

MINUTES OF THE 405th MEETING OF THE OHIO TURNPIKE COMMISSION

February 13, 1995

Pursuant to the bylaws, the Ohio Turnpike met in regular session in the Administration Building at 682 Prospect Street, Berea, Ohio at 10:11 a.m., on February 13, 1995, with members of the staff, Allan V. Johnson, Executive Director; G. Alan Plain, Deputy Executive Director; Gino Zomparelli, General Counsel; Robert P. Barnett, Director of Information and Research; Craig Rudolph, Comptroller; Donald M. Sharp, Director of Operations; David H. Ransbury, Chief Engineer; James H. Brennan, Development Coordinator; and others in attendance.

Present: M. Ben Gaeth, Ronald Zook, Earl W. Williams, Ruth Ann Leever, Edwin M. Bergsmark, Umberto P. Fedeli

Absent: Jerry Wray, Ronald Gerberry

A motion was made by Mrs. Leever, seconded by Mr. Williams, that the minutes of the meeting of December 19, 1994, which had been examined by the Members, be approved without reading.

A vote by ayes and nays was taken and all Members present responded to roll call. The vote was as follows:

Ayes: Mrs. Leever, Mr. Williams, Mr. Zook, Mr. Bergsmark, Mr. Fedeli

Nays: None

The Chairman declared the minutes stood approved with all Members present voting in the affirmative.

The Chairman said Mr. Zook was attending the meeting in the place of Mr. Wray and he had filed the necessary proxy and was duly authorized to vote.

The Chairman said there were a number of guests at the meeting and he would like them to identify themselves as follows: Frank Detillio, Lorain County Chamber of Commerce; George Manos, USS/Kobe Steel Company; Ken Stammen, The (Lorain) Morning Journal; Betty Blair, Lorain County Commissioner; Steve Luca, Taxpayer; Robert Ellis, Wickens, Herzen & Panza; Herbert Jacoby, Lorain County Commissioner; Marc Chappo, Executive Vice President, Lakeshore Railway Association; David Corricelli, Lorain County Chamber of Commerce; Dan Becker, OCDC; Rob Fleischman, Greiner Engineering; Bob Arlow, Construction Coordinator; Gillett Cobb, OCDC; Kerry Ferrier, Design Engineer; Joe Rice, Rice Consultants; Alice

Linn, Director of Patron Services; Mary Shirley, Assistant Superintendent of Toll Collections; Bill Callison, Wheeling and Lake Erie Railway; Sam Sliman, property owner; Dan Rohr, Bank One Capital; Don Flood, Lorain Railroad Association; Pat Patton, Government Liaison Officer; Captain Paul Ash, O.S.H.P.; Harry Fior, property owner; Debbie Siffert, Lakeshore Railway Association; Ed Presley, Society National Bank; Richard Dunn, Taxpayer; Dennis Lamont, LSRA; Jack Siffert, trustee, LSRA; David Floor, LSRA; Farid Fazouni, Richard Bowen & Associates; Gordon Reis, Seasongood & Mayer; Joseph Roberts, Seasongood & Mayer; Steve Wood, Paine Webber; John Platt, ODOT; Bruce Siffert, Trustee, LSRA; Craig Rudolph, Comptroller; Joe Disantis, Right of Way Coordinator; Sharon Isaac, Assistant General Counsel; Heidi Jedel, Information and Research; Leah Fox, ODOT; Diane Pring, Legal Department; Frank Lamb, Huntington Trust; John Kohlstrand, The (Elyria) Chronicle Telegram; Mark Tylicki, LSRA; Dave Chruski, Vice President, LSRA; Mark Hamma, the WAVE and WEOL; and David Millstone, Squire, Sanders & Dempsey.

The Chairman said the meeting was the 405th meeting of the Ohio Turnpike Commission and it was being held at the Commission's headquarters as provided for in the Commission's Code of Bylaws.

The Chairman said further that the format of the meeting would be a little different than was typically done. He said it was only the second time since he had been Chairman that the Commission had allowed anyone (an outsider) to make a presentation. He said that would be done for two different sides regarding the new Turnpike Interchange at State Route 58 in Lorain County. He said one side consisted of two Lorain County Commissioners and the Lakeshore Railway Association. He said also that there were several proponents of the other side. He said he would ask Marc Chappo to give his presentation regarding the railroad situation and then Bob Ellis would give his presentation.

The Chairman said that each person would be given about five minutes to speak and then the Commission Members would have a discussion among themselves.

Mr. Chappo said the railway's presentation would be given by Frank Detillio, Executive Director of the Lorain County Chamber of Commerce.

Mr. Detillio said that he had been asked by the Lakeshore Railway Association and the Lorain County Commissioners at the meeting to offer \$1.9 million to the Commission in order to preserve a historical rail corridor which was vital to the future economic development of Lorain County.

Mr. Detillio said further that the commitment satisfied the original Turnpike Commission request to the LSRA for interchange/rail line coexistence. He said Lorain County had pledged non-tax revenue to guarantee bonds paid by the LSRA.

Mr. Detillio said that it was difficult to compress two years of joint meetings and correspondence between the LSRA, OTC and other agencies in the five minutes allotted. He said a written summary of those meetings was provided as a handout to those in attendance.

Mr. Detillio said further his group did not think that sacrificing one mode of transportation for another aided economic growth in Lorain County in the future. He said the coexistence proposal maximized economic development in three ways: tourism, freight traffic and potential commuter service. He said the handout package contained a study of tourism which projected annual ridership of 100,000 by the year 2000 if interchange/rail line coexistence was implemented. He said that in 23 days of operation the rail line handled 6,400 passengers in 1993 and another 10,300 passengers in 1994.

Mr. Detillio said that he had letters of intent from two Oberlin industries that were requesting rail service - - Alden Press and BFI. He said USS/Kobe had sent a letter to the Commission requesting that the corridor remain open because "pennies per cost" were extremely important to their competitive market analysis. He said he also had further conversations with USS/Kobe and they've indicated that even though the project would not have an impact on USS/Kobe in 1995, they foresaw future impact in a long-term benefit to that company. He said USS/Kobe employed about 3,500 people in Lorain County.

Mr. Detillio said the rail lines in Lorain County connected all major metropolitan areas from north to south with five railroads. He said that without coexistence, four of these five connections would be lost. He said the Lorain Port Authority also saw the potential for inbound ore traffic and outbound Ohio coal traffic. He said LSRA had worked with the Lorain County Chamber of Commerce for economic development efforts.

Mr. Detillio said that the third aspect of coexistence was the potential commuter service. He said the RTA (Cuyahoga County Regional Transit Authority) had an ISTEA-funded study in progress which included potential commuter service to Lorain from Cleveland. He said the rail line connected southern Lorain County to the town of Lorain and provided a logical extension of service from Cleveland to Lorain.

Mr. Detillio said the necessity for coexistence was reflected in the following words of Governor Voinovich: "A priority goal of this administration for the '90s is to preserve and maintain an efficient and effective railroad system in Ohio, moving goods and people safely and swiftly."

Mr. Detillio said that, in summary, he was offering \$1.9 million to the Commission in order to preserve a rail corridor with intrinsic economic value to Lorain County. He said the commitment was offered to expedite an equitable interchange project. He said it should be a project that did not sacrifice one mode of transportation for another. He

said it should be a project which maximized economic development in all of Lorain County. He said he also had nearly 1000 signed petitions from people who supported preservation of the rail corridor and its ownership by LSRA.

Mr. Detillio said that he had been told by the OTC Engineering Department that the coexistence estimates ranged from \$1.9 to \$3 million, with the actual cost being somewhere in between. He said that, even with an additional \$500,000 and coexistence in engineering, the \$3 million coexistence cost impact could be preserved.

Mr. Detillio said that, after all, economic development was the basic premise for the Turnpike interchange construction and his group was ready to support the Commission as required in the acceptance of its proposal.

The Chairman thanked Mr. Detillio for his presentation and said the Commission would hear from Bob Ellis.

Mr. Ellis said he was an attorney with the law firm of Wickens, Herzer & Panza in Lorain. He said he represented several parties who owned land or had interests in land adjacent to the new interchange. He said he, himself, personally was a partner in a group that owned land in the area adjacent to the railroad track.

Mr. Ellis said he had been chosen by a group of a little over a dozen business owners, property owners and other interested parties who had interests in the area to speak in opposition to the railroad project. He said he also had consulted with several dozen other people who were opposed to the project.

Mr. Ellis said it was the Commission's duty to further the goals of the Commission as established by the Ohio Constitution and the Legislature. He said the Commission's responsibility was to provide a high-quality, multi-lane highway at the most reasonable cost. He said that any effort or any expenditure of funds by the Commission to further other goals would be beyond the authority of the Commission. He said it would be a breach of that duty.

Mr. Ellis said that if the railway proposal was accepted the Commission would waste several hundreds of thousands of dollars already spent for engineering, legal and soft costs. He said it would waste the acquisition costs for the right-of-way that had been obtained. He said it would incur additional costs of several hundreds of thousands of dollars to acquire at least 30 acres of additional land as the LSRA had projected.

Mr. Ellis said the Commission's staff itself had estimated that the cost for the extra bridge and pavement would be up to \$3 million. He said there also would be the indefinite maintenance costs of the bridge and pavement.

Mr. Ellis said that all of those extra costs, even if the Association were prepared to pay all of it, would still be beyond the scope of the authority of the Commission. He said the Association hadn't even come close to offering to pay for all of those expenses.

Mr. Ellis said those were not the only costs. He said that if the railway project became a reality, ODOT would have to incur millions of dollars in additional costs for all the roads the rail line would cross. He said that would be the case with the new north-south corridor that had been planned in Lorain County. He said there would be a loss of development from the roughly thirty acres of land that would be taken that would never be developed. He said the property owners couldn't get profit. He said the public wouldn't get the service from that land that would forever be lost.

Mr. Ellis said the worst problem, if the railway proposal were accepted, was that there would be a delay of one to two years before the interchange could be opened.

Mr. Ellis said Lorain County's bonding capacity would be reduced. He said that it was better to let the taxpayers keep that money.

Mr. Ellis said another serious problem would be the damage that might be caused to existing rail lines. He said there were three that served the County--CSX, Conrail and Norfolk Southern. He said the unions would be hurt and the employees would be hurt. He said there was plenty of rail capacity in the county at that time.

Mr. Ellis said the Association beared the burden to prove the feasibility of the project. He said there had been no studies or estimates provided to the Turnpike Commission. He said there had been none provided to the ODOT Rail Division. He said no one had received any detailed analysis. He said Lorain County Commissioner Jacoby indicated he had seen some pro formas. He said they had not been revealed to the public.

Mr. Ellis said there was essentially no chance that the railway project would happen. He said he had consulted with a gentleman who actually built railroads and he estimated the project would cost at least \$10 million. He said he could understand why because it cost \$100,000 a mile, at least for the railroad, ties and track. He said there also were fourteen grade crossings with the attendant safety devices. He said there were seven bridges and one trestle. He said the trestle would go across the Black River Valley on State Route 254, an immense span. He said there also would be costs for land acquisition, legal and engineering.

Mr. Ellis said that to amortize \$10 million over 20 years at just five percent would require a debt service in excess of \$800,000. He said that figure did not count the maintenance and operational costs.

Mr. Ellis said that the operation of the rail line would be a profit-making endeavor so the Association would probably lose its tax-exempt status and have to pay taxes.

He said their bingo license, which provided revenue to the Association, may well be in jeopardy at that time. He said there was really no evidence of revenue.

Mr. Ellis said the Association had some letters from USS/Kobe and BFI, but there were no contracts. He said USS/Kobe kept an easement along the railroad right-of-way in an effort to keep its gas costs down. He said it threatens Columbia Gas periodically that they will put their own gas line in. He said that, even if those companies believed that the railroad would never happen, it would be in their interest to encourage it to keep their costs down.

Mr. Ellis said there was some question about the stability of the Association. He said it had yet to file its 1993 tax-exempt forms with the Ohio Attorney General's Office.

Mr. Ellis said there was community opposition to the railway project. He said various government officials and home owners along the track have opposed the project. He said he urged the Commission to reject the proposal and proceed with plans they had adopted. He said the Association had not borne its burden to prove feasibility. He said the county needed the interchange.

The Chairman thanked Mr. Ellis for his comments. He said he had asked John Platt to attend the day's meeting. He said Mr. Platt had spent quite a bit of time in the private sector and now was a key executive in ODOT. He said Mr. Platt was quite knowledgeable about railroads and he had asked Mr. Platt to give the Commission his opinion about the railway project.

Mr. Platt said that he had been following the railway project for the past year and had talked with quite a number of people about it. He said that if ODOT had been asked for funding of the project it would not receive any funding. He said the reason was there were alternatives to the Lakeshore Railway by CSX and Conrail to the Kobe plant, as well as to other locations within Lorain County.

Mr. Platt said that in order to restore the right-of-way area to full rail service it would cost anywhere from \$4 million, as estimated by Lakeshore Railway themselves, to \$9 million and rising. He said it cost between \$100 and \$120 per foot in order to put in ties, ballast and rail lines. He said he thought the money could be better used in other locations within Lorain County to improve rail service. He said ODOT had not received any kind of detailed analysis other than some letters on the project.

Mr. Platt said his recommendation would be that ODOT not put any money in the Lakeshore Railway lines.

The Chairman thanked Mr. Platt and said he would ask Mr. Brennan, the Commission's Development Coordinator, for his opinion on the project.

Mr. Brennan said he would support what Mr. Platt and Mr. Ellis had said. He said that the Association had several opportunities within the last two years to come forward with programs, plans and funds for the project. He said that on several occasions the Association had been given deadlines by the Commission to come forward with a plan. He said that, after the last deadline expired about a year ago with no action by the Association, the Commission went ahead with the engineering of the interchange. He said the Commission had spent about \$700,000. He said all the forms had been filed regarding the interchange and every thing was ready to start construction.

Mr. Brennan said further that to go back to square one, which he thought would have to be done, would be extremely expensive and probably delay completing the interchange at least a year and possibly two years.

The Chairman said he would ask Clare Rosacco, the Governor's regional director for economic development, for her comments.

Ms. Rosacco said she would ask that the Commission not act too rapidly in their response. She said that, for the first time in the history of the Turnpike, a local community came to the Commission to help fund and build a part of a project because they felt it important that it be built.

Ms. Rosacco said the Lorain County Chamber of Commerce thought that they would like to have the project done. She said the Chamber represented the entire county of Lorain. She said two out of the three County Commissioners would like to send the money and get it done. She said some of the largest employers in the county say they would like to keep the opportunity for coexistence open.

Ms. Rosacco said she was at the meeting to ask the Commission to study the proposal from the community very well before making a decision. She said that, again, it was the first time in Turnpike history that anybody else would help pay for an improvement to allow coexistence of two modal portions of transportation. She said she would ask that the Commission not pass judgment on what a local community thought was important if they were willing to partnership with the Commission to make it happen.

The Chairman said the Executive Director, Mr. Johnson, had a letter to read at the meeting.

Mr. Johnson said he had a letter addressed to the Commission, dated February 9th, and written on behalf of the Rural Lorain County Water Authority. He said he would read it as follows:

"It is with renewed interest that I am now hearing and reading that the Ohio Turnpike Commission was reconsidering its engineering plans for the Turnpike

interchange at State Route 58 in order to accommodate the Lake Shore Railway Association.

"As you know, the Water Authority is the owner of the remaining portion of the railroad property and to date we have not received any bona fide offer regarding its acquisition.

"The Water Authority, in reliance upon its property ownership and easement acquisitions, has entered into a contract for the construction of a 24 inch western transmission water main. This project has recently received approval from OEPA and the Corps of Engineers and construction is proceeding. I am advised that our engineering for the construction in the area of the Turnpike improvement has been approved by the Turnpike engineers. It is our intention to proceed with this construction in accordance with those plans. I would assume that any alteration of the engineering for the Turnpike improvement will take this into consideration.

"Please contact me so that we can further discuss this issue or any comments you may have."

Mr. Johnson said that, as the Members knew, the Commission acquired approximately a mile of the railroad right-of-way more than a year ago and acquired it from the Water Authority. He said the Water Authority was the owner of much of the other portion of the railroad right-of-way. He said that the railroad didn't even own it before the Water Authority did. He said it was owned by USX Steel.

Mr. Johnson said further that he heard earlier that someone had said that Turnpike engineers estimated that it might be as low as \$1.9 million to provide for the coexistence plan. He said he disagreed with that. He said the Commission had always said that it would be at least \$3 million. He said there may be others that were estimating it lower.

Mr. Johnson said further that the Commission requested a \$2 million contribution more than a year ago and agreed to put up the remaining \$1 million for the coexistence project. He said that, today, those figures were no longer valid. He said the Commission had put almost \$700,000 into the engineering of the interchange project in the intervening year, so that it was not a \$3 million additional cost if the plans were modified now. He said it probably would cost an additional \$4 million.

Mr. Johnson said further that, based on all those factors and the fact that the Railroad Association had not acquired any of the additional right-of-way from any of the other owners, it was his suggestion that the Commission proceed on the interchange plans as they existed at that time.

Mr. Bergsmark asked Mr. Chappo why the Lake Shore Railway Association had not registered the railroad on the national register a couple of years ago.

Mr. Chappo said that had not been done because the Association didn't own the complete real estate and if it was listed at that time only a third of it could be registered. He said it was the Association's intention to list the entire 25 miles. He said it was the only rail line that was located entirely within one county in the State of Ohio. He said the corridor was there to service USS/Kobe. He said it was important to the industrial development of Lorain County in the early 1900's because it was a branch of the Wheeling and Lake Erie Railway. He said the Wheeling and Lake Erie Railway was an independent supplier to the Port of Lorain, primarily for the steel plant. He said the roadbed and the infrastructure were all intact, similar to the Cuyahoga Valley Line and the Hocking Valley Line, which were listed in the national Register.

Mr. Chappo said further that the rail line had the same opportunity to serve USS/Kobe as it did in history. He said that today the Wheeling and Lake Erie Railway was an independent shipper in Wellington, as it was in 1906 when the rail line was built. He said the line had historical significance.

Mr. Bergsmark asked if, today, the main focus of the rail line was just for tourism.

Mr. Chappo said that it was operated only in terms of an L&WV operation for a scenic tourist line.

Mr. Bergsmark said that it was similar to the Grand Rapids rail line in Toledo that went back and forth for tourism.

Mr. Chappo said that was correct. He said it also was similar to the Cuyahoga Valley Line and Hocking Valley, which were both on the National Register.

Mr. Bergsmark asked Mr. Chappo if the line would be used as a community carrier and from what point to what point.

Mr. Chappo said that, as earlier mentioned, RTA had an ISTEA funded study to look at the potential of linking Lorain to Cleveland with economical mass transit. He said the corridor in question was the only corridor in Lorain County that linked the southern most portion, namely Wellington to the town of Lorain. He said that if Lorain was linked to Cleveland it was the north-south transportation corridor to tie into RTA service to Cleveland. He said it was the only corridor that could do that. He said the CSX corridor could not do it and neither could Conrail or Norfolk Southern.

Mr. Bergsmark asked Mr. Chappo the distance from Lorain to Wellington.

Mr. Chappo said the distance was 25 miles on that line. He said there were some alternatives that could be constructed on CSX with an interchange that could cut that distance to about 20 miles.

Mr. Bergsmark asked if RTA currently provided service from Wellington to downtown Cleveland.

Mr. Chappo said that service was not then provided.

He said RTA had a study to see if it could link Lorain to Cleveland. He said the corridor would then link Wellington to Lorain.

Mr. Bergsmark said that at that time there were no commitments to have that happen.

Mr. Chappo said there were no such commitments. He said RTA had the ISTEA funds for transportation studies.

Mr. Bergsmark asked if Lorain County had committed to issue revenue shared bonds in the amount of \$2 million to fund the coexistence.

Mr. Chappo said the Association was originally asked to provide \$2 million of the \$3 million target ceiling costs for the coexistence option. He said the county had pledged non-tax revenues to guarantee bonds so that the taxpayers wouldn't have to pay. He said the Association would pay for those bonds. He said the county's pledge guaranteed the Commission got its money. He said the money was guaranteed by the county and it was the Association's responsibility to pay that money back.

Mr. Bergsmark asked if the county was guaranteeing the bonds with non-tax revenues and were the bonds for sale.

Mr. Chappo said the Association and county were working with McDonald & Company to actually promote the sale of the bonds, which would be guaranteed by non-tax revenues. He said the bond counsel for the county was Squire, Sanders & Dempsey. He said the financial agent was McDonald & Company.

Mr. Bergsmark asked if the whole county would be committed toward the bonds and what revenues would be pledged to them.

Mr. Chappo said that the bonds were not the county's total non-tax revenue ability. He said approximately \$200,000 to \$250,000 per year of non-tax revenue would be pledged depending on the interest rate at the time of the bond sale.

Mr. Bergsmark asked if those funds were non-tax revenues of the county and not Lakeshore Railroad funds.

Mr. Chappo said that was correct. He said that the Association had generated cash in excess of those numbers in 1993 and 1994.

Mr. Bergsmark said his other question was why had there been such a delay in the Association coming to the Commission with their bond proposal.

Mr. Chappo said that on April 30, 1993, the Association had met at the Commission's administration building with Mr. Johnson and Mr. Plain. He said they asked at that time if the Association was willing to participate in some cost impact for the coexistence. He said the Association's representatives had said they would. He said the Association then hired a consultant who estimated its impact at \$1.9 million.

Mr. Chappo said he didn't believe that study was complete. He said the Commission did its own study and came back with an estimate that was nearly \$2.9 to \$3 million. He said the Association's consultant then looked at it and said they probably left some things out.

Mr. Chappo said the Association then had a meeting at Mr. Fedeli's office on the 15th of January that said at which time it was determined the truth was probably somewhere in between. He said the cost was probably \$2.5 million. He said that even with the additional engineering that would have to be redone the ceiling of \$3 million could still be met.

Mr. Chappo said the county and LSRA originally made an offer of half a million dollars, which he felt was quite a commitment from the community. He said that when they were turned down on that offer LSRA and county officials got together to evaluate the business reasons for the coexistence plan and then got the county's non-tax revenues to be pledged. He said those efforts did take some time and everything came together in January.

Mr. Bergsmark asked if legislation had been passed by the Lorain County Commissioners to pledge non-tax revenues toward the bond.

Mr. Chappo said no such legislation had been passed and that it was pending acceptance of the proposal by the Commission. He said two of the three County Commissioners had pledged to do that in a letter they sent to the Commission. He said it required a minimum of two Commissioners to go forward. He said the two Commissioners had pledged that and were at the Commission meeting.

The Chairman said the Members had heard from both sides of this situation. He said that, although the Commission was trying to be sensitive to the communities, he thought at that point his evaluation of the situation was that there was a lot more obstacles to the railroad than just the Turnpike situation. He said the Commission had already spent in excess of \$700,000 on the new interchange project. He said he thought the Commission should just continue to proceed ahead with the project.

The Chairman said also that the Commission would go on with the rest of the meeting so if anybody would like to stay they were welcome. He said everyone who

would like to leave could leave at that time. He said he thanked everyone for attending the meeting.

The Chairman said further that various reports would then be received and the Commission would act on some resolutions, draft copies of which had been previously sent to the Members and updated drafts were also in the Members' folders. He said the resolution would be explained during the appropriate reports. He said the report of the Secretary-Treasurer, Mr. Bergsmark, would be received.

Mr. Bergsmark said that the following listed items had been sent to the Members since the last regular meeting of the Commission on December 19, 1994:

1. Weekly Traffic Statistics.
2. Draft of the Commission Meeting Minutes of December 19, 1994.
3. Investment Transactions which occurred during December 1994 and January 1995.
4. Financial Statement for December 1994 and January 1995.
5. Traffic Accident Summary Reports for December 1994 and January 1995.
6. Traffic and Revenue Report for December 1994 and January 1995.
7. News Release #23 - Free Coffee
News Release #24 - Information on CR 18
News Release #1 - Fedeli Response on Toll Tickets
8. Budget and Expense Report - Twelve Months 1994.
9. Litigation Report - Fourth Quarter 1994.
10. Purpose and Need and Screening Reports on the Great Lakes/Mid-Atlantic Corridor.

The Chairman said the report of the Secretary-Treasurer was accepted as offered. He said the report on Budget and Finance would be received.

Mr. Bergsmark said that he would give a recap of the Commission's 1994 budget. He said the total general fund expenditures for the year of 1994 amounted to \$64,083,274. He said that figure was an increase over actual 1993 results, however, it was \$1,843,628 less or 2.8 percent less than the 1994 budget.

Mr. Bergsmark said further that total revenues amounted to \$112,065,363, which was an increase of 12.4 percent over 1993, and in excess of \$100 million for the first time in the Commission's history.

The Chairman said the report on Budget and Finance was accepted as offered. He said the report on Audit/Legal would be received.

Mr. Rudolphy said the Commission's independent auditor, Coopers and Lybrand, had finished their audit for December 31, 1994. He said he would be meeting them shortly to review their results. He said the report would be included in the Commission's 1994 annual report.

Mr. Rudolphy said also that the Commission would be receiving responses to its Request for Proposals for banking services the day after the Commission meeting. He said his staff and Mr. Bergsmark would be evaluating the proposals and he hoped to get back to the Commission with a recommendation as soon as possible.

The Chairman said the report on Audit/Legal was accepted as offered. He said the report on Service Plazas would be received.

Senator Gaeth said he had received a comment of concern from someone who indicated that the men's restroom at a particular service plaza was unkept. He said he had stopped at the plaza on the way to the Commission meeting and found an employee of the restaurant cleaning it and it was immaculate. He said the plans for the renovation of the service plazas were appropriate and much needed. He said he looked forward to having some of those service plazas updated in the next year or so.

Mr. Johnson said he would supplement the Senator's report by saying the staff had gone through numerous drafts of bidding documents to renovate or reconstruct the service plazas and the final documents should be ready for advertising within a very short time.

The Chairman said the report on Service Plazas was accepted as offered. He said the report on Employee Relations would be received.

Mr. Johnson said Mr. Disantis was ill and not at the meeting. He said he would give that report, but he would like to defer until later in the meeting.

The Chairman said that was okay. He said he would like to introduce the Commission's new General Counsel, Gino Zomparelli. He said Mr. Zomparelli was a graduate of John Carroll University with a degree in Accounting. He said he had a Masters in Business Administration and also a law degree. He said Mr. Zomparelli had been a General Counsel of a computer company and also was in private practice. He said he replaced Jim McGrath, after 37 years of service to the Commission. He said a resolution had been prepared to honor Mr. McGrath and it would be introduced later in the meeting.

Mr. Johnson said that although, under the Bylaws, he was the one that made the appointment of the General Counsel, it was done with the verbal assent of the Commission.

A motion to formally assent to the appointment of Gino Zomparelli as General Counsel of the Commission was moved for adoption by Mr. Bergsmark, seconded by Mrs. Leever.

A vote by ayes and nays was taken and all Members present responded to roll call. The vote was as follows:

Ayes: Mr. Bergsmark, Mrs. Leever, Mr. Williams, Mr. Zook,
Mr. Fedeli

Nays: None

The Chairman declared the motion approved with all Members present voting in the affirmative.

Mr. Johnson said further that he also wanted to announce that Sharon Isaac, who had been Staff Counsel, had been appointed to the position of Assistant General Counsel.

Mr. Johnson said also that the rest of his report would concern the resolutions before the Commission that day. He said there were two resolutions concerning the award of mainline resurfacing contracts. He said the first was designated as a resolution awarding contract No. 59-95-01 for resurfacing between milepost 111.7 and 118.8 in Erie County. He said he had furnished the Commission Members with a tabulation of the bids that were received.

Mr. Johnson said further that there were six bidders and the low bid was submitted by the S. E. Johnson Company of Maumee in the amount of \$3,753,713.36, using crushed slag in the surface course. He said it was by far the lowest bid. He said that the S. E. Johnson Company had performed many similar contracts for the Commission in an outstanding manner in the past. He said he recommended that the resolution be adopted.

A resolution awarding contract No. 59-95-01 was moved for adoption by Mr. Bergsmark, seconded by Mr. Williams as follows:

RESOLUTION NO. 1-95

"WHEREAS, the Commission has duly advertised according to law for bids upon a contract for mainline repairs and resurfacing of original construction sections C-31 and C-32 between Milepost 111.7 to Milepost 118.8, including guardrail improvements of Interchange No. 7 at Milepost 118.6, in Erie County, Ohio;

"WHEREAS, the Commission has received bids from five bidders and each bidder submitted alternate bids for the performance of said contract, and two bidders also included alternate bids utilizing temporary access;

"WHEREAS, said bids have been reviewed and analyzed by the Commission's chief engineer, and he has submitted a report concerning such

analysis and his report is before the Commission and the Commission's executive director has made his recommendation to the Commission predicated upon such analysis;

"WHEREAS, the Commission's minority business enterprise coordinator has reviewed the documents submitted by the bidders and has determined that there is satisfactory evidence of compliance with the Commission's Minority Business Enterprise Program;

"WHEREAS, all bids for said contract were solicited on the basis of the same terms and conditions and the same specifications, and the bid of the S. E. Johnson Companies of Maumee, Ohio, in the amount of \$3,753,713.36, using crushed slag, for the performance of Contract 59-95-01 has been determined by the Commission to be the lowest responsive and responsible bid received;

"WHEREAS, the Commission has been advised by its general counsel that said bid conforms to the requirements of Section 5537.07, Section 9.312 and Section 153.54, all of the Revised Code of Ohio, and that a performance bond with good and sufficient surety has been submitted by the S. E. Johnson Companies, Inc.

"NOW, THEREFORE, BE IT

"RESOLVED that the bid of the S. E. Johnson Companies, Inc. of Maumee, Ohio, in the amount of \$3,753,713.36, using crushed slag, for the performance of Contract 59-95-01, is, and is by the Commission, determined to be the lowest responsive and responsible bid received for the performance of said contract, and is accepted, and that the chairman and executive director, or either of them, hereby is authorized (1) to execute a contract with said successful bidder in the form heretofore prescribed by the Commission pursuant to the aforesaid bid; (2) to direct the return to the other bidders of their bid security, when appropriate, and (3) to take any and all action necessary or proper to carry out the terms of said bid and of said contract; and

"FURTHER RESOLVED that Project 59-95-01 is designated a System Project under the Commission's 1994 Master Trust Agreement."

A vote by ayes and nays was taken and all Members present responded to roll call. The vote was as follows:

Ayes: Mr. Bergsmark, Mr. Williams, Mrs. Leever, Mr. Zook,
Mr. Fedeli

Nays: None

The Chairman declared the resolution stood adopted with all Members present voting in the affirmative. The resolution was identified as No. 1-1995.

Mr. Johnson said further that the second resolution was a resolution awarding contract No. 59-92-02, which was for resurfacing on the Turnpike between milepost 186.9 and 196.3 in Portage County. He said the low bid had been submitted by the Northern Ohio Paving Company of Twinsburg, Ohio in the amount of \$4,133,028.40. He said there were five bidders on the project. He said Northern Ohio was a company that had performed many similar projects on the Turnpike in an outstanding manner. He said it was recommended by the staff, General Counsel and by him that the contract be awarded to the Northern Ohio Paving Company. He said he recommended that the resolution to make the award be adopted.

A resolution awarding contract No. 59-95-02 was moved for adoption by Mrs. Leever, seconded by Mr. Williams, as follows:

RESOLUTION NO. 2-95

"WHEREAS, the Commission has duly advertised according to law for bids upon a contract for mainline repairs and resurfacing of original construction sections C-10, C-11 and C-12, between Milepost 186.9 to Milepost 196.3, in Portage County, Ohio;

"WHEREAS, the Commission has received bids from five bidders and each bidder submitted alternate bids for the performance of said contract, and four bidders also included alternate bids utilizing temporary access;

"WHEREAS, said bids have been reviewed and analyzed by the Commission's chief engineer, and he has submitted a report concerning such analysis and his report is before the Commission and the Commission's executive director has made his recommendation to the Commission predicated upon such analysis;

"WHEREAS, the Commission's minority business enterprise coordinator has reviewed the documents submitted by the bidders and has determined that there is satisfactory evidence of compliance with the Commission's Minority Business Enterprise Program;

"WHEREAS, all bids for said contract were solicited on the basis of the same terms and conditions and the same specifications, and the bid of Northern Ohio Paving Company of Twinsburg, Ohio, in the amount of \$4,133,028.40 utilizing temporary access and using crushed slag, for the performance of Contract 59-95-02 has been determined by the Commission to be the lowest responsive and responsible bid received;

"WHEREAS, the Commission has been advised by its general counsel that said bid conforms to the requirements of Section 5537.07, Section 9.312 and Section 153.54, all of the Revised Code of Ohio, and that a performance bond with good and sufficient surety has been submitted by Northern Ohio Paving Company;

"NOW, THEREFORE, BE IT

"RESOLVED that the bid of Northern Ohio Paving Company of Twinsburg, Ohio, in the amount of \$4,133,028.40 utilizing temporary access and using crushed slag, for the performance of Contract 59-95-02, is, and is by the Commission, determined to be the lowest responsive and responsible bid received for the performance of said contract, and is accepted, and that the chairman and executive director, or either of them, hereby is authorized (1) to execute a contract with said successful bidder in the form heretofore prescribed by the Commission pursuant to the aforesaid bid; (2) to direct the return to the other bidders of their bid security, when appropriate, and (3) to take any and all action necessary or proper to carry out the terms of said bid and of said contract; and

"FURTHER RESOLVED that Project 59-95-02 is designated a System Project under the Commission's 1994 Master Trust Agreement."

A vote by ayes and nays was taken and all Members present responded to roll call. The vote was as follows:

Ayes: Mrs. Leever, Mr. Williams, Mr. Bergsmark, Mr. Zook,
Mr. Fedeli

Nays: None

The Chairman declared the resolution stood adopted with all Members present voting in the affirmative. The resolution was identified as No. 2-1995.

Mr. Johnson said further that the next matter was a resolution commending the long service of James McGrath, who retired at the end of January as General Counsel of the Commission.

Mr. Johnson said further that he had submitted a resolution earlier in the week in draft form to the Members. He said a few modifications had been made to that for the resolution that was in the Members' folders that morning. He said he would not read it because it was rather long. He said he thought that all the Members knew that Jim had served with the Commission almost 38 years. He said he did an outstanding job throughout his career at the Commission. He said he served as General Counsel for almost 13 years. He said he thought it was fitting that the Commission recognize him with the adoption of the resolution.

Mr. Johnson said that, again, he would not read it, but, after it was adopted, it would be put into some very nice form for presentation to Mr. McGrath. He said Mr. McGrath was in Florida at that time. He said he left the next day after he retired, but would be coming back in the springtime. He said that he thought the resolution would be presented to him in some sort of ceremony at that time.

The Chairman said he thought that, after 37 years of service, the Commission would recognize Jim in a substantial way. He said Mr. McGrath would be back at one of the future Commission meetings at which time the Commission could present the resolution to him.

A resolution commending the long and meritorious service of James C. McGrath was adopted by acclamation of the Commission.

RESOLUTION NO. 3-95

"WHEREAS, on July 9, 1957, James C. McGrath commenced his association with the Ohio Turnpike Commission as Staff Counsel in the Legal Department under the leadership of The Honorable Lockwood Thompson (deceased), and Francis K. Cole;

"WHEREAS, on March 28, 1982, upon the retirement of Francis K. Cole, Mr. McGrath was appointed to the position of General Counsel and has served in that capacity with distinction until his retirement on January 31, 1995;

"WHEREAS, during his thirty-eight years of service with the Commission, and particularly under his guidance as General Counsel, the Commission moved forward in many vital areas including, but not limited to: development of Commission policies and positions concerning the future of the Turnpike as a continuing toll facility which led to extensive review by the Ohio General Assembly and adoption of legislation to modernize the Ohio Turnpike Act and provide for continuing toll operation under the jurisdiction of the Commission; prepared license agreements for the installation of fiber-optic cable within the Turnpike right-of-way; the first such installation on Interstate Highways in the United States; coordinated and supervised right-of-way acquisition for the Commission's most recent new interchanges including: State Route 2; Interstate 75; Lordstown; State Route 49; State Route 4 and State Route 44; instrumental in the adoption of the Modification Agreement to the Commission's Tripartite Agreement (effective May 18, 1992) which permitted the continuation of tolls on the Ohio Turnpike after the original outstanding revenue bonds were liquidated on June 1, 1992; prepared and finalized the bidding documents for the current service station and restaurant operation contracts and assisted in the analysis and selection of the successful Operators; drafted bidding documents for new restaurant operation contracts after current contracts expire December 1, 1995; prepared the Request for Proposals (RFP) for Bond Counsel, Financial Advisor, Investment Bankers and assisted in the selection of the

successful proposers; assisted in the preparation of the Master Trust Agreement and related documents and helped obtain outstanding ratings from rating agencies, all of which were used in 1994 to issue \$125 million in Turnpike Revenue Bonds at extremely favorable interest rates; assisted in preparation of RFPs and agreements to secure project manager and consultant services for the study of the Great Lakes/Mid-Atlantic Corridor Project, the most ambitious undertaking of the Commission since the original Turnpike was designed and built in the 1950's; supervised staff counsel and office support personnel, as well as outside counsel assigned to litigation, appropriation and other special matters; and as a member of the International Bridge, Tunnel and Turnpike Association of Washington, D.C. served as Vice Chairman of its Law Committee since 1989 to present;

"WHEREAS, he provided legal service and advice to the Commission and its staff in all areas of its extensive operations;

"WHEREAS, the members of the Commission and the Commission's staff wish to give formal and public recognition for the long, honorable and exceptionally dedicated and effective service of James C. McGrath, as a respected member of the Bar and member of its staff;

"NOW, THEREFORE, BE IT

"RESOLVED that the Ohio Turnpike Commission hereby acknowledges its gratitude and expresses its appreciation of the diligent, active and valuable service rendered by James C. McGrath;

"FURTHER RESOLVED that the Commission extends to James C. McGrath, his wife, Lucille, and their children, its best wishes for his success and well-being in all matters and activities which he shall undertake in the future; and

"FURTHER RESOLVED that the assistant secretary-treasurer be, and hereby he is, directed to send a certified copy of this resolution to Mr. McGrath."

The Chairman declared the resolution was adopted with all Members present voting in the affirmative. The resolution was identified as No. 3-1995.

Senator Gaeth said that in behalf of Mr. McGrath's retirement a commendation from the Ohio Senate had been obtained.

Mr. Johnson said that Senator Gaeth already had given that to him and he expected that the Commission would receive a similar commendation from the Ohio House of Representatives. He said the Senate commendation was very nice because he knew Senator Gaeth helped to see that it was obtained.

The Chairman said that the report of the Executive Director was accepted as offered. He said the report of the Development Coordinator would be received.

Mr. Brennan said that starting at the west, as usual, and working east there was the State Route 66, County Road 24 interchange in Archbold, Fulton County. He said the Commission's wetlands mitigation plans were being prepared for submission to the U.S. Army Corps of Engineers. He said he received a copy of a letter that morning that was sent out earlier that week containing the Commission's mitigation plans to the Corps. He said the plans would be reviewed and then a period of comment by affected agencies and others would be allowed.

Mr. Brennan said further that he met with a group of property owners and one of the Ottawa County Commissioners, Steven Arndt, on February 3 regarding the State Route 51 interchange (Exit 5A) in Ottawa/Sandusky Counties. He said the project was reviewed and discussed in its entirety. He said that, while all the attendees were not totally satisfied, he believed the remaining concerns could be amicably resolved. He said design work continued and should be completed by March 31. He said he hoped construction could be begun that spring.

Mr. Brennan said further that construction bids would be opened in early March for the new interchange at Baumhart Road in Lorain County. He said that an award of a contract could be made at the next Commission meeting. He said construction should be completed in 1995.

Mr. Brennan said further that the State Route 58 interchange in Lorain had been discussed at some length that morning. He said the Commission was going ahead on the plans for that interchange. He said construction would begin in 1995.

Mr. Brennan said the access justification study was being finalized for the interchange with Interstate Route 77 in Summit/Cuyahoga Counties based on meetings of November 21 and December 16 with ODOT Districts Four and Twelve, City of Brecksville and Village of Richfield. He said that when the study was completed it would be circulated to all concerned for their review and concurrence. He said he hoped that could be done in 1995.

Mr. Brennan said further that, with regard to the Maumee River Crossing at Toledo, the task force had formally advised ODOT that a high-level bridge should be constructed north of the existing I-280 bridge. He said it was also recommended that the existing bridge should be retained for local traffic. He said that ODOT and the Federal Highway Administration would continue to review that project.

Mr. Brennan said further that the OCDC had completed and circulated the purpose and need and screening reports for the Great Lakes/Mid-Atlantic Corridor. He said he thought the Members had received a copy of those. He said the reports were rather thick volumes.

Mr. Brennan said further that consultants had been selected for the six segments. He said contracts were negotiated and signed as of January 31.

Mr. Brennan said further that segment 1, the Michigan line to Carey, Ohio, had been awarded to Mannik & Smith of Toledo. He said segment 2, Carey to Marion - Sverdrup Associates of Columbus. He said segment 3, Marion to Circleville - URS Consultants of Cleveland. He said segment 4, Circleville to Piketon - MS Consultants of Columbus. He said segment 5, Piketon to Chesapeake - Burgess & Niple-Columbus. He said segment 6, Cincinnati to Piketon - Woolpert of Dayton.

Mr. Brennan said further that since the Commission's December 19 meeting, OCDC had been assigned two more tasks. He said they were Number 6, Consultant Management, which entailed managing the work of the segment consultants, and number 7, public input, which was the organizing and conducting of two sets of 22 meetings each for elected and appointed officials and the general public throughout the corridor. He said the meetings totaled 44.

Mr. Brennan said further that the first set of those meetings would be held the first three weeks of March. He said a list was being prepared to show the dates, locations and times of those meetings. He said the purpose of the first meetings would be to explain the Great Lakes/Mid-Atlantic Corridor concept and receive local input. He said the second set of meetings, which would be held later, would be to review the information that had been assembled and accept comments related thereto.

Mr. Brennan said further that the status of the seven tasks was as follows:

1. Consultant Selection - 90% complete.
2. Preliminary Corridor Selection - 100% complete.
3. Preparation of Study Manual - 97% complete.
4. Traffic and Economic Data - 70% complete.
5. Communication Plan Assistance - 25% complete.
6. Consultant Management - 20% complete.
7. Public Input - 8% complete.

Mr. Brennan said further that the Commission's financial commitment increased by about \$2 million through January 31st to a total of about \$3.75 million.

Mr. Brennan said further that \$300,000 of that sum related to Task 7 or Public Input, and the balance to Task 6, Consultant Management, including about \$1,150,000 for the six segment consultants.

Mr. Brennan said that on January 13 he attended a meeting in Cincinnati at the Hamilton County Commissioners' office. He said the meeting was requested by Ohio Senate President Stanley Aronoff for the purpose of clearing up any misunderstandings regarding the roles OTC, OCDC, ODOT and OKI, the Ohio-Kentucky-Indiana MPO,

would play in Hamilton County's transportation plan. He said he believed the meeting accomplished its goal in that all now clearly understood that the OCDC study would not include Hamilton County.

Mr. Brennan said further that the I-73/74 statewide group met in Columbus for their regular monthly meeting and then held a special meeting to which members of the Ohio General Assembly had been invited. He said several legislators attended and were briefed. He said that Gillette Cobb of OCDC attended the February 8 meeting of the I-73/74 group and gave a detailed report. He said the attendees were impressed by the progress made. He said there would be a meeting of the six state organizations on March 9 and 10.

The Chairman said that the report of the Development Coordinator was accepted as offered. He said the report of the Construction Coordinator would be received.

Mr. Arlow said the progress of the Turnpike's projects had been covered by the Executive Director and Mr. Brennan.

The Chairman said the report of the Construction Coordinator was accepted as offered. He said the report of General Counsel would be received.

Mr. Zomparelli said he thanked the Commission for the opportunity to serve it as their General Counsel and he hoped he could earn the respect that Jim McGrath seemed to have earned. He said he hoped to continue to improve on the Legal Department's efficiency from that point on.

Mr. Zomparelli said further that there was going to be an oral argument on February 15th at the Fulton County Court of Appeals for the Wyse case on the Fulton County Road 24, State Route 66 interchange. He said he would keep the Commission apprised on the decision.

The Chairman said the report of General Counsel was accepted as offered. He ascertained there would be no report from the consulting engineers. He said the report of Captain Ash would be received.

Captain Ash said that the Patrol's 1994 annual report was near completion and would be ready for distribution at the next Commission meeting. He said that even with the increase in traffic, the Turnpike still remained one of the safest highways in the country in the past year.

The Chairman said the report of Captain Ash was accepted as offered. He said the Commission would go into Executive Session at that time to discuss a matter involving Commission employees and the collective bargaining agreements. He said that in order to do so it would require a motion and a vote by the Members.

The Chairman said the Commission would meet for about 15-20 minutes and then return to adjourn the Commission meeting.

Mrs. Leever said she moved that the Commission hold an executive session to review a matter that would require negotiations and bargaining with employee representatives on a proposed change in a condition of their employment. The motion was seconded by Mr. Bergsmark.

A vote by ayes and nays was taken and all Members present responded to roll call. The vote was as follows:

Ayes: Mrs. Leever, Mr. Bergsmark, Mr. Zook, Mr. Williams,
Mr. Fedeli

Nays: None

The Chairman declared the motion stood adopted with all Members present voting in the affirmative.

(The Members left the conference room at 11:00 a.m. and returned at 11:35 a.m.)

There being no further business to come before the Commission a motion was made by Mr. Zook, seconded by Mrs. Leever that the meeting adjourn until the next meeting on March 13.

A vote by ayes and nays was taken and all Members present responded to roll call. The vote was as follows:

Ayes: Mr. Zook, Mrs. Leever, Mr. Williams, Mr. Fedeli
(Mr. Bergsmark was not in the meeting room.)

Nays: None

The Chairman declared the meeting adjourned. Time of adjournment was 11:41 a.m.

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



Allan V. Johnson
Assistant Secretary-Treasurer