



OHIO RAIL DEVELOPMENT COMMISSION

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

Testimony to the Ohio Senate

Finance – General Government and Agency Review Subcommittee

Chairman Jordan, Vice Chairman O'Brien, and members of the General Government Subcommittee,

Thank you for the opportunity to present testimony on behalf of the Ohio Rail Development Commission (ORDC). My name is Matt Dietrich and I am the Executive Director of the ORDC. In addition to my testimony, I invite you to visit our website at rail.ohio.gov for our annual report and more information about the Commission.

ORDC's budget is split across the Transportation Budget (HB 26) and the Main Operating Bill (HB 49). Based on HB 26, as enacted, and the House-passed version of HB 49, ORDC's total budget will be \$21.2 million in Fiscal Year 2018 and \$20.2 million in Fiscal Year 2019.

About Ohio's Rail Network

To quote 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 by rail (the equivalent of 7.5 million trucks) into and out of Ohio. An additional 184.4 million tons of freight moved through Ohio by rail in 2014, the equivalent of approximately 10.2 million trucks. 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. We accomplish 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



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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.

About ORDC's Programs and Budget

ORDC's programs support two key areas: public safety and economic development. Appropriations supporting our grade crossing safety programs were included in HB 26 but are included here to give a full picture of our activities. Appropriations supporting our economic development efforts are split across the two budget bills.

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 4 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 continued funding the Grade Crossing Safety programs at \$15 million per year for 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)

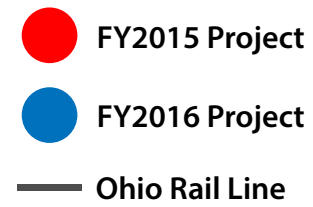
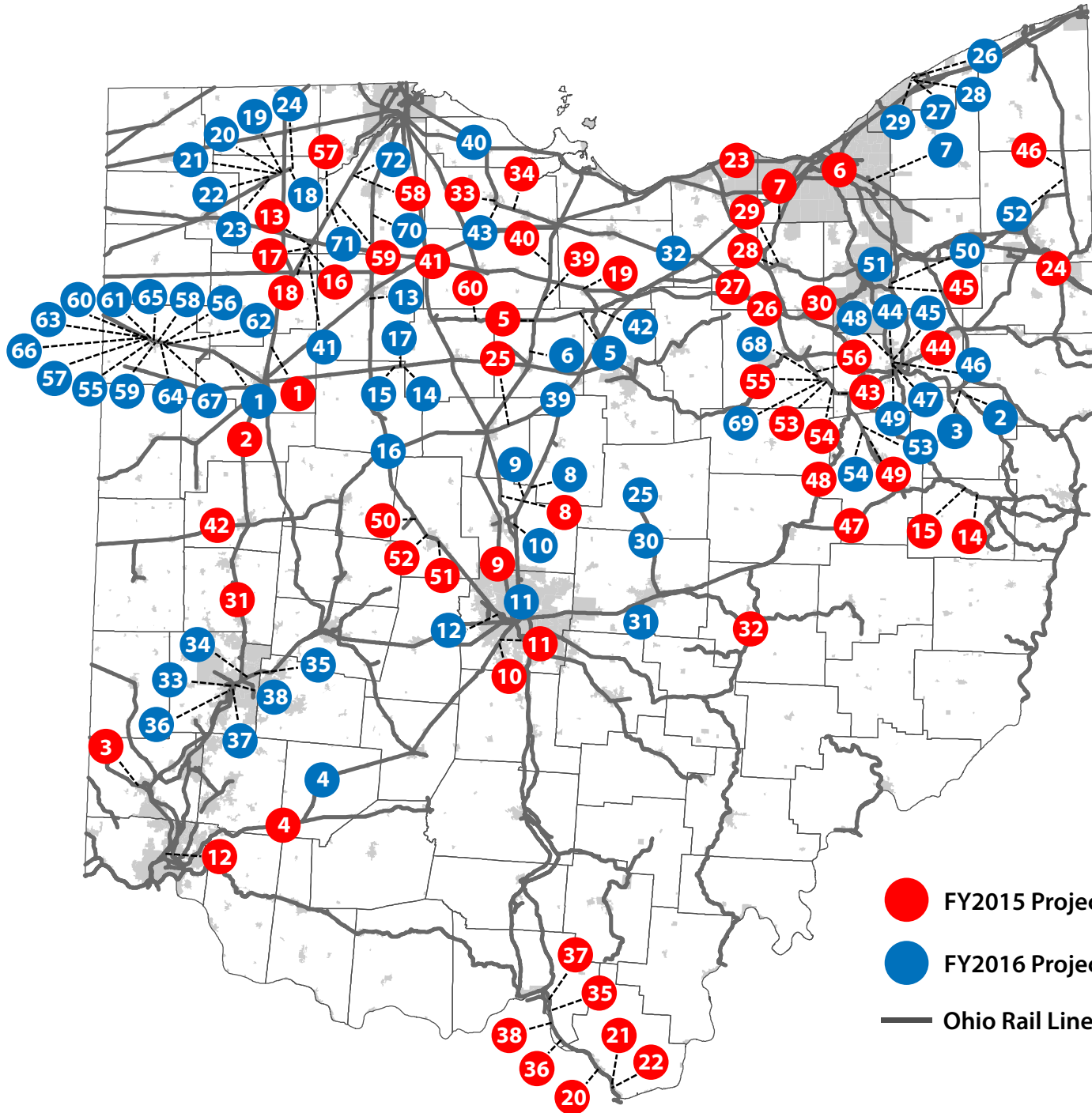
| | |
|-----------------------------|-----------------|
| <i>Jobs Created</i> | 1,000 |
| <i>Jobs Retained</i> | 700 |
| <i>Jobs Supported</i> | 25,900 |
| Total Jobs Affected | 27,600 |
| <i>ORDC Funds Invested</i> | \$8,700,000 |
| <i>Other Funds Invested</i> | \$322,300,000 |
| ORDC Leveraging Rate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

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. Additional public benefits of the projects we assisted over this period include 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. A map of project locations is available on page 5 of my testimony.

The appropriations in HB 26 and HB 49 will provide grant funds of \$3 million in FY 2018 and \$2 million in FY 2019, with \$1.3 million in loan funding available in each year of the biennium.

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. I am 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 |
|--------|--------------------------------------|----------------|
| 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 |
|--------|---------------------------------|----------------|
| 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 |
|--------|------------------------------|-------------------------|
| 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 |
|--------|----------------------------------|----------------|
| 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 |
|--------|---------------------------------|-------------------------|
| 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 / Mermill 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

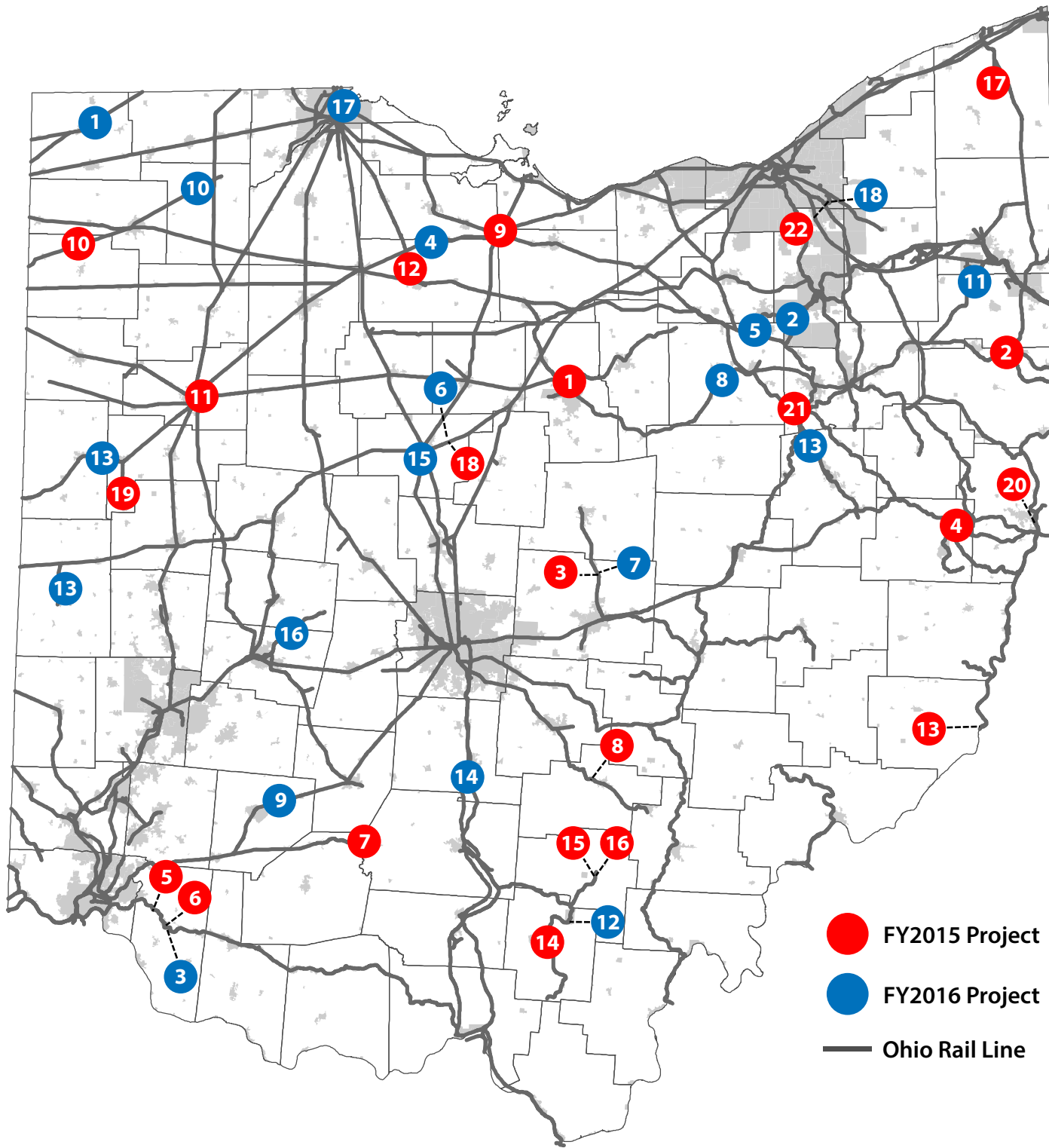
FY2015 Spending: \$14,406,113
FY2016 Spending: \$15,051,372
Total: \$29,457,485



2015-2016 ORDC Freight Projects

Ohio Rail Development Commission
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Improving rail today for tomorrow's economy



● FY2015 Project
● FY2016 Project
— Ohio Rail Line

| 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 | |
| | \$ 6,859,661 | \$ 1,883,000 | \$ 307,159,212 | \$ 15,105,419 | \$ 331,007,292 | 1,032 | 691 | 25,874 | 27,597 |