



# OHIO RAIL DEVELOPMENT COMMISSION

Mail Stop #3140, 1980 West Broad Street, Columbus OH 43223

John R. Kasich, Governor • Mark Policinski, ORDC Chairman

## Testimony to the Ohio House of Representatives Finance Subcommittee on Transportation

Chairman McColley, Ranking Member Reece, and members of the Finance Subcommittee on Transportation,

Thank you for the opportunity to present testimony on behalf of the Ohio Rail Development Commission (ORDC). My name is Mark Policinski and I am the Chief Executive Officer of the Ohio-Kentucky-Indiana Regional Council of Governments (OKI) and the Chairman of the ORDC. In addition to my testimony, I invite you to visit our website at [rail.ohio.gov](http://rail.ohio.gov) for our annual report and more information about the Commission. The total funding proposed for ORDC in the Transportation Budget (HB 26) and the Main Operating Budget is \$21.2 million per year.

### About Ohio's Rail Network

As you heard from Director Wray of the Ohio Department of Transportation (ODOT), "in a state that makes things and grows things, it is essential to have the ability to move things efficiently and safely." This applies to our highway system and also to the rail network. Rail transportation plays a key role for Ohio's industries and the ORDC's programs serve as a catalyst for economic growth.

Because of Ohio's crossroads location, our state has a logistical advantage that is good for job growth and economic activity. Rail is often a key transportation link for Ohio companies to their suppliers and customers worldwide. In 2014, Ohio companies shipped more than 134.8 million tons of freight (the equivalent of 7.5 million trucks) into and out of Ohio. Effective rail service, either directly or via intermodal service, is commonly a prerequisite for business attraction and retention in the state.

### About the ORDC

The interest in rail service brings both economic development opportunities and safety considerations. ORDC's purpose is to promote the opportunities and mitigate the concerns. It accomplishes these goals in three ways: working with state and local economic development officials to fund necessary rail infrastructure to promote investment and job creation and retention in the state; working with the Public Utilities Commission of Ohio and ODOT on railroad-highway grade crossing safety improvements; and working with ODOT and local highway authorities on road projects that require railroad coordination.

The Commission has 15 members, including four non-voting members from the House and Senate. The voting members are volunteers appointed by the Governor, the Speaker of the House, and the President of the Senate, and represent diverse interests and backgrounds in the public and private sectors. The Directors of the Development Services Agency and ODOT are also ex-officio members of the Commission, connecting us to cabinet-level economic development and transportation priorities.



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## About ORDC's Programs and Budget

ORDC's programs support two key areas: public safety and economic development. Appropriations supporting both of these programmatic areas are included in House Bill 26.

### *Grade Crossing Safety*

ORDC's safety programs use federal highway funds allocated through ODOT to improve railroad-highway grade crossings statewide. Ohio has extensive rail infrastructure that includes the densest rail network in the country. Ohio's freight railroads operate approximately 5,300 miles of active rail, and there are approximately 123,000 miles of roadway. Consequently, there are more than 5,700 public railroad-highway grade crossings statewide. In the last ten years, there have been 765 crashes at railroad crossings with 79 fatalities.

ORDC selects crossings for warning device upgrades in four ways:

- By a statewide hazard ranking **formula**;
- Along rail **corridors** to address communities' long-term railroad-related concerns, leverage railroad funds, and secure the closure of redundant crossings;
- As a result of **constituent** inquiries, including crossings identified by the public, local entities, railroads, and others. We also support projects partially-funded by the Public Utilities Commission and review locations where fatal vehicle-train crashes have occurred.
- At locations with nearby traffic signals, in order to reduce the potential for a vehicle to be trapped on the tracks by **queuing** traffic.

During FYs 2015-2016, ORDC funded 138 grade crossing safety projects. These projects included 115 installations of or updates to flashing lights and roadway gates, 16 crossing closures, six grade crossing surface reconstructions, and a queue cutter. A map of these project locations is available on page 5 of my testimony.

Grade crossing safety remains a high priority for the FY 2018-2019 biennium. Ohio consistently ranks among the Top 10 states for the number of grade crossing crashes. A federal mandate requires us to identify innovative approaches to reduce the number of incidents and Ohio's Strategic Highway Safety Plan identifies railroad-related vehicular crashes as an area of emphasis due to the severity of such crashes. House Bill 26 continues funding the Grade Crossing Safety programs at \$15 million per year during the next biennium.

## Economic Development

ORDC partners with JobsOhio, its regional affiliates, railroads, companies and communities to support job creation and retention. The Commission's contributions range from direct financial assistance in the form of grants and loans to technical assistance to communities and companies. Ohio companies across a broad array of industries including manufacturing, warehousing, agriculture, mining, energy and retail rely on rail transportation. Projects include the rehabilitation of existing infrastructure, construction of new rail connections, and expansion of existing rail capacity. ORDC selects projects based on their expected impacts on Ohio jobs, including the creation of new jobs and retention and support of existing jobs. In addition to the job impact, ORDC assesses potential projects for environmental benefits, safety enhancements, and efficiency improvements.

### **Expected Outcomes of ORDC Approved Projects** (Fiscal Years 2015-2016)

<i>Jobs Created</i>	1,000
<i>Jobs Retained</i>	700
<i>Jobs Supported</i>	25,900
<b>Total Jobs Affected</b>	<b>27,600</b>
<i>ORDC Funds Invested</i>	\$8,700,000
<i>Other Funds Invested</i>	\$322,300,000
<b>ORDC Leveraging Rate</b>	<b>\$37:\$1</b>

During fiscal years 2015 and 2016, ORDC provided grant and/or loan assistance for rail infrastructure to 39 economic development projects. As shown in the table, these projects are expected to affect 27,600 Ohio jobs and to leverage \$37 in other investment, almost all privately funded, for every \$1 of ORDC support. A map of project locations is available on page 6 of my testimony.

In addition to employment benefits and transportation cost savings for shippers, the rail infrastructure we assisted with over this period is expected to generate other public benefits including more than \$16 million in fuel savings (vs. highway transportation), more than \$2 million in highway maintenance cost savings, and the elimination of more than 177,000 truck trips.

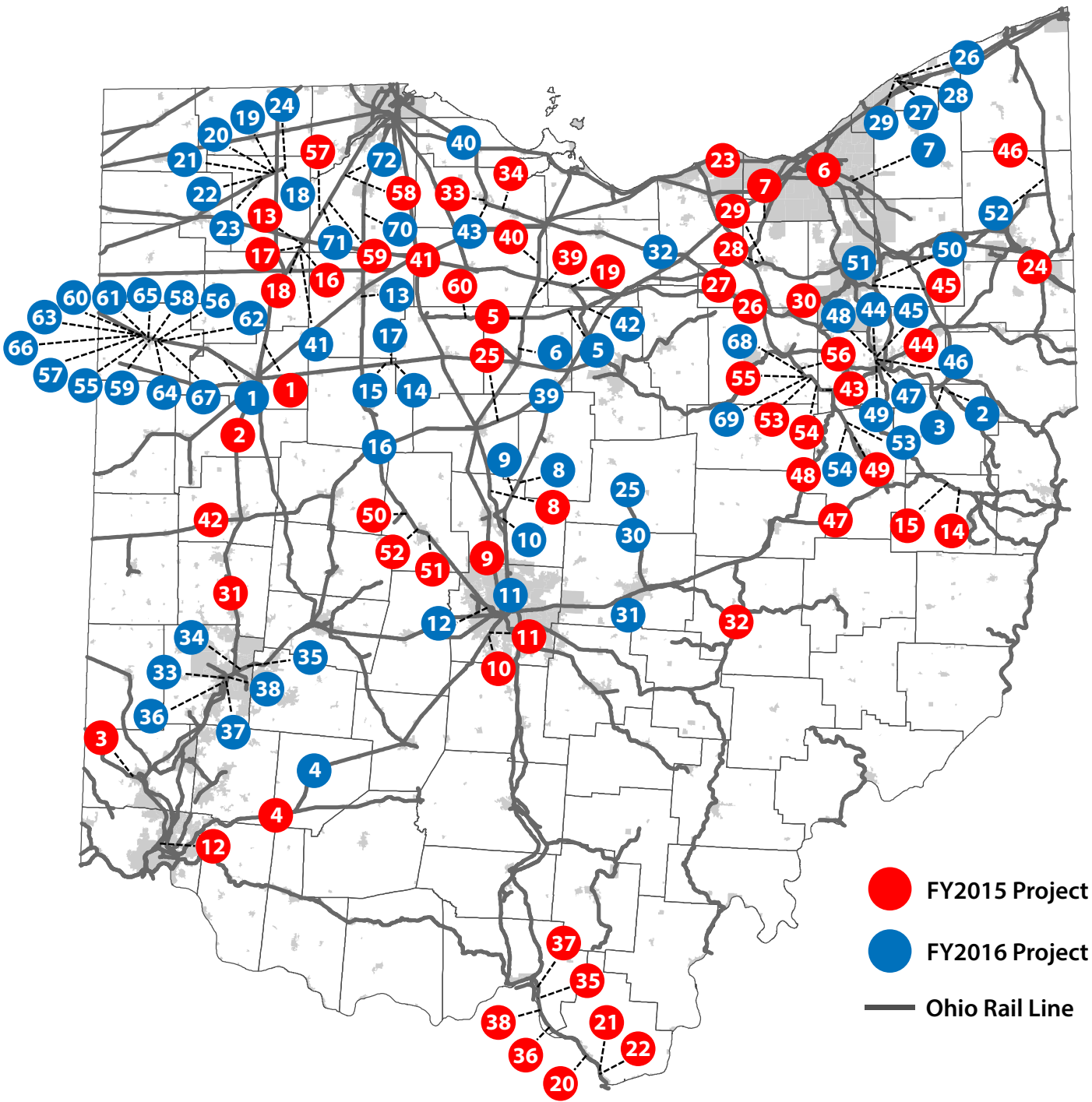
ORDC's combined grant and loan budget in the Executive Proposal is \$4.9 million per year in the FY 2018-2019 biennium and is split across the Transportation Budget Bill (HB 26) and the Main Operating Bill as shown below:

<b>Fund</b>	<b>ALI</b>	<b>ALI Name</b>	<b>ORDC Use of Funds</b>	<b>FY17 Appropriation</b>	<b>FY18 Executive Recommendation</b>	<b>FY19 Executive Recommendation</b>	<b>Budget Bill</b>
GRF	776465	Ohio Rail Development Commission	Grants	\$2,000,000	\$1,000,000	\$2,000,000	Main Operating
4N40	776664	Rail Transportation – Other	Revolving loan fund, grants (FY18 only), operations	\$2,875,800	\$3,875,800	\$2,875,800	Transportation (HB 26)
				\$4,875,800	\$4,875,800	\$4,875,800	

In addition to these line items, ODOT has provided an additional \$1 million in project funds in FYs 2015-2017. This commitment will continue in the FY 2018-2019 biennium, resulting in a total of \$5.9 million per year available for grants and loans.

## Conclusion

Mr. Chairman, thank you again for the opportunity to testify today on behalf of the Ohio Rail Development Commission. The ORDC has a strong history of partnerships with communities, companies, and railroads and we look forward to continuing this work in the coming biennium. Funding at the Executive levels allows us to continue to enhance safety and economic development. The ORDC's Executive Director, Matt Dietrich, and I are happy to answer any questions from you and your fellow committee members.



County	Route	Improvement
1 ALL	TR 180 / Miller Rd	lights & gates
2 AUG	US 33-16.58	closure
3 BUT	Rockford Dr	lights & gates
4 CLI	Church St	lights & gates
5 CRA	Washington St	lights & gates
6 CUY	SR 43-13.74 / Miles Ave	lights & gates, surface
7 CUY	CR 180 / Marks Rd	lights & gates
8 DEL	TR 209 / Troutman Rd	lights & gates
9 DEL	SR 750-2.27 / Olentangy Street	other
10 FRA	Central Ave	lights & gates
11 FRA	First St	lights & gates
12 HAM	66th St	lights & gates
13 HAN	CR C / Hartwell Ave	lights & gates
14 HAS	CR 50 / New Rumley Rd	lights & gates
15 HAS	Eastport St	lights & gates
16 HEN	CR B	lights & gates
17 HEN	TR 3	lights & gates
18 HEN	TR A	lights & gates
19 HUR	3rd St	closure
20 LAW	Riverside St	lights & gates

County	Route	Improvement
1 ALL	CR 77 / Grubb Road	lights & gates
2 CAR	CR 14 / Arbor Road	lights & gates
3 CAR	CR 15 / Arrow Rd	lights & gates
4 CLI	Doan Street	lights & gates, surface
5 CRA	CR 50 / Scott Rd	lights & gates
6 CRA	TR 81 / Quaintance Road	lights & gates
7 CUY	SR 175 / Richmond Rd	lights & gates
8 DEL	SR 229 / High Street	lights & gates
9 DEL	TR 251 / Shoemaker Rd	lights & gates
10 DEL	TR 93 / Glenn Rd	lights & gates
11 FRA	CR 176 / Kinnear Rd	lights & gates, surface
12 FRA	Fisher Road	lights & gates
13 HAN	Lima Avenue	lights & gates
14 HAR	CR 215	lights & gates
15 HAR	Campbell Street	lights & gates
16 HAR	SR 273-4.02	lights & gates
17 HAR	SR 37 / S. Martin Street	lights & gates
18 HEN	CR 8 / Kline Ave	closure
19 HEN	CR 9	closure
20 HEN	CR S	closure
21 HEN	TR 10	closure
22 HEN	TR 11	closure
23 HEN	US 24 / US 6	closure

County	Route	Improvement
21 LAW	Road A / River Rd	lights & gates
22 LAW	Road C / River Rd	lights & gates
23 LOR	Miller Rd	lights & gates
24 MAH	Belle Vista Ave	lights & gates
25 MAR	TR 162 / Marion-Williamsport Rd	lights & gates
26 MED	CR 15 / Westfield Rd	lights & gates
27 MED	CR 28 / Pawnee Rd	lights & gates
28 MED	CR 4 / Smith Rd	lights & gates
29 MED	State Rd	lights & gates
30 MED	TR 59 / Silver Creek Rd	lights & gates
31 MIA	Dakota St	lights & gates
32 MUS	Lee St	lights & gates
33 SAN	State St	lights & gates
34 SAN	TR 220 / Flora Rd	lights & gates
35 SCI	CR 257 / Hayport Rd	lights & gates
36 SCI	CR 8 / Haverhill-Ohio Furnace Rd	lights & gates
37 SCI	TR 256 / Center St	lights & gates
38 SCI	TR 515 / Kenyon Rd	lights & gates
39 SEN	CR 8	lights & gates
40 SEN	TR 122	lights & gates
41 SEN	TR 43 / Ward Rd	lights & gates

County	Route	Improvement
24 HEN	W. Maple Street	closure
25 KNO	Columbus Rd	lights & gates
26 LAK	CR 518 / Headlands Rd	lights & gates
27 LAK	SR 283 / Richmond Rd	lights & gates
28 LAK	Stage Avenue	lights & gates
29 LAK	Williams Street	lights & gates
30 LIC	Church Street	lights & gates
31 LIC	SR 79-07.07	surface
32 LOR	CR 34 / Gore Orphanage Rd	lights & gates
33 MOT	Albany St.	lights & gates
34 MOT	Findlay St.	lights & gates
35 MOT	Irwin St.	lights & gates
36 MOT	Miami Chapel Rd	lights & gates
37 MOT	Stewart St	lights & gates
38 MOT	Washington St	lights & gates
39 MRW	TR 32 / Keiffer Rd	lights & gates
40 OTT	TR 22 / N. Lickert Harder Rd	lights & gates
41 PUT	SR 65-22.84 / Ridge Street	lights & gates
42 RIC	SR 603-21.46 / Trux Street	lights & gates
43 SAN	State Street	lights & gates
44 STA	3rd Street SW	lights & gates
45 STA	5th Street SW	lights & gates
46 STA	6th Street SW	lights & gates
47 STA	9th Street SW	lights & gates
48 STA	2nd Street SW	closure

County	Route	Improvement
42 SHE	TR 120 / Stoker Rd	lights & gates
43 STA	TR 314 / Alabama Ave	lights & gates
44 STA	TR 96 / Parks Ave	lights & gates
45 SUM	Munroe Falls Rd	lights & gates
46 TRU	TR 284 / Gardner Barclay Rd	lights & gates
47 TUS	Nugent St	lights & gates
48 TUS	TR 656 / Schrock Rd	lights & gates
49 TUS	Oxford St	surface
50 UNI	CR 224 / Shirk Rd	lights & gates
51 UNI	Industrial Pkwy	lights & gates
52 UNI	Raymond Rd	lights & gates
53 WAY	CR 105 / West Lebanon Rd	lights & gates
54 WAY	CR 424 / Elton Rd	lights & gates
55 WAY	CR 97 / Wenger Rd	lights & gates
56 WAY	TR 131 / Arnold Rd	lights & gates
57 WOO	SR 281-2.10 / Main St	lights & gates
58 WOO	TR 212 / Hannah Rd	lights & gates
59 WOO	TR 42 / Weston Rd	lights & gates
60 WYA	TR 31 / Davis Rd	lights & gates

County	Route	Improvement
49 STA	Seccombe Place SW	closure
50 SUM	SR 532-3.13 / Southeast Ave	lights & gates
51 SUM	Broad Blvd	other
52 TRU	CR 284C / Fisher Corinth Rd	lights & gates
53 TUS	12st St NE	lights & gates
54 TUS	Zeltman Ave NE	lights & gates
55 VAN	Cherry Street	lights & gates
56 VAN	CR 13 / Franklin Street	lights & gates
57 VAN	Market Street	lights & gates
58 VAN	Race Street	lights & gates
59 VAN	Tyler Street	lights & gates
60 VAN	US 127-9.97 / Washington St	lights & gates
61 VAN	Walnut Street	lights & gates
62 VAN	Wayne Street	lights & gates
63 VAN	Anderson Avenue	closure
64 VAN	Chestnut Street	closure
65 VAN	Harrison Street	closure
66 VAN	Pleasant Street	closure
67 VAN	Vine Street	closure
68 WAY	TR 334 / Goudy Road	lights & gates, surface
69 WAY	TR 433 / Moser Road	lights & gates
70 WOO	CR 28 / Merrill Rd	lights & gates
71 WOO	Milton Road	lights & gates
72 WOO	TR 96 / Green Rd	lights & gates

FY2015 Projects: 60

FY2016 Projects: 73

Total: 133

FY2015 Spending: \$14,406,113

FY2016 Spending: \$15,051,372

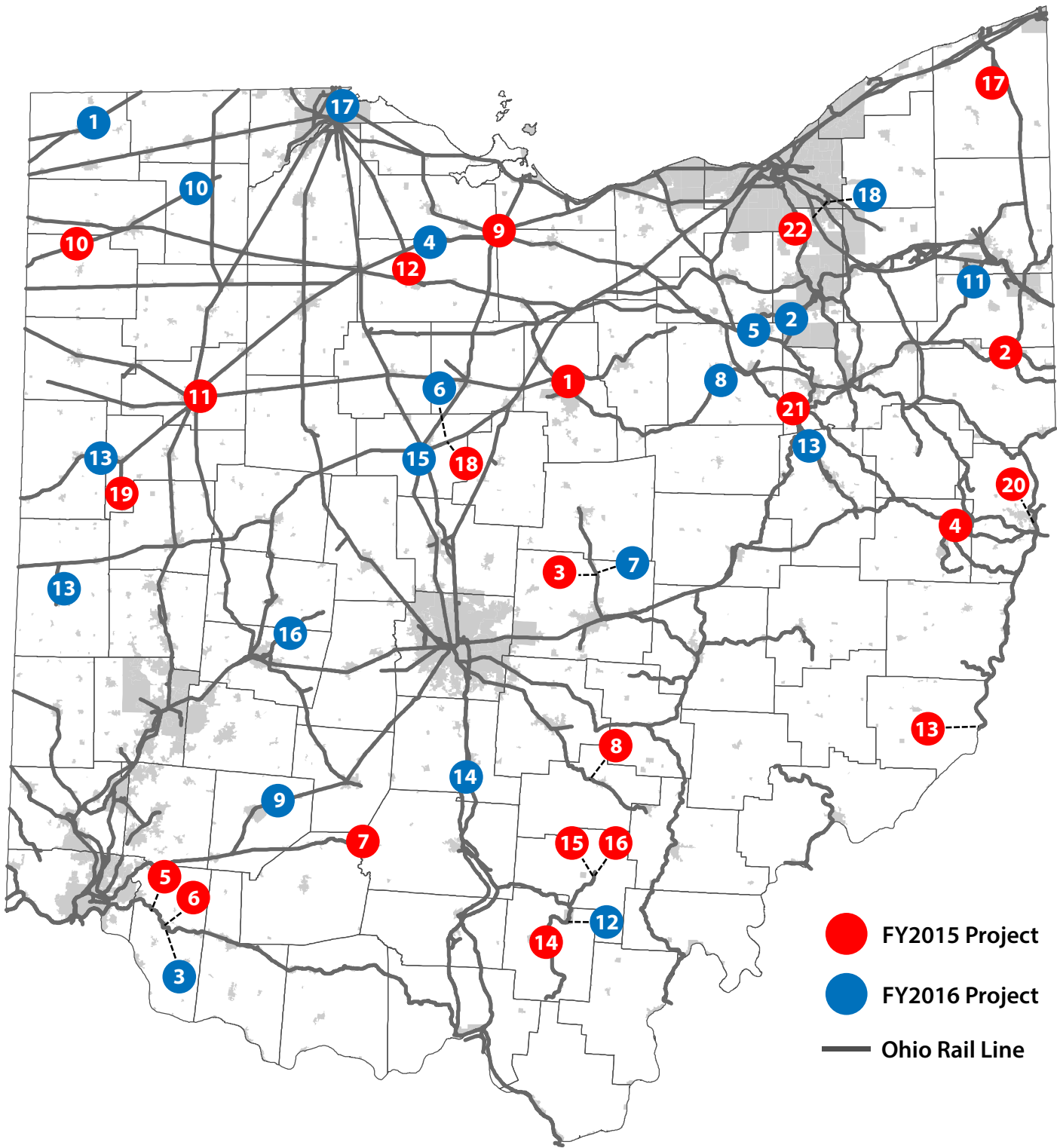
Total: \$29,457,485





# 2015-2016 ORDC Freight Projects

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FY15 Project	ORDC Funding		Other Funding		Total Funding	Job Impact			Total Jobs
	Grant	Loan	Private	Public		Created	Retained	Supported	
1 ASRY Bowman Yard	\$ 268,000	\$ -	\$ 268,000	\$ -	\$ 536,000	-	-	400	400
2 Buckeye Transfer Realty	\$ -	\$ 350,000	\$ -	\$ -	\$ 350,000	-	-	25	25
3 C&OR Mt. Vernon Emergency Bridge Repairs	\$ 150,000	\$ -	\$ 150,000	\$ -	\$ 300,000	-	-	1,100	1,100
4 Cadiz Branch Property Swap	\$ -	\$ -	\$ -	\$ -	\$ -	-	-	40	40
5 CCET Emergency Repairs	\$ 34,895	\$ -	\$ -	\$ -	\$ 34,895	See next CCET project			-
6 CCET Peavine Improvements	\$ 123,714	\$ -	\$ 442,215	\$ 250,000	\$ 815,929	-	-	237	237
7 Greenfield Emergency Bridge Repairs	\$ 200,000	\$ -	\$ -	\$ -	\$ 200,000	-	-	250	250
8 Indiana & Ohio Logan Line	\$ 422,356	\$ -	\$ 422,356	\$ -	\$ 844,712	-	-	2,617	2,617
9 Mitsubishi Chemical Polymers	\$ 155,500	\$ -	\$ 2,765,000	\$ 325,500	\$ 3,246,000	25	88	-	113
10 ND&W Phase III	\$ 200,000	\$ -	\$ 208,125	\$ -	\$ 408,125	-	-	2,200	2,200
11 Nelson Packaging	\$ 75,000	\$ 500,000	\$ 857,216	\$ -	\$ 1,432,216	140	211	-	351
12 NOW Crossing Surface Reconstruction	\$ 100,000	\$ -	\$ 100,000	\$ -	\$ 200,000	-	-	530	530
13 Ohio Terminal Railway	\$ 500,000	\$ -	\$ 1,280,500	\$ -	\$ 1,780,500	-	-	220	220
14 OSCR Meridian Transload	\$ -	\$ 208,000	\$ -	\$ -	\$ 208,000	-	-	-	-
15 OSCR Phase II*	\$ 213,235	\$ -	\$ 105,027	\$ -	\$ 318,262	-	-	250	250
16 OSCR Relay Tie Purchase	\$ 126,000	\$ -	\$ 126,000	\$ -	\$ 252,000	-	-	2,700	2,700
17 PresRite Property Swap	\$ -	\$ -	\$ 250,000	\$ 6,294	\$ 256,294	-	-	66	66
18 ReConserve of Ohio Spur	\$ 50,000	\$ -	\$ 4,000,000	\$ -	\$ 4,050,000	16	21	-	37
19 RJC Minster Line Bridges	\$ 75,000	\$ -	\$ 77,750	\$ -	\$ 152,750	-	-	250	250
20 Strauss Industries/River Rail	\$ 75,000	\$ 325,000	\$ 178,000	\$ -	\$ 578,000	24	12	-	36
21 W&LE Brewster Yard Expansion	\$ 400,000	\$ -	\$ 433,621	\$ -	\$ 833,621	-	-	10,150	10,150
22 W&LE Solon Branch Rehab	\$ 330,000	\$ -	\$ 495,000	\$ -	\$ 825,000	-	-	470	470

FY16 Project	ORDC Funding		Other Funding		Total Funding	Job Impact			Total Jobs
	Grant	Loan	Private	Public		Created	Retained	Supported	
1 20/20 Custom Molded Plastics	\$ 50,000	\$ -	\$ 200,000	\$ -	\$ 250,000	53	143	-	196
2 ABC Railway Bridge #5	\$ 350,000	\$ -	\$ 960,055	\$ -	\$ 1,310,055	-	-	87	87
3 CCET Peavine Improvements	\$ 126,286	\$ -	See FY15		\$ 126,286	See FY15			-
4 Church & Dwight Corporation Inc	\$ 100,000	\$ -	\$ 2,400,000	\$ -	\$ 2,500,000	20	216	-	236
5 City of Rittman Bridge Rehabilitation	\$ 25,000	\$ -	\$ 12,500	\$ 12,500	\$ 50,000	-	-	270	270
6 CSX Marion Power Switches	\$ 250,000	\$ -	\$ 356,848	\$ -	\$ 606,848	-	-	100	100
7 CUOH Mt Vernon Line Riverbank Stabilization	\$ 182,000	\$ -	\$ 318,000	\$ -	\$ 500,000	See FY15			-
8 GOJO Industries Inc.	\$ 250,000	\$ -	\$ 40,549,000	\$ 2,201,000	\$ 43,000,000	244	-	-	244
9 Melvin Stone Spur	\$ 50,000	\$ 500,000	\$ 650,000	\$ -	\$ 1,200,000	-	-	100	100
10 ND&W Napoleon Transload	\$ 285,048	\$ -	\$ 285,048	\$ -	\$ 570,096	-	-	20	20
11 NS Lordstown Branch Rehabilitation	\$ 285,500	\$ -	\$ 205,500	\$ -	\$ 491,000	-	-	80	80
12 OSCR Hamden to Jackson Rehabilitation	\$ 132,172	\$ -	\$ 140,066	\$ 24,125	\$ 296,363	See FY15			-
13 RJ Corman Cleveland & Western Lines Rehab	\$ 444,955	\$ -	\$ 529,385	\$ -	\$ 974,340	-	-	3,700	3,700
14 Sofidel America Corporation Inc	\$ 255,000	\$ -	\$ 246,619,000	\$ 12,126,000	\$ 259,000,000	310	-	-	310
15 Union Tank Car Company	\$ 75,000	\$ -	\$ 1,425,000	\$ -	\$ 1,500,000	200	-	-	200
16 WESTCO Mechanicsburg Line Bridges	\$ 150,000	\$ -	\$ -	\$ 150,000	\$ 300,000	-	-	12	12
17 WLE Maumee River Bridge	\$ 300,000	\$ -	\$ 300,000	\$ -	\$ 600,000	-	-	-	-
18 WLE Solon Branch - Additional Work	\$ 50,000	\$ -	\$ 50,000	\$ 10,000	\$ 110,000	See FY15			-

\*Funding redirected to FY16 OSCR project.

FY15 and FY16 Totals	ORDC Funding		Other Funding		Total Funding	Job Impact			Total Jobs
	Grant	Loan	Private	Public		Created	Retained	Supported	
FY15 and FY16 Totals	\$ 6,859,661	\$ 1,883,000	\$ 307,159,212	\$ 15,105,419	\$ 331,007,292	1,032	691	25,874	27,597