CSR Board of Trustees Recommends November 7, 2023 for Railroad Sale Ballot Issue

The Board of Trustees of the Cincinnati Southern Railway (CSR) has recommended that the proposed sale of the railroad be placed before the voters of the City of Cincinnati at the November 7, 2023, General Election.

The primary job of the CSR Board of Trustees is to manage the Cincinnati Southern Railroad as an asset for the benefit of a single beneficiary – the City of Cincinnati. We have concluded, after considering the advice of outside experts, that selling CSR for $1.6 billion to create a trust fund of professionally managed financial assets will likely more than double what the City might have received from future railroad lease payments. In 2024 alone, lease proceeds are projected at approximately $26.5 million. Potential trust fund earnings of 5.5% (a conservative estimate) on a $1.6 billion portfolio would be $88 million. After reinvesting 2% ($32 million) into the trust fund to ensure its continued growth, the remaining 3.5% ($56 million) would be available for improvements to City of Cincinnati existing infrastructure and CSR operations. We and our advisors find this scenario reasonable, prudent and responsible.

We have also concluded that the sooner the voters of Cincinnati consider the sale of CSR, the sooner the sale proceeds can be invested in a trust fund to begin generating earnings to improve existing infrastructure. This November is the first available opportunity for the voters of Cincinnati to vote to sell the railroad.

In the City of Cincinnati’s recently approved budget, the funding gap for existing infrastructure was identified as nearly $400 million – and growing. From facilities for the Park Board, Cincinnati Recreation Center, Health Department and other public services to improvements needed for streets, bridges, sidewalks, pedestrian safety, traffic signals, streetlights and neighborhood gateways and more, the citywide need is at historic levels.

We take seriously our charge to manage this historic asset in the best interest of the City of Cincinnati. Uncertainties surround any single industry segment, including the railroad industry. A professionally managed and diversified trust fund of financial assets across many industry segments, started with $1.6 billion in sale proceeds, increases certainty for the City of Cincinnati. Importantly, the need to improve the City’s existing infrastructure has never been greater.

We express our appreciation to the Mayor and City Council, to the Ohio Legislature and especially the Hamilton County delegation and to the Governor of Ohio for their support of this important and historic issue.

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