

PANHANDLE ADVISORY COMMITTEE MEETING MARCH 24, 2008

Panhandle Committee members met on Monday, March 24, 2008 at the offices of the Ohio Rail Development Commission. Chairman McOwen called the meeting to order at 11:10 a.m. Members present were as follows: Committee Chairman Tom McOwen; Commissioners Solomon Jackson and Kimberly Gibson; ORDC Staff Matt Dietrich, Lou Jannazo, Megan McClory, Stu Nicholson and ORDC Counsel Alan Klodell. Commissioner Jim Hartung was unable to attend the meeting.

Approval of the Minutes of the March 12, 2008 Panhandle Committee Meeting

Chairman McOwen asked for a motion to approve the minutes of the March 12, 2008 Panhandle Committee meeting. Commissioner Jackson moved to approve the minutes and Commissioner Gibson seconded the motion. The motion was approved.

Status Update on 2008 Polar Express Meeting in Dennison

Chairman McOwen asked Director Matt Dietrich to provide a brief status update on the 2008 Polar Express Meeting that took place in Dennison between ODOT's Assistant Director Jolene Molitoris, Director Dietrich, Wendy Zucal, Dennison Depot & Museum Director; and Tuscarawas County Commission Christopher Abbuhl.

Director Dietrich reported the meeting went well. He indicated the Depot is looking at several different options to ensure an excursion train for the 2008 season and stated a couple of the options the Depot is looking at are utilizing track other than the Panhandle that is currently not being used by another railroad company and exploring the possibility of locating a third party operator to provide the service.

Update on Revision of Panhandle Appraisal

Director Dietrich spoke about the costs the appraisers, Continental Appraisal Company, indicated would be charged to perform updated appraisal services. To update the track and fixtures only the company estimates the cost between \$10,000 and \$20,000. To update the real estate and the track and fixtures Continental is estimating the cost to be approximately \$95,000. Both estimates were given three month timeframes.

Extensive discussion took place regarding which approach to take. Commissioner Gibson was very sure of her position on this matter and insisted upon a new appraisal complete with current values for the real estate as well as the track and fixtures.

Chairman McOwen raised a point which he said complicates the issue of identifying a real estate value in that many parcels of rail property are reversionary in their deeds.

Lou Jannazo questioned whether or not the value of the real estate was truly necessary in determining the value of the line and ultimately the rent price to the operator.

Commissioner Jackson stated he wants to know the value of the line (including the real estate) so he is in a position to defend the rent charge. He stated he “wants to be able to explain what the complete value of the line is.”

Commissioner Gibson stated again for the record that she felt it is our duty to have knowledge of what the value of the property is. She too indicated she wants to know what everything is worth and reported she had yet to hear any compelling argument to dissuade her from wanting the real estate included in the update.

Commissioner Jackson commented that not getting the complete update puts the Commission in a position of being unable to explain how we arrived at the cost (rent) to the operator. He said “what we do after the appraisal is complete negotiable. We need that number.”

Commissioner Gibson commented she felt that “as a public body we are held to a higher standard.” Commissioner Jackson agreed and stated we “owe it to the public to have that number.”

After extensive discussion Chairman McOwen proposed that a new appraisal be done that includes current values for the track and fixtures and the real estate as well. Chairman McOwen indicated, however, he would like this process to be completed in the most cost-effective manner.

Public Outreach

Public Information Officer Stu Nicholson reported that plans for a public involvement process are on hold until a lease document is available to advance for public comment at meetings that would likely take place in Newark and Dennison.

Next Steps

Chairman McOwen reviewed the next steps necessary to keep this process moving. He asked ORDC staff to:

- start the process for an updated appraisal on all aspects of the Panhandle to include the real estate value;
- talk to the appraisers to get the most cost-effective number to accomplish this task;
- work with the Ohio Central to obtain a list of long-term capital improvements the company is planning; and
- work internally to discuss the issue of third-party access for excursions.

Next Meeting

Chairman McOwen announced that the next meeting of the Panhandle Committee meeting will take place on Friday, April 11, 2008 beginning at 11:00 a.m. at the offices of the Ohio Rail Development Commission.

Adjournment

Chairman McOwen called the meeting adjourned at 1:40 p.m.