

Meeting Minutes

West Central Ohio
Port Authority
September 23rd, 2021

Members Present

David Carr, Gene Baumgardner, Richard Flax, Marcia Bailey, Dr. Richard Henry, David Faulkner

Others Present

Louis Agresta, WESTCO
Dan Roncolato, Sunrise

Tammi Angle, CAHD
Devesh Kamal, CSH

The meeting was called to order by Chairman Baumgardner at 9:00 am and the roll was called. Having a quorum, the Board proceeded with the agenda.

I. Minutes

A motion was made by Director Carr to approve the minutes from the August 19th, 2021 meeting. The motion was seconded by Director Flax. The motion carried without opposition.

II. Financial Report

Louis stated that during the month of August WESTCO received \$133,302.67 in receipts and paid \$629,392.24 in disbursements. Louis reported that the August disbursements were high because WESTCO paid the final invoice for the 2020 Track Rehab between South Solon and Springfield and also paid the first invoice for the 2021 Track Rehab on the Urbana Line. Louis stated that he anticipated that by the end of the year the receipts and disbursements would be almost equal. He stated that the August receipts were comprised of normal activity including a couple of Maintenance Fee payments, rents and leases, and a storage payment.

A motion was made by Director Henry to approve the financials for August 2021. The motion was seconded by Director Carr. The motion carried without opposition.

III. Administrative Report

A. Project Hilltop Resolution Approval

Louis stated that the first item on the agenda was an important project for the Springfield Clark County community as well as the entire region. He stated that Project Hilltop was an economic development project that was proposed for the Prime Ohio II site, near the I-70/SR41 interchange. He stated that they were seeking to partner with WESTCO to receive sales tax exemption certificates on the construction materials for the project. Louis stated that there were

multiple partners for the project that were going to Zoom into the meeting. Louis stated that prior to launching the Zoom, he wanted to brief the board on a discussion that he had with Horton Hobbs and Michael McDorman at the Greater Springfield Partnership. Louis stated that he raised the board's concerns about the 75%/25% split on WESTCO/CIC economic development projects. Louis stated that he notified Horton that WESTCO has partnered on projects in Champaign and Fayette Counties and received 100% of the port fee. Louis explained that he and Horton agreed that moving forward the fee would be split 50%/50% for all projects that they bring before the Port that aren't located on CIC owned land. Horton expressed the importance of the 75%/25% split on parcels that are owned by the CIC. That split was important because the CIC has high costs in acquiring/developing and marketing the sites that they own. Louis stated that prior projects like Silfex and Speedway would have been a 50/50 split since those projects were brought to WESTCO by the CIC, but aren't on land owned by them. The board agreed that this arrangement was appropriate moving forward.

Louis started the Zoom call and welcomed the individuals on the call. On the call was Ty Compton and Caleb Bell from Bricker and Eckeler, Nate Green from the Montrose Group, and Marc Gloyeske from Northpoint Development. Caleb Bell started the call and gave some brief background information on the project. He introduced Marc Gloyeske from Northpoint to give some more specifics on the project. Marc stated that while the end user is still a couple of weeks away from being announced, he stated that the facility was going to be developed as a distribution center for a company that is prominent on the east coast and is looking to expand westward. He stated that this facility would be their distribution center that would aid in the expansion. Marc gave some background on Northpoint Development. He stated that they are a national leader in site selection development. He highlighted some of their projects from around the country which included projects with some of the biggest companies in the world. Marc stated that one thing that makes them unique is that they hold on to the properties that they develop and lease them out to the end user. Tammi stated that this was good to know as this was the first project where the developer and the end user weren't affiliated with one another. There was some initial concern that WESTCO was being asked to approve documents/agreements without knowing who the end user of the facility was going to be. This was a moot point since Northpoint was going to be the owner of the facility and lease the facility to the end user. Marc continued to present the project. He stated that the project was slated to develop 99 acres of land, with an option to expand to an additional 15 acres. The project was 1,339,000 million square feet and was expected to hire over 800 full time employees. Marc stated that one of the reasons Springfield/Clark County was selected for this project was the company was attracted to the labor force. He stated that they are at varying points in the incentive approval process with other governmental agencies, including the school board, City of Springfield, and JobsOhio.

Louis stated that there has been some back and forth between Caleb/Ty at Bricker and Eckeler and Tammi on some edits to the agreements. Tammi stated that the agreements are in a place

where she feels comfortable with moving forward with the board approval. Louis stated that there was a desire from Northpoint to acquire the exemption certificates as soon as possible, prior to the closing of the project. Louis asked Marc and Caleb to explain the reason for that. Marc stated that there another reason this area was selected for this project was because of the ability to meet a quick timeline. He stated that there is a desire from the company to be in the development as early as April of 2022. He stated that in order to meet that accelerated timeline, they need to get moving on ordering materials as quickly as possible as there is a lot of volatility in supply chains. Caleb stated that requesting the exemption certificates prior to closing isn't an issue. In order to protect the Port it is common to enter into a Development Agreement, which spells which clearly identifies the terms/scope of the project as well as the associated fees. Louis asked if the Development Agreement should be approved separately. Caleb stated that it did not as the initial resolution allows for ancillary agreements like this to be covered in it.

Chairman Baumgardner asked the WESTCO board if there were any other issues or concerns. Having none, Director Carr made a motion to approve resolution 2021-15 which authorized staff to execute all agreements pertaining Project Hilltop. The motion was seconded by Director Faulkner. The motion carried without opposition.

Louis thanked all of the members on the call for their participation and help moving the project forward and the Zoom call was ended.

B. Virtual Meeting Policy Approval

Louis stated that he and Tammi worked on amending the draft virtual meeting policy that was presented at the August meeting. He stated that the version of the policy that was included in the agenda packet was being presented for board approval. He stated that there is no longer a reference to the pin process. Staff reiterated that at least one board member has to be present at the physical meeting location and board members may not be at the same location if they are calling/teleconferencing into the meeting remotely. Louis stated that he doesn't see this being much of an issue. If there is ever a case where multiple board members had a conflict or there was treacherous weather, most of the time a meeting can be rescheduled.

Director Flax made a motion to approve the virtual meeting policy as it was presented. The motion was seconded by Director Bailey. The motion carried without opposition.

C. Bulk Shipping Credit Approval 2021

Louis stated that since the last meeting he calculated the two year carload averages for all of the shippers on the line. He presented the averages to the board. He stated that a majority of the shippers are on track to be able to take advantage of the bulk shipping rate discount. He stated that Sunrise fertilizer in particular has already surpassed their 2019/2020 carload average and if the policy were approved would begin getting the discount on Q3 carloads. Louis reminded the

board that the idea for the policy came out of the Maintenance Fee Subcommittee that was developed to try to address perceived inequities in how the maintenance fee was administered. He stated that the policy is popular with shippers and also benefits WESTCO. He added that in addition to Sunrise Fertilizer, Sunrise Grain, Cohen, and Orbis were likely to benefit quite a bit from the policy. Dan Roncolato from Sunrise stated that they have 7 trains scheduled for October and will certainly surpass the 2019/2020 carload average.

Director Henry made a motion to approve the Bulk Shipping Rate program for 2021. The motion was seconded by Director Bailey. The motion carried without opposition.

D. 2020 Audit Approval

Louis reported that the 2020 audit was conducted by Balestra Harr and Scherer during the summer. He stated that at the end of August WESTCO received notification from the Auditor of State that the 2020 Audit Report was approved. He stated that there weren't any findings in the report. Louis added that this was the last year the Balestra could audit WESTCO as the contract is up and they have exhausted the amount of extensions. Devesh stated that the 2021 audit could be done by the Auditor of State or they may elect to contract out to another firm as they are also short staffed.

Director Carr made a motion to accept the 2020 Audit Report from the Auditor of State's Office. The motion was seconded by Director Flax. The motion carried without opposition.

E. \$250,000 Admin Transfer to Maintenance Account

Louis stated that the WESTCO Admin Account had a healthy balance in it. He stated that as of September 17th, the account had over \$387,000 in it. He stated that he would recommend a one-time transfer of \$250,000 from the Admin account to the Maintenance account to help pay for upcoming capital projects. Louis stated that even after the transfer, the admin account has more than enough money to cover ongoing admin expenses.

Director Henry made a motion to approve the one-time transfer of \$250,000 from the Admin Account to the Maintenance Account. The motion was seconded by Director Carr. The motion carried without opposition.

F. General Counsel Budget Amendment

Louis apologized for the late add to the agenda, but he stated that because of the ongoing work on the Sutphen and Hilltop economic development projects, Tammi has been accruing more time than usual for the Port Authority. Louis stated that a budget amendment is needed in order to process the most recent invoice and get through the rest of the year. He stated that he was recommending an amendment of \$10,000. He stated that it likely wouldn't be all used as

WESTCO will receive a legal credit with CAHD for the time associated with both economic development projects.

Director Henry made a motion to amend the General Counsel budget item by \$10,000. The motion was seconded by Director Faulkner. The motion carried without opposition.

G. Mechanicsburg Line Insulated Joints Budget Amendment

Louis stated that he recently heard from the railroad about a PUCO inspection on the Mechanicsburg line. The inspection resulted in the need to repair multiple insulated joints. The railroad stated that each joint should cost around \$1,500 to replace and there were 12 that needed replacement. Louis asked the board if a budget amendment should be processed to pay for the repair or if the signal replacement blanket should be used. There was agreement that it would be fine just to use the blanket whenever payment was needed.

H. Car Damage Complaint/ Tremont City Rd Crossing

Louis stated that at the end of August he received a call from Judy Winning, 529 Argonne Rd, about damage that she sustained to her vehicle after hitting a pot hole in the crossing at Tremont City Rd. Louis stated that Ms. Winning had to pay \$551.33 for damage to the wheel rim and \$219.41 for a new tire for a total reimbursement claim of \$770.74. Louis showed a picture of the crossing and noted that there is a pothole. He also noted that there is relatively new cold patch in the crossing that has patched other potholes. He stated that he doesn't know who placed the patches as he didn't direct anyone to do it. He stated that while the crossing isn't in great shape, it looks like a lot of other crossings across the line. Director Henry voiced displeasure in the request and felt like it wasn't the responsibility of WESTCO to reimburse the claim. There was other sentiment that it may be wise to process the claim just so everyone can move on. Tammi Angle stated that a release statement signed by Ms. Winning should be received stating that she releases her right to bring any other claims against WESTCO for this incident. The board agreed that was essential in any reimbursement.

Director Faulkner made a motion to reimburse Judy Winning, address 529 Argonne Avenue, an amount of \$770.74 for damage sustained at the Tremont City Rd crossing, contingent upon Ms. Winnings agreements to sign a waiver. The motion was seconded by Director Carr. The motion carried by a vote of 5-1, with Director Henry being the lone dissenting vote.

I. Project Updates

Louis updated the board on the various ongoing projects. He stated that the 2021 track rehab continues to progress. He stated that he expects it will wrap up by the end of October. He stated that the Urbana Industrial Bridge repair is still waiting on the arrival of materials for the project. Louis reported that the SR 508 crossing repair will be completed by Wintrow prior to them demobilizing from the area at the completion of the 2021 rehab. Finally, Louis added that work

continues on the Sutphen project outside of WESTCO's involvement. Tammi added that WESTCO is ready to execute whenever the project closes and the ongoing work isn't related to any concerns held by WESTCO.

IV. Overhead Traffic and Q2 Carload Report

Louis reported that WESTCO continues to receive Q1 average payments. They have received them April-August. He stated that through August WESTCO has received \$304,368.74. He stated that The railroad has optimism that they have corrected the issues and should be able to generate accurate reports soon. Louis stated that if this doesn't work he will elevate it to a higher priority for the railroad as too many months have passed where it hasn't been corrected. Everyone agreed that the issue should be resolved as quickly as possible and if it isn't something else should be done.

IV. Adjournment

Director Carr made a motion to adjourn the meeting. The motion was seconded by Director Henry. The motion carried without opposition. The meeting was adjourned.

Louis Agresta
Secretary – Treasurer