

**MINUTES OF RAVENNA CITY COUNCIL COMMUNITY AND ECONOMIC  
DEVELOPMENT COMMITTEE  
June 10, 2019**

The Meeting of the Ravenna City Community & Economic Development Committee was called to order at 5:35 P.M. by Chairman Bruce Ribelin. Present were Scott Rainone, Andrew Kluge, Amy Michael, Matt Harper and Joseph Bica. Also attending the meeting were Mayor Frank Seman; Finance Director, Kimble Cecora; Fire Chief, Geoffrey Cleveland; Mike Bogo and Jim Shank representing Neighborhood Development Services; Ray and Anne Harner representing Chestnut Commerce Center; Brad Ehrhart representing the Portage Development Board; Larry Silenius of 123 North Walnut Street, Ravenna, Ohio; Clifford Soudil of 434 Woodland Street, Ravenna, Ohio; Deena Tannert of 784 East Main Street, Ravenna, Ohio; Greg Francis of 558 Coolman Avenue, Ravenna, Ohio; Louis Dudek of 704 East Main Street, Ravenna, Ohio.

Mr. Ribelin said the one item on the agenda is to discuss the request for a UDAG loan for the Chestnut Commerce Center Transloading site. He knows they have been talking about this project for a very long time.

Mr. Bogo said the UDAG is an Urban Development Action Grant. It's a new development RLF that was created many years ago during the Packard Electric Project. That was a \$13 million project with General Motors of which over \$1 million was UDAG Funds. That money has come back to the City over the years, re-loaned by the city, primarily for economic development and façade projects over the years. It continues to recycle, re-loan, recycle, re-loan. That program has been discontinued on a federal level. However, the city has done an outstanding of protecting those funds so they are available, rather than spending it on street signs, sidewalk projects, etc., they have kept those funds available and targeted toward economic development projects so that it's available for a project, just like the one being put forth this evening. It's an incredible resource. It's a perfect for a project like this because it doesn't have some of the job creation requirements other grants have. While this project will ultimately be extremely impactful to the community but will take some time to develop.

Mr. Bogo went on to say that he's talking about the Chestnut Commerce Center Transloading. Ray Harner and Anne Brode own the old General Electric Plant and have done an outstanding job repurposing that, rehabilitating the site and making it a vital part of the city's economy after it shut down and at great risk of becoming a significant blight element to the community. Another contemporaneous event was that the railroad that once serviced that plant was purchased by another railroad. The Ag. Department Cluster that stretch of pocket from the Portage County Commissioners. That brought them together with a railroad being owned by a railroad and a forward thinking business person owning this facility, they saw an opportunity to take advantage of a great geographic location, between Youngstown, Cleveland and Akron. The movement of materials is phenomenal. He does know that it is extremely vital to the local economy and can lead to significant development of surrounding businesses, industrial, commercial as well as jobs down the line. The materials being brought in, themselves don't require that much labor to get them on the trucks but it will be leading to the businesses producing their costs, perhaps locating their facilities at the additional land in the industrial park. They believe this is an extremely important project with a rather long term impact on the community.

**Community & Economic Development  
Committee Meeting Minutes  
June 10, 2019  
Page Two (2).**

Mr. Bogo explained a map that was distributed stating that the spur that once serviced the GE warehouse goes around and basically into the building. There is a small piece that goes up north that is still active. There have been many people working on this for about a year now and have been trying to figure out how to approach this. Right now, they are on two tracks. They have what is called a Build Grant from the Department of Transportation. It was used to build the Kent Central Gateway. They have been putting together a grant to do the whole project at one time. It will be somewhere in the neighborhood of \$5 million to \$7 million, which would build out the entire site including warehousing, track rehabilitation, crossing repairs, transloading equipment, etc. But they also want to approach this, if they can just get the ball rolling, they know that it will grow on its own whether that grant is awarded or not. The grant is obviously competitive and they don't want to put their eggs into one basket. What they recently came up with allows them to service twelve cars, primarily carbon black, which is a main component of rubber and polymer industry. Ace Products (a company currently occupying space at the facility) is a known entity to the industry. The first customer they hope to bring in with these rail cars is a South Korea company that produces carbon black. Most of the carbon black comes into the country through Louisiana and transported via train to West Virginia which it is loaded to trucks, then to market to the Northeast Ohio area. They would be saving significant money if they were able to continue on the tracks until they get to Ravenna and transload at that point. There are a couple of very small metrics. Each train car saves three semi-tractor trailer loads from being on the road. The efficiency of the train is around 400 miles per gallon. This shoving the boulder to the very edge of the hill. Ace Products gets calls on a regular basis for transloading capacity for car storage, siding, etc. They have been saying that if they can just get something started, it could be put on Rail Link which means when a customer needs something, they go to Rail Link and see they can have it transloaded in Ravenna. Then they will build it up as more cars are added. They are still learning about details such as how much each car costs, etc. This project is about \$500,000.00 of which UDAG will be about 60% of it. The owner and in kind from ABC would come up to the other 40%. They would want a three year deferral on payments so they can continue to get the boulder rolling. By the time it does, they can start to amortize the debt and the City will then recover those dollars.

Mr. Bogo said they have received several letters of interest. One is an international company who is very interested and want to know when the site is available. Again, the potential for development over time is, they are obviously going to continue to add track, but along with that will come a significant amount of warehouse storage. A lot of these products get brought in by train, stored and then moved out via truck. Storage is a very important component for a transloading site. They will see a fair amount of building associated with the transloading site. The other component are two logistics companies that operate transloading yards who have said they are ready, show them the market and they'll be happy to come in. One of them wants to bring in the equipment.

Mr. Kluge said hearing this is very exciting. Can they predict if tracks are added where they would be traveling and how much.

**Community & Economic Development  
Committee Meeting Minutes  
June 10, 2019  
Page Three (3).**

Mr. Bogo said the tracks they are adding are on Ray Harner's property to deal with the specific task of transloading. The track heading west is there and operates. There is some work that needs done on some crossings and other maintenance. If they can get Norfolk Southern to allow the lease or sale, or a per car fee, whatever it is, from here east, that would bring huge opportunities for bringing in raw materials. Norfolk Southern will not speak with them. All of the representatives from the local, state and federal levels are trying to get the railroad to discuss it with them. ABC is owned by the Wheeling Lake Erie Railroad in Brewster, Ohio. ABC has also been trying to get a hold of Norfolk Southern about leasing, cooperative agreements, etc. But as of yet, they have not been successful. There is the potential for the missile defense site. They'd have access from the south but this would give them access from the north. There are any number of spin offs from this.

Ms. Michael said a while back, Amtrack talked about putting a depot in Ravenna. She was wondering if that will be more of a possibility with this going in.

Mr. Bogo said he could not answer that question.

Mr. Ribelin said he's been watching the excavation and is happy to see this development and couldn't be more thrilled about it. He thinks this community is very proud of the work they have done at the plant. The nice thing about using the UDAG funds is that it's a grant and is money that will be paid back, even if it is deferred for three years to get things going, it can be paid back.

Mr. Rainone said that he thinks the work being done is fantastic. The city is indebted to Mr. and Mrs. Harner because that would have been a white elephant. Any time they can spur these transportation hubs, that is 90% of the game. He's in full support.

Mr. Kluge said that he is very excited, asking if they have been working Congressman Ryan's office on that Build grant.

Mr. Bogo responded in the affirmative stating they had a meeting which kind of fizzled. That's when they changed direction a bit. They have reached out to his office and will continue to do so throughout the process. Al Ryan has been trying to help out with the Norfolk Southern issue and they have reached out to just about everyone they can think of to try to get Norfolk Southern to at least respond. There is another six weeks to submit the grant which they are working on now. They need to start moving freight on those tracks before November.

Mr. Kluge asked if they would be using the existing track that crosses Chestnut at Freedom.

Mr. Bogo responded in the affirmative.

**Community & Economic Development  
Committee Meeting Minutes  
June 10, 2019  
Page Four (4).**

Mr. Kluge asked if the times those would be running.

Mr. Bogo said they had that conversation with the city engineer who was concerned about quiet zones, etc. The ABC Railroad does not operate after 11:00 at night. They won't be heard in the middle of the night. They are working very closely with the city engineer on issues like that as far as pedestrian crossings, etc.

Mr. Kluge asked if there are any hazardous materials being transported.

Mr. Bogo said carbon black is dirty but not considered a hazardous waste product. They have not discussed transporting any hazardous waste materials as of this time. They've talked about processing oil which is food grade, potatoes, if they are lucky; plastic pellets and carbon black. None of it requires a hazardous materials carrier.

Mr. Dudek asked how much money is in the fund.

Mr. Bogo said right now there is about \$300,000.00.

Mr. Dudek said they just got \$200,000.00 out of this fund the other day; how much is left.

Mr. Bogo said these are different funds. The other was RLF Home funds.

There being no questions or comments, it was decided by those present the issue would be forwarded to Committee of the Whole for further action.

There being no further business before the Committee, the meeting adjourned at 6:03 P.M.

**ATTEST:**

---

Clerk of Council

---

Bruce Ribelin, Chairman  
Community & Economic Development Committee