

MINUTES OF THIRTY THIRD MEETING
JANUARY 25, 1952

Pursuant to call of the Chairman the Ohio Turnpike Commission met in special open session in Hearing Room No. 2, State Office Building, Columbus, Ohio, at 9:40 a.m. on January 25, 1952 with its Attorney, Bond Counsel, representatives of the Consulting Engineers, of the Financial Advisor, of the Department of Highways, of banking institutions, of the press, 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: Seasongood, Teagarden, Shocknessy, McKay, Kauer
Absent: None

Whereupon the Chairman announced that a quorum was present.

The Chairman reported that he had been present as observer at a conference held in Pittsburgh, Pennsylvania, on January 21, 1952 when the Director of Highways conferred with representatives of the Pennsylvania Turnpike Commission with respect to the traffic situation at the western terminus of the Pennsylvania Turnpike. The Chairman reported that he had received the following letter from the representative of the Financial Advisor:

"Mr. James W. Shocknessy, Chairman January 15, 1952
Ohio Turnpike Commission
Columbus 15, Ohio

Dear Mr. Shocknessy:

The Financial Advisors met in New York January 10th and 11th and reviewed developments in relation to the proposed financing since the amendment of the Turnpike Act passed at a recent special session of the Ohio Legislature. Mr. Murphy brought the group up-to-date regarding these developments.

The group also met with Mr. John Pershing and Mr. Henry J. Crawford to discuss the practical application of the condemnation procedure provided by such act. Mr. Pershing advised the group that his firm was of the opinion that the amendatory legislation satisfactorily met the problem of making it possible for the Commission to obtain possession of land for right-of-way without the danger of such extended delay that financial soundness of the proposed Turnpike might be seriously impaired. Mr. Pershing and Mr. Crawford discussed with the group the time factors under the condemnation procedure in relation to

the proposed plan of the Commission as set forth in the proposals of The Land Title Guarantee and Trust Company and Rudolph, Carpenter, Dunlap and Free, and the construction progress schedule of the J. E. Greiner Company.

Mr. Donnelly of the Greiner Company also met with the group and reviewed the proposals mentioned in relation to the construction schedule set forth in their report and satisfactorily answered the problems of the group in correlating the time factors under discussion. In general, we believe the procedure outlined in the two proposals will produce a workable arrangement for the acquisition of right-of-way within the time schedule required by the Greiner report. The importance of this requirement is obvious. Without assurance that the title, appraisal and acquisition work can be completed on schedule, it would be impossible to estimate accurately the length of time required for such acquisition and the amount of interest to be capitalized in the financing.

There remained for final determination a more considered statement to be prepared by Mr. Crawford of the maximum period of time required in condemnation cases. After its preparation, Mr. Crawford's statement will be presented to the Financial Advisors and Mr. Donnelly for review and final correlation with the Greiner report and the proposals mentioned. Mr. Crawford indicated that he would be in a position to have such a report in the hands of the Financial Advisors and Mr. Donnelly not later than January 18th, so that the matter might be viewed as a whole.

Immediately following the receipt of Mr. Crawford's statement and Mr. Donnelly's recommendations thereon the group will be in a position to review the matter in greater detail and report thereon to the Commission.

In view of the time schedule outlined above it does not appear practical to suggest a conference with the Commission here in New York, prior to the first week of February. At such conference the Financial Advisors would expect to discuss the scope of the proposed financing and the extent of the initial construction.

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 Co.

by Dennis E. Murphy
Vice President
The Ohio Company "

The Chairman further reported that he had transmitted to Mr. Charles Sawyer, the Secretary of Commerce, on January 22, 1952 on behalf of the Governor of Ohio a brief signed by him setting forth the requirements of steel of the Ohio Turnpike Commission for the construction of the proposed Ohio Turnpike. The Chairman advised the Commission that since the last meeting he had conferred with representatives of a number of agencies who wish to furnish services to the Commission in connection with land acquisition and that he had been assisted in these conferences by Mr. Dunbar, Mr. Donnelly and Colonel Smith.

In response to a question as to whether foreign steel can be used for the Ohio Turnpike project without allocation by the United States Government the Chairman stated that there seems to be an assumption that the Ohio Turnpike Commission is in the market for foreign steel. He stated that it was his belief that it would be nothing less than preposterous for the Ohio Turnpike Commission to purchase steel in Europe to be sold to the heartland of the steel production area of the world. It was the consensus of the Commission that it would be interested in the use of steel from domestic production only. There being no further comment or objection the report of the Chairman was accepted as received.

The Secretary-Treasurer then reported that several additional offers of foreign steel for the turnpike have been received and acknowledged and that it now appears that every foreign steel producing area outside the bounds of the iron curtain has offered to assist in furnishing the steel needed for Ohio Turnpike Project No. 1. There being no objection the report of the Secretary-Treasurer was accepted as received.

The Director of Highways then made the following report:

"As a result of the enforced reduction of maximum loads on State Routes 90, 170 and 341 in the vicinity of Petersburg the

serious traffic maintenance problem in that area has been reduced sufficiently that the remaining volumes of traffic from the Pennsylvania Turnpike are now being handled adequately. A traffic signal light is being installed at Petersburg. A similar light is already in operation at Unity at the intersection of State Routes 170 and 14. Heavy and continuous maintenance activities in that area are continuing and every possible action to expedite the strengthening of the secondary roads which carry traffic between the Gateway Interchange of the Pennsylvania Turnpike and State Route 14 is being taken in order that these roads may be restored to full load carrying capacity at the earliest possible date.

At the urgent request of Mr. James Torrence, Secretary-Treasurer of the Pennsylvania Turnpike Commission, I met with him in Pittsburgh on January 21. I was accompanied by members of my staff and by the Chairman of the Ohio Turnpike Commission. The Pennsylvania group included representatives of the Pennsylvania Turnpike Commission only. We were advised that some Pennsylvania highways are being damaged because of their use by heavy vehicles which are being denied the use of Ohio Routes 170 and 341 because of load limitations which have been placed in effect by Ohio. We were also advised that the Beaver Valley Interchange of the Pennsylvania Turnpike might be opened to traffic within 30 days. Both the Pennsylvania and the Ohio officials agreed that emergency action needed to be taken to meet the situation and also that a link in Ohio from the temporary Gateway Interchange to Ohio Route 14 is a most desirable path for traffic to and from the Pennsylvania Turnpike. It was pointed out to the Pennsylvania officials that Pennsylvania also has a problem of access to the Pennsylvania Turnpike comparable to the problem in Ohio in the vicinity of the Gateway Interchange. I advised the Pennsylvania Turnpike authorities as I am advising the Ohio Turnpike Commission today that every possible action would be taken by the Ohio Department of Highways to maintain traffic service in the Petersburg area and to restore full legal load allowances at the earliest possible time. I pointed out to the Pennsylvania authorities as I had previously advised the Ohio Turnpike Commission nearly a year ago that the Ohio Department of Highways could not economically justify the expenditure of some millions of dollars for the major improvement of secondary Ohio roads to meet a temporary traffic situation which will be eliminated upon the construction of Ohio Turnpike Project No. 1.

Assistance is being given to the Ohio Farm Bureau in conducting six regional meetings with rural property owners along the route of the Ohio Turnpike. The J. E. Greiner Company is cooperating in these meetings by making available an engineer who will demonstrate the information available on the alignment

and profile drawings which were prepared by the Greiner Company, It is hoped that through meetings of this type many of the fears of property owners along the route of the turnpike will be laid to rest and that many of their questions as to the effect of the turnpike upon their properties may be answered.

Colonel Smith addressed a meeting of professional engineers in Fremont on January 23rd at which the Mayor of Fremont, the County Engineer and County Commissioners of Sandusky County, the County Engineer of Ottawa County, and a number of affected farm owners were present."

In the absence of objection the report of the Director of Highways was received.

The Chairman stated that a draft of the proposed Third Annual Report had been furnished to the several members and that all had submitted suggested corrections. He stated that corrections which the members have requested will be made and a new draft prepared for submission in accordance with law. A motion was made by Mr. Seasongood, seconded by Mr. Teagarden, that the Third Annual Report as submitted to the members and corrected be adopted and that the Chairman be authorized to deliver it to the Governor and to the General Assembly. 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, McKay, Seasongood, Teagarden, Kauer
Nays, None

The Chairman declared the motion adopted.

Mr. Donnelly then reported for the Consulting Engineers that final changes were being made on the strip maps to incorporate revisions in the grade line for the turnpike in the vicinity of Maumee; that a new application has been filed with the Corps of Engineers, U. S. Army, requesting a 35 foot clearance over the Maumee River; that width of right-of-way takings is being placed on the strip maps; that a draft of construction and material specifications was nearly completed; that specifications for surveys and designs are being prepared and that interviews are being held with engineering firms who wish to furnish engineering services to the Commission in connection with surveys, designs, and construction. There being no objection the report of the Consulting Engineers was received.

Mr. Dennis Murphy reported that the Financial Advisor would meet in New York City on January 28 to continue studies preparatory to making a recommendation to the Commission regarding financing. There

being no objection the report of the Financial Advisor was received.

Thereupon Mr. Henry Crawford presented to the Commission representatives of the following banking institutions each of which had previously indicated a desire to serve the Commission either as Trustee or Paying Agent and each of which had been scheduled for a fifteen minute interview by the Commission. The spokesmen for the several banks were questioned at length by the several members of the Commission concerning duties and responsibilities of the Trustee and of Paying Agents to the Commission.

The Ohio National Bank of Columbus, represented by Mr. L. A. Stoner, President, Mr. Blanpied, Mr. Johnson, Mr. Keller and Mr. Beeman, was interested in acting as Trustee and Paying Agent.

The United States Trust Company of New York, represented by Mr. Elmo P. Brown, was interested in acting as Trustee and Paying Agent.

The Central Trust Company of Cincinnati, represented by Mr. William Anderson, Vice President and Trust Officer, and Mr. Fletcher Nyce, Executive Vice President, was interested in acting as Trustee and Paying Agent.

The National City Bank of Cleveland, represented by Mr. William West, Vice President, Mr. Robert Blyth, Vice President, Mr. Sidney Congdon, President, and L. C. Gilger, Vice President, was interested in acting as Trustee and Paying Agent.

The Central National Bank of Cleveland, represented by Mr. Wm. Way, Vice President, and J. T. Lieser, Trust Officer, was interested in acting as Trustee and Paying Agent.

The Cleveland Trust Company, represented by Mr. I. F. Freiburger, Chairman of the Board, and Mr. Henry Pirtle, Vice President, was interested in acting as Trustee and Paying Agent.

The Ohio Citizens Trust Company of Toledo, represented by Mr. D. C. DuBois, Vice President, was interested in acting as Co-Paying Agent.

The Union Bank of Commerce of Cleveland, represented by Mr. J. K. Thompson, President, and Mr. George Herzog, Vice President, was interested in acting as Trustee and Paying Agent.

The Northern Trust Company of Chicago, represented by Mr. T. H. Jolls, Vice President, and Mr. Sheldon Weaver, Vice President, was interested in acting as Paying Agent.

The Chemical Bank and Trust Company of New York, represented by Mr. G. L. Farnsworth, Vice President, and Mr. G. M. Erhart, Trust Officer, was interested in acting as Paying Agent.

The Toledo Trust Company of Toledo, represented by Mr. W. C. Draper, Vice President, was interested in acting as Trustee and Paying Agent.

The Bankers Trust Company of New York, represented by Mr. Joseph C. Kennedy, Asst. Vice President, was interested in acting as Paying Agent.

The Guaranty Trust Company of New York, represented by Mr. F. J. McGoldrick, Asst. Secretary, was interested in acting as Paying Agent.

The Chase National Bank of New York, represented by Mr. Paul C. Beardslee, Second Vice President, was interested in acting as Paying Agent.

The First National Bank of Akron, represented by Mr. E. S. Patterson, President, Mr. R. C. Parish, Vice President, and Mr. Howard Milford, Trust Officer, was interested in acting as Trustee and Paying Agent.

The National City Bank of New York, represented by Mr. R. E. Morton, Vice President, was interested in acting as Paying Agent.

The First National Bank of Cincinnati, represented by Mr. John A. Reid, Vice President and Mr. Edgar C. Wohlender, Trust Officer, was interested in acting as Trustee and Paying Agent.

The First National Bank of Chicago, represented by Mr. Elmer C. Rettig, Assistant Secretary, was interested in acting as Paying Agent.

The American National Bank and Trust Company of Chicago, represented by Mr. Everett Dovale, Assistant Secretary, was interested in acting as Paying Agent.

In all there were twenty-two banks who had evidenced an interest and for whom hearings were scheduled at a particular time on January 25, 1952. For reasons not disclosed to the Commission three of the banks did not appear as scheduled. These were Commerce National Bank of Toledo, Mercantile Trust Company of St. Louis, and Harris Trust and Savings Bank of Chicago.

At or prior to the interviews the several banking institutions had filed with the Commission various documents and reports substantiating their qualifications to serve as Trustee or Paying Agent. Copies of these documents were distributed to the several members and to Bond Counsel for the Commission. The Chairman inquired as to whether or not anyone else at the meeting desired to be heard. He stated that the Commission would be happy to receive further statements from any who had appeared before it; that the Commission did not expect to reach a decision about either the Trustee or Paying Agent until a trust indenture has been completed and financing has been arranged; but that the Commission now considers that it has heard adequately from the banking industry. Mr. Crawford advised the Commission that he would prepare a summary report of the interviews with banking institutions.

The meeting was recessed by the Chairman at 4:45 p.m. until 9:15 the next morning. At 9:15 a.m. on January 26, 1952 the meeting after the recess was called to order by the Chairman and the roll was called and the attendance was reported to be as follows:

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

The Chairman announced that a quorum was present.

The Chairman advised the Commission that job descriptions had been prepared by the Consulting Engineers for use in consideration of the organization chart previously recommended for adoption. He suggested that the Commission postpone consideration of the organization plan until it has had an opportunity to deliberate upon the job descriptions. A motion was made by Mr. Seasongood, seconded by Mr. McKay, that action upon the organization plan for the Commission be deferred for consideration at a later 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, Teagarden, Seasongood, McKay, Shocknessy, Kauer
Nays, None

The Chairman declared the motion adopted.

A motion was made by Mr. McKay, seconded by Mr. Teagarden, that a letter of Parsons, Brinckerhoff, Hall and Macdonald in which that firm proposes its services as Traffic Consultant to the Ohio Turnpike Commission be deferred for consideration until after financing arrangements have been assured and completed and that the letter be reconsidered at that time. 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, Teagarden, Seasingood, McKay, Shocknessy, Kauer
Nays, None

The Chairman declared the motion adopted.

Mr. Crawford reported for Bond Counsel that he had filed with the Chairman an opinion of Bond Counsel under date of January 24, 1952 with respect to the proposed contracts with Land Title Guarantee and Trust Company and Messrs. Rudolph, Carpenter, Dunlap and Free. Copies of the opinion by Bond Counsel were distributed to the members of the Commission. In the absence of objection the report of Mr. Crawford was received.

Thereupon Mr. Dunbar reported to the Commission that he had been directed at the last meeting to prepare opinions with respect to the proposals of Land Title Guarantee and Trust Company and Messrs. Rudolph, Carpenter, Dunlap and Free dated January 2, 1952 and that he had prepared such opinions and had delivered copies thereof to the several members of the Commission. Mr. Dunbar referred to a memorandum on the organization of the legal staff for the Commission which had previously been submitted to the several members. He also reported that for several weeks past he and his associates had been working intensively on legal problems and procedures that will be involved in the acquisition of right-of-way by the Commission. There being no objection the report of Mr. Dunbar was accepted as received.

The Chairman then reported that since the last meeting proposals for services in connection with right-of-way acquisition have been received from the Louisville Title Insurance Company, from Messrs. Laronge, Miller, Beyer, Davis & Etchen, from the J. M. Cleminshaw Company, from A. Rosenfeld & Company, from Ostendorf-Morris Company, and from Messrs. Edgeman, Fast, Mayer and Mayer. The Chairman then vacated the chair and Mr. Teagarden assumed the chair and proceeded to conduct the business of the meeting.

Mr. Shocknessy stated with respect to the proposals before the Commission in the matter of land acquisition that opinions had been

filed by counsel with respect to the proposals and that the Commission had authorized the Chairman to sign certain contracts. He pointed out that counsel for the Commission and Bond Counsel for the Commission had filed opinions upholding the validity of the Commission's action and the propriety thereof insofar as any legal consideration is involved. He stated that he considered that the memorandum filed by Mr. Dunbar and by Squire, Sanders & Dempsey to be the reply and analysis of counsel to the objections offered by Mr. Seasongood. Mr. Shocknessy stated that he had vacated the chair so that he could be free as a member of the Commission to make certain motions and to offer his arguments in support thereof and that with the full understanding and full belief that the action of the Commission authorizing the Chairman to sign the two contracts is valid and proper and without conceding even for a moment any imperfection in the Commission's action, but rather to avoid insofar as is humanly possible any possible attack upon the action of the Commission he would propose certain further action.

Mr. Shocknessy pointed out that the Commission has striven at all times to achieve a very broad and deep public acceptance and has achieved a creditable measure of public acceptance and approval and that the Commission cannot expect the whole public to believe in its actions if any of its members have a question as to their validity. Mr. Shocknessy then moved that the Commission reconsider its action in authorizing the Chairman to execute a contract with the Land Title Guarantee and Trust Company of Cleveland. Mr. McKay seconded the motion. A vote by ayes and nays was taken and all members present responded to roll call and voted aye. The vote was as follows:

Aye s, Teagarden, Seasongood, McKay, Shocknessy , Kauer
Nays, None

The Chairman declared the motion adopted.

A motion was made by Mr. Shocknessy, seconded by Mr. McKay, that the following resolution be adopted:

"RESOLVED that the Commission hereby repeals Resolution No. 1 - 1952, adopted January 2, 1952, and rescinds its actions with respect to a contract with the Land Title Guarantee and Trust Company of Cleveland."

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

The Chairman declared the motion adopted.

A motion was made by Mr. Shocknessy, seconded by Mr. Kauer and Mr. McKay, that the Commission reconsider its action in authorizing the Chairman to enter into contract with Messrs. Rudolph, Carpenter, Dunlap and Free. 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, Teagarden, Seasongood, McKay, Shocknessy, Kauer
Nays, None

The Chairman declared the motion adopted.

A motion was made by Mr. Shocknessy, seconded by Mr. Kauer and Mr. McKay, that the following resolution be adopted:

"RESOLVED that the Commission hereby repeals Resolution No. 3 - 1952, adopted January 9, 1952, and rescinds its action authorizing the Chairman to enter into contract with Messrs. Rudolph, Carpenter, Dunlap and Free. "

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

The Chairman declared the motion adopted.

Thereupon Mr. Teagarden vacated and Mr. Shocknessy resumed the chair and continued to conduct the meeting. The Chairman thanked the Commission for the action which it had taken and endorsed a statement by Mr. McKay that the action taken was in the best interest of the Commission and its relations with the public and the whole world. He then suggested that the Commission take competitive bids upon the title services to be rendered in connection with land acquisition. A motion was made by Mr. McKay, seconded by Mr. Teagarden, that the following resolution be adopted:

"BE IT RESOLVED that bids for the doing of title work and services and the insuring or guaranteeing of titles of properties to be acquired for Turnpike Project No. 1 be received by the Commission after advertisement for bids and that the Commission's counsel prepare and submit to the Commission a statement of the general character of the work to be done and materials and things to be furnished and a form of advertisement pursuant to law to be published,

all for the consideration of the Commission at its regular meeting of February 5, 1952."

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

The Chairman declared the motion adopted.

The Chairman asked whether any representative of the Louisville Title Insurance Company or other title company was in the room and wished to address the Commission. Mr. M. S. Hewgley of Louisville Title Insurance Company stated that in view of the action taken by the Commission, for which he offered his congratulations, he requested permission to withdraw the proposal previously submitted by the Louisville Title Insurance Company. Mr. Young, the representative of The Land Title Guarantee and Trust Company, stated that his firm would be happy to abide by the decision of the Commission.

Mr. Albert J. Mayer, Jr. of Cincinnati then presented his associates to the Commission and discussed with the Commission the details of the proposal made by Messrs. Edgeman, Fast, Mayer and Mayer to perform appraisal and negotiation services for the Commission. There was detailed interrogation of Mr. Mayer by the several members of the Commission. Mr. Mayer stated that he and his associates would sign a proposal similar to the one previously presented by Messrs. Rudolph, Carpenter, Dunlap and Free at the same prices indicated in their own proposal.

Mr. Harold Gorman and James M. Cleminshaw of the J. M. Cleminshaw Company were then presented to the Commission and discussed in detail the proposal of that firm to perform appraisal and negotiation services for the Commission. There was full discussion of the desirability of utilizing local appraisers for the work. Mr. Cleminshaw stated that his experience was that his own employees were best qualified to perform appraisal work but that where necessary he would employ local individuals with appraisal experience and farm background. The Chairman expressed the strong conviction that appraisals for tax assessment purposes were entirely different from appraisals for the purpose of taking a man's property away from him. Mr. Teagarden agreed and said also that it was his opinion that rural property owners would be skeptical of appraisers not from the local community.

The Chairman stated his concern about having people from outside counties do the negotiation work and expressed his anxiety at approaching

the problem with a tax equalization technique. Mr. McKay suggested that the Commission might consider the performance of appraisal work separately from that of negotiation for purchase. He pointed out that both methods had been used successfully.

Mr. Herbert Laronge then presented to the Commission Mr. J. Earl Miller, Mr. Ben Beyer, and Mr. W. D. Davis, who discussed with the Commission their proposal to perform appraisal and negotiation services and explained to the Commission their experience and other qualifications to perform such services.

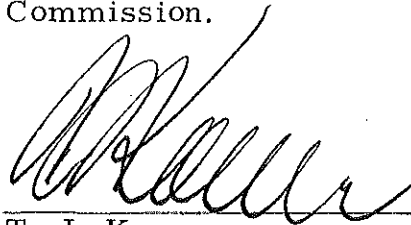
Mr. Robert L. Free then discussed the proposal which had been submitted by Messrs. Rudolph, Carpenter, Dunlap and Free and requested the approval of the Commission for the submission of alternate proposals for appraisal and negotiation work. The Commission did not object to the submission of additional proposals by Messrs. Rudolph, Carpenter, Dunlap and Free.

There being no further business to come before the meeting a motion was made by Mr. McKay, seconded by Mr. Teagarden, 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, Teagarden, Seasongood, Shocknessy, McKay, Kauer
Nays, None

The Chairman declared the meeting adjourned. The time of adjournment was 1:30 o'clock p.m.

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



T. J. Kauer
Secretary-Treasurer

Mar. 4, 1952