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Job creation tied to funding for Ohio 309

John Jarvis, jjarvis@marionstar.com 5:50 p.m. EDT March 13, 2015



A driver backs a trailer into place to be loaded onto an outbound train at the Marion Intermodal terminal on Ohio 309.(Photo: James Miller/The Marion Star)

MARION – Several minutes each day trains loading and unloading at Marion Intermodal block Ohio 309, east of Pole Lane Road.

Ted Graham, owner of the intermodal facility, has asked the Ohio Department of Transportation to help alleviate the problem, saying the number of times the road is blocked by trains will increase as his business grows.

ODOT developed a plan that would reroute Ohio 309 to a path approximately aligned with Patten Pike to the south of Marion Industrial Center where the intermodal operation is located. ODOT presented its plan, one of several, at a public meeting where officials heard concerns from the public about safety and the effect it would have on a neighboring business.

What happens next is uncertain as ODOT waits to learn the amount of funding available to execute any of its plans, some of which, if chosen, would include construction of an overpass.

Ken Lengieza, Marion County Regional Planning Commission director, said the regional planning office is exploring development of a tax increment financing proposal that would generate tax revenue that could be used as a local match to leverage state funding to resolve the Ohio 309 crossing issue. State grants are available for such projects, but local matching money must be committed to convince ODOT to provide funding assistance, he said.

River Valley Local Schools and the Marion County Commissioners would have to approve the TIF proposal, which he said probably would be for a 30-year period and redirect 50 to 80 percent

of tax on new development in the TIF district only toward resolution of the Ohio 309 crossing problem. The TIF district likely would include city property and intermodal property, he said.

"The TIF is just a potential source for long-term matching funds," Lengieza said. "The county has to come up with a potential long-term way to generate matching funds for improvements out there."

He said he was part of a group, which included Marion Mayor Scott Schertzer and Marion County Commissioner Ken Stiverson, that met with ODOT's Transportation Review Advisory Council to discuss the Ohio 309 crossing issue. TRAC assists in developing a project selection process for ODOT's biggest investments and approves major new projects for funding.

Job projections

Currently, TRAC lists the Ohio 309 relocation as a Tier 2 project that will receive \$600,000 in TRAC funding, \$300,000 of that in state fiscal 2015, along with plans for \$2 million in local funding, no ODOT funding and \$14.7 million unfunded. TRAC currently estimates the cost of the project as \$17.3 million.

"We're trying to get something going to solve this problem," Lengieza said, adding that single grants that would cover what remains to be funded are not available. "You've got to put together a whole bunch of small stuff to make it work. The state won't take it seriously without a local match."

Graham estimates that eliminating the Ohio 309 crossing concern would lead to the addition of up to 9,000 jobs related to the intermodal facility "if the industrial park was built out with distribution centers ... I think in the intermediate term it will be half that."

He said additional state funding may be available from the Ohio Rail Development Commission, adding such monies would be "very contingent on the amount of jobs" created. He estimated he has invested more than \$4.5 million in improving the intermodal facility, and the state provided a \$1.5 million zero percent loan contingent on job creation at the intermodal.

Traffic flow issues

Lengieza said the regional planning office wants to resolve the Ohio 309 crossing issue because it affects many people.

"It's as much for the community as it is for the intermodal," he said. "The (River Valley) school district appreciates it because their buses sometimes are held up. The (Marion) Senior Center, MARCA are held up. The baseball (River Valley Baseball for Youth) diamonds. It's everybody in the community, so it's important to get a solution to it."

Lengieza emphasized that the TIF "doesn't choose the project. Secondly, it's long-term, and we're only talking about new tax money, and the third thing is we've got to have conservative projections."

He said he's had several meetings with the River Valley school board's finance committee about the TIF proposal.

"This is part of our problem is that we don't know which project will end up being picked, so we don't have a firm grasp of what the local match will have to be," he said. "Secondly, this is only generated by local matches. We don't know how fast new buildings will go up to pay for this. Setting up a TIF district doesn't solve anything. What might have to be done is the county might have to borrow a little bit, but not too much. They might have to have the property owner back up the bond payments, then do the rest on a cash basis. When more things come in, you do more projects."

Graham said a rerouting of Ohio 309 and construction of an overpass offer "giant pluses. ... The facts are I think both of them will happen. You're almost certainly going to end up with an overpass at some point and almost certainly you're going to end up with an improved Patten Pike and for different reasons."

Two trains enter and leave Marion Intermodal each day, blocking the Ohio 309 crossing an average of 8.5 minutes each time, with other briefer blockages occurring as the train "doubles up" before it leaves the site and as switching takes place at the intermodal, he said. The trains are getting longer, currently a minimum of 1.5 miles.

Similar proposal

Lengieza said caution must be used in developing a TIF.

"We've got to be very conservative on these things when we make our projections, because again it's only new tax money on new buildings," he said.

He said the kind of TIF proposal being put together makes sense.

"The source of the funds and the use of the funds is as good of a match as you can get," he said, adding that it would be similar to the TIF approved to develop Kellogg Parkway in the Dual Rail Industrial Park and the Northwest Industrial Connector.

He said he expects the TIF proposal will be presented to the River Valley school board and the county commissioners "in the next few months."

"We're not trying to rush anything," he said. "We want everybody to know what's going on. And if anybody wants to discuss it, that's fine."

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