

TESTIMONY OF THE OHIO RAILROAD ASSOCIATION

May 19, 2021

OHIO SENATE FINANCE COMMITTEE CONSIDERATION OF HOUSE BILL 110

Chairman Dolan, Vice-Chairman Gavarone, Ranking Member Sykes, and members of the Senate Finance Committee, thank you for this opportunity to present the Ohio freight railroad industry's comments on and support for House Bill 110. The state's freight rail industry is presenting this testimony in support of a line item in Section 411.10 pertaining to the economic development programs managed by the Ohio Rail Development Commission (which are included in HB 110 under the section pertaining to the Ohio Department of Transportation).

My comments will specifically address the GRF funding provisions for the Ohio Rail Development Commission (ORDC) in HB 110, how those funds are used, and urge your support for an amendment to increase those funds.

There are substantial public benefits for the infrastructure project support provided by the ORDC, as you can see from both the total jobs and the private investment numbers available on the project maps I have included with my testimony. Though the ORDC is a small agency of the state, it is also an important economic development tool for Ohio. The ORDC is highly regarded by both economic development and rail professionals, but it is lacking in funding support. Ohio's support for improving freight rail access has been slowly sliding backwards for more than twenty years (please see the attached ORDC appropriation history). GRF support was approximately \$6.5 million in 1994 but has recently fallen as low as \$1 million. We applaud the DeWine Administration's decision to increase the funding to \$2 million per year, but we believe there is a good argument for increasing these funds, dollars that will be invested in infrastructure right here in Ohio. As the prices for the materials used in construction have risen dramatically, outlined by ODOT during their own budget discussions, the available ORDC funds have been reduced even further in real purchasing power.

Action by this committee could help to address the ORDC's backlog of rail-related projects by providing additional funding in HB 110. It is important to note that the GRF is the only way to provide state funds to transportation modes such as rail, water, and air, as the state's 'gas tax' revenues are constitutionally prohibited from being used for non-highway projects.

The attached project maps prepared by the ORDC staff detail the seventy-five economic development-related projects the ORDC has supported since CY 2017. Over that span, the ORDC committed \$12.8 million and, through that investment, leveraged \$2.64 billion in private investment. 19,431 jobs were created, retained or supported by these seventy-five projects. If you have any questions about the scope or details of these projects, I encourage you to reach out to the ORDC's Executive Director, Matt Dietrich at (614) 644-0295.

The ORDC supports more than railroad company projects. Many times, the biggest projects brought to the ORDC are from manufacturers or producers who are seeking to capitalize on Ohio's location and the incredible network of freight rail we enjoy in this state. Of the seventy-five projects since 2016, thirty-eight were projects that created, improved, or expanded a business' rail access and facilities. The

importance of the ORDC to Ohio's smaller short line railroads, and the communities they serve, cannot be overstated. Railroads that serve medium-sized and smaller communities are critical to adding and preserving good-paying jobs in these locations. Around the state, many businesses require rail service for their business's success, and many have built their own rail facilities on their property with the partial, but important involvement of the ORDC. Of the thirty-nine projects the ORDC supported in 2020, thirty-five involved non-railroad businesses or short line railroads. The ORDC rarely gets financially involved in projects directly involving infrastructure improvements to the largest railroads in Ohio, CSX and Norfolk Southern, but will do so when the need, and subsequent public benefits, arises. The ORDC funds are spent where they are needed most and where the public benefits are the greatest.

It is noteworthy that the two members of the Ohio Senate who have been appointed to serve on the Ohio Rail Development Commission during the 134th General Assembly, Senator Vernon Sykes and Senator Bill Reineke, have agreed to support an amendment that would increase the funding for the ORDC. Senator Manning was the previous Senate majority representative on the ORDC, and I believe several other members of this committee have had an opportunity to work with the ORDC on projects in their districts. As you can see from the project maps, the ORDC has a statewide impact, and their leveraging of public dollars throughout Ohio is significant. Based on FY 2019-2020 projects, the total GRF-only grants (\$3.8 million) leveraged \$1.37 billion (\$357 per \$1 of ORDC funds). If the largest project, NorthStar BlueScope at \$699 million is removed, the figure is still a remarkable \$174 per \$1 of ORDC funds.

To put the demand for infrastructure project assistance in context, even before the start of the current fiscal year, the ORDC had received seven (7) commitment letters for economic development projects totaling approximately \$2.1 in funding requests. That total exceeds the allocation contained in HB 110, and underscores the need for and the opportunity awaiting the provision of additional funds.

We ask for the committee's support for the bipartisan amendment, and we appreciate the opportunity to present this information today.

Thank you.

<https://rail.ohio.gov/wps/portal/gov/ordc/about-ordc/news-and-events/ordc-approves-grant-to-cleveland-and-cuyahoga-railway>

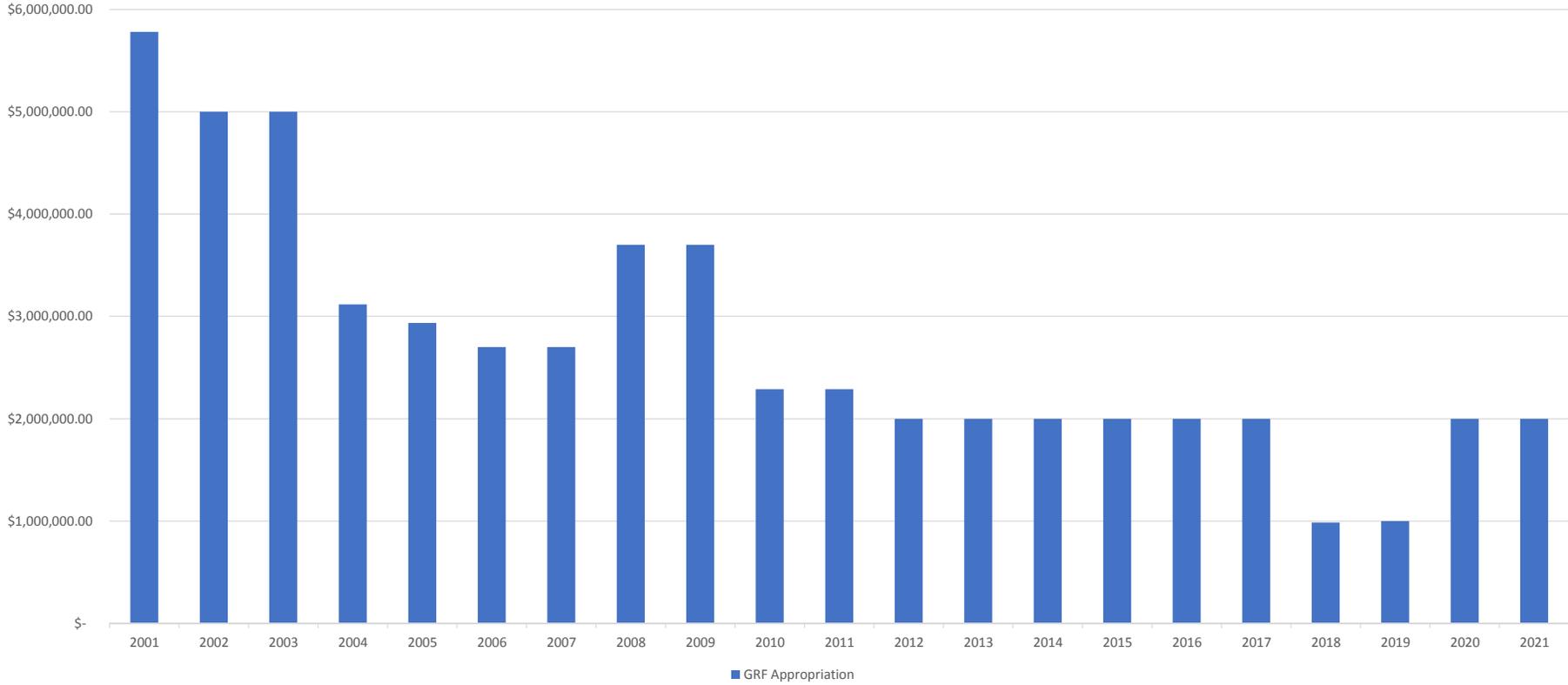
<https://rail.ohio.gov/wps/portal/gov/ordc/about-ordc/news-and-events/ordc-approves-grant-to-city-of-medina>

<https://rail.ohio.gov/wps/portal/gov/ordc/about-ordc/news-and-events/ordc-approves-loan-and-grant-to-zemba-brothers>

<https://rail.ohio.gov/wps/portal/gov/ordc/about-ordc/news-and-events/ordc-approves-grant-for-trucent-renewable-chemicals>

<https://rail.ohio.gov/wps/portal/gov/ordc/about-ordc/news-and-events/ordc-approves-loan-and-grant-to-ngl-supply-co-ltd>

Rail Development Commission - GRF Appropriations

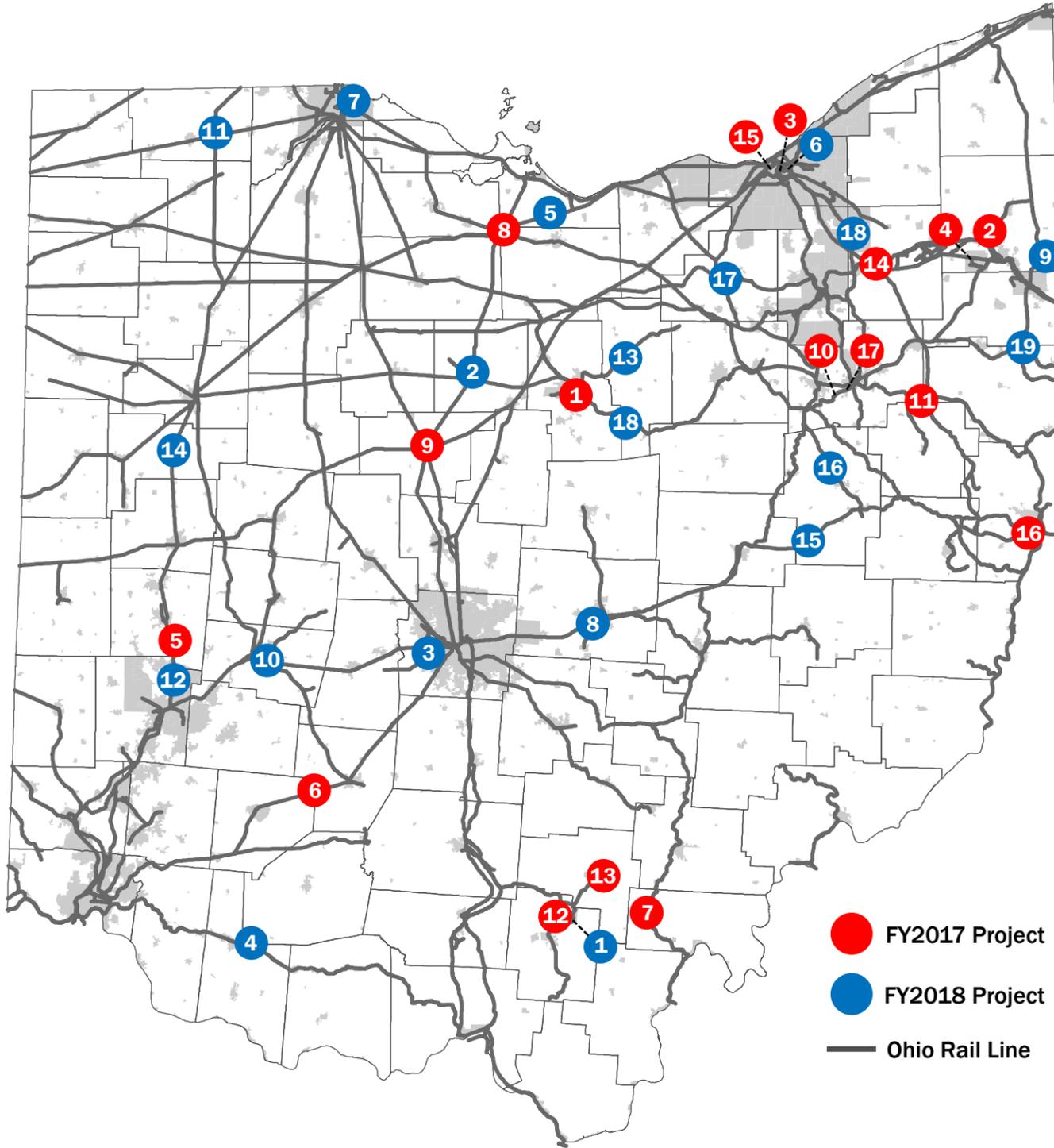




2017-2018 ORDC Freight Projects

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



● FY2017 Project
● FY2018 Project
— Ohio Rail Line

FY17 Project	ORDC Funding		Other Funding		Total Funding	Job Impact			Total Jobs
	Grant	Loan	Private	Public		Created	Retained	Supported	
1 ASRY Trail Bridge	\$ 575,000	\$ 700,000	\$ 75,000	\$ -	\$ 1,350,000	-	-	1,060	1,060
2 AUTOParkit / MVEDC Engineering	\$ -	\$ 30,000	\$ -	\$ -	\$ 30,000	-	-	-	-
3 CROW Bridge #1 Repairs	\$ 100,000	\$ -	\$ 100,000	\$ -	\$ 200,000	-	-	1,920	1,920
4 CSX Lordstown Yard Expansion	\$ 75,000	\$ -	\$ 4,900,000	\$ -	\$ 4,975,000	9	57	-	66
5 Gateway Plastics Spur	\$ 150,000	\$ -	\$ 34,700,000	\$ 150,000	\$ 35,000,000	200	-	-	200
6 IORY Midland Sub Rehab	\$ 300,000	\$ -	\$ 300,000	\$ -	\$ 600,000	-	-	30	30
7 Kanawha River Railroad Bridge Repairs	\$ 300,000	\$ -	\$ 300,000	\$ -	\$ 600,000	-	-	190	190
8 Mitsubishi Chemical Performance Polymers Phase II	\$ 87,000	\$ -	\$ 6,100,000	\$ 474,518	\$ 6,661,518	12	113	-	125
9 Nucor Revitalization	\$ 250,000	\$ -	\$ 83,895,000	\$ 855,000	\$ 85,000,000	15	259	-	274
10 Ohio Gratings Spur	\$ 75,000	\$ -	\$ 6,750,000	\$ -	\$ 6,825,000	-	321	-	321
11 Ohi-Rail Bayard Line Rail Replacement	\$ 150,000	\$ -	\$ 431,454	\$ -	\$ 581,454	-	-	124	124
12 OSCR Hamden to Jackson Rehabilitation	\$ 28,000	\$ -	\$ 28,000	\$ -	\$ 56,000	-	-	2,700	2,700
13 OSCR Red Diamond/FRA Safety Grant	\$ 450,000	\$ -	\$ 150,000	\$ 600,000	\$ 1,200,000	-	-	250	250
14 Portage County Culvert Rehab	\$ 50,000	\$ -	\$ 24,494	\$ -	\$ 74,494	-	-	100	100
15 Werner G. Smith Co. Spur	\$ 30,000	\$ -	\$ 2,424,000	\$ -	\$ 2,454,000	5	13	-	18
16 WLE Mainline Twin Tunnel Portal Repair	\$ 300,000	\$ -	\$ 300,000	\$ -	\$ 600,000	-	-	-	-
17 WLE Sandyville Line Phase II Rehab	\$ 300,000	\$ -	\$ 357,000	\$ -	\$ 657,000	-	-	30	30

FY18 Project	ORDC Funding		Other Funding		Total Funding	Job Impact			Total Jobs
	Grant	Loan	Private	Public		Created	Retained	Supported	
1 Bellisio Foods Inc. Spur	\$ 53,000	\$ -	\$ 53,000	\$ 246,000	\$ 352,000	see note			-
2 Bucyrus Railcar Repair Expansion	\$ 100,000	\$ -	\$ 400,000	\$ -	\$ 500,000	45	55	-	100
3 Camp Chase Railway Rehabilitation	\$ 207,500	\$ -	\$ 207,500	\$ -	\$ 415,000	-	-	400	400
4 CCET Sardinia Rehabilitation	\$ 95,000	\$ -	\$ 95,000	\$ -	\$ 190,000	-	-	20	20
5 CertainTeed Corp. Expansion	\$ 100,000	\$ -	\$ 45,900,000	\$ 350,000	\$ 46,350,000	10	196	-	206
6 CCRL Von Willer Yard Rehab	\$ -	\$ 60,000	\$ -	\$ -	\$ 60,000	-	-	-	-
7 Cleveland-Cliffs Inc. Hot Briquetted Iron Plant	\$ 400,000	\$ -	\$ 670,000,000	\$ 29,600,000	\$ 700,000,000	130	-	-	130
8 CUOH Raccoon Run Bridge	\$ 146,500	\$ -	\$ 146,500	\$ -	\$ 293,000	-	-	-	-
9 Ellwood Engineered Castings Expansion & Spur Bridge	\$ 75,000	\$ -	\$ 50,475,000	\$ -	\$ 50,550,000	30	95	-	125
10 IORY Springfield Bridge Undercutting	\$ 550,000	\$ -	\$ 1,750,000	\$ -	\$ 2,300,000	-	-	-	-
11 MetalX Inc. Spur	\$ 125,000	\$ -	\$ 36,425,000	\$ -	\$ 36,550,000	75	-	-	75
12 MSW Plastics Spur	\$ 60,000	\$ -	\$ 11,940,000	\$ -	\$ 12,000,000	43	-	-	43
13 ORIGO Spur	\$ 45,000	\$ -	\$ 7,000,000	\$ -	\$ 7,045,000	12	-	-	12
14 Pratt Industries Spur	\$ 200,000	\$ -	\$ 229,800,000	\$ 40,000,000	\$ 270,000,000	300	-	-	300
15 Reagent Chemical Transload	\$ 75,000	\$ -	\$ 1,425,000	\$ 450,000	\$ 1,950,000	10	-	-	10
16 RJ Corman Cleveland Line Rehabilitation	\$ 248,850	\$ -	\$ 466,627	\$ -	\$ 715,477	-	-	700	700
17 Spray Products Spur	\$ 52,000	\$ -	\$ 6,898,000	\$ 750,000	\$ 7,700,000	37	-	-	37
18 Step2 Company On-Site Rail Expansion	\$ 150,000	\$ -	\$ 310,000	\$ -	\$ 460,000	15	746	-	761
19 SRRR Pump System and Grade Crossing Rehabilitation	\$ 39,000	\$ -	\$ 39,000	\$ -	\$ 78,000	-	-	-	-

Note: FY18 Bellisio Foods Inc. Spur jobs included in FY17 OSCR Hamden to Jackson Rehabilitation total

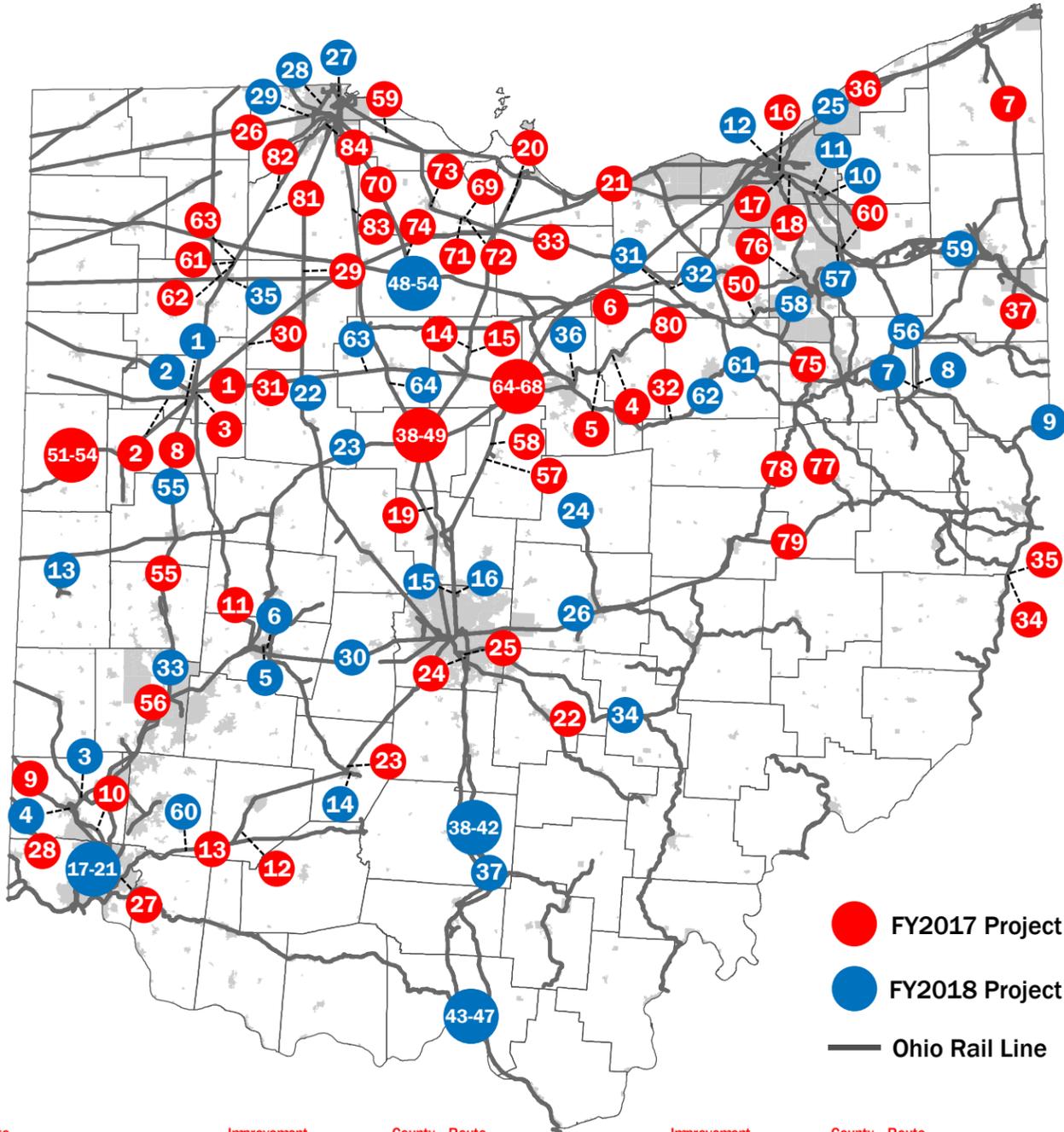
	Grant	Loan	Private	Public	Total Funding	Created	Retained	Supported	Total Jobs
FY17 and FY18 Totals	\$ 5,941,850	\$ 790,000	\$ 1,204,165,575	\$ 73,475,518	\$ 1,284,372,943	948	1,855	7,524	10,327



2017-2018 ORDC Safety Projects

Ohio Rail Development Commission
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● FY2017 Project
● FY2018 Project
— Ohio Rail Line

County	Route	Improvement	County	Route	Improvement	County	Route	Improvement
1 ALL	TR 232 / N. Rumbaugh Road	lights & gates	29 HAN	SR 613-13.56 / Main Street	lights & gates	57 MRW	TR 136 / Newcomer Road	lights & gates
2 ALL	TR 146 / S. Copus Road	lights & gates	30 HAN	TR 15 / County Line Road	lights & gates	58 MRW	TR 75 / Campbell Road	lights & gates
3 ALL	Sugar St. Interlocking	other	31 HAR	TR 55 / Van Atta Road	lights & gates	59 OTT	TR 68 / Walbridge East Road	lights & gates
4 ASD	SR 96-3.54	lights & gates	32 HOL	SR 226-0.87 / Market Street	lights & gates	60 POR	TR 157 / Seasons Road	lights & gates
5 ASD	TR 1455	lights & gates	33 HUR	Corwin Street	lights & gates	61 PUT	Main Street	lights & gates
6 ASD	TR 1101	lights & gates	34 JEF	CR 2 / Public Road	lights & gates	62 PUT	Oak Street	lights & gates
7 ATB	TR 183 / Marrian Road	lights & gates	35 JEF	CR 2 / Public Road	lights & gates	63 PUT	Elm Street	closure
8 AUG	SR 198 / Willipie Street	lights & gates	36 LAK	Newell Street	lights & gates	64 RIC	TR 176 / Finnegan Rd	other
9 BUT	E. Chestnut Street	lights & gates	37 MAH	TR 1698 / Maple Avenue	surface	65 RIC	Hook Rd / CR 52	other
10 BUT	SR 747-2.36 / Princeton-Glendale Rd.	lights & gates	38 MAR	N. State Street	lights & gates	66 RIC	Knorr Road	other
11 CHP	TR 22 / N. Hampton-Donnelsville Rd.	lights & gates	39 MAR	N. State Street	lights & gates	67 RIC	Nazor Rd / TR 48	other
12 CLI	CR 8 / Cuba Road	lights & gates	40 MAR	Oak Street	lights & gates	68 RIC	CR 170 / Settlement East Rd.	other
13 CLI	SR 123-3.55 / S. Broadway Street	lights & gates	41 MAR	Oak Street	lights & gates	69 SAN	Church Street	lights & gates
14 CRA	TR 28 / Brokensword Road	lights & gates	42 MAR	Prospect Street	lights & gates	70 SAN	CR 85 / Tille Road	lights & gates
15 CRA	TR 29 / Lemert Road	lights & gates	43 MAR	Prospect Street	lights & gates	71 SAN	Proselon Street	lights & gates
16 CUY	Bessemer Avenue	lights & gates	44 MAR	Silver Street	lights & gates	72 SAN	Amanda Street	closure
17 CUY	E. 116th Street	other	45 MAR	SR 309-15.71 / Kenton Avenue	lights & gates	73 SAN	State Street	other
18 CUY	CR 8 / Lee Road	surface	46 MAR	SR 4 -11.92 / Main Street	lights & gates	74 SEN	CR 11	lights & gates
19 DEL	CR 198 / Radnor Road	lights & gates	47 MAR	SR 4-11.86 / Main Street	lights & gates	75 STA	TR 352 / Forty Corners Road	lights & gates
20 ERI	TR 38 / Billings Road	lights & gates	48 MAR	SR 739-8.79 / Bellefontaine Ave.	lights & gates	76 SUM	Castle Boulevard	lights & gates
21 ERI	Vermilion Road	lights & gates	49 MAR	SR 95-13.73 / Center Street	lights & gates	77 TUS	SR 211 / S. Tuscarawas Ave.	lights & gates
22 FAI	Quarry Road	lights & gates	50 MED	Seville Road	lights & gates	78 TUS	SR 39-2.04 / Dover Road	lights & gates
23 FAY	Pearl Street	lights & gates	51 MER	CR 145 / Staeger Road	lights & gates	79 TUS	West Street	lights & gates
24 FRA	Fairwood Avenue	lights & gates	52 MER	CR 161 / Riley Road	lights & gates,	80 WAY	SR 301-6.19 / Main Street	lights & gates
25 FRA	Lockbourne Road	lights & gates	53 MER	S. Buckeye Street	surface	81 WOO	TR 21 / Portage Road	lights & gates
26 FUL	S. Munson Road	lights & gates	54 MER	Sugar Street	surface	82 WOO	TR 79 / Long Judson Road	lights & gates
27 HAM	Camargo Road	lights & gates	55 MIA	CR 25A / Piqua-Sidney Road	lights & gates	83 WOO	US 6-24.19	lights & gates
28 HAM	CR 36 / New Haven Road	lights & gates,	56 MOT	Washington Street	lights & gates	84 WOO	SR 65-23.90 / Superior St.	surface
		surface						
1 ALL	CR 270 / Dixie Highway	lights & gates	23 HAR	TR 247	lights & gates	43 SCI	Bertha Ave.	lights & gates
2 ALL	S. Greenlawn Road	lights & gates	24 KNO	Parrot Street	lights & gates,	44 SCI	Fourteenth Street	lights & gates
3 BUT	CR 152 / Trenton Road	lights & gates			surface	45 SCI	Lincoln Street	lights & gates
4 BUT	Front Street	lights & gates	25 LAK	Erie Street	lights & gates	46 SCI	Spring Lane / Noel Lane	lights & gates
5 CLA	N. Belmont Avenue / James Street	lights & gates	26 LIC	Thornwood Drive	lights & gates	47 SCI	Waller Street	lights & gates
6 CLA	N. Burnett Road	lights & gates	27 LUC	New York Avenue	lights & gates	48 SEN	Clinton Street	lights & gates
7 COL	TR 703 / Bayard Road	lights & gates	28 LUC	Norwood Avenue	lights & gates	49 SEN	SR 101 / Market Street	lights & gates
8 COL	TR 704 / Essick Road	lights & gates	29 LUC	Wenz Road	lights & gates	50 SEN	SR 18 / Perry Street	lights & gates
9 COL	Elizabeth Street	other	30 MAD	SR 38-13.28 / Main Street	lights & gates	51 SEN	TR 91 / Nelson Street	lights & gates
10 CUY	Camp Industrial Road	lights & gates	31 MED	CR 26 / Firestone Road	lights & gates	52 SEN	Wall Street	lights & gates
11 CUY	CR 108 / Richmond Road	lights & gates	32 MED	TR 68 / Old Mill Road	lights & gates,	53 SEN	Holmes Street	closure
12 CUY	E. 26th Street	lights & gates			surface	54 SEN	Monroe Street	closure
13 DAR	TR 9 / Horatio-Harris Creek Road	lights & gates	33 MOT	Old Webster Street	lights & gates	55 SHE	Walnut Street	lights & gates
14 FAY	S. Elm Street	lights & gates	34 PER	TR 185	lights & gates	56 STA	SR 225-0.19 / Union Avenue	lights & gates
15 FRA	Wilson Bridge Road	lights & gates	35 PUT	CR 5	lights & gates	57 SUM	Stow Road	lights & gates
16 FRA	Wilson Bridge Road	lights & gates	36 RIC	Piper Road	lights & gates	58 SUM	Waterloo Road	lights & gates
17 HAM	E. Sharon Road	lights & gates	37 ROS	CR 206 / Higby Road	lights & gates	59 TRU	Muth Road	lights & gates
18 HAM	E. Sharon Avenue	lights & gates	38 ROS	E. Second Street	lights & gates	60 WAR	CR 27 / Morrow-Rossburg Rd.	lights & gates
19 HAM	Oak Road	lights & gates	39 ROS	E. Water Street	lights & gates	61 WAY	TR 145 / Chippewa Road	lights & gates
20 HAM	Albion Avenue	closure	40 ROS	SR 50-24.99 / Eastern Avenue	lights & gates	62 WAY	TR 76 / Valley Road	lights & gates
21 HAM	Pedestrian Crossing	closure	41 ROS	TR 188 / Southern Avenue	lights & gates	63 WYA	CR 53C	lights & gates
22 HAR	CR 60 / Locker Road	lights & gates	42 ROS	TR 236N / Delano Road	lights & gates	64 WYA	CR 58C	lights & gates

FY2017 Projects: 84
FY2018 Projects: 64
Total: 148

FY2017 Spending: \$18,902,249
FY2018 Spending: \$16,419,228
Total: \$35,321,477