

Sponsor: Kitchen/Elliott

ORDINANCE NO. 32-19

AN ORDINANCE AUTHORIZING THE MAYOR TO ENTER INTO AN AGREEMENT AND TO EXECUTE DEEDS SO AS TO CONVEY THE JACKSON SHORT LINE RAILROAD TO THE OHIO RAIL DEVELOPMENT COMMISSION AND DECLARING AN EMERGENCY.

WHEREAS, pursuant, in part, to Ordinance No. 33-87, the City of Jackson acquired what has become known as the Jackson Short Line Railroad for the purpose of urban redevelopment and to prevent the abandonment of the rail service then provided by the Baltimore and Ohio and Chesapeake and Ohio Railroads; and

WHEREAS, the City determined then and does so determine now that loss of rail service is extremely detrimental to the City and that the continued operation of the railroad is beneficial to the economic growth of the City and private enterprise in and around the City, however the City lacks the expertise and financial resources to continue to operate the railroad; and

WHEREAS, ORDC and ODOT shall continue to operate the railroad as required to satisfy the City's grant assurances and lease agreement with the current operator and shall further agree to return the railroad to the City if the ORDC, ODOT or other successor State agency determines that it will no longer operate the railroad; and

WHEREAS, the City is permitted to convey the railroad to the ORDC pursuant to R.C. section 4981.24 without competitive bidding for appraised fair market value. The tax appraisal of the real estate, as of 2017, upon which the railroad is located is \$633,934.00, and the City, having previously determined that the continued existence of the rail road is necessary for the economic development of the area, has also commissioned an appraisal of the railroad as a going concern and that the appraiser has determined that the railroad has no value as a going concern. A copy of the appraisal is attached hereto as Exhibit A; and

WHEREAS, the City acquired the railroad with grant funds from the State of Ohio, Department of Transportation in 1987 and 1990. The ORDC is the successor in interest to the ODOT grants. Said grants require the City to retain the railroad as an operating railroad and that any sale or disposition of the railroad requires the City to repay to ORDC, as successor in interest to ODOT the sums of \$319,526.00 and \$500,000.00, for a total repayment obligation to ODOT of \$819,529.00. The grant repayment obligations exceed both the appraised value of railroad as a going concern and the land value. The City, by being relieved by the ORDC of its obligation to repay the grants from ODOT, satisfies and exceeds its obligations to exchange the railroad for something of equal or greater value than the appraised value of the railroad; and

WHEREAS, the City has negotiated the transfer of ownership of the railroad to the The State of Ohio, Ohio Rail Development Commission (ORDC) and the ORDC will continue to operate the railroad and the ORDC has agreed to accept the railroad according to mutually agreeable terms as accepted by its Resolution 19-08, attached hereto as Exhibit B; and

WHEREAS, the continued operation of the railroad by the State of Ohio is necessary to protect the health, safety and welfare of the City and, as the ORDC has now agreed to accept ownership of the railroad according to these terms, this matter should be considered an emergency so that the transfer can be completed at the earliest possible date

NOW, THEREFORE, BE IT ORDAINED AS FOLLOWS:

Section 1. The legislative authority of the City of Jackson hereby authorizes the Mayor of the City of Jackson, Ohio to enter an agreement, similar in terms to the agreement attached hereto, for the conveyance of the railroad to the Ohio Rail Development Commission and to execute all documents of conveyance as required.

Section 2. This matter is hereby declared to be an emergency necessary for the immediate preservation of the public peace, health or safety of the City of Jackson, Ohio.

Section 3. In the event this Ordinance receives a majority vote for passage but fails to receive the required number of votes to pass as an emergency, then this Ordinance shall be deemed to have passed but with no emergency clause, and shall take effect at the earliest time permitted by law.


It is hereby found and determined that all formal acts of this council concerning and relating to adoption of this Ordinance were adopted in an open meeting of this council and that the deliberations of the council and any of its committees resulted in such formal action, wherein meeting open to the public, in compliance with all legal requirements including Section 121.22 of the Ohio Revised Code.

PASSED AND ADOPTED by the Legislative Authority of the Political Subdivision on this 12th day of August, 2019.



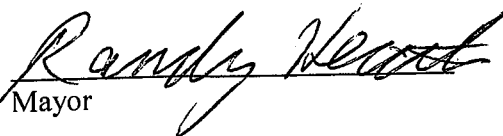
President of Council

ATTEST:



Clerk of the Legislative Authority

Approved this 12th day of August, 2019.



Mayor

R/W Specialists, Inc.

9525 Hume Lever Rd.
London, Ohio 43140

September 21, 2016

Mr. William Sheward
Service / Safety Director,
City of Jackson,
145 Broadway St.
Jackson, OH 45640

Re: Going Concern Appraisal Report: The City of Jackson Railroad

Dear Mr. Sheward:

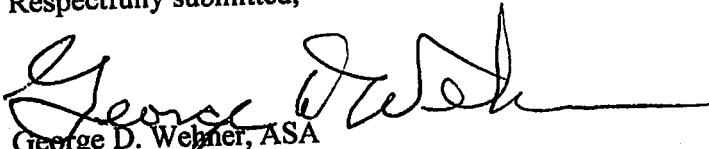
In response to your request, a Going Concern appraisal report covering the above referenced property has been prepared, and the result of our investigation is submitted herein. The purpose of this report is to estimate the current Going Concern Value of the subject property.

I have analyzed all of the market and income and expense information available that is considered pertinent to the appraisal of this property. It is my opinion that the Going Concern Value of the herein described rail corridor, as of September 15, 2016 the most recent date of inspection, is estimated to be

Of no value as a Going Concern

Attached is the appraisal report which supports this value estimate. All data gathered during the course of this assignment is being maintained in our files. If there are any questions concerning this appraisal, please do not hesitate to call.

Respectfully submitted,


George D. Wehner, ASA
Sr. Railroad Appraiser