

**Ohio Senate**

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Kirk Schuring
President Pro Tempore
State Senator
29th District

To facilitate consultations regarding a more tailored implementation of the “New American Model” for the U.S. 30 Opportunity Corridor in Ohio, Gordon Arbuckle and I are circulating the attached *Comment Draft* for your review.

It summarizes the philosophy of the “New American Model” and outlines steps towards its implementation. I would appreciate your in-depth review, comments and suggestions regarding adjustments that might make the project more attractive to your organization.

I look forward to your input. It will be very important to how we frame this new innovative model for multifaceted highway construction. Thanks very much, it would be great to hear from you soon.

Sincerely,

A handwritten signature in blue ink that reads "Kirk Schuring".

Kirk Schuring
President Pro Tempore

Hall of Fame Update

Empowerment to Accomplish Opportunity Corridor Objectives

Introduction and Statement of Objectives – In 2015 Ohio’s Legislature enacted groundbreaking legislation (*Revised Code Sec. 5595*) authorizing Regional Transportation Improvement Projects (“RTIPs”) and empowering them, in collaboration with the Ohio Department of Transportation (ODOT), to undertake transportation improvements within their territories. Stark, Columbiana, and Carrol Counties entered a Memorandum of Understanding with ODOT establishing their RTIP and undertaking development of a plan for upgrading a key segment of the U.S. 30 “Opportunity Corridor” between the City of Canton, key Ohio Port Cities, and the Pittsburgh Metropolitan area.

The RTIP’s objective, in carrying out this undertaking, has been to minimize public costs through private and institutional investments and maximizing Community benefits of the project. Substantial progress has been made towards those ends:

- RTIP obtained a substantial grant from the U.S. Department of Transportation (USDOT) to supplement funding for construction of the upgrades.
- RTIP in consultation with cognizant federal agencies, ODOT, and The Institute-- a non-profit network of senior infrastructure professionals—has researched, developed, and is prepared to implement a “New American Model” to achieve the RTIP objectives.
- RTIP, after an October 2022 meeting at Canton’s Hall of Fame Village, confirmed a core group of cutting edge appropriately skilled and funded companies committed to pursuit of this effort.

The consultations and studies which led to the development of this enhanced development and funding approach also identified the areas where adjustments and improvements are needed. The project’s initial implementation phase will address these issues.

Perfecting the State Statutory Framework – RTIP’s original enabling statutes provided a strong foundation for the necessary efforts and studies which have resulted in the model’s development. However, those studies, and experience and research completed since those laws’ enactment make clear that more broadly focused planning, consideration of factors “Beyond Transportation” (e.g. broad community benefits) and mobilization of private and institutional investment can significantly increase community benefits, reduce public cost and enhance the prospects of timely project completion. The following adjustments to the current statutory language would further those purposes and facilitate the implementation of the “New American Model”:

- Provide a mechanism for confirmation of the ROWs over which the RTIP has jurisdiction.
- Broaden the definition of “Transportation Improvement” or “Improvement” to include

comprehensive planning, monetization and management of resources included in ROWs and extended ROWs associated therewith. Clearly define and map the Highway segments to be covered by the plan.

- Confirm the RTIP's Comprehensive Authority:
 - a. to acquire (voluntary or through condemnation), plan, permit and manage the development of an area beyond the normal Right Of Way (ROW) of the RTIP Project. If the ROW is purchased via condemnation, it will be through the utilization of private sector dollars to purchase the ROW that will be used to benefit the public
 - b. voluntarily -- independently or in collaboration with property owners and/or others -- to acquire extended ROW rights and/or ownership of lands within 2,500 feet of the outermost boundary of the ROW (the extended Right of Way). Unless otherwise specifically authorized, such acquisition will be through utilization of private sector dollars and the extended ROW will be used to benefit the public
 - c. to plan, manage and control the use of lands within the ROW and extended ROW
 - d. to solicit and accept grants and contributions to support and advance its purposes
 - e. to create, manage, own or sell interests in businesses, (empowered entities) that will use private sector investments to advance the objectives of the RTIP
 - f. to issue bonds, sell equity and otherwise finance its activities and those of empowered entities
 - g. to enter into an agreement with the Ohio Academic Resource Network (OARNet) to establish a Point of Presence (POP) for delivering a super high-speed broadband connection to be used for research and economic development purposes within the RTIP project
 - h. to receive and reinvest proceeds from development within the ROW and within 2,500 feet of the outermost boundary of the ROW
 - i. to contract for and put in place digitalized systems for procurement planning and permitting
 - j. to create and empower a joint enterprise company to manage the business of developing and monetizing the ROW and extended ROW and, in doing so, to operate as a private corporation in the conduct of activities which are not publicly funded
- Ohio based insurance companies and financial institutions that invest in the RTIP project will be eligible to receive a 10% premium tax credit or a 10% financial institution tax credit. If the Ohio based financial institution or Ohio based insurance company does not directly invest in the RTIP project, other private sector investors may receive the tax credits and transfer it for a monetary consideration. All the private investments in the RTIP and designated RTIP businesses will be eligible to receive a 10% tax credit.
- Consider adoption of a modern State Infrastructure Bank law to support ancillary or related projects.

Updating the Memorandum of Understanding

The Memorandum of Understanding between the Counties and ODOT should be updated to accommodate the proposed new statutory changes that expand the ability to manage the new requirements of the “New American Model”. Issues to be addressed might include the following:

- An agreement on a comprehensive statement of the objectives and purposes of the project—demonstration and implementation of the “New American Model”
- A plan to bring together advanced technologies and innovative financing structures to focus private and institutional financing and technical expertise on the objectives of minimizing public costs and maximizing public benefits
- Update By-laws or Rules of Procedure to assure integrity of the decision-making process, designation of officers etc.
- Develop a digitalized system to document process integrity and provide transparency in procurement and financial transactions
- Create a private sector working group to provide advice and assistance in the Model’s implementation
- Establish the Enterprise (Process for Adoption/Negotiation of Articles and By-laws development of an Operating System?)
- Adoption of financing plan for RTIP and the Enterprise
- Define planning process for ROW and extended ROW agree on digitalized approach to planning and community input
- Strategy for modifying grants to eliminate restrictions that impede innovation
- Strategy for dealing with federal agencies to eliminate silos and impediments
- Staffing
- Complete Planning Land Value Capture Arrangements for the initial 4-mile segment

All the aforementioned points will be dependent on the new RTIP statutory changes and the approval of the MOU with ODOT.

Recalibrating the Federal Relationship

The focus of the USDOT/ODOT relationship to date has been nearly exclusively on cars/trucks/transportation. The American Model focusses more broadly—on maximizing overall community benefits, attraction of private and institutional investment and minimization of public expenditures. The prospects for success in this effort to optimize the process for financing transportation infrastructure will be considerably enhanced if silos can be eliminated and federal assistance can be better coordinated and more broadly focused on maximizing community benefits.

- Get appropriate federal buy in to the project.
- Reconsider current policies making the 2019 Build Grant monies unavailable for funding the early digitalization, planning and community engagement effort required to motivate institutional and private sector engagement and investment.

- Reconsider restrictions on highway design and use of medians and rights of way which limit ROW value and community benefits.
- Collaborate with the RTIP and Enterprise in evaluating, applying and demonstrating advanced construction, management and procurement technologies.
- Establish mechanism for continuous consultation between RTIP, the Working Group and Lead Agencies.
- Collaborate with RTIP and the Enterprise in the application of digital technologies to assure transparency, expedite permitting and authorizations and efficiently manage performance.

Starting the Collaborative Process

At the close of the October 5, 2022 U.S. 30 “Opportunity Corridor” Conference attendees were invited to express their willingness to participate in a collaborative working group to finalize design of the “New American Model,” fully define the Enterprise concept, develop the Operating and Management Systems and manage the process for financing, implementation and management of the project. A number of the attendees have confirmed their intent to participate and additional commitments are December and expected. This draft is being circulated as a beginning step in that process. You are encouraged to submit comments and suggestions (we hope before the end of December) to Senator Schuring at schuring@ohiosenate.gov with copies to the Institute at Institute@snifpi.org

The Institute will put in place a process for keeping participants advised.

Digitalization

As emphasized at the meeting a digitalized management and planning process or group of processes will be a critical element of the model. Comments and suggestions regarding the protocols for such processes and the steps to be taken to develop them are particularly important.

Your thought, time and attention are greatly appreciated.

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