NOTICE OF PUBLIC MEETINGS BEFORE PROPOSED TOLL RATE CHANGES AND PROPOSED ISSUANCE OF TOLL REVENUE BONDS

The West Virginia Parkways Authority ("Parkways Authority"), pursuant to the provisions and requirements of Chapter 17, Article 16A of the Code of West Virginia, 1931, as amended (the "Authority Act"), including § 17-16A-13a, specifically, and, as applicable, West Virginia Parkways Authority Procedural Rule Title 184 Series 3 (184CSR3) (an amendment to said procedural rule was adopted by the Authority at its lawfully held meeting on April 5, 2018, in order to update such rule to reflect changes to the Authority Act that were enacted into law in 2017), HEREBY GIVES NOTICE OF PUBLIC MEETINGS before proposed toll rate changes to the tolls charged on the West Virginia Turnpike and before proposed issuance of toll revenue bonds, including and regarding:

(a) proposed toll rate increases and a proposed single fee discount program for Toll Class 1 passenger motor vehicles (i.e., passenger vehicles less than 7 feet 6 inches in height and weighing less than 8,000 pounds for personal use and <u>non-commercial use</u>), whereby, upon submission of a complete application, payment of applicable fees and receipt of a special transponder from the West Virginia Parkways Authority, customers driving such Toll Class 1 passenger motor vehicles may obtain unlimited travel on the West Virginia Turnpike for one year (from the month of purchase) for that vehicle for an annual fee of \$25 per year per vehicle, plus applicable costs of issuing a special transponder for that vehicle; <u>provided</u>, that, as a <u>limited one-time early enrollment incentive offer</u>, any customer driving a Toll Class 1 passenger motor vehicle may enroll in this Single Fee Discount Program by December 31, 2018 and obtain unlimited travel for that vehicle on the West Virginia Turnpike for the balance of the 2018 calendar year and in calendars years 2019, 2020 and 2021 for a one-time payment of \$24 per vehicle, plus applicable costs of issuing the required special transponder for that vehicle (estimated to be \$13 per special transponder per vehicle) (the "*Limited (One-Time) Early Enrollment Offer*"), and

(b) the proposed issuance of parkway revenue bonds, all as more fully referenced in a Resolution adopted by the Authority in such April 5, 2018 meeting of the Authority.

DATES AND LOCATIONS OF PUBLIC MEETINGS:

Thursday, MAY 10, 2018 – RIVERSIDE HIGH SCHOOL (Kanawha Co.) 1 Warrior Way, Belle, WV 25015

Friday, MAY 11, 2018 – FAYETTE COUNTY COURTHOUSE 100 Court St., Main Courtroom-2nd Floor, Fayetteville, WV 25840

Monday, MAY 14, 2018 – RALEIGH COUNTY ARMORY (Rooms C-F) 200 Armory Dr., Beckley, WV 25801

Tuesday, MAY 15, 2018 – MERCER COUNTY COURTHOUSE 1501 West Main St., Princeton, WV 24740

<u>TIME OF EACH OF THESE PUBLIC MEETINGS:</u> 4:00 – 7:30 P.M. Eastern Daylight Time for Kanawha County, Fayette County and Raleigh County and 5:00 – 8:30 P.M. in Mercer County.

DESCRIPTION OF PROPOSED POSSIBLE CHANGES TO TOLL RATES:

The Parkways Authority has received and accepted, by resolution adopted at its lawfully held April 5, 2018 meeting (the "Resolution"), the following reports and studies, and the information, recommendations, findings and analyses contained therein, including, but not limited to, the information, recommendations, findings and analyses regarding (i) the potential issuance of parkways revenue bonds in an amount not to exceed Five Hundred Million Dollars (\$500,000,000) (the "Proposed Bonds"), (ii) the implementation of the multi-year plan related to the West Virginia Turnpike's operating and maintenance expenses, renewal and replacement requirements and capital needs, through 2050, (iii) the Proposed Single Fee Discount Program (as defined below) which includes the Limited (One-Time) Early Enrollment Offer, and Proposed Toll Rate Schedule (as set forth below and in the Resolution), (iv) information related to proposed projects to be funded, in part, by the proceeds of the Proposed Bonds, (as more particularly shown on Exhibit "A" to the Resolution) and (v) information related to the Authority's bonding capacity:

- (a) a report by its Consulting Engineer (HNTB Corporation) entitled "Consulting Engineer's Report" (the "HNTB Report") making a recommendation based on its study of the West Virginia Turnpike (the "Turnpike") and the needs for estimated future operating and maintenance expenses, renewal and replacement requirements, and capital needs of the Turnpike, through 2050;
- (b) a study by its Traffic Engineer (CDM Smith Inc.), entitled "West Virginia Turnpike 2018 Revenue Bond Study" (the "CDM Smith Traffic Revenue Study") regarding recent transaction and revenue trends on the Turnpike and to develop traffic and revenue forecasts for the Turnpike under current toll rates and schedules, as well as under various increased levels of passenger car and commercial vehicle toll rates, including, without limitation, a proposal that would, (i) beginning in calendar year 2019, double the current toll rates for all classes of vehicles (except Toll Class 1 passenger motor vehicles adopting the Single Fee Discount Program defined below) and, beginning in calendar year 2022 and subject to rounding, include toll rate increases

nominally at 1.6% annually and (ii) implement a single fee discount program, as authorized under Section 29 and other applicable provisions of the Act (the "Single Fee Discount Program"), under which a user driving a Toll Class 1 passenger motor vehicle may obtain unlimited travel on the Turnpike for an annual fee of \$25 per year, plus applicable costs of issuing the special transponder required for such vehicle, <u>provided</u>, that, this program would include a limited (one-time) early enrollment option (the "Limited (One-Time) Early Enrollment Option", and together with the Single Fee Discount Program, the "Proposed Single Fee Discount Program") under which a customer driving a Toll Class 1 passenger motor vehicle may enroll early (<u>by December 31, 2018</u>) in the Single Fee Discount Program and obtain unlimited travel on the Turnpike in calendar years 2019, 2020 and 2021 for a one-time payment of \$24, plus applicable costs of issuing the special transponder required for such vehicle to participate in such Limited (One-Time) Early Enrollment Option; and

(c) a report by its independent financial advisor Public Resources Advisory Group (PRAG) regarding the Authority's bonding capacity entitled "Bonding Capacity Analysis" taking into account the CDM Smith Traffic Revenue Study (as to projected annual toll revenues) and the HNTB Report (as to recommended annual operating and maintenance expenses, renewal and replacement requirements, and capital needs of the Turnpike through the end of 2050) (the "PRAG Analysis").

The HNTB Report recommends that the Authority implement a program through 2050 to address the Turnpike's estimated operating expenses, renewal and replacement requirements and capital needs, and concludes, among other things, that funding the estimated operating costs, renewal and replacement costs and capital needs (in the respective amounts set forth in the HNTB Report) identified in the HNTB Report over a multi-year period (through 2050) is required in order for the Authority to meet its obligations to maintain the Turnpike in "good repair" in the future.

The CDM Smith Traffic Revenue Study, in part, provides a comprehensive analysis of the transaction and revenue forecast in connection with the Proposed Single Fee Discount Program, as further provided in the CDM Smith Traffic Revenue Study, and the Proposed Toll Rate Schedule, as set forth below:

Proposed Toll Rate Schedule												
			ALL Mainline Toll Plazas			North Beckley Plaza						
Toll Class	Axles	Vehicle Type	Cash Rate	WV E- ZPass® Rate	Non- WV E- ZPass® Rate	Cash Rate	WV E- ZPass® Rate	Non- WV E- ZPass® Rate				
1	2	Passenger Cars/Pickup Trucks/Motorcycles and Passenger Vans	\$4.00	Free	\$4.00	\$0.80	Free	\$0.80				

2	3+	Passenger Cars/Pickup Trucks with a trailer (under 7'6")	\$5.00	\$3.26	\$5.00	\$1.60	\$1.04	\$1.60
3	2 - 3	Motor Home	\$5.00	\$3.26	\$5.00	\$1.60	\$1.04	\$1.60
4	3+	Motor Home with a trailer	\$6.50	\$4.22	\$6.50	\$2.40	\$1.56	\$2.40
5	2	2 axle Trucks	\$6.50	\$5.20	\$5.66	\$1.60	\$1.28	\$1.40
6	3	3 axle Trucks	\$9.00	\$7.20	\$7.84	\$2.40	\$1.92	\$2.08
7	4	4 axle Trucks	\$13.00	\$10.40	\$11.32	\$3.20	\$2.56	\$2.78
8	5	5 axle Trucks	\$13.50	\$10.80	\$11.74	\$3.20	\$2.56	\$2.78
9	6+	6+ axle Trucks	\$19.00	\$15.20	\$16.54	\$4.80	\$3.84	\$4.18
10		Oversize Trucks	\$24.00	\$19.20	\$20.88	\$14.40	\$11.52	\$12.52

Beginning in 2022, the proposed toll rate schedule set forth above is subject to an automatic increase of 5% every three years; <u>provided</u>, that the amount of any such annual increase shall be rounded (i) to the nearest \$0.25 for the Cash Rate at each Mainline Toll Plaza and (ii) to the nearest \$0.10 (nearest 10 cents) for the Cash Rate at the North Beckley Plaza. The corresponding WV E-ZPass® Rates and Non-WV E-ZPass® Rates shall also be automatically adjusted accordingly as each of the cash rates are increased. The following discount programs shall also be implemented and apply to travel on the West Virginia Turnpike:

Single Fee Discount Program

Beginning on January 1, 2019, a customer driving a Toll Class 1 passenger motor vehicle (i.e., passenger vehicle less than 7 feet, 6 inches in height weighing less than 8,000 pounds for personal use and <u>non-commercial use</u>) is entitled to (upon submission of a complete application, payment of applicable fees and receipt of a special transponder from the West Virginia Parkways Authority) unlimited travel on the West Virginia Turnpike for one year (from the month of purchase) for that vehicle for an annual fee of \$25 per year per vehicle, plus applicable costs of issuing a special transponder for that vehicle.

However, as a **limited one-time early enrollment incentive offer**, any customer driving a Class 1 passenger motor vehicle may enroll in this Single Fee Discount Program by December 31, 2018 and obtain unlimited travel for that vehicle on the West Virginia Turnpike for the balance of calendar year 2018 after enrollment and in calendars years 2019, 2020 and 2021 for a one-time payment of \$24 per vehicle, plus applicable costs of issuing the required special transponder for that vehicle (estimated to be \$13 per special transponder per vehicle) (the "*Limited (One-Time) Early Enrollment Offer*").

For the avoidance of doubt, this Single Fee Discount Program, as well as the Limited (One-Time) Early Enrollment Offer, would be open to all in-state (West Virginia) and out-of-state (non-West Virginia) customers of the West Virginia Parkways Customer Service Center driving a Toll Class 1 passenger motor vehicle (upon each such customer's submission of a completed application, payment of applicable fees and receipt of a special transponder from the West Virginia Parkways Authority). If implemented, the full terms and conditions of the Single Fee Discount Program, as well as the Limited (One-Time) Early Enrollment Offer, would be provided on the Single Fee Discount Program application and would be subject to applicable law.

<u>Non-Commercial Vehicles in Class II, III and IV –</u> <u>Discount Plan for West Virginia E-ZPass® Customers</u>

Customers with vehicles in Class II, III and IV having a WV E-ZPass® will continue to receive a 35% discount off cash tolls at each toll plaza on the West Virginia Turnpike.

Commercial Discount Plan #A

There is a \$25.00 charge for the purchase of each E-ZPass transponder (non-refundable). Rates are based on the West Virginia Toll Rates table above under the column "WV E-ZPass Rate".

Example: For a 5 axle tractor trailer, the cost per toll plaza of \$10.80 would be deducted from an E-ZPass® pre-paid account as opposed to a cash rate of \$13.50.

Commercial Discount Plan #B

Accounts are opened and managed by other E-ZPass® agencies, so there is no paperwork, account maintenance, or charge for transponders. Rates are based on the West Virginia Toll Rates table above under the column "Non-WV E-ZPass® Rate".

Example: For a 5 axle tractor trailer, the cost per toll plaza of \$11.74 would be charged to a Non-West Virginia E-ZPass® account, as opposed to a cash rate of \$13.50.

PURPOSE OF MEETINGS: Public Meetings: (A) to provide notice of and information to members of the public about the needs, reasons and justifications for the proposed change in toll rates and proposed issuance of toll revenue bonds; (B) to promote public understanding of maps, drawings or charts, reports, certifications, recommendations and other issues surrounding the proposed toll rate changes including the proposed issuance of toll revenue bonds and the proposed toll increases and the proposed Single Fee Discount Program including the proposed Limited (One-Time) Early Enrollment Option; (C) to discuss any appropriate alternative courses of action; (D) to explain and provide information concerning major features of such toll changes and any ancillary toll discount programs and the proposed issuance of toll revenue bonds; and, (E) to allow submission of and accept written comments, oral comments, and exhibits by

attendees. Attendees may present their information by oral presentation or by written presentation or by written comments.

<u>CONDUCT OF EACH MEETING:</u> In the matter of this proposed change in the Parkways Authority's Toll Rate Schedule, proposed to take effect January 1, 2019, and proposed issuance of toll revenue bonds, the Authority has chosen the Informational Open House Public Meeting style of disseminating information to the public. There may be no formal presentation other than a brief overview of the proposed Parkways Authority Toll Rate Schedule change and proposed toll revenue bonds at 7:00 p.m. the day of each meeting and various stations at which the information involved in the decision-making process by the Parkways Authority will be presented, explained and questions about it may be answered by those with sufficient expertise to understand the process. Even though there may not be a formal presentation, there will be an overview of the information and the proposed changes to the Toll Rate Schedule and proposed issuance of bonds at each of the public meetings at approximately 7:00 p.m.

Right after this overview, there will be an opportunity for attendees to make oral comments. Initial oral comments will be limited to five minutes each. A registration sheet will be made available for sign-up. While registration is not a condition to speaking, those registering will be afforded the first opportunity to speak, in the order they register, and to the extent time permits, those who do not register will be allowed to speak as well. If all who desire to make oral comments have made initial presentations, and time remains for oral comments before the end of the meeting, then those who registered prior to the meeting will be permitted an additional two minutes each for further comments, and if (and to the extent that) time still remains before the end of the meeting, those who didn't register and have offered initial comments will be permitted an additional two minutes each for further oral comments.

Additionally, throughout the Public Meeting, comment forms will be available so that any attendee, whether that attendee has addressed the Parkways Authority or not, may also submit written comments as to the proposed change in toll rates and discounts for vehicles using the West Virginia Turnpike.

This open house type public meeting is intended to be informal to maximize the interaction between the citizens and the Parkways Authority.

The Parkways Authority encourages you to come and examine all of the displays, discuss the proposed Toll Rate Schedule change and proposed issuance of toll revenue bonds with members of the team that are present at each public meeting and complete the available comment sheets provided.

<u>PUBLIC COMMENTS</u>: In addition to accepting oral or written comments during the course of each public meeting, forms will be available for members of the public to fill out and submit, provided such written comments, in order to be considered, must be submitted for receipt by the Parkways Authority within 45 days of the final publication of this notice. The deadline for all comments, oral or written, is Monday, June 4, 2018.

Forms for public comments submission may be obtained as follows:

- 1) From the Parkways Authority at any of the meetings to which this notice pertains;
- 2) The Parkways Authority website www.wvturnpike.com;
- 3) Calling the Parkways Authority at 1-304-926-1900;
- 4) Visiting the Parkways Authority's Administration Office at 3310 Piedmont Road, Charleston, WV 25306

All Public Comments should be mailed to the Parkways Authority at P.O. Box 1469, Charleston, WV 25325, ATTN: "Comments on Proposed Toll Changes."

<u>AVAILABILITY OF INFORMATION:</u> Twenty (20) days prior to the scheduled Public Hearings, copies of all studies, records, documents and other materials considered by or to be considered by the Parkways Authority in making its final decision on the proposed changes to toll rates including all applicable discounts will be made available for public inspection and review at the following locations:

- 1. The Parkways Authority's website at www.wvturnpike.com
- 2. Parkways Authority Headquarters, 3310 Piedmont Road, Charleston, WV 25306
- 3. Office of the General Manager, Tamarack, One Tamarack Park, Beckley, WV 25801
- 4. Office of the Clerk of the County Commission of Fayette County, West Virginia, 100 N. Court St., Fayetteville, WV 25840
- 5. Office of the Clerk of the County Commission of Kanawha County, West Virginia, 409 Virginia St. East, Suite 230, Charleston, WV 25301
- 6. Office of the Clerk of the County Commission of Mercer County, West Virginia, 1501 W. Main St., Suite 111, Princeton, WV 24740
- 7. Office of the Clerk of the County Commission of Raleigh County, West Virginia, 222 Main St., Beckley, WV 25801