²⁶ R.C. 4565.08(A)(7).

²⁷ R.C. 4565.08(A)(6).

²⁸ R.C. 4565.06 and 4565.08(A)(12).



(5) Purchase and provide hospital, medical, sickness, accident, and life insurance coverage for employees and their families;²⁹

(6) Provide to Airport Authority employees public retirement, worker's compensation, and unemployment compensation;³⁰

(7) Purchase certain insurance coverage for Airport Authority facilities;³¹

(8) In furtherance of any authorized purpose, acquire, construct, furnish, equip, maintain, repair, sell, exchange, lease to or from, or convey other interests in real or personal property, including the granting of easements or rights-of-way;³²

(9) Exercise the right of eminent domain, subject to the laws related to appropriation of property and other specified restrictions;³³

(10) Make available the use or services of any airport facility to other persons or governmental agencies;³⁴

(11) Maintain such funds as it considers necessary and create an annual budget;³⁵

(12) Issue bonds to pay the costs of Airport Authority facilities, with certain restrictions;³⁶

(13) Take certain actions with regard to interests in property, including loaning money and guaranteeing obligations of any person or governmental entity, in furtherance of any authorized purpose;³⁷

²⁹ R.C. 4565.07.

³⁰ R.C. 4565.08(A)(16).

³¹ R.C. 4565.08(A)(14).

³² R.C. 4565.08(A)(3) and (9) and 4565.10.

³³ R.C. 4565.08(A)(10) and 4565.17.

³⁴ R.C. 4565.08(A)(4).

³⁵ R.C. 4565.08(A)(5) and 4565.11.

³⁶ R.C. 4565.111, 4565.15, and 4565.16.

³⁷ R.C. 4565.08(A)(8) and 4565.12.

(14) Receive and accept grants and loans from state or federal agencies for construction, research, and development;³⁸

(15) Charge, alter, and collect rentals or other charges for the use or services of any Airport Authority facility;³⁹

(16) Establish and administer payment card programs in order to pay business expenses;⁴⁰

(17) Make and enter into contracts, including contracts with public entities, and execute instruments necessary or incidental to the performance of its duties and the execution of its powers, subject to certain restrictions;⁴¹

(18) Generally do all acts necessary or appropriate to carry out its authorized purposes and powers.⁴²

Each Airport Authority is exempt from taxes on real and personal property belonging to the Airport Authority that is used exclusively for any authorized purpose and that is not currently occupied or used by a lessee.⁴³ The powers granted to the Airport Authorities are not meant to impair, interfere with, or contravene the powers of a county, municipal corporation, or political subdivision, or any state or federal laws or regulations.⁴⁴

HISTORY

ACTION	DATE
Introduced	06-06-17

H0256-I-132.docx/ts

³⁸ R.C. 4565.08(A)(13).

³⁹ R.C. 4565.08(A)(15) and 4565.12.

⁴⁰ R.C. 4565.08(A)(17).

⁴¹ R.C. 4565.08(A)(11) and 4565.13.

⁴² R.C. 4565(A)(18).

⁴³ R.C. 4565.14.

⁴⁴ R.C. 4565.09

