

**Minutes of the Contract and Property Committee,
February 22, 2011**

Chair Tom McOwen of the Contract and Property Committee called the meeting to order at about 1:30 PM at ODOT offices. Commissioner Greenlese was the only other Committee member in attendance. Also attending were Executive Director Matt Dietrich, ORDC Attorney Alan Klodell, ORDC Chief of Project Development Lou Jannazo, and Daniel Van Epps, a doctoral candidate at the University of West Virginia. A summary of the properties ORDC owns was used as a basis of discussion. This summary is attached as Exhibit "A".

Commissioner Greenlese explained that he believed it would be very helpful to ORDC Staff and Commissioners to have criteria to evaluate proposals for acquiring ORDC owned property. ORDC representatives present agreed that it made sense to have criteria. Mr. Jannazo noted that criteria could be much different for the different types of property ORDC owns, i.e. very profitable short lines like the Panhandle, marginally profitable lines like the Ashtabula, Carson, Jefferson and the Piney Fork, mainline connections like the Honda line, and inactive rights-of-way like the Glass Rock Branch and the Ashtabula to Warren trail.

Chair McOwen stated that the first question to ask is should we sell or not sell and from there we could work on the value of the line. Commissioner Greenlese noted that another issue is whether we sell or just provide a long term lease. Director Dietrich noted that whatever we do we must consider the impacts on the economic development along the line. He noted that we cannot put road blocks to development in the way and that revenue generation for ORDC should not be so high as to be an impediment to development. Commissioner Greenlese added that it is not clear whether or not ORDC has any mandate to generate revenue from divestitures.

There was a lengthy discussion about various elements that could be included in the criteria. Chair McOwen noted that we should give careful consideration to selling "strategic" assets. Director Dietrich noted that administrative issues involved in property management should be considered. Commissioner Greenlese noted that he had been developing some criteria through communications with Mr. Jannazo of the staff. He noted that issues to consider included the sweat equity of the operator of the line, the investment of the operator in the line, the investment of the State in the line, the business potential along the line, and other related issues. There were also some general discussions about various valuation techniques.

Commissioners McOwen and Greenlese agreed that the next step would be for Staff to put the discussions into some manner of decision tree or other format for discussion at the March 10 Commission Meeting. Mr. Jannazo volunteered to develop the document.

Minutes Prepared by Lou Jannazo, February 25, 2011