

Ohio Rail Development Commission



Funding Application and Procedures



Ohio Rail Development Commission Funding Guidelines

COMMISSION OVERVIEW

The Ohio Rail Development Commission (ORDC), formed in October 1994, is governed by fourteen commissioners. Ten appointed commissioners vote on matters brought before the Commission with four members of the Ohio General Assembly serving as non-voting commissioners.

ELIGIBILITY REQUIREMENTS

The Commission provides direct loans and grants and may issue bonds for qualified rail projects. Public and private entities may apply for funding of Ohio rail projects. Qualified applicants include railroads and industries requiring rail service, political subdivisions, government agencies, boards, commissions, regional transit boards, and port authorities. ORDC administers its programs using prudent financial guidelines related to the desirability, timing, and relative risk of the project. Only projects of public benefit are undertaken.

AMOUNT OF ASSISTANCE

While the maximum grant or loan amount approved under ORDC programs is flexible, grants are reserved for cases where there is an extraordinary need or where there is no direct revenue stream that can be used to retire the debt. In some instances, "need" may be defined as incentives necessary to ensure that a project is located in Ohio rather than another state.

INTEREST RATE

Interest rates for the loan program are flexible. Applicants may contact ORDC for current interest rates. Factors that will be considered when determining a final interest rate include loan term, loan amounts, strength of cash flow coverage, economic distress factors and strength of security.

TERMS

The maximum term for a loan is decided on a project by project basis; but as a rule, loan terms are limited to five years.

LOAN COLLATERAL/SECURITY

ORDC may request any of the following items as collateral or security for funded rail projects:

- Pledge of identified tax revenues, fees, tolls or other revenues available to support the project;
- Guarantees from borrowers or related entities;
- First mortgage or lien position on the assets financed; or
- Letter of credit.

TAKE-OUT FINANCING



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Loans are distributed upon completion of project. ORDC will consider alternatives given need.

LOAN FEES

ORDC requires payment of the following loan program fees:

- A \$500 non-refundable application fee due upon approval of project at the Ohio Rail Development Commission meeting. Make checks payable to: Treasurer, State of Ohio
- A commitment fee of 1.0% of the loan request to cover ORDC expenses.

PREVAILING WAGE

In accordance with Ohio Revised Code Chapter 4115, ORDC may require the Grantee/Borrower to pay prevailing wage rates for workers involved in any construction activity on the project. The prevailing wage rates are determined by the Ohio Department of Commerce, Wage and Hour Bureau. It shall be the responsibility of the Grantee/Borrower to comply with all prevailing wage requirements.

Using the information submitted and information gathered from follow-up investigations, ORDC staff will determine if ORDC can prudently invest State funds in the proposed project.

CONTACT INFORMATION

General Offices		(614) 644-0306 (614) 728-4520 fax
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PROCEDURES

The Ohio Rail Development Commission (ORDC) meets bi-monthly to approve projects. As a result, the approval process takes approximately four to ten weeks. After approval is received, legal and other documentation normally require an additional two to three months.

STEP 1 - Qualified applicant meets with ORDC staff and submits "Rail Funding Application" to the ORDC Secretary-Treasurer.

STEP 2 - Project application is reviewed for completeness. When appropriate, other State agencies review the application and submit recommendations. ORDC may require applicant to submit additional information.

STEP 3 - ORDC staff presents project to commissioners with a recommendation for approval, disapproval, or approval with modifications. The applicant may be required to attend and/or make a project presentation. An application fee (\$500) is due at this time.

STEP 4 - When commissioners approve a project, a grant agreement or loan commitment letter outlining the terms of the transaction is prepared and submitted to the applicant.

STEP 5 - When a signed loan commitment letter and a non-refundable loan commitment fee are received by ORDC, the loan closing documents will be prepared.



Ohio Rail Development Commission Funding Application

I. APPLICANT INFORMATION

Applicant's Legal Name

Street Address

City

County

Zip Code

Contact Person

Title

Telephone Number

Fax Number

*Type of Corporation, Proprietorship,
Partnership, Joint Venture, etc.*

State of Incorporation

II. PROJECT DESCRIPTION AND BENEFIT

Please attach a brief narrative of the project. This narrative needs to address the items required for each program (see Program Summaries). Describe any special requirements of the financing request (Deferral period during construction, estimated first repayment date, collateral position, etc.) Additionally, *all project descriptions must identify the benefits of the project to the State of Ohio.* **APPLICATIONS WILL NOT BE CONSIDERED COMPLETE WITHOUT A PROJECT DESCRIPTION AND BENEFIT INCLUDED.**

III. PROJECT INFORMATION

Project Name: _____

Type of Project:

_____ Freight Rail Development / Rail Spur

_____ Passenger Initiative

_____ Track/ Structure Rehabilitation or Construction

_____ Rail Tourism

_____ Track Acquisition

_____ Other (Specify) _____



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Employment & Carload Generation:

_____ Number of Jobs Created _____ Number of New Rail Carloads Created
 _____ Number of Jobs Retained

Location of Project:

Address/Plant Site/Rail Mileposts (As Applicable)

City/Village/Township/Rail Line (As Applicable)

IV. FINANCING REQUEST

_____ Amount of Loan Requested _____ Term (Years)

_____ Amount of Grant Requested

Estimated Construction Start Date: _____

Estimated Completion Date: _____

V. TOTAL PROJECT SOURCES & USES (please include the non-rail related information where applicable as well)

	Equity	Private Financing	Public Assistance	Total
Land				
Building				
Machinery/Equipment				
Non-Fixed Assets Costs - Training, Working Capital, etc.				
Non-Rail Infrastructure				
Rail Infrastructure				
Total Costs				



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VI. DEDICATED REPAYMENT SOURCE FOR ORDC LOAN:

Please list the specific sources of revenue you intend to use. Examples of revenue sources include but are not limited to, Private Financing, Other Grants and Loans, Rail Car Rebates, Tax-Increment Finance, etc.

Revenue Source (Specify)	Historical Annual Average (Received)		Projected Annual Average (Expected)		
	Past 2 Years		Year 1	Year 2	Year 3
	\$	\$	\$	\$	\$
Total Revenue Source	\$	\$	\$	\$	\$

VII. ADDITIONAL REQUIREMENT CHECKLIST:

- IRS Form W-9 Request for Taxpayer Identification Number and Certification (ATTACHED)
- Project Financial Analysis or Pro forma
- Borrower's Audited Financial Statements for the past 3 years
- Copy of Ohio Bureau of Workers Compensation Certificate of Coverage or FELA insurance coverage.

In addition to the above, ORDC will secure proof of environmental clearance for all companies prior to the disbursement of any funds.

A completed Project Application and all applicable attachments may be submitted to the following for initiation of the approval process:

Ohio Rail Development Commission
50 West Broad Street, Suite 1510
Columbus, Ohio 43215
Attention: Secretary-Treasurer

As an authorized agent of the applicant, I hereby submit this project application. I understand that any false statement in this application may prevent the applicant from receiving State of Ohio funds. I understand that additional information will be requested. I also understand that this document in no way constitutes a commitment of funds by the State of Ohio, ORDC, or any of its funding programs.

Signature

Date