

MINUTES OF THE 410th MEETING OF THE OHIO TURNPIKE COMMISSION

July 17, 1995

Pursuant to the bylaws, the Ohio Turnpike met in regular session in the Administration Building at 682 Prospect Street, Berea, Ohio at 10:22 a.m., on July 17, 1995, with Members of the staff: Allan V. Johnson, Executive Director; Gino Zomparelli, General Counsel; G. Alan Plain, Deputy Executive Director; Robert P. Barnett, Director of Information and Research; Craig Rudolph, Comptroller; Donald M. Sharp, Director of Operations; David H. Ransbury, Chief Engineer; Alice Linn, Director of Patron Services; James H. Brennan, Development Coordinator; and others in attendance.

Present: Jerry Wray, Earl W. Williams, Ruth Ann Leever, Marilyn R. Baker, Umberto P. Fedeli

Absent: M. Ben Gaeth, Richard A. Hodges

A motion was made by Mrs. Leever, seconded by Mr. Williams, that the minutes of the meeting of June 12, 1995, which had been examined by the Members, be approved without reading.

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

Ayes: Mrs. Leever, Mr. Williams, Mr. Wray, Mrs. Baker, Mr. Fedeli

Nays: None

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

The Chairman said there were a number of guests at the meeting and he would like them to identify themselves as follows: Leah Fox, ODOT; Diane Pring, General Counsel's Secretary; Barbara Lesko, Executive Director's Secretary; Bill Wolfe, WJW-TV; Bob Serminara, WJW-TV; David Patch, The (Toledo) Blade; Francine Kane, WGAR-AM; Mark Kropko, Associated Press; Gary Joseph, ODOT; Pieter Wykoff, ODOT; Kerry Ferrier, Engineering; Mike Schipper, OCDC; Jim Bradshaw, The (Columbus) Dispatch; Dan Becker, OCDC; Keith Rosbury, HNTB; Gillett Cobb, OCDC; Paul Fatica, OCDC; Alice Ginley, UE Local 791, United Turnpike Workers; Joe Disantis, Right of Way Coordinator; Dan Castrigano, Maintenance Engineer; Bob Arlow, Construction Coordinator; Ed Presley, Society Bank; Joe Rice, Rice Consultants; Ed Trojan, Greiner Engineering; Gary Canocce, R & J Trucking; Keith Tuttle, Motor Carrier

Association; Paul Ash, OSHP; Ray Kljajic, Smith Barney; Rick Claar, The (Fremont) News Messenger; Paul _____, Elmore Town Council; Bob Eickel, Elmore Town Council; Keith Huizenga, Elmore Town Council; Jim Calpin, Paine Webber; Steve Wood, Paine Webber; Bobby Everhart, URS Consultants; Fred Richardson, URS Consultants; Kristen Baird, Crain's Cleveland Business; Andy Benson, The (Cleveland) Plain Dealer; Sharon Isaac, Assistant General Counsel; Frank Lamb, Huntington Trust; John Hostetter, Hostetter Trucking; Frank Cservak, Dick Group; Mary Shirley, Assistant Superintendent of Toll Collections; Gordon Reis, Seasongood and Mayer; Adam Mendoza, WMJI-AM; Jim Taylor, WTOL-TV; Paul Kazoich, WTOL-TV; Gregory Varn, La Havo Bros.; Eric Carmichael, Pryor, McClendon, Counts; and Pat Brogan, WWWE-AM.

The Chairman said the meeting was the 410th meeting of the Ohio Turnpike Commission and it was being held at the Commission's headquarters as provided for by the Commission's bylaws.

The Chairman said he would like to welcome Marilyn Baker to her first Commission meeting as a Member. He said State Representative Richard Hodges, who was appointed as the new House Member of the Commission, was not able to attend the day's meeting. He said Senator Gaeth also was not at the meeting.

The Chairman said further that the primary purpose of the meeting was to have an election of officers and to act on a number of resolutions, draft copies of which had been previously sent to the Members, and updated drafts were also in the Members' folders.

The Chairman said also that the Commission also would have a discussion on legislation pending in the General Assembly affecting the Commission.

The Chairman said that in accordance with the Turnpike Act and the Commission's Code of Bylaws, today the Commission would hold an election of officers, conducted by nomination and voting, and confirmed by a resolution so that action would appear in the Journal. He said he would begin by accepting nominations for the office of Chairman. Mrs. Leever said she nominated Mr. Fedeli.

The Chairman asked if there was a second to the nomination? Mr. Williams seconded the nomination.

The Chairman asked if there were any other nominations? There being none, he declared the nominations closed. He said that since he had been nominated, he would turn the meeting over to the Vice Chairman (Mrs. Leever) to conduct the election. Mrs. Leever asked the Assistant Secretary-Treasurer to call the roll.

The roll call was as follows:

Ayes: Mrs. Leever, Mr. Williams, Mr. Wray, Mrs. Baker, Mr. Fedeli

Nays: None

Mrs. Leever said that, a Chairman having been elected, she now turned the meeting back to Mr. Fedeli to conduct the remainder of the meeting.

The Chairman said that he would then accept nominations for the office of Vice Chairman. Mr. Fedeli nominated Mrs. Leever.

The Chairman asked if there was a second to the nomination? Mrs. Baker seconded the nomination.

The Chairman asked if there were any other nominations? He said that he declared the nominations closed. He said it had been moved and seconded that Mrs. Leever be elected Vice Chairman. He asked the Assistant Secretary-Treasurer to call the roll.

The roll call was as follows:

Ayes: Mr. Fedeli, Mrs. Baker, Mr. Wray, Mr. Williams, Mrs. Leever

Nays: None

The Chairman said he would then accept nominations for the election to the office of Secretary-Treasurer. Mr. Wray nominated Mrs. Baker.

The Chairman asked if there was a second to the nomination? Mrs. Leever seconded the nomination.

The Chairman asked if there were any other nominations? He said that there being none, he declared that nominations were closed. The Chairman asked the Assistant Secretary-Treasurer to call the roll.

The roll was as follows:

Ayes: Mr. Wray, Mrs. Leever, Mr. Williams, Mr. Fedeli, Mrs. Baker

Nays: None

The Chairman said that with the election of all the Commission's officers, he would now ask for adoption of a resolution confirming the elections so the action will appear in the Commission's Journal.

Mr. Johnson said that there was a resolution confirming election of officers which he would read as follows:

"RESOLVED that the election of Umberto Fedeli as Chairman of the Ohio Turnpike Commission; Ruth Ann Leever, as Vice-Chairman of the Ohio Turnpike Commission and Marilyn Baker, as Secretary-Treasurer of the Ohio Turnpike Commission, all, pursuant to Ohio Revised Code Section 5537.02 (C) and Article I of the Commission's Code of Bylaws dated August 8, 1994, to serve until the next election which shall be held at the first meeting of the Commission held after the 30th day of June, 1999 or until their respective successors are elected and qualified, or until such officers individually shall cease to be members of the Ohio Turnpike Commission, hereby is confirmed as having taken place at this meeting in accordance with law and the Commission's Code of Bylaws dated August 8, 1994, and the assistant secretary-treasurer is directed to enter this resolution in the journal of the Commission as a record thereof."

A resolution confirming the election of officers was moved for adoption by Mr. Wray, seconded by Mr. Williams as follows:

RESOLUTION NO. 21-1995

RESOLVED that the election of Umberto P. Fedeli, as chairman of the Ohio Turnpike Commission; Ruth Ann Leever, as vice-chairman of the Ohio Turnpike Commission and Marilyn R. Baker, as secretary-treasurer of the Ohio Turnpike Commission, all, pursuant to Ohio Revised Code Section 5537.02 (C) and Article I of the Commission's Code of Bylaws dated August 8, 1994, to serve until the next election which shall be held at the first meeting of the Commission held after the 30th day of June, 1999 or until their respective successors are elected and qualified, or until such officers individually shall cease to be members of the Ohio Turnpike Commission, hereby is confirmed as having taken place at this meeting in accordance with law and the Commission's Code of Bylaws dated August 8, 1994, and the assistant secretary-treasurer is directed to enter this resolution in the journal of the Commission as a record thereof."

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

Ayes: Mr. Wray, Mr. Williams, Mrs. Leever, Mrs. Baker, Mr. Fedeli

Nays: None

The Chairman declared the resolution stood adopted with all Members voting in the affirmative. The resolution was identified as No. 21-1995.

The Chairman said that if there were no other questions, the report of the Assistant Secretary-Treasurer, Mr. Johnson, would be received.

Mr. Johnson said that the following listed items had been sent to the Members since the last regularly scheduled meeting of the Commission, June 12, 1995:

1. Weekly Traffic Statistics
2. Investment Transactions which occurred during June 1995
3. Draft of the Commission Meeting Minutes of June 12, 1995
4. Traffic Accident Summary Report for May and June 1995
5. OCDC Report July 1995
6. Final Draft of Feasibility Report GL/MAC Project
7. Litigation Report for first 6 months of 1995
8. News Release #11 - Suspension of Construction during July and August

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

Mr. Johnson said that the first six months of 1995 had been completed and revenues had exceeded the Commission's projections and expenditures were lower than the budgeted amount. He said the Commission was in good financial shape for the first six months of 1995.

The Chairman said the report on Budget and Finance was accepted as offered. He ascertained there would be no report on Audit/Legal. He said the report on Service Plazas would be received.

Mr. Johnson said that since the last Commission meeting bids had been opened for new contracts for the operation of the restaurants at the Turnpike's sixteen service plazas.

Mr. Johnson said further that he had sent a summary of those bids to the Members. He said he had several things to mention and the first was that bids on all the units were not received. He said bids were not received on the four western units. He said he thought it might be necessary for the Commission to make a determination on how to proceed on those units. He said a decision would have to be made on rebidding those restaurants.

Mr. Johnson said further that the group which had been named or appointed at the Commission meeting to review the bids had been doing that work. He said he hoped that at the next Commission meeting in August there could be a recommendation for some action on awarding at least all or part of the twelve units on which bids were received.

Mr. Johnson said further that some interesting proposals had been received. He said that out of the whole bidding process he thought the goals the Commission wanted

could be achieved. He said many of the bids were for total replacement of the restaurant buildings. He said some were for just renovation, which was allowed for under the bidding documents. He said he thought the Commission had some very interesting and attractive prospects ahead.

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

Mr. Disantis said that, since the report on May 25, Blue Cross/Blue Shield presented the Commission with experience data and insurance extensions for policy year beginning August 1st. He said that, as had been done in 1994, the Commission had retained the firm of KPMG Peat, Marwick to analyze the report and data.

Mr. Disantis said that the analysis and recommendations of the consultant were provided to all the Members and if anyone wanted to review the entire report they could see him after the meeting.

The Chairman said the report on Employee Relations was accepted as offered. He said the report of the Executive Director would be received.

Mr. Johnson said that the Members had before them a resolution concerning the financial condition of the Commission. He said it was a requirement of the Commission's Trust Agreement that each year a calculation under section 404 of the Trust Agreement regarding the financial condition of the Commission had to be provided to the trustee.

Mr. Johnson said he would read the Resolved of the resolution as follows:

"NOW, THEREFORE, BE IT

"RESOLVED that the Commission having reviewed the analysis prepared by the comptroller determines that there will be sufficient Gross Revenues for fiscal year 1995 together with Series Payments, Additional Systems Payments and Supplemental Payments to meet the requirements of §4.04(a) of the Trust Agreement and hereby authorizes and directs the comptroller to issue a certificate required by §4.04(b) of the Trust Agreement; and

"FURTHER RESOLVED that copies of such certification and a certified copy of this resolution shall be transmitted to the trustee, the rating agencies and shall be available to any interested party."

Mr. Johnson said he recommended that the resolution be adopted.

A resolution concerning the financial condition of the Commission was moved for adoption by Mrs. Baker, seconded by Mrs. Leever as follows:

RESOLUTION NO. 22-1995

"WHEREAS, §4.04(a) of the Master Trust Agreement ("Trust Agreement") between the Commission and The Huntington National Bank, as trustee, dated February 15, 1994, requires that on or before July 31 of each year the Commission shall complete a review of its financial condition for the purpose of estimating whether the Gross Revenues for such Fiscal Year will be sufficient to provide, together with Series Payments, Additional System Payments and Supplemental Payments the amounts specified in §4.04(a) of the Trust Agreement;

"WHEREAS, the Commission's comptroller has analyzed the Commission's financial condition and has advised the Commission that on the basis of his analysis the Commission's revenues for fiscal year 1995 will be sufficient to meet the requirements of §4.04(a) of the Trust Agreement and has set forth a detailed statement of the actual and estimated Gross Revenues, Series Payments, Additional System Payments and Supplemental Payments and a certification of same is before the Commission;

"NOW, THEREFORE, BE IT

"RESOLVED that the Commission having reviewed the analysis prepared by the comptroller determines that there will be sufficient Gross Revenues for fiscal year 1995 together with Series Payments, Additional System Payments and Supplemental Payments to meet the requirements of §4.04(a) of the Trust Agreement and hereby authorizes and directs the comptroller to issue a certificate required by §4.04(b) of the Trust Agreement; and

"FURTHER RESOLVED that copies of such certification and a certified copy of this resolution shall be transmitted to the trustee, the rating agencies and shall be available to any interested party."

TRUST AGREEMENT SECTION 4.04 CALCULATION

Requirement I - GROSS REVENUE:

| | | |
|--------------------------|-----------------------|-----------------------------------|
| ACTUAL FOR 1ST HALF 1995 | \$ 48,584,405 | |
| SECOND HALF ESTIMATE | <u>\$ 58,011,408</u> | |
| ESTIMATE FOR 1995 | <u>\$ 106,595,813</u> | Section 4.04 (a) (l) and 4.04 (b) |
| | | |
| OM&A PER BUDGET | \$ 68,174,093 | Section 4.04 (a) (i) (1) |
| EXPENSE RESERVE AMT. | <u>\$ 2,247,191</u> | Section 4.04 (a) (i) (2) |
| TOTAL FOR 1995 | <u>\$ 70,421,284</u> | |
| | | |
| EXCESS <DEFICIENCY> | \$ 36,174,529 | |

Requirement II - SYSTEM PLEDGED REVENUE:

| | | |
|-----------------------------|----------------------|-----------------------|
| GROSS REVENUE | \$ 106,595,813 | |
| OM&A | \$ 68,174,093 | |
| EXPENSE RESERVE AMT. | <u>\$ 2,247,191</u> | |
| SYSTEM PLEDGED REVENUE | <u>\$ 36,174,529</u> | Section 4.04 (a) (ii) |
| | | |
| ANNUAL DEBT SVC REQUIREMENT | \$ 8,634,607 | Section 4.04 (a) (ii) |
| DEBT SERVICE RESERVE | \$ - | Section 4.04 (a) (ii) |
| RENEWAL & REPLACEMENT | <u>\$ 6,000,000</u> | Section 4.04 (a) (ii) |
| TOTAL | <u>\$ 14,634,607</u> | |
| | | |
| EXCESS <DEFICIENCY> | \$ 21,539,922 | |

ESTIMATE OF GROSS REVENUE - 1995

| <u>Toll Revenue</u> | <u>1st HALF</u> | <u>2nd HALF</u> |
|---------------------|-----------------|-------------------|
| 1991 | 37,324,721 | 42,860,473 |
| 1992 | 39,140,693 | 44,504,138 |
| 1993 | 40,899,893 | 47,468,700 |
| 1994 | 43,524,470 | 50,917,155 |
| 1995 | 46,171,531 | 56,008,871 (EST.) |

Special Toll Permit

| | | |
|------|-----------|------------------|
| 1991 | 615,992 | 551,435 |
| 1992 | 922,455 | 843,763 |
| 1993 | 1,140,659 | 947,122 |
| 1994 | 1,291,285 | 1,046,185 |
| 1995 | 1,456,523 | 1,046,185 (EST.) |

Investment Revenue 1995

| | | |
|-----------------------|----------------|----------------|
| Revenue Fund | 290,377 | |
| Renewal & Replacement | 229,083 | |
| System Projects | <u>436,892</u> | |
| Total 1st Half 1995 | 956,352 | 956,352 (EST.) |

2ND HALF ESTIMATE

58,011,408

I hereby certify the calculations above to be an accurate estimation of the Gross Revenues per Section 4.04b of the Master Trust Agreement.

Craig Rudolph
Authorized Officer

7/14/95
Date

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

Ayes: Mrs. Baker, Mrs. Leever, Mr. Wray, Mr. Williams, Mr. Fedeli

Nays: None

The Chairman declared the resolution stood adopted with all Members voting in the affirmative. The resolution was identified as No. 22-1995.

Mr. Johnson said the next matter was a resolution awarding Contract No. 58-95-03. He said it was a contract to provide for toll plaza renovations, interchange ramp resurfacing and tandem trailer lot expansion at the Warren (No. 14) Interchange at State Route 5 in Trumbull County.

Mr. Johnson said further that the project was the first of a number of projects for renovating existing interchanges. He said the bids had been analyzed by the staff. He said three bids were received. He said tabulations of those bids were attached to the resolution, along with staff reports. He said he would read the Resolved as follows:

"RESOLVED that the bid of the A. P. O'Horo Company of Youngstown, Ohio, in the amount of \$3,631,472.73 for the performance of Contract No. 58-95-03 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 No. 58-95-03 is designated a System Project under the Commission's 1994 Master Trust Agreement."

Mr. Johnson said he recommended that the resolution be adopted.

A resolution awarding Contract No. 58-95-03 was moved for adoption by Mr. Williams, seconded by Mr. Wray as follows:

RESOLUTION NO. 23-1995

"WHEREAS, the Commission has duly advertised according to law for bids upon a contract for toll plaza renovation, interchange ramp resurfacing and tandem lot expansion of Ohio Turnpike, State Route 5, Interchange 14 located at Milepost 209.2 in Trumbull County, which project has been designated Project No. 58-95-03;

"WHEREAS, three bids for the performance of said contract were received;

"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 A. P. O'Horo Company, of Youngstown, Ohio, in the amount of \$3,631,472.73 for the performance of Contract No. 58-95-03 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 A. P. O'Horo Company;

"NOW, THEREFORE, BE IT

"RESOLVED that the bid of the A. P. O'Horo Company of Youngstown, Ohio, in the amount of \$3,631,472.73 for the performance of Contract No. 58-95-03 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 No. 58-95-03 is designated a System Project under the Commission's 1994 Master Trust Agreement."

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

Ayes: Mr. Williams, Mr. Wray, Mrs. Leever, Mrs. Baker, Mr. Fedeli

Nays: None

The Chairman declared the resolution stood adopted with all Members voting in the affirmative. The resolution was identified as No. 23-1995.

Mr. Johnson said also that the Commission had been working for some time on the project for the development of the Great Lakes/Mid-Atlantic Corridor. He said the final draft of the Stage One Feasibility Study had been circulated to the Members. He said that, pending any comments from the Members, the report would be completed within the next week or two, printed and then circulated.

Mr. Johnson said further that it was necessary to keep certain elements of the project proceeding so he sought the Commission's approval of another Task Order. He said there was a resolution in the Members' folders entitled "Resolution Ratifying and Approving Task Order Relative to the Agreement between the Commission and the Ohio Corridor Development Consortium." He said it was Task Order No. 11, which he would read the Resolved as follows:

"RESOLVED that the Commission hereby ratifies and approves the implementation of services identified in Task Order No. 11 for the I-73/I-74 Corridor and authorizes and directs the executive director to take any and all action necessary or proper to implement the execution of these orders."

Mr. Johnson said he recommended that the resolution be adopted.

Mr. Wray asked if there was a report from OCDC at the meeting?

Mr. Johnson said that the monthly status report had been distributed and he also had given the Members copies of the report he had just mentioned.

Mr. Wray said he had been out of town and had not seen the OCDC draft report.

Mrs. Leever asked Mr. Johnson how much Task Order No. 11 would cost the Commission?

Mr. Brennan said Task Order No. 11 would cost \$476,132.

Mr. Wray asked how much had the study process cost the Commission to date?

Mr. Brennan said the figure was \$4,550,000.

Mr. Johnson said that the Stage One Feasibility study was being wrapped up. He said that was what he had sent to the Members in draft form. He said that Task Order No. 11 would allow for Stage Two feasibility studies to proceed on one portion of the project.

Mr. Wray asked if the Stage Two feasibility studies would be directed at the Delaware bypass area?

Mr. Johnson said Mr. Wray was correct. He said the bypass area had the highest priority. He said the Stage Two studies would take an additional six months to complete and would basically be a detailed environmental examination.

Mr. Cobb said the first phase of the project would be a major investment study in an attempt to reduce the number of alternatives down to two or three so that environmental studies didn't need to be performed on all the alternatives.

A resolution ratifying and approving task order relative to the agreement between the Commission and the Ohio Corridor Development Consortium was moved for adoption by Mr. Wray, seconded by Mrs. Leever as follows:

RESOLUTION NO. 24-1995

"WHEREAS, the Commission has authorized an Agreement for project management consulting services for the I-73/I-74 Corridor ("Agreement") with the Ohio Corridor Development Consortium (OCDC), said Agreement being approved by Commission Resolution No. 34-1994;

"WHEREAS, Task Orders No. 1, 2 and 3 have been approved by Commission Resolution No. 35-1994 to implement certain services called for in the Agreement;

"WHEREAS, Task Orders No. 4, 5, 6 and 7 have been ratified and approved by Commission Resolution No. 5-1995 to implement certain services called for in the Agreement;

"WHEREAS, Task Orders No. 8 and 9 have been ratified and approved by Commission Resolution No. 15-1995 to implement certain services called for in the Agreement;

"WHEREAS, Task Order No. 11 is presently before the Commission for its review and approval;

"NOW, THEREFORE, BE IT

"RESOLVED that the Commission hereby ratifies and approves the implementation of services identified in Task Order No. 11 for the I-73/I-74 Corridor and authorizes and directs the executive director to take any and all action necessary or proper to implement the execution of these orders."

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

Ayes: Mr. Wray, Mrs. Leever, Mr. Williams, Mrs. Baker, Mr. Fedeli

Nays: None

The Chairman declared the resolution stood adopted with all Members voting in the affirmative. The resolution was identified as No. 24-1995.

Mr. Johnson said also that, as the Members knew, the last Commission meeting was the last for meeting for Ed Bergsmark, who had served on the Commission for almost eight years. He said that, although the Members had expressed their appreciation to Mr. Bergsmark at that meeting, it had been indicated that a resolution would be adopted at the July meeting to express the Commission's appreciation.

Mr. Johnson said further that there was such a resolution in the Members' folders and he recommended that it be adopted.

A resolution expressing appreciation of Edwin M. Bergsmark was moved for adoption by Mrs. Baker, seconded by Mr. Williams as follows:

RESOLUTION NO. 25-1995

"WHEREAS, Edwin M. Bergsmark was appointed as a member of the Ohio Turnpike Commission by Governor Richard F. Celeste on August 12, 1987;

"WHEREAS, during his eight-year tenure as a member of the Commission, he served as its Vice Chairman from July 31, 1989, until his election as secretary-treasurer on November 7, 1991, a position which he held until the expiration of his term; and also served as Chairman of the Commission's Budget & Finance Committee since 1991;

"WHEREAS, Mr. Bergsmark has served with distinction as a member of the Commission and has actively contributed to the Commission's purposes and objectives through his diligent application to the matters coming before the Commission, and the astuteness and knowledge which he has employed in making and expressing judgments with respect to legal, accounting and banking matters;

"WHEREAS, Edwin M. Bergsmark has been for many years one of the premier and distinguished business and civic leaders in the State of Ohio, serving in many capacities, including: President and CEO of Vista Capital Group; President of the Toledo Mud Hens Baseball Club, Inc. and Lucas County Recreation, Inc.;

member of the advisory board of the Legal Institute of the Great Lakes, trustee of Lourdes College and as past-President of the Toledo Zoological Society, he was responsible for procuring and negotiating a short-term loan of two giant pandas from the People's Republic of China in 1988;

"NOW, THEREFORE, BE IT

"RESOLVED that the Commission hereby recognizes and expresses its appreciation of the diligent, active and valuable service rendered by Edwin M. Bergsmark as a member of the Ohio Turnpike Commission; and

"RESOLVED that the Commission extends to Edwin M. Bergsmark 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. Bergsmark."

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

Ayes: Mrs. Baker, Mr. Williams, Mr. Wray, Mrs. Leever, Mr. Fedeli

Nays: None

The Chairman declared the resolution stood adopted with all Members voting in the affirmative. The resolution was identified as No. 25-1995.

Mr. Johnson said also that, as the Members knew, the Commission had talked about the third lane project that had been identified as being necessary on the Turnpike. He said the Commission had authorized and directed that the services of a Project Management Consultant be retained to assist the staff in proceeding with that project.

Mr. Johnson said further that at the last Commission meeting a group of staff members and others had been identified as those who would participate in reviewing the proposals that were to be received. He said that group consisted of him, Alan Plain, the Deputy Executive Director, Gino Zomparelli, the General Counsel, David Ransbury, the Chief Engineer, Jim Brennan, the Development Coordinator, and Bob Arlow, the Construction Coordinator. He said Mr. Wray had been asked to participate, but he was unable to attend the interviews that were conducted. He said the final member of the group was a representative of the Commission's special counsel, the Climaco firm.

Mr. Johnson said further that, as authorized by the Commission, the requests for proposals for Project Management Services on the third lane project were issued and received on June 14, 1995. He said four proposals were received and he had previously informed the Commission of the firms that had made up the four teams. He said that, furthermore, he had recommended the group of staff and outside counsel to review the proposals, to conduct interviews as necessary and to recommend an award for action by the Commission.

Mr. Johnson said further that three of the four proposals were determined to be of such caliber to warrant interviews in order to make a final recommendation and conclusion. He said those interviews were held on Wednesday, July 12. He said the first proposal came from Greiner Engineering Inc. - Ohio along with Adache - Ciuni - Lynn Associates Inc., Morrison Knudsen Corp., Ralph C. Tyler, Inc. (MBE) and ACRT Inc. Environmental.

Mr. Johnson said further that the second proposal was submitted by URS Consultants along with Dick Enterprises, Ralph C. Tyler, Inc. (MBE), Polytech, Inc. (MBE), Resource International (MBE), Banks Carbone (MBE), and Wingfield, Bennett & Baer Inc.

Mr. Johnson said further that the third proposal came from Tri-Lane Partnership consisting of HNTB, Turner Construction, Gilbane Building Co. and Resource International (MBE).

Mr. Johnson said further that all three firms submitted excellent proposals and no doubt could provide the necessary services completely. He said that one proposal had to be selected, however, and it was the recommendation and conclusion of the review group that the contract be awarded to the team headed by URS Consultants.

Mr. Johnson said further that, in reaching that conclusion, the review group noted the following points, which, although not necessarily unique to the URS proposal, appeared in the group's judgment to support the conclusion and recommendation.

Mr. Johnson said further that the points were: number one, a strong Ohio presence; number two, a strong project manager; number three, a good approach to the project in the areas of administration, cost control and design; number four, strong commitments of team members and individuals to the project; number five, techniques to review design work in such a way as to streamline and shorten the project time schedules; number six, a good MBE commitment; number seven, a good subconsultant proposal to handle project public relations and public notification; and number eight, key staff personnel with current Ohio professional registration.

Mr. Johnson said further that a resolution had been drafted for the Commission to accept the proposal submitted by URS Consultants with the subconsultants so listed and be recommended that the resolution be adopted.

Mr. Johnson said further that he wanted to say one final thing and that was that all three firms submitted outstanding proposals. He said those firms not selected for the Project Management were outstanding candidates for performing design elements of the project.

A resolution accepting proposal for the third-lane project management consultant was moved for adoption by Mr. Wray, seconded by Mr. Williams as follows:

RESOLUTION NO. 26-1995

"WHEREAS, pursuant to Resolution No. 16-1995, the executive director was authorized and directed to prepare and issue a Request for Proposals (RFP) for the services of a project management consulting firm to assist the Commission in implementing the third-lane lane project;

"WHEREAS, an RFP was issued on May 18, 1995, and four responses were received on June 14, 1995,

"WHEREAS, at the June 12, 1995, Commission meeting, the executive director recommended that the Director of Transportation and various members of the Commission's staff review the proposals and conduct necessary interviews to enable the review group to make a recommendation to the Commission;

"WHEREAS, the interviews were subsequently held on July 12, 1995, and the review group unanimously recommend the acceptance of the proposal submitted by URS Consultants, with sub-consultants consisting of Dick Enterprises; Ralph C. Tyler, Inc. (MBE); Polytech, Inc. (MBE); Resource International (MBE); Banks Carbone (MBE) and Wingfield, Bennett & Baer, Inc.;

"NOW, THEREFORE, BE IT

"RESOLVED that the Commission accepts the recommendation of the review group and instructs the executive director and general counsel to enter into negotiations and prepare a contract between the Commission and URS Consultants and to take such other actions which are deemed necessary to proceed with the project."

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

Ayes: Mr. Wray, Mr. Williams, Mrs. Leever, Mrs. Baker
Nays: None
Abstain: Mr. Fedeli

The Chairman declared the resolution stood adopted with all Members, except him, voting in the affirmative. The resolution was identified as No. 26-1995.

The Chairman said 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 and working east, the Army Corps of Engineers had given interested parties until July 12 to express opinions in writing regarding the Commission's plans to build a new Turnpike interchange at County Road 24/State Route 66 at Archbold in Fulton County. He said those responses would then be evaluated to determine if a public meeting would be held.

Mr. Brennan said further that, in the event the Corps decided a meeting was not necessary, the Commission should be able to proceed. He said he hoped the Corps would decide that a meeting was not necessary.

Mr. Brennan said further that design engineering was proceeding and additional economic enhancements were probable at the State Route 109 interchange in Delta, Fulton County. He said that companies were lining up to locate at that site so fast that the local economic development people couldn't keep up. He said they had placed a temporary moratorium on accepting new businesses to the area.

Mr. Brennan said further that design plans had been completed for the State Route 51 interchange in Ottawa/Sandusky Counties. He said construction specifications were being prepared and a recommendation for a construction contract would probably be ready for the Commission's review at the August meeting.

Mr. Brennan said further that the Commission expected a decision from the Ohio Historical Society later that week regarding a railroad line at the site of the proposed interchange with State Route 58 in Lorain County.

Mr. Brennan said further that the access justification study had been completed for the interchange with Interstate Route 77 in Summit/Cuyahoga Counties. He said the study would be forwarded to ODOT District Twelve for their distribution to the Federal Highway Administration and other interested agencies.

Mr. Brennan said further that design engineering continued on the County Road 18 interchange in Mahoning County.

Mr. Brennan said further that work on the access point study continued for the State Route 11 interchange in Mahoning County.

Mr. Brennan said further that insofar as the Great Lakes/Mid-Atlantic Corridor was concerned the first eight tasks were virtually completed. He said that Task Nine was five percent completed.

Mr. Brennan said further that, as Mr. Johnson had mentioned, the final draft of the feasibility study had been sent to the Members last week. He said the Members also had received a copy of the OCDC proposal for Task Ten, which was an exploratory study of the Maumee River crossing project at an estimated cost of \$268,910; and Task Eleven, which was a major investment study for the Delaware River bypass, approved by the Commission that morning.

Mr. Brennan said further that, not including Tasks ten and eleven, the Commission's financial commitment as of June 30 was about \$4,550,000, an increase of approximately \$20,000 in the last month.

Mr. Brennan said also that the Members had in their folders a series of documents regarding the so-called Indiana Plan. He said that included was a report he had made to the Chairman about a year ago, a report the Executive Director prepared almost three years ago and data from the State of Indiana regarding that plan.

Mr. Brennan said also that the last thing he had to report on was the Maumee River crossing in Toledo. He said work continued on the environmental study and it was to be completed for submission to ODOT by the end of 1995. He said that funding sources needed to be identified for that project.

Mr. Wray asked if the Ohio Historical Society was looking at the railroad and railroad bridge at the site of the proposed Turnpike interchange with State Route 58 in Lorain County as having historical significance?

Mr. Zomparelli said the railroad and bridge had to go on the National Register, which the Ohio Historical Society had the authority to recommend.

Mr. Wray asked if the project as designed would be dead if the railroad and bridge were found eligible for the National Register?

Mr. Johnson said the interchange would have to be redesigned. He said almost a mile of the railroad right-of-way had been acquired to utilize for the whole ramp system and the bridge in question was just a part of it. He said that about \$1 million had been spent to design the interchange and acquire right-of-way, which would be lost if redesign was necessary.

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

Mr. Arlow said there was no construction on the Turnpike until after Labor Day. He said there were two projects adjacent to the Turnpike. He said they were the Baumhart Road interchange, which was progressing on time, and the River Road bridge in the Toledo area, which might be complete next week.

The Chairman said the report of the Construction Coordinator was accepted as offered. He ascertained there would be no reports from General Counsel, the consulting engineers or the trustee. He said the report of Captain Ash, O.S.H.P., would be received.

Captain Ash said that, even with increased traffic on the Turnpike, accidents were down seven percent so far in 1995 versus 1994. He said fatalities were down 33 percent.

Mr. Johnson said he might add that traffic was exceedingly heavy for the year. He said an all-time traffic record for a single day was broken on June 30th, which preceded the Fourth of July holiday weekend. He said the previous record was about 173,000 vehicles for a day. He said the new record was 181,000. He said traffic was operating at extremely high levels. He said there had been some backups, especially at the terminal interchanges.

Mr. Johnson said further that, unfortunately, the previous week the spill of a hazardous chemical closed the eastbound lanes in the Fremont-Sandusky area.

Mrs. Baker said she had a few comments relevant to what Mr. Johnson had just said. She said that in Friday's Toledo Blade there was an account of the hazardous chemical spill. She said that apparently it involved two trucks and the cleanup resulted in eastbound traffic being stopped for two or three hours.

Mrs. Baker said further that she wondered if the eastbound traffic could have been moved over into a single-lane zone on the westbound lanes.

Mrs. Baker said further that the other point was that people needed to be notified of the accident as they entered the Turnpike. She said the Toledo Blade article said that in some toll plazas there was a sign notifying patrons of the accident, while at others there were no such signs. She said she would like some kind of review of the situation so that people were informed in the event of such an accident.

Mr. Plain said that in order to move traffic over on the other side concrete barriers would have to be utilized. He said it would take several days to set barriers for

a two-mile section between crossovers. He said it also would take two days to take the zone down. He said the two-way traffic zones could not be set up without the concrete barriers because the opposing traffic would be subject to head-on collisions.

Mr. Johnson said that in the accident they were discussing the problem wasn't only the chemical spill and the associated cleanup. He said the roadway also was blocked by a coil of steel which fell off one of the trucks involved in the accident.

Mr. Johnson said further that if the staff had known that it would take three hours to reopen the road other measures probably would have been taken.

The Chairman asked if message boards were used to inform patrons of the traffic situation?

Mr. Arlow said message boards were used to inform patrons that there was an accident and eastbound traffic was taken off at the Stony Ridge (No. 5) Interchange. He said that, unfortunately, traffic got back on at the Fremont-Port Clinton (No. 6) Interchange, even though they were told not to do so.

Mr. Johnson said that two hours seemed long to those stuck on the road in backup, but it was not long to the maintenance personnel who set up the message boards. He said that by the time everything was set up the problem was about over.

Mr. Johnson said further that at that time of year a lot of the traffic was from out-of-state. He said that problems occurred when that traffic was taken off the Turnpike and routed over parallel roads. He said the out-of-state drivers didn't know where they were traveling.

Mrs. Baker said she would still like an in-house review of the message board situation.

Mr. Johnson said a review would be done.

The Chairman said the report of Captain Ash was accepted as offered.

The Chairman said that there were a couple of notes he wished to read. He said the first was from a Charles Elum, President of Scramble-Gram, Inc. He said he would read it as follows:

"Dear Commissioners,

"In this day of complaints, whining, and self-serving agendas, I'm sure the Commission won't mind hearing from a satisfied taxpayer who had something good to say about our Ohio Turnpike.

"Our family has travelled the Turnpike from Akron to Port Clinton and back each week for the past 30 years. We've seen changes in speed limits, new exits, construction, maintenance, and a considerable increase in traffic.

"Having driven through most of the 48 States, I can say without equivocation, the Ohio Turnpike outshines them all. I believe that all Ohioans should be proud of our Turnpike and the safety, comfort and efficiency it provides motorists as they cross our state.

"Recognition should be given to Officers of the Ohio State Patrol for their dedication, diligence and professionalism. Many thanks to the personnel in the toll booths, especially the new one at 6A. They are very courteous and good representatives of the State of Ohio.

"Hats off to the Commission for the fine job you are doing.

"Best wishes.

"Sincerely,
Charles R. Elum"

The Chairman said also that as he was walking into the meeting room Mrs. Leever handed him a note addressed to her which he would read as follows:

"Dear Mrs. Leever:

"My husband and I would like the Turnpike Commission to be aware of the kindness and generosity shown us on a late Monday afternoon, May 29, 1995. Our truck, which was pulling a car-trailer, developed transmission problems which left us stranded at the toll booth at Exit 6A at about 4 to 5 p.m.

"The gentleman working there went beyond the call of duty to help us and got us on our way. Thank you to him. Unfortunately, we don't have his name.

"We'd also like you to know that we supported the idea of keeping the tolls on the toll road. After all, we have to pay in all the surrounding states. Let them pay here. We're willing to pay to use it and prefer that than having our tax go up.

"Sincerely,
LaVerne & Virginia Winken"

The Chairman said also that he had another note which appeared in the Ohio Motorist Magazine. He said it was written by an employee of the Commission. He said he had met with seven groups of employees the past year. He said he had spent about ten minutes sharing with them the Commission's direction and what was being

accomplished. He said he also asked the employees for the next two hours what the Commission could do to improve the Turnpike. He said a lot of good ideas were given at those meetings and he had asked Mr. Johnson to make sure those meetings were continued in 1995.

The Chairman said he would read the note from the Commission's employee as follows:

"As a Turnpike maintenance worker for five years, I see things other than the surface level. Touring the service plazas, you may notice the crumbling masonry and broken-up areas of the parking lots. What you do not see is the roofs caving in, the rafters decaying, and the place where a fellow employee fell through last year.

"You haven't seen the water main breaks, the boilers or even more, the fragile sewer lines. You are probably unaware that many of the plazas have their own sewer plants. Some have been converted and need razing. Others need major updating or replacement to meet the everthickening EPA codes.

"I know you have seen your share of shoddy construction, Cedar Point and rush-hour backups, it doesn't take an engineer to realize a third lane and more exits will relieve a lot of this. But it does take many engineers and dollars to plan and construct these proposals that will take us through the next decade.

"As a patron, I pay the same as anyone else, and in doing so, I expect exceptional service, like convenient, clean and safe travel. Time and time again, the Turnpike has held up to those expectations, continuing well below increases in the cost of living. The greatness of all this is that no taxes are involved. The Commissioners knew it was unfair for Ohio to pay for a roadway used mostly by persons and products just travelling through.

"If you think otherwise, keep complaining, but please yield to those of us passing. Jerry Gaking, Wakeman."

The Chairman said he thought he would share those notes with the Members and staff.

The Chairman said also that State Senator W. Scott Oelslager, chairman of the Senate Highways and Transportation Committee, had asked the Commission to take a look at possibly extending the amount of time raising the Turnpike's tolls. He said the Senator also asked the Commission to see if there was a way to reduce the amount. He said he had talked personally with Senator Oelslager and he would be meeting with the Senator later that week to have some more discussions.

The Chairman said that he would ask Gordon Reis to give a financial analysis for the Commission.

Mr. Reis said he had several charts showing how the Commission got to its current rate increase. He said the first chart, which was taken from the Commission's 1994 annual report, showed that the Commission had revenues of \$112 million in 1994 and spent \$121 million. He said that in 1993 the revenues were \$99 million and expenditures were \$98 million. He said that in 1992 the revenues were \$95 million and expenditures were \$103 million. He said that in 1991 revenues were \$93 million and expenditures were \$104 million. He said that if the Commission were a private business, it would be looking to improve our income statement.

Mr. Reis said further that the Commission invested \$51 million in capital outlay and major repairs and replacements in 1994 and made major repairs of \$38 million in 1993, \$41 million in 1992, \$52 million in 1991, \$48 million, \$54 million, \$48 million, \$53 million, \$35 million and \$42 million in the last ten years. He asked Mr. Johnson to briefly identify some of the expenditures.

Mr. Johnson said that some of the expenditures were for building and opening the new interchanges in the last four years. He said also that funds were spent for a major program for replacing and widening all the mainline bridge decks and the Commission was wrapping up the program of improving bridges over the Turnpike. He said that each year between 25 and 30 miles of mainline roadway had major resurfacing work done to it. He said that other expenditures included such items as equipment replacement and other, smaller capital projects. He said those capital expenditures were outside the normal operating expenses. He said the operating expenses being the cost of personnel, routine maintenance, snow and ice removal and pavement crack sealing.

Mr. Reis said that his point was that those capital expenditures were part of the Commission's business for the past ten years. He said they would be continuing and, in fact, would be more costly due to inflation.

Mr. Reis said further that in three of the last five years the Commission overspent its budget. He said that on average it was in excess of \$5 million a year. He said the point he would like to make was that the Commission had no available funds to contribute to any new project. He said that in the last ten years capital outlay had gone from a high of \$55 million to a low of \$35 million. He said it was an ongoing and continuing process.

Mr. Reis said further that the next chart he had was first displayed at the May Commission meeting when the new rate increase was established. He said the increase was a 75 percent rate increase that would generate approximately \$77.5 million within the next two and a half years. He said that was the scope of the Commission's projects, which were \$575 million in 1995 dollars. He said that debt

service was about \$43 million, which was what the Commission needed out of the \$77.5 million to pay its bonds. He said there was a safety factor in there which indicated that the Commission needed substantially more than that revenue increase to satisfy the rating services. Mr. Reis said that he wanted to step back to the capital expenditures for a second. He said the Commission was unique in that it was spending all that money and, frankly, it didn't get an economic benefit from it. He said the Commission was providing a service along the Turnpike where it became an economic driver. He said that, for example, the Commission build a split interchange at Lordstown and didn't get the business results that normally went to a third party which made a capital improvement to a community. He said he simply wanted to point that out because he thought it was lost in the discussion of tolls.

Mr. Reis said further that if the Ohio Legislature was considering improving the Commission's situation it might give the Commission some kind of participation in that economic growth. He said the tax increment form of financing, which was a development toll, was available to others, but not to the Commission.

Mr. Reis said further that he would return to the discussion of the rate increase. He said that the \$77 million was in new tolls. He said the Commission didn't have any money coming from past tolls. He said that, in fact, there was a shortfall. He said that an inflation rate of six percent on \$45 million in debt service amounted to \$17 million between now and the end of 1998. He said he also recovered the average of \$5 million in capital that the Commission had been overspending on its budget. He said that out of the \$77,600,000 the Commission had spent \$67 million and had \$10,600,000 left over.

Mr. Reis said further that the newspapers had suggested that there would be a loss of traffic and that was distinctly possible. He said it probably would take place for a while. He said a five percent reduction in traffic would cost the Commission \$8,600,000, so that would leave the Commission with \$2 million. He said there were other things that could happen to the Commission. He said a change in the cost of borrowing would result in a one percent change in the Commission's cost of borrowing or an additional cost of \$5 million.

Mr. Reis said further that the most probable change would be the construction cost since it was estimated in 1995 dollars. He said that, expanded at four percent per annum over the average life of a five-year project, the number of \$575 million would grow to \$634 million. He said that \$634 million would cost the Commission another \$5 million annual debt service.

Mr. Reis said further that the Commission had \$10 million left over and it had those uses for the funds. He said that he didn't believe the rate increase was negotiable whatsoever. He said that to suggest that the Commission ought to lower its rates one had to challenge the expenditures or say that safety was negotiable. He said

that as he looked at the rate increase the Commission had enough money to build the third lane, improve the service plazas, continue capital improvements and operate the Turnpike as it is.

Mr. Wray asked Mr. Reis if there was increased toll activity as the result of building the interchange at Lordstown?

Mr. Reis said that the trip taken by commercial vehicles to the Lordstown GM plant was actually shortened by opening the interchange at Lordstown, so tolls received from those vehicles decreased.

The Chairman said that the Commission had taken a role in economic development and/or accessibility. He said a perfect example was North Star Steel. He said that an inducement to build a plant in that area was the Commission's agreement to construct a Turnpike interchange with State Route 109.

The Chairman said further that the Commission would be spending \$10 million to construct the interchange and it figured that maybe 50 to 100 trucks a day would use it. He said that the Commission's return on a micro standpoint would be very minimal.

The Chairman said further that from a macro standpoint, the State of Ohio would get \$20 million over twenty years from the plant location on State Route 109. He said the state also would get a half a billion dollar investment in capital and goods, as well as the creation of new jobs.

The Chairman said further that the Sauder Woodworking Company agreed to stay in Archbold, rather than move to Indiana, because the Commission will build an interchange at County Road 24/State Route 66. He said the company planned to expand its manufacturing facilities and add 2,000 new jobs.

The Chairman said further that the opening of the split interchange in Lordstown preserved 8,000 jobs at the General Motors Assembly plant.

The Chairman said further that he had an article from the Youngstown-Warren Business Journal. He said it was headlined "New Turnpike Interchange Continues to Pave the Way to Economic Development in Lordstown." He said the article said the most recent case in point involved Taylor Civil Processing, a subsidiary of Taylor Steel of Ontario, Canada. He said the company operated facilities throughout the United States, including one in Niles. He said the company was building a 148,000 square foot coil processing and storage center in an industrial park in Lordstown.

The Chairman said further that proximity to the Lordstown interchange was a key factor in locating the facility in the area.

The Chairman said further that the article quoted Ron Baumhart, Lordstown Planning and Zoning Administrator, as saying opening of the interchange brought a lot of interest to the area. He said Taylor Steel, Carts of America and Leer Seating opened facilities in Lordstown because of the interchange.

The Chairman said further that, reading from the article, Leer Seating, which supplies automotive seats for use in the Cavalier and Sunfire cars built at the Lordstown GM plant, opened near the Carts of America property on Bailey Road. He said Leer's million square foot facility employed 450 and also supplied car seats to GM in Lansing, Michigan. He said interchange accessibility was important and also the GM location.

The Chairman said further that when the Commission chose a location for a new interchange it was very important that connecting road and highway access was available, but it also was important that the Commission came closer to its customers.

The Chairman said further that General Motors had written a letter to Allan Johnson. He said the letter stated that opening the Lordstown interchange was a perfect example of how government and business could work together.

The Chairman said further that the Commission had taken a lot of criticism for raising tolls. He said he had to remind many people that it was only the second increase in forty years. He said the Turnpike's traffic had gone from 5 million vehicles to over 40 million in that time period. He said he wouldn't play politics with safety, accessibility or economic development. He said the third lane was not negotiable.

The Chairman said that, however, Senator Oelslager had asked Mr. Johnson and a group of others to take a look at delaying the implementation of the toll increases over a longer period of years. He said that the Commission would have orange barrels on the Turnpike for ten years instead of five years. He said that perhaps the third lane project would take longer to build. He said the Commission would take a look at the increases and try to cooperate with the Ohio General Assembly. He said the Commission was created by the General Assembly and maybe the Commission would do a better job in communicating what it was doing.

The Chairman said further that he also would recommend to the Commission that future toll increases be small and incremental. He said he couldn't affect what happened in the last forty years, but he could affect what happened in the next forty years.

The Chairman said further that the Commission had been criticized for tearing down perfectly good service plaza buildings. He said the letter written to Ohio Motorist Magazine by a Commission employee described the poor conditions of those perfect, good facilities. He said the Commission estimates show that it will cost more to

renovate the old facilities than to build new ones. He said that, furthermore, there was a very good chance that the successful bidders on the new restaurant contracts would pick up a substantial portion, if not all, of the cost of building new restaurant buildings.

Mr. Wray asked if actually the Commission lost toll income when new interchanges were opened in the name of economic development?

Mr. Plain said that was a possibility because the distance between interchanges was shortened and the tolls for mileage traveled were reduced. He said that there also was the operating cost because the new toll plazas had to be manned with Commission employees.

Mr. Wray said it appeared from past experience that there was no great gain in toll revenue from opening new interchanges.

Mr. Johnson said Mr. Wray was correct. He said that when new interchanges were opened traffic usually went down at adjoining toll plazas.

The Chairman said that the Commission was looking beyond just its benefit. He said that if opening interchanges helped create new jobs or maintained existing jobs it helped all Ohioans.

Mr. Wray said that it was obvious that the investments the Commission made were for the greater good of the people of Ohio. He said those investments were not necessarily for the good of the Commission's financial statement.

The Chairman said the Commission had done nothing self-serving. He said that everything the Commission had done was as a team player. He said the Commission had a joint venture with ODOT and the Governor's office. He said the Commission would continue to do so. He said he had met with some business people recently and told them that if they wanted to build a manufacturing plant with thousands of jobs the Commission would build them an interchange up to their front door.

Mr. Johnson said further that he had heard it argued that every time a new interchange was opened that the money collected at that interchange was new money. He said that wasn't true because patrons were not charged tolls to get off at a particular interchange, but were charged tolls based on the mileage traveled. He said that just because a new interchange was there and tolls were collected it didn't mean that it was all brand new money.

The Chairman said that traffic in the summer months was triple what it was in the winter months. He said that the traffic was not steady. He said that patrons driving the Turnpike in January and February would say that a third lane was not necessary. He said those driving the Turnpike on a July weekend who got stuck in traffic would say

otherwise. He said a C.O. of a major newspaper in Ohio got stuck in that summer traffic and called him to say a third lane was necessary.

The Chairman said also that there was a special guest at the meeting and he was the governor's Chief of Staff, Paul Mifsud. He said Mr. Mifsud had been given the job of being in charge of economic development. He said Ohio had led the country two years in a row for new job plant expansion by a two to one margin.

Mr. Mifsud said he appreciated the discussion the Members were having because it tied into what he was going to talk about that morning. He said he was to present an overview of what was happening in the State of Ohio.

Mr. Mifsud said further that the Turnpike was one piece of the infrastructure in the economic development of the state. He said that for the last three years Ohio had been number one in the country in new facilities and plant expansions.

Mr. Mifsud said further that the Commission's prime focus was the Turnpike, which was the only limited access toll highway in Ohio.

Mr. Mifsud said further that the state's prime focus was economic development. He said Ohio was at the crossroads of America, within 500 miles of two-thirds of the U.S. population. He said Ohio was number one in new manufacturing and plant expansions. He said Ohio also was number one in terms of export companies. He said Ohio had surpassed California in the number of companies of 100 or more employees that exported to the rest of the world. He said Ohio was the third largest export platform to the world.

Mr. Mifsud said that if Ohio's economy was measured against all of the foreign nations of the world, it would be the fifteenth largest economy in the world. He said Ohio's economy was bigger than the economy of the Netherlands and only slightly smaller than the economy of Australia.

Mr. Mifsud said further that Ohio had more metropolitan areas than any other state in the country except California. He said Ohio had more cities of 15,000 or more than any other state in the country.

Mr. Mifsud said that there was a tremendous amount of infrastructure that was required to connect all of the citizens in the state into a global marketplace.

Mr. Mifsud said that going back to the founding of America everything was on water. He said the cities were located adjacent to bodies of water, primarily the rivers and lakes. He said the first city in Ohio, Marietta, is located next to the Ohio River. He said all the cities on the lakes evolved because of water transportation being dominant in terms of economic development. He said that eventually the canals were built and the cities grew and shrank, based on the mode of transportation.

Mr. Mifsud said further that when railroads came, less than a hundred years ago in this continuum of about 500 years, it became dominant. He said all of a sudden the water cities shrunk. He said the water cities didn't grow as fast as they were growing. He said new cities came out of the landscape as a result of where the rail lines were located.

Mr. Mifsud said further that in the fifties the highways became the dominant mode of transportation. He said if an interstate highway was near a town, it grew. He said further that if there wasn't such an interstate highway near a town it shrank. He said people talked about ghost towns because they weren't near the Interstate Highway System.

Mr. Mifsud said further that in the nineties it is airports. He said cities were growing and expanding on proximity to airports. He said the key word today was intermodalism. He said the Turnpike was one piece of it, as was the trucking industry.

Mr. Mifsud said further that business owners in Ohio were looking 20 or 30 years in the future. He said they were not locating in Ohio based on what was happening today. He said they were looking out for the protection of their own capital investment, their business.

Mr. Mifsud said further that they were saying that intermodalism was the key to the global marketplace. He said it was no longer satisfactory to create a business that simply competed in a local environment. He said businesses had to compete internationally every single day, at every moment of time.

Mr. Mifsud said further that he wanted to talk about speed for a minute. He said that some people today said they were not worried about a third lane on the Turnpike. He said they said let's talk about that down the road. He said that ten years ago most of us were looking at some device called a cellular telephone and wondering who would ever spend \$200 to \$300 a month to have one of those silly things in their car.

Mr. Mifsud said further that today there were FAX machines and a data modem hookup to that cellular phone in the car and the \$200 a month was gladly paid because customers demanded it. He said customers demanded speed. He said everything was "just in time." He said the inventories had been reduced.

Mr. Mifsud said that it was not uncommon to see little tires coming out of the Akron-Canton Airport being shipped to Milwaukee, Wisconsin every hour on the hour, twenty-four hours a day to feed a tractor line.

Mr. Mifsud said further that business owners today wanted to be able to make decisions. He said they wanted to sit down and decide when and how to ship products

to Pakistan or Ontario, Canada. He said that based on anticipated times of arrival a decision on a mode of transportation could be made.

Mr. Mifsud said further that they say the new thing happening in the world environment was something called the air-intermodal-industrial park. He said it was a conflux of the highway, the rail line, the airports, and the water links. He said the most rapid form of transportation to ship goods could be chosen based on the lowest cost and within the constraints of when a customer wanted it.

Mr. Mifsud said further that Site Selection Magazine had Ohio number one for three years in a row. He said Ohio was at about the same pace as last year. He said that actually the state was a little bit ahead, despite the fact that the state had three down months in unemployment.

Mr. Mifsud said further that his chart showed an accumulation of three years' worth of data. He said it showed what had been happening in the state that could not be found when looking at an isolated news story of whether one plant expanded or moved into an area. He said a good example was what the Commission had done in Delta, Ohio. He said the Commission's decision to build an interchange at State Route 109 had prompted North Star Steel and Worthington Steel to build plants in the area.

Mr. Mifsud said further that the companies would not have built those plants without the interchange, but would be settling in Michigan.

Mr. Mifsud said further that when companies were asked why they moved to Ohio the number one reason was transportation. He said Ohio had the best location in the nation in terms of crossroads. He said Ohio had north-south corridors, east-west corridors, good airports and good water ports.

Mr. Mifsud said further that in the Wilmington area Airborne Express was going gangbusters. He said the company had invested another \$90 million last year and it was talking about investing another \$100 million. He said it was the largest employer in southwest Ohio.

Mr. Mifsud said further that at Rickenbacker airport in the Columbus area Southern Air announced that they were moving there from Miami, Florida. He said that who could imagine somebody actually moving out of Miami to Columbus because they wanted to get back in the game in America. He said that Federal Express operating out of Rickenbacker was growing by leaps and bounds.

Mr. Mifsud said that in the Toledo area Burlington Air had moved to Toledo Express Airport three and a half years ago. He said the whole area around the airport was starting to grow.

Mr. Mifsud said that in the Dayton area Emery Air Express had more employees at the airport than when it was a U.S. Air passenger hub. He said Emery Air carried little belly freight cargo halfway around the world for Ohio manufacturers and producers.

Mr. Mifsud said further that his chart showed the tremendous confluence in southwest Ohio. He said it went up the I-75 corridor to Toledo. He said Toledo was the fastest growing metro area in the state. He said he knew that sometimes reading the newspapers one did not quite get that kind of perspective, but it was the fastest-growing metro area in the state.

Mr. Mifsud said the second fastest growing metro area in the state was Akron-Canton. He said the areas of growth began in Youngstown into Akron-Canton and then up to Toledo. He said that as a result of some of the things that the Commission was doing the whole area in northwestern Ohio was starting to grow. He said people were starting to select it as a site for their facility and it was starting to grow.

Mr. Mifsud said further that coming back to Berea that day was kind of nostalgic for him because he once was a Berea City Councilman representing the ward in which the Commission's administration building was located. He said he remembered twenty years ago having James A. Rhodes, the godfather of all jobs and economic development programs, tell him that nobody would ever live in Strongsville, Ohio. He said Mr. Rhodes told him Berea was the end of the line and nobody would move to Strongsville. He said people were now commuting to their Cleveland jobs from as far south as Seville.

Mr. Mifsud said further that people who were not visionaries didn't see what was happening in a macro sense. He said those people simply said that for the expediency of the moment, don't do anything.

Mr. Mifsud said further that, in his opinion, traffic would continue to increase on the Turnpike in the years ahead. He said truck traffic might decrease momentarily due to the toll rate increases, but it will bounce back because economic activity along the Turnpike corridor was continuing to increase.

Mr. Mifsud said further that the number one and number two fastest growing metro areas were directly on the Turnpike corridor. He said that part of Ohio will continue to grow because of its location on an east-west spine. He said businesses were coming out of Chicago into Michigan and locating in Ohio because Ohio has an overall good business climate. He said the state's infrastructure was reasonably good.

Mr. Mifsud said further that the Commission had been studying the Mid-Atlantic Corridor. He said the corridor from Toledo to Columbus was growing very rapidly. He said a lot of that growth had to do with companies in northwest Ohio supplying parts to the Honda plant in Marysville. He said Ohio had more Japanese companies than any other state except California.

Mr. Mifsud said that Honda had been rated by J.D. Powers as the number one U.S. car. He said it was the best budget deficit cutter at the national level. He said Honda cars manufactured in Ohio were actually being shipped to Japan. He said that Jeeps manufactured in Toledo were being shipped to France.

Mr. Mifsud said that the only bottleneck in the corridor was the area around I-270 and the bypass. He said the area was a mess. He said the problem was that somebody 20 years ago said don't ever worry about what was going on at U.S. 23. He said they said they would take care of it later. He said that to go back to it now would cost fifty times as much to fix.

Mr. Mifsud said further that he thanked the Commission for its efforts to come up with a solution to the traffic problem. He said the primary traffic corridors were north-south along I-71, I-75 and U.S. 23. He said the routes frequently ended up in Columbus. He said that was why some of the projects on that year's Access Ohio list around Columbus got ranked so high.

Mr. Mifsud said further that Toledo Express Airport was going to drive a tremendous amount of growth. He said that Burlington was talking to two foreign flagship carriers about a new joint venture to fly cargo directly from Toledo to Europe. He said that would create a whole new dynamic in what's happening in the northwest part of Ohio.

Mr. Mifsud said that one problem was the Turnpike didn't connect very well in Toledo. He said there was a Turnpike interchange at the airport which dumped everything off in front, but it took into account only the activity related to passengers. He said it didn't take into account the activity related to cargo. He said he would suggest to the Commission that its mission was as much cargo as it was people. He said the area had to be studied further.

Mr. Mifsud said further that Toledo was the only city along the Turnpike corridor where patrons had to pay tolls on the only major east-west route. He said they had to pay a toll to get to the airport. He said the situation should be fixed.

Mr. Mifsud said further that the Commission needed to look at offering commuter discounts to those who frequently used the road. He said the latest technology should be used to give commuter discounts based on repeated use.

Mr. Mifsud said further that the northeast part of the state was an area of growth. He said that key to that continued growth was Cleveland-Hopkins Airport. He said he thought that eventually Brook Park and the City of Cleveland would resolve their conflict over expanding the airport's runways. He said that the runways needed to be expanded to accommodate the 747s which would be around for some time.

Mr. Mifsud said further that the Akron-Canton area was a sub-leader of the zone. He said it was at the epicenter and was also a foreign-trade zone. He said it has joined with the Youngstown airport at Vienna to create Superport. He said nine counties were going to market themselves to the rest of the world as one unified regional force. He said it made a lot of sense.

Mr. Mifsud said further that the Commission would have new demands as more businesses located along the Turnpike corridor and sought access to the global marketplace. He said the Commission must think of itself as more than the operator of a highway and become part of the new intermodalism. He said the Commission could not make decisions based on its encapsulated highway. He said he thought the Commission had made the right decisions on economic development with regard to what made sense for the State of Ohio and how it served its customers better. He said that, however, the Turnpike needed to be located close to air, rail and water.

Mr. Mifsud said further that, otherwise, the Commission would get in a trap, as some people claim with ODOT all the time, of just being a bunch of highway engineers. He said that so far the Commission hadn't exhibited that kind of activity. He said the Commission needed to determine how the Turnpike could contribute to the overall increase in the gross domestic product of the State of Ohio. He said that, in other words, how it helped in providing jobs for Ohio's citizens.

Mr. Mifsud said further that the state had been doing a doggone good job of that the last three years. He said that Jobs Bill III, the first piece of it, was past last week to give a new investment tax credit to try to spur the state's economy.

Mr. Mifsud said further that the Commission should consider what was happening around the state when it made future decisions. He said the Commission played a very vital role in the process.

Mr. Mifsud said also that the state had launched a very aggressive campaign with the federal government to ask them to return our money. He said Director Wray had just come back from a AASHTO meeting in which he suggested, one more time as the Governor said earlier that year, that perhaps the FHWA should be abolished and let Ohio take care of its own problems.

Mr. Mifsud said further that a lot of people thought that somehow Ohio would solve that federal problem and that \$400 million would be returned to the state. He said Ohio sent a billion dollars in gas taxes to the federal government each year and got \$600 million back. He said that if the state had the \$400 million it could do an awful lot of infrastructure enhancement. He said that for some reason he was just not confident Ohio would be getting that money back.

Mr. Mifsud said further that if the federal government continued to take that money for deficit reduction then how would Ohio take care of the infrastructure needs of its people? He said that transportation was paramount to new business development. He said Ohio had to maintain its infrastructure or it would fall behind other states in business development.

Mr. Mifsud said further that one statistic out of Access Ohio, which is the ODOT plan just completed in its Phase II form, was that every interstate route in the state needed to be widened. He said that if it was not done by the year 2005 the state would be at a virtual standstill. He said he didn't know where the state was going to get the money to do that.

Mr. Mifsud said further that one way of making the required improvements was the creation of Transportation Improvement Districts in which ODOT can participate with local governments and the private sector on creating wealth from those interchange activities. He said funds thus generated are applied to the cost of the infrastructure development.

Mr. Mifsud said another choice was new taxes. He said that sounded like anathema. He said that as long as people thought they were paying enough in gas tax they were not about to vote for any new taxes. He said that, frankly, right now the problem wasn't new taxes. He said the problem was trying to get the state's existing taxes back from the federal government. He said that until that played out the people of Ohio were not about to vote for new taxes.

Mr. Mifsud said further that there also were user fees. He said Senator Oelslager told him the Senate would be discussing the whole issue of tolls and their relevance to the system. He said the Commission had increased tolls in order to provide a third lane as a safety measure and also to enhance economic development. He said most people would rather pay a user fee than pay new taxes.

Mr. Mifsud said that the state was fighting to the death to get its money back from Washington. He said that if it didn't then he would be back talking again to the Commission about its role in the overall statewide economic development plan and how the Commission could help the state achieve it.

Mr. Mifsud said that he had one last thing to mention and that was that he spent 22 years in the Cleveland area. He said that who would have thought years ago that steel would be exported out of the Port of Cleveland to Europe. He said that ten years ago everyone was declaring the steel industry in Ohio was dead. He said that today the state was so competitive that steel was being exported to the rest of the world.

Mr. Mifsud said that was the future of Ohio -- helping businesses to compete in the global marketplace, effectively. He said that to do that the state needed infrastructure.

The Chairman said that he thanked Mr. Mifsud for speaking at the meeting.

There being no further business to come before the Commission, a motion was made by Mrs. Baker, seconded by Mrs. Leever that the meeting adjourn until the next meeting on August 14.

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

Ayes: Mrs. Baker, Mrs. Leever, Mr. Wray, Mr. Williams, Mr. Fedeli

Nays: None

The Chairman declared the meeting adjourned. Time of adjournment was 11:59 a.m.

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

Marilyn R. Baker, Secretary-Treasurer