

Presentation for West Virginia Blue Ribbon Highway Commission

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Presented by:

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West Virginia Parkways Authority (“Parkways Authority”)



Turnpike Overview

• Length	88 miles
• Lane Miles	426
• Bridges	116
• Steel Surfaces of Bridges	4 million s.f.
• Bridge Deck Area	1.7 million s.f.
• Interchanges	18
• Toll Plazas	4
• Travel Plazas	3
• Welcome Center	1
• Rest Areas	2
• Facilities	300,000 s.f.
• Culverts	6,248
• Signs	4,070
• Roadway Lights	900
• Acres of Mowing	595



Turnpike Overview

- **Parkways Authority receives no funding from the State or the Federal government for maintenance, operation or capital repairs**
- **Tolls (“user fees”) provide the funds for maintenance, operations and capital repairs and free up tax dollars to be used by the WVDOT for all of the other highways and bridges in WV**
- **360 full and part-time Parkways Authority employees with State benefits**



Turnpike Personnel

- **360 Parkways Authority Employees:**
Full time (332) and part-time (28) with State benefits
- **Toll - 160**
 - Full time 132; part-time 28
- **Maintenance - 145**
 - Beckley Maintenance · Ghent Maintenance · Standard Maintenance · Warehouse · Administration · Mechanics · IT · Sign Shop · Carpentry Shop · Utility Shop · Water & Sewer Treatment · Heavy Equipment · Chelyan Maintenance · Landscaping
- **Other - 55**
 - Tourist Information Center (21)
 - Administration (11)
 - Customer Service Center/Accounting (11)
 - Radio Operators (12)



Who Uses the Turnpike?

- **76% of toll revenues come from out-of-state passenger and commercial vehicles* (\$61.7 million)**
- **Commercial traffic accounts for 48% of toll revenues (\$39.0 million)**
- **35.1 million toll transactions with patrons on the Turnpike in FY/2012**
- **Average daily transactions approximately 96,000 per day**
 - **79% are privately owned vehicles and**
 - **21% are commercial vehicles**
- **16% of toll revenues come from WV passenger cars and 8% from WV commercial vehicles* (\$19.5 million)**

* Per November 2005 Wilbur Smith Traffic Study



Trust Indentures Covenants and Requirements

- Turnpike bonds are the direct and general obligations of the Parkways Authority payable solely from toll revenues (*not a debt of the State of WV*)
 - Currently \$62.74 million outstanding
- Tolls shall be fixed to provide for payment of all expenses, debt service and required reserves
- Parkways Authority shall at all times operate the Turnpike in a sound and economical manner and shall maintain, preserve and keep the same in good repair, working order and condition



Bonds Mature in 2019

Under existing statutory provisions (§17-16A-18(a), *Cessation of Tolls*), tolls on the WV Turnpike shall cease after the final pay-off of the bonds, currently scheduled for 2019, if the Turnpike is determined to be in “*good condition and repair*” to the satisfaction of the Commissioner of the State Division of Highways and transferred to the WV Department of Transportation, Division of Highways, and be maintained by the Division of Highways free of tolls.



Existing Tolling Authority

- **Authority currently has independent bonding authority**
- **Existing West Virginia Code states that the Parkways Authority cannot issue revenue bonds for the purpose of paying the cost of the West Virginia Turnpike**
- **Aggregate amount of the Turnpike's outstanding principal amount of bonds cannot exceed \$200 million**



Existing Tolling Authority

- **In 2010, Senate Bill 427 renamed and reorganized the Parkways Authority**
- **Bill gave the Parkways Authority the authorization to construct new toll road projects by issuing bonds secured with toll revenues**
- **Prior to final approval of a new parkway project, the county commissions of the counties in which a project is located shall by resolution approve the project**



Turnpike Revenues and Expenses

- **FY/13 Budgeted Highway Operations (in millions)**



Budgeted Tamarack and Non-Toll Revenue Operations

- **Revenues**

• *Concessions	\$2.6	
• Interest/Investment Income	\$.1	
• Tamarack Sales	<u>\$7.4</u>	
• TOTAL:		\$10.1

- **Expenses**

• Cost of Goods Sold	\$3.2	
• Operating Expense	\$5.4	
• Transfer to Fund Toll Discounts	<u>\$1.5</u>	
• TOTAL:		<u>\$10.1</u>

- **NET NON-TOLL REVENUE** \$ 0

- Tamarack is operated by the Parkways Authority and employs 140 full and part-time (non-state) employees, generates \$7 million/yr. in gross sales and collects \$400,000/yr. in sales taxes

*(*Restaurants and service stations have 140 private employees, annually generate \$10 million in food sales resulting in \$600,000 in WV sales taxes and sell 7.3 million gallons of fuel resulting in \$2.4 million in WV fuel taxes.)*

State Police & Communications Operations

- **State Police Troop 7 Parkways Division (31 Troopers authorized – 2 PSC Officers)**
 - §17-16A-17, State Police Agreement to patrol Turnpike pursuant to State Code
- **24/7 radio operations, State Police dispatch and communications system**
 - Integrated with WVDOH Traffic Management Center and 911 Centers as well as the 511 Traveler Information System



Maintenance Costs

- **Roadway and Facilities Maintenance**
 - Routine Maintenance
 - Snow removal and ice control
 - Pavement patching
 - Litter pickup
 - Mowing
 - Non-Routine Maintenance
 - Courtesy patrol and emergency patron response
 - Bridge maintenance and repair
 - Travel plaza maintenance
 - Upkeep of the four maintenance areas
 - Equipment repairs and maintenance
 - Toll plaza maintenance (approx. \$1 million/yr.)
 - Water and wastewater treatment
 - Concrete barrier wall repairs
 - Overhead message boards and CCTV maintenance
- **Total Annual Cost: \$17.1 million** (*\$11.1 roadway/\$6 facilities*)



Capital Expenditures

- **Pavement rehabilitation and preservation**
 - Paving overlays/mill and inlay
 - Full depth repairs
 - Pavement striping/markings
 - Culvert and drainage repairs/replacement
 - Guardrail replacement
 - Sign replacement/overlays/roadway lighting
- **Bridge painting, retrofit and deck overlays**
- **Facilities rehabilitation**
 - Toll Plaza Rehabilitation – approx. \$1 million/yr.
- **Vehicle/equipment replacement**
- **Total Annual Cost: \$34.5 million**



Cost to DOH After 2019 with No Toll Revenues

- **Annual Expenditures (in millions)**

• Pavement – Mill & inlay program	\$12
• Bridges – Average age of 40 years	
• Latex modified concrete (LMC) deck overlay 10 year program	\$10
• Painting and retrofit	\$ 6
• Bridge renovation	\$ 9
• Routine maintenance (snow removal and ice control, mowing, patching & litter)	\$ 5
• Non-routine maintenance	\$ 7
• Facilities Improvements	\$ 3
• Equipment replacement/maintenance	\$ 2
• Culverts/drainage	\$ 2
• Pavement striping/guardrail/signage	\$ 3

**ANNUAL AMOUNT NEEDED FOR
PRESERVATION OF THE TURNPIKE:**

\$59



Additional Impacts to State Revenues with the Removal of Tolls

- Extensive painting of Yeager & Bluestone South Bridges (1952) (\$25 million)
- Dismantle and remove toll plazas (\$20 million)
- Restaurants and service stations – permitted to remain?
- Tamarack operations?
- State Police & Tourist Information
- Widening project – Beckley area from I-64 to North Beckley (Rt. 19)
- Unemployment – Approx. 200+ employees
- No independent bonding authority
- Without tolls, fuel taxes may have to increase by 5 cents per gallon just to maintain the WV Turnpike