

## MINUTES OF TWENTY FIRST MEETING

JULY 24, 1951

Pursuant to call of the Chairman, the Ohio Turnpike Commission met in special open session in Hearing Room #3, State Office Building, Columbus, Ohio, at 1:30 o'clock p. m. on July 24, 1951 with representatives of the press, of the consulting engineers, of a national banking group, of Bond Counsel, of the Department of Highways and others also in attendance.

The meeting was called to order by the Chairman and the roll was called and the attendance was reported to be as follows:

Present: Shocknessy, Teagarden, McKay, Kauer, Seasongood  
Absent: None

Whereupon the Chairman announced that a quorum was present.

A motion was made by Mr. McKay, seconded by Mr. Teagarden, that the reading of the minutes for the meeting of July 3, 1951 be dispensed with and that the minutes be adopted as corrected and presented to the members of the Commission since the last meeting. A vote by ayes and nays was taken and all members present responded to roll call and voted aye. The vote was as follows:

Ayes, Shocknessy, Teagarden, McKay, Seasongood, Kauer  
Nays, None

The Chairman declared the motion adopted.

The Secretary-Treasurer had no report to make.

The Chairman reported that since the previous meeting he had attended a conference which the Director of Highways held in his office with the Maumee Valley Improvement Association on July 16, 1951; that the minutes of that meeting are being made available to the members of the Commission; that he had subsequently flown over the area of the turnpike line and the suggested alternate in the Toledo area in company with the Director of Highways; and that he had been in communication with some representatives of financial institutions.

Thereupon Mr. Henry Crawford of Bond Counsel reported as to correspondence which had been conducted by the Chairman with nine insurance companies. He stated that of the nine insurance companies, five report that they would not be interested in the proposed

financing at this time because of heavy commitments now or some time ahead; that two companies report they have limited funds available for new investments; and that two companies report that they would be definitely interested and would like to receive more information. Mr. Crawford observed that it clearly appears that the majority of the largest insurance companies have reported that they have no interest at this time in making substantial commitments for the purchase of new turnpike revenue bonds; that their decision has been made irrespective of the attractiveness of the bonds in question and is based upon their lack of available funds for commitment.

The Director of Highways then reported with respect to the engineering and traffic and revenue studies. In summary, the Director of Highways reported that he had accepted the engineering report of the J. E. Greiner Company and the traffic and revenue report of Parsons, Brinckerhoff, Hall and Macdonald subject to the following comments or reservations:

1. That the "transposed flow" proposal be adopted.
2. That the terminal interchange in Williams County be moved to State Route 15, eliminating the interchange at U. S. Route 127.
3. That specific recommendations with respect to pavement design and type will be made on August 7, 1951.
4. That estimated costs may be reduced substantially as the project develops.
5. That the progress schedule for the eastern section be accelerated to the utmost.
6. That the predicted use of the turnpike by heavy commercial vehicles be further studied.
7. That the location of the route in the vicinity of Toledo remain as recommended by the engineers.

Mr. Kauer explained that he was not offering the reports of the consulting engineers for approval by the Commission but was bringing the Commission up-to-date as to his progress in his final review of the work of the consulting engineers. He stated that with respect to those matters upon which he is now reporting to the Commission his final conclusion has been reached and that he would be in a position to present the full reports to the Commission on August 7, 1951.

Mr. McKay wished to be recorded as being concerned with respect to "transposed flow" since it is entirely new in design with no record of history behind it, but that the recommendations were based upon personal belief with no supporting facts.

The Chairman acknowledged receipt of the critique of the engi-

neering reports by the Director of Highways and thanked him for keeping the Commission informed as to his progress.

Thereupon Mr. D. E. Murphy of Columbus, Ohio, the Chairman of the Committee of the Ohio group formed to offer financing, presented on behalf of the group of investment bankers hereinafter named a proposal to act as Financial Advisor to the Commission in connection with the issuance of bonds to finance the construction of a turnpike known as Project No. 1 from the Western Extension of the Pennsylvania Turnpike to the Indiana line.

Present at the time and representing the group with Mr. Murphy were Mr. T. Henry Boyd, Vice President of Blyth & Co., Inc., New York City, Mr. J. G. Couffer, Vice President of B. J. Van Ingen and Co., Inc., New York City, and Mr. Stanley McKie of Weil, Roth & Irving Co., Cincinnati.

The proposal was thoroughly discussed. A motion was made by Mr. McKay, seconded by Mr. Teagarden and by Mr. Kauer, that the following resolution be adopted:

WHEREAS, the Ohio Turnpike Commission, pending receipt of final engineering reports, is desirous of making arrangements for the financing of revenue bonds to be issued to provide funds for constructing a turnpike across the State of Ohio from the western terminus of the Western Extension of the Pennsylvania Turnpike to the Indiana line, which project, when adopted by the Commission and approved by the Governor, is to be identified as Turnpike Project No. 1 on the records of the Commission; and,

WHEREAS, the Commission has received the proposal hereinafter set forth in full from a group of investment bankers whose names are therein set forth by which they offer to act as the Financial Advisor to the Commission in connection with the proposed financing and upon the terms therein stated to submit an offer or offers for the purchase of such revenue bonds; and,

WHEREAS, the Commission finds it to be necessary and advisable and in the best interests of the Commission to entertain and accept the said proposal

NOW, THEREFORE, BE IT RESOLVED by the Ohio Turnpike Commission that the following proposal be and the same hereby is accepted and the Chairman is authorized to execute and the Secretary-Treasurer to attest a copy of

the same and to make delivery thereof to Blyth & Co., Inc., et al, whose names are subscribed to said proposal:

July 24, 1951

Honorable James W. Shocknessy  
Chairman  
Ohio Turnpike Commission  
Columbus, Ohio

Honorable Sir:

From our conference with you and other members of the Ohio Turnpike Commission we understand that the Commission desires to take steps as rapidly as possible to consummate a financing program involving the issuance of the necessary amount of Turnpike Revenue Bonds to provide funds:

- a. for paying the estimated cost of acquiring right of way and constructing a Turnpike across the State of Ohio from the western terminus of the Western Extension of the Pennsylvania Turnpike to the Indiana line, known as project #1 hereinafter called the "Turnpike".
- b. for paying interest on such Turnpike Revenue Bonds during the estimated period of construction of such Turnpike, and for such additional period of time as appears desirable, such additional period of time not to exceed one year; and
- c. for financing costs and expenses of financing

Because of fluctuations in the market for securities of this type and character it is neither possible nor practicable to establish in advance a fixed or definitely determinable interest cost to the Commission for this financing. In view of this and because of our extensive experience in working out the details under which revenue bonds may be issued for construction projects, and in the underwriting and distributing of revenue bonds issued for the purpose of financing such projects, we submit the following proposal:

1. We hereby offer to act as the Financial Advisor to the Commission in connection with the proposed financing.

2. As such Financial Advisor we will:
  - a. Retain Mitchell and Pershing, 120 Broadway, New York , N. Y. , to act as our Bond Counsel to render the legal services necessary to enable them to render their approving opinion on the proposed Turnpike Revenue Bonds.
  - b. Assist in coordinating the activities of the Consulting Engineers and Traffic Engineers and Bond Counsel to the Commission and ourselves, and working in conjunction with the Commission and its representatives, work out the details of the financing program and the provisions of the Trust Agreement securing the bonds, all of which shall be satisfactory to the Commission and also such that they will result in the most marketable and adequately secured Turnpike Revenue Bonds, thereby securing for the Commission the lowest possible interest cost. In working out the terms under which the Turnpike Revenue Bonds are to be issued full consideration will be given to the matter of constructing and financing the project as a whole or in sections and to the redemption provisions and other details of the bonds which will give the Commission maximum flexibility, including the power to refund the bonds.
  - c. Submit to the bond rating agencies complete data and use our best efforts to obtain from them the highest possible credit rating for the Turnpike Revenue Bonds to be issued by the Commission.
  - d. Make advance presentations of the proposed bonds to large investors in order to secure, if possible, delayed deliveries and lower financing costs.
3. By the acceptance of this proposal the Commission agrees that it will:
  - a. Have as its Bond Counsel a firm of nationally recognized attorneys to act for the Commission and to render such services as are necessary in connection with the proposed financing as will enable them to render their approving opinion on the proposed Turnpike Revenue Bonds.
  - b. Furnish to us copies of the report of nationally recognized engineers, satisfactory to us, covering the construction of a Turnpike across the State of Ohio, such report to include a recommendation of the location of such a Turnpike, and

estimates of the cost of its construction, of the time required for such construction, and the annual cost of maintaining and operating the Turnpike during the first ten years of its operation.

c. Furnish to us copies of the report of nationally recognized engineers, satisfactory to us, such report to include an estimate covering a period of not less than ten years of the annual traffic which will use the Turnpike, a recommendation of the schedule of tolls to be charged, an estimate of the annual revenues to be received from such traffic over such ten year period, and an estimate of other annual revenues, if any, to be received from the operation of any facilities operated in connection with the Turnpike.

d. Set such tolls for the use of the Turnpike that the proposed issue of Turnpike Revenue Bonds may be adequately secured and within the recommendations of the Traffic Engineers.

4. The Bonds of such issue shall bear a rate of interest, shall be stated to mature and shall be subject to the right of prior redemption at such times and at such prices as shall be determined by your Commission after due consideration of the requirements of the financing program and our recommendations.

5. The proposed Turnpike Revenue Bonds shall be secured by a Trust Agreement by and between the Commission and a Bank or Trust Company in New York City, or some City in Ohio, and the bonds shall be payable at a Bank or Trust Company in New York City and at a Bank or Trust Company in some City in Ohio.

6. We have formed a nationwide Account of investment banking houses, consisting of 55 Ohio investment banking houses ( a list of which is attached hereto and marked Exhibit A) and 115 investment banking houses throughout the rest of the nation. As soon as the feasibility of financing has been proven to our satisfaction, and the amount of bonds presently to be authorized and issued has been determined by the Commission and the terms of the issue and the Trust Agreement have been agreed upon, the undersigned representing the above mentioned Account, will submit an offer to purchase the Turnpike Revenue Bonds. If such bonds for said Project #1 are issued in installments an offer for each such installment will be submitted under the same conditions. Such offer to purchase shall reflect the maximum price at which, in the judgment of the undersigned,

the total amount of Turnpike Revenue Bonds to be issued can, in the light of the market conditions existing at the time, be successfully underwritten and distributed. It is understood and agreed that until such time as the Commission has acted upon said offer to purchase, the undersigned shall be exclusive Financial Advisor to the Commission. Regardless of whether the Commission elects to accept or reject the offer to purchase referred to above, it is understood and agreed that the Commission shall be under no obligation to reimburse the undersigned for services rendered or expenses incurred by them.

This proposal is made for immediate acceptance and if accepted this agreement shall extend until the financing contemplated by it has been concluded.

Respectfully submitted,

BLYTH & CO., INC.  
B. J. VAN INGEN & CO., INC.  
THE OHIO COMPANY  
BRAUN, BOSWORTH & CO., INC.  
STRANAHAN, HARRIS & CO., INC.  
McDONALD & COMPANY  
PRESCOTT, SHEPARD & CO., INC.  
THE WEIL, ROTH & IRVING COMPANY

By BLYTH & CO., INC.

Per T. Henry Boyd (signed)  
Vice President

B. J. VAN INGEN & CO., INC.

Per J. G. Couffer (signed)  
Vice President

THE OHIO COMPANY

Per D. E. Murphy (signed)  
Vice President

EXHIBIT "A"

Ohio Investment Banking Houses Who are Members of the  
Account

Assel, Kreimer & Company	McDonald & Company
Ball, Burge & Kraus	Wm. J. Mericka & Co., Inc.
Bohmer-Reinhart & Co.	Merrill, Turben & Co.
Braun, Bosworth & Co., Inc.	Middendorf & Co.
Edward Brockhaus & Co., Inc.	Maynard H. Murch & Co.
Cincinnati Municipal Bond Corp.	Nelson, Browning & Co.
Cunningham & Company	The Ohio Company
Curtiss, House & Co.	Olderman, Asbeck & Co.
Doll & Ispording, Inc.	Otis & Co.
Einhorn & Co.	Pohl & Company, Inc.
Ellis & Co.	Prescott, Hawley, Shepard & Co., Inc.
Geo. Eustis & Co.	Roose & Co.
Fahey, Clark & Co.	Ryan, Sutherland & Co.
Field, Richards & Co.	Saunders, Stiver & Co.
The First Cleveland Corp.	L. B. Schwinn & Co.
Fox, Reusch & Co.	Seasongood & Mayer
Ginther and Co.	Seufferle (Wm. C.) & Co.
Gradison (W. D.) & Co.	L. W. Simon Company
Grant Brownell & Co.	Stranahan, Harris & Co., Inc.
Hayden, Miller & Co.	Sweney, Cartwright & Co.
Hill & Co.	Edw. G. Taylor & Co., Inc.
Chas A. Hinsch & Co., Inc.	The W. C. Thornburgh Co.
W. E. Hutton & Co.	Walter, Woody & Heimerdinger
T. H. Jones & Company	Weil, Roth & Irving Co.
John E. Joseph & Co.	Westheimer & Company
John B. Joyce & Co.	J. A. White & Company
W. F. Kurtz & Co.	Widmann & Company
Magnus & Company	

Mr. Seasongood explained that by reason of the representation by his firm of members of the investment banking houses listed in Exhibit A attached to said proposal, he felt he should not vote upon the question. A vote by ayes and nays was taken and all members present responded to roll call and voted aye except Mr. Seasongood who did not vote. The vote was as follows:

Ayes, Shocknessy, Teagarden, McKay, Kauer  
Not voting, Seasongood  
Nays, None

The Chairman declared the motion adopted.



Thereupon the Chairman read a letter which had been received from the office of the Attorney General of Ohio reporting the sudden death of Mr. Harold W. Houston who had been the representative of the Attorney General to the Ohio Turnpike Commission. The Chairman expressed the grief of himself and of the Commission at the loss of Mr. Houston.

There was then discussion concerning information which should be made available by the Director of Highways and the consulting engineers to the Financial Advisor. A motion was made by Mr. McKay, seconded by Mr. Teagarden, that the Commission authorize the Director of Highways and the consulting engineers to make available to the Financial Advisor any information which it seeks and which is available. A vote by ayes and nays was taken and all members present responded to roll call and voted aye. The vote was as follows:

Ayes, Shocknessy, Teagarden, McKay, Kauer  
Nays, None

The Chairman declared the motion adopted.

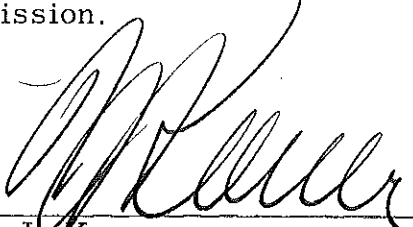
Mr. Crawford distributed to the several members of the Commission copies of a draft of proposed By-laws. The Chairman announced that the By-laws will be discussed at the next meeting.

There being no further business to come before the meeting a motion was made by Mr. Teagarden, seconded by Mr. McKay, that the meeting adjourn subject to call of the Chairman. A vote by ayes and nays was taken and all members present responded to roll call and voted aye. The vote was as follows:

Ayes, Shocknessy, Teagarden, McKay, Kauer  
Nays, None

The Chairman declared the meeting adjourned. The time of adjournment was 4:00 o'clock p. m.

Approved as a correct transcript of the proceedings of the Ohio Turnpike Commission.

  
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T. J. Kauer  
Secretary-Treasurer

Aug. 7, 1951