WEST VIRGINIA PARKWAYS AUTHORITY CONTINUING RESOLUTION IN SUPPORT OF TOLLS REMAINING ON THE WEST VIRGINIA TURNPIKE ONCE EXISTING BONDS ARE PAID IN FULL OR DEFEASED

WHEREAS, the West Virginia Parkways Authority, Successor in Interest and a name change by statute to the West Virginia Turnpike Commission, owns and operates the 88 mile West Virginia Turnpike from its intersection at Route 460 near Princeton, Mercer County, West Virginia to the north side of the Yeager Bridge over the Kanawha River, near Charleston, Kanawha County, West Virginia.

A system of tolls is still in place, having been initiated with the original construction of the West Virginia Turnpike by the West Virginia Turnpike Commission between 1948 and 1952; and

WHEREAS, the bonds that had been in place since 1952 were redeemed by Parkways Revenue refunding bonds that were issued in 1989 at a time when $45 million in bonds were still outstanding and only $25 million of revenue sources were immediately available to pay such bonds as they came due; and

WHEREAS, in 1989 the West Virginia Parkways Economic Development and Tourism Authority became the interim Successor to the West Virginia Turnpike Commission, (acts of legislature 1989). That Successor issued new bonds in the amount of $143 million with those bonds to mature in May 2019; and

WHEREAS, on January 7, 2016, members of the Parkways Authority Board passed a Resolution in support of the continuation of tolls on the West Virginia Turnpike once existing bonds are paid in full or defeased, and, the Board adopted this Resolution to urge the West Virginia Legislature to amend the existing legislation requiring the cessation of tolls after the bonds are paid; and

1
WHEREAS, after all the years of operation of the West Virginia Turnpike, it is now within approximately 29 months of the date upon which the latest bonds issued must all be paid in full; and

WHEREAS, the State of West Virginia has incurred significant difficulty balancing its budget over the last few budget years due in part to declining revenue from the downturn of the coal industry, and the bankruptcy of a significant number of coal operators both within and outside the State of West Virginia and the relocation of population because of relatively high unemployment rates due to the decline in the coal industry and other factors that give no indication of immediately being reversed; and

WHEREAS, the tolls on the West Virginia Turnpike continue to pay for its operation and continue to provide 360 full and part-time jobs with benefits, all in the face of rising job losses associated with the reduction of coal and coal related industries in West Virginia; and

WHEREAS, the West Virginia Blue Ribbon Commission on Highways in its May 2015 report concluded that West Virginia needed an additional $750 million a year simply to preserve and improve its other roads and bridges, with another $380 million a year needed to provide for expansion of the existing system. It appears from the Commission’s report that the annual shortfall with which the West Virginia Division of Highways is currently contending exceeds $1.13 billion; and

WHEREAS, tolling helps fund transportation infrastructure as the current gas tax revenues that support the State Road Fund are stagnant and in danger of dwindling even further as people drive more fuel-efficient vehicles;
WHEREAS, over the next 30 years, tolls on the West Virginia Turnpike at the current rates are expected to generate $2.7 billion in revenue for West Virginia and over $2 billion of that will come from out of state users; and

WHEREAS, the State of West Virginia cannot afford to simply do away with this stream of revenue which is vital to maintaining and improving the transportation infrastructure in the State of West Virginia; and

WHEREAS, the West Virginia Parkways Authority does not receive any state or federal tax revenue to maintain and operate the West Virginia Turnpike; and

WHEREAS, without the toll revenue, the entire cost of operating the West Virginia Turnpike would shift directly or indirectly to the taxpayers of West Virginia; and

WHEREAS, if the Parkways Authority is abolished and the tolls are eliminated from the West Virginia Turnpike, the State will have lost an important independent bonding authority that can issue bonds for various authorized purposes that do not represent obligations of the State of West Virginia; and

WHEREAS, the Legislature and the Executive branch of West Virginia government are both dealing with finding alternate sources of revenue that have to be created or increased in order to simply balance the state’s annual budget not including the $60 million a year cost needed to maintain the West Virginia Turnpike if tolls are abolished; and

WHEREAS, now does not appear to be the logical time to eliminate tolls from the West Virginia Turnpike, but rather the time to carefully construct uses of those tolls to either pay debt service on newly issued bonds or in the event no new bonds are issued then to utilize those tolls for maintenance and upkeep of the Turnpike and other authorized projects in the State of West Virginia without adding to the existing deficit in the State Road Fund; and
WHEREAS, in the current campaign season for various Legislative positions, interviews of candidates for those offices have shown mixed responses to the question as to whether or not tolls should be maintained; and

WHEREAS, there does appear to be a voice among a number of the candidates in favor of maintaining the tolls for other purposes and not simply waiving and giving up over $90 million a year in toll revenue; and

WHEREAS, the members of the West Virginia Parkways Authority remain in favor of maintaining tolls on the West Virginia Turnpike, maintaining the 360 jobs represented by those employed by the West Virginia Parkways Authority, and utilizing those tolls for vital transportation infrastructure purposes now that the bonds which initially constructed the West Virginia Turnpike are about to be paid (Note: These bonds reimbursed the state for its share of the cost of upgrading the Turnpike to interstate standards); and

WHEREAS, by maintaining the tolls, there will be greater opportunities to improve the economy and transportation infrastructure of Southern West Virginia; and,

WHEREAS, tolls represent a vital funding source for transportation in West Virginia and the removal of tolls is the exception rather than the rule on a national basis; and

WHEREAS, the West Virginia Parkways Authority does not believe there is a scenario whereby removal of tolls is in the best interest of the State of West Virginia and its citizens nor is there a scenario where abolishing the West Virginia Parkways Authority is in the best interest of the citizens of the State of West Virginia; and

WHEREAS, this Authority urges the West Virginia Legislature to amend the existing Legislation requiring the cessation of tolls when the existing Turnpike bonds are paid to allow
tolls to remain on the West Virginia Turnpike to be used for vital transportation infrastructure purposes; and

WHEREFORE, be it resolved, that for all of the reasons set forth in this Continuing Resolution, the West Virginia Parkways Authority, a corporate body and an agency of the State of West Virginia, by its vote on the 8th day of December, 2016, does hereby adopt this resolution in support of the continuation of tolls on the West Virginia Turnpike once the existing bonds are paid in full or defeased and the continuation of the West Virginia Parkways Authority as a public body corporate and agency in the State of West Virginia to continue to operate the West Virginia Turnpike as a toll road and to continue operating as an independent tolling authority within state government; and

WHEREAS, in the face of the aforementioned shortfalls in income and an increase in the cost of preserving, improving and expanding the roads and bridges of the State, the West Virginia Division of Highways should not be burdened with an additional $60 million to assure operation of the West Virginia Turnpike.
CERTIFICATE OF ADOPTION OF RESOLUTION

I, Thomas Mainella, the duly elected and presently serving Secretary of the West Virginia Parkways Authority, do hereby certify that the foregoing WEST VIRGINIA PARKWAYS AUTHORITY CONTINUING RESOLUTION IN SUPPORT OF TOLLS REMAINING ON THE WEST VIRGINIA TURNPIKE ONCE EXISTING BONDS ARE PAID IN FULL OR DEFEASED was duly and lawfully adopted at a regular monthly meeting of the West Virginia Parkways Authority held at the Parkways Headquarters, Charleston, West Virginia, on December 8, 2016 after due lawful notice, upon an affirmative vote of the members of the Authority.

Certified this the 8th day of December, 2016

[Signature]

THOMAS MAINELLA, SECRETARY

STATE OF WEST VIRGINIA,

COUNTY OF KANAWHA, TO-WIT:

Subscribed and sworn to before me this the 8th day of December, 2016

[Signature]

Notary Public

My Commission expires on: June 3, 2022