

# West Virginia Parkways Authority



# ENABLING LEGISLATION

Parkway revenue bonds and revenue refunding bonds not debt of state or political subdivision; statement on bonds (Par. 17-16A-2, WV Code)

Parkway revenue bonds and revenue refunding bonds issued under the provisions of this article shall not be deemed to constitute a debt of the state or of any such political subdivision, but such bonds shall be payable solely from the funds herein provided from revenues. All such parkway revenue bonds and revenue refunding bonds shall contain on the face thereof a statement to the effect that neither the state nor any political subdivision thereof shall be obligated to pay the same or the interest thereon except from revenues of the project or projects for which they are issued and that neither the faith and credit nor the taxing power of the state or any political subdivision thereof is pledged to the payment of the principal of or the interest on such bonds.

# **ENABLING LEGISLATION CHANGES DURING 2010 LEGISLATIVE SESSION**

- **Added two (2) Board Members from the first Congressional District by July 1, 2010 (eventually transitioning to two (2) from each Congressional District) and changing the name to the West Virginia Parkways Authority (dropping the Economic Development and Tourism name and function, except for the operation of Tamarack and finalizing an agreement to develop land owned by the Authority located adjacent to Tamarack).**
  - **There will be six board members, the Secretary of Transportation, the Governor or his Designee and one At Large Member for a total of nine.**
  - **Newly appointed members will have maximum terms of five years instead of eight years.**
- **Restored the ability to sell bonds for new road projects, such as Route 35.**
- **No longer charges a \$10 refundable deposit for passenger car E-ZPass transponders and those that have already paid the \$10 were refunded their money.**

# ENABLING LEGISLATION CHANGES DURING 2010 LEGISLATIVE SESSION

- Staff will annually conduct informational sessions promoting E-ZPass in each of the four counties of the WV Turnpike.
- Eliminated the prohibition of building motels within five miles of the WV Turnpike.
- Added new section §17-16A-30 titled coordination with county commission in counties where a parkway project may be located.
- Once a parkway project is identified by the Authority, the Governor shall appoint, with the advice and consent of the Senate, two persons from each county where the parkway project is located to serve on a local committee to provide recommendations and suggestions to the Authority on all matters regarding the local identified project.
  - The local committee shall also report any of its findings to the county commission or county commissions of the counties in which the parkway project is located.
  - Prior to any final approval of a parkway project, the county commissions of the counties in which a parkway project is located shall by resolution approve the parkway project.

# **ENABLING LEGISLATION CHANGES DURING 2006 LEGISLATIVE SESSION**

- **Bonding Authority**
  - **Cannot issue bonds for construction improvements, enlargements, extensions**
  - **Existing bonds can be refinanced, but no additional principal and no extension of maturity**
  - **Cannot finance acquisition of real property**

# **ENABLING LEGISLATION CHANGES DURING 2006 LEGISLATIVE SESSION**

- **Public Notice and Hearing Required to:**
  - **Increase rates or tolls**
  - **Or, if any would require increase in rates:**
    - **Approve any proposal or contract**
    - **Issue refunding bonds**
    - **Approve any contract or project**
    - **Take any other action**
  - **Class II legal advertisements to be published in each county which borders the Parkways and public hearings in those counties (studies made available)**
  - **Final decision must include written findings of facts supporting decision and must reference and give due consideration to public comments and additional evidence offered**

# **ENABLING LEGISLATION CHANGES DURING 2006 LEGISLATIVE SESSION**

- **Discount Program Requirement:**
  - **Prior to any increase in rates, tolls or charges, create a discount program for purchasers of WV E-ZPass transponders**
  - **Discount program created shall provide discounts for all classes of motor vehicles**
  - **Public notice and hearings required prior to implementation of program**

# **TRI-PARTITE AGREEMENT OF 1988**

**Due to the Federal Highway Administration (FHwA) providing funding to upgrade the Turnpike to Interstate standards in the 1970's and 80's, a Tri-Partite Agreement was established between the FHwA, the WV Department of Transportation (Department) and the Turnpike Commission (predecessor to the Authority) specifying:**

- **That tolls collected be used only on the Turnpike for construction and reconstruction and for costs necessary for the operation, maintenance, payment and refinancing of debt service including resurfacing, reconstruction, rehabilitation and restoration**
- **That any bonds issued or any cost incurred will not cause tolls to be increased to an unreasonable amount, and that prior to issuing any bonds the Authority will notify the Department and FHwA of the total amount to be issued and the specific amounts and purposes for which proceeds of such bonds are to be used, and**
- **That all records are subject to audit by the Department and/or FHwA**

# TRUST INDENTURES CONVENANTS AND REQUIREMENTS

- **1989-1993-2002-2003-2008**
  - **Direct and general obligations of the Authority payable solely from toll revenues (not a debt of the State of WV)**
  - **Tolls shall be fixed to provide for payment of all expenses, debt service and required reserves**
  - **The 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 so that at all times the operation of the Turnpike may be properly and advantageously conducted.**
- **1994-1996-2001**
  - **The Authority shall cause “Tamarack” to be maintained, preserved and kept in reasonably good repair, working order and condition**
  - **In August 2009, the Authority established an escrow defeasance account for the Tamarack bonds, removing all liens on the non-toll revenues of the Authority.**

# OUTSTANDING DEBT OBLIGATIONS

## HIGHWAY AND BRIDGE TOLL REVENUE BONDS – As of 5/15/15

<u>Series</u>	<u>Date Issued</u>	<u>Interest Rate</u>	<u>Principal Outstanding</u>	<u>Final Maturity</u>
2002	2/01/2002	3.5 to 5.25%	\$13,295,000	5/15/2019
2008	7/02/2008	4.39%*	<u>\$25,100,000</u>	5/01/2019
			\$38,395,000	

\* *SYNTHETICALLY FIXED VARIABLE RATES*

\* *ESTIMATED ANNUAL DEBT SERVICE: \$10.8 MILLION*

# WEST VIRGINIA TURNPIKE HISTORY

- **February 1947 – State Legislature created the Turnpike Commission**
- **April 1952 - \$96 million in revenue bonds issued to construct the Turnpike**
- **August 1952 – Groundbreaking**
- **April 1954 - \$37 million in revenue bonds issued**
- **November 1954 – 88 miles of Turnpike opened from Charleston to Princeton**
- **May 1973 – Initiated upgrade (dualization) to interstate standards**
- **September 1987 – Dualization completed**

# WEST VIRGINIA TURNPIKE HISTORY

- **July 1988 – I-64 joins Turnpike at Beckley**
- **June 1989 – Parkways Authority created by Legislature (WV Code 17-16A)**
- **November 1989 - \$143 million in revenue bonds issued to pay back State matching funds, bond holders and needed road improvements**
  - **Side tolls removed (lost revenues \$2.5 million)**
- **April 1990 – Implemented commuter pass system at North Beckley toll plaza**
- **March 1993 – Refinanced \$118 million of 1989 bonds (\$5.2 million savings)**
- **January 1994 – Implemented Parkways Authority Commuter (“PAC”) System**

August 15

# **WEST VIRGINIA TURNPIKE HISTORY**

- **May 1996 – Opened Tamarack – The Best of West Virginia at the Caperton Center**
- **January 2000 – Introduced new electronic Toll Collection System – E-ZPass®**
- **2001 – Completed major renovations to three Turnpike Travel Plazas**
- **December 2001 – Finalized two bond issues for an expansion of the Caperton Center to include a Conference Center**
- **February 2002 – Refunded Turnpike series 1993 bonds for gross savings of \$6.7 million**
- **February 2004 – Passage of House Bill #4033 raising bonding capacity to \$200 million**
- **November 2004 – Celebrated 50<sup>th</sup> Anniversary of the WV Turnpike**

# WEST VIRGINIA TURNPIKE HISTORY

- **January 1, 2006 – Tolls increased for first time since 1981**
- **February 14, 2006 – Court orders Preliminary Injunction to roll tolls back to December 31, 2005 levels**
  - **Parkways Board passes resolution to roll tolls back**
- **March 11, 2006 – Senate Bill #557 passes Legislature that restricts bonding authority, requires public notice and hearings for future toll or rate increases, requires discount program prior to any increase in rates**
- **April 2007 – Board adopted Resolution to refocus the core mission of the Parkways to maintenance and upkeep of the Turnpike**

# WEST VIRGINIA TURNPIKE HISTORY

- **Sept. 2007 - Board adopted Resolution concerning the toll tax deduction pursuant to Senate Bill #2001. WV citizens who participate in the E-ZPass non-commercial commuter pass program are able to deduct from adjusted gross income up to \$1,200 per year on their state income tax return for taxable years beginning on or after January 1, 2007 (minimum amount eligible for deduction is \$25.00).**
- **July 2008 – Board approved the Series 2008 refunding bond issue for \$59.1 million in variable rate bonds to eliminate FGIC bond insurance and achieve interest savings**

# WEST VIRGINIA TURNPIKE HISTORY

- **August 2009 – Board approves a new toll schedule and discount program for all classes of vehicles.**
- **July 2010 – Senate Bill #427 effective renaming and reorganizing the Parkways Authority**
- **December 2011 – Completed upgrade of electronic toll collection system**
- **April 2012 – Board approval of the final Incident Management Plan including use of new detour system and barrier wall gates**

# THE PROBLEM IN 1989

- **Original bonds were due in 1989**
- **\$45 million outstanding**
- **Only \$25 million available**
- **Immediate demand for renovation and capital improvement to existing roadway**
- **Repayment to State for matching funds expended to upgrade Turnpike to four lanes**

# THE SOLUTION IN 1989

- **Issue New Bonds - \$143 million**
  - **Bonds mature in 2019**
  - **Annual Debt Service \$10,800,000**
  - **Currently, \$62,740,000 outstanding**

# **\$143 MILLION IN NEW BONDS WERE AUTHORIZED**

- **\$45,196,000 – Pay Off Old Bonds**
- **\$11,600,893 – Deposit to Reserve Account**
- **\$49,000,000 – Pay Back State for Upgrade to Interstate Standards**
- **\$2,931,270 – Underwriters and Original Issue Discount**
- **\$34,271,837 – New Construction Projects**

# WHAT WAS DONE WITH THE \$49 MILLION?

**It was combined with an additional \$34 million (taken from Toll Revenues) to create a:**

**SPECIAL HIGHWAY  
FUND FOR  
SOUTHERN WV**

# WHAT WAS THIS \$83 MILLION USED FOR?

- **EXAMPLES:**

- **Summersville Lake Bridge - \$17,583,000**
- **Southern WV Roads - \$25,105,000**
- **Mt. Nebo – Summersville Lake Rd. - \$9,220,000**
- **Chelyan Bridge - \$10,210,000**
- **Summersville Lake/Irish Corners - \$9,763,000**
- **Route 41N to Nicholas Co. H.S. - \$7,085,000**
- **Beckley Sophia Road - \$3,185,000**
- **Princeton Welcome Center - \$3,496,000**

# **\$34,271,837 OF THE BOND MONIES WERE SPENT FOR CONSTRUCTION PROJECTS ON THE TURNPIKE**

- **Toll Plaza Widening - \$5 million**
- **Removal of Side Tolls - \$2 million**
- **Highway Reconstruction (Southern End of Turnpike) - \$13 million**
- **Highway Rehabilitation Projects - \$5 million**
- **Future Highway Rehabilitation - \$9,271,837**

**REMAINING \$25 MILLION  
IN OLD TURNPIKE  
COMMISSION RESERVE  
FUND WAS SPENT ON:**

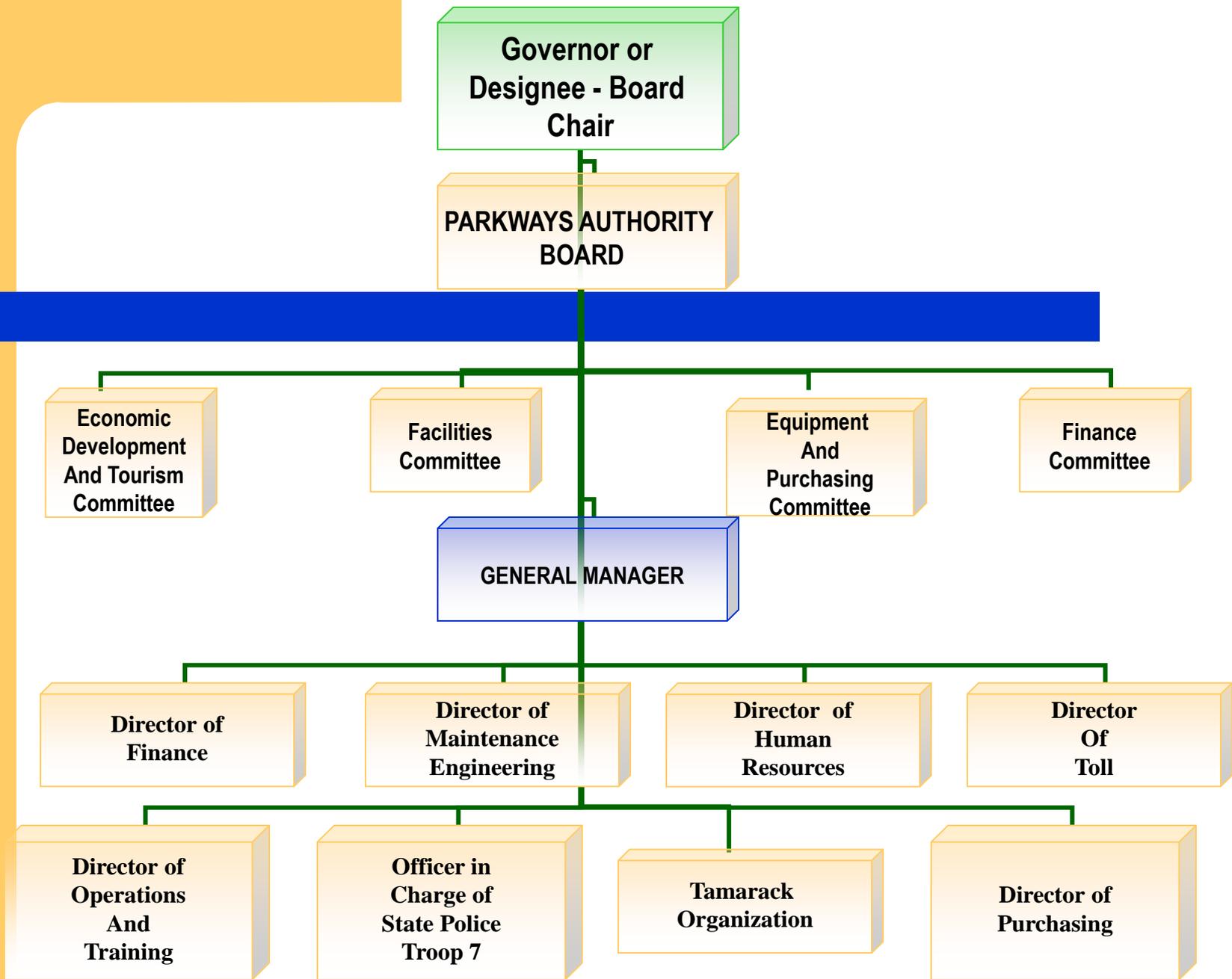
- **New Morton Travel Plaza - \$7 million**
- **New Bluestone Travel Plaza - \$7 million**
- **Pay Back State for Upgrade to Interstate Standards - \$11 million**

# **PARKWAYS AUTHORITY MISSION STATEMENT**

**TO OPERATE AND  
MAINTAIN THE WEST  
VIRGINIA TURNPIKE AS A  
MODERN, EFFICIENT AND  
SAFE ROADWAY.**

# **FIVE MAJOR GOALS FOR THE PARKWAYS AUTHORITY IN 2015**

- 1. Implement a Turnpike of Excellence program which focuses upon excellence in service to customers, roadway maintenance and repair, safety, maintenance of equipment and facilities, accountability, training, toll collection, signage and law enforcement.**
- 2. Find a way to continue the mission of Tamarack, a showcase for “*The Best of West Virginia*”, while enhancing its revenue generating potential, making it a revenue neutral or revenue positive operation. To do this, the Authority is identifying land uses, programs and activities on the excess property adjacent to Tamarack that will most likely increase revenue for Tamarack.**
- 3. Proactively promote the West Virginia tourism industry by providing comprehensive information to tourists and travelers.**
- 4. Administer an annual Needs Assessment and 5-Year Plan which provides for short, mid and long range sustainment and improvement of the West Virginia Turnpike.**
- 5. Improve the quality of life for our employees and their families.**



# PARKWAYS AUTHORITY BOARD

- **PURPOSE**

- **Sets Policy for Parkways Authority**
- **Develops Strategy**
- **Steers the Direction of the Authority**

- **COMPOSITION**

- **Governor or designee serves as Chair – Plus 8 members including Secretary of Transportation and 6 public members (2 from each Congressional District) and 1 At Large member appointed by the Governor with the advice and consent of the Senate — Members appointed for five (5) year terms**

# PARKWAYS AUTHORITY BOARD

## Member

## Term Expires

**Jason Pizatella, Governor's Designee Chairman**

**Mike Vinciguerra, Vice Chairman**

**5/31/2014**

**Tom Mainella, Secretary**

**6/30/2015**

**Bill Cipriani**

**6/30/2014**

**Doug Epling**

**5/31/2017**

**Victor Grigoraci**

**5/31/2016**

**Bill Seaver**

**6/30/2015**

**Paul Mattox, Sec. of Transportation**

**Appointment**

**Vacancy**

# PARKWAYS AUTHORITY “COMMITTEES”

- **RESPONSIBILITIES**
  - **Review, monitor and recommend to the Parkways Board all actions within the committee’s functional area**
- **PARKWAYS AUTHORITY COMMITTEES**
  - **Finance**
  - **Equipment and Purchasing**
  - **Tamarack and Non-Toll Revenue**
  - **Facilities**

# FINANCE COMMITTEE MISSION STATEMENT

- **Responsible for reviewing, monitoring and recommending to the Board actions involving all financial management activities including:**
  - **Bond issues**
  - **Investments**
  - **Insurance**
  - **Budgets**
  - **Annual Audits**
  - **Other Financial Areas**
- **The Committee shall consist of members of the Authority Board appointed by the Chairman plus the Parkways General Manager, the Director of Finance and the Treasurer. This Committee will evaluate and recommend to the Authority Board all matters under their purview that require a Board decision.**

# EQUIPMENT AND PURCHASING COMMITTEE MISSION STATEMENT

- **Reviewing and approving specifications on all new equipment or replacement equipment over \$20,000**
- **Reviewing all departmental equipment needs during the annual budget preparation process**
- **Approving all major purchase authorizations which fall under the following conditions:**
  - **Only one (1) source**
  - **Less than three (3) bids received;**
  - **Bids exceed estimated expenditure by 15%**
  - **There is significant deviation from required specifications**
- **The Committee shall consist of members of the Authority Board appointed by the Chairman plus the Parkways General Manager and the Director Purchasing. This Committee will evaluate and recommend to the Authority Board all matters under their purview that require a Board decision.**

# **TAMARACK AND NON-TOLL REVENUE COMMITTEE MISSION STATEMENT**

- **Responsible for reviewing, monitoring and recommending to the Board actions involving Tamarack and development of land adjacent to Tamarack**
- **The Committee shall consist of members of the Authority Board appointed by the Chairman plus the Parkways General Manager and the Tamarack General Manager. This Committee will evaluate and recommend to the Authority Board all matters under their purview that require a Board decision.**

# FACILITIES COMMITTEE MISSION STATEMENT

- **Responsible for reviewing, monitoring and recommending to the Board actions involving all facilities related activities including:**
  - **Land acquisition**
  - **Facility acquisition**
  - **Major facility renovations**
  - **New facility construction**
  - **Leasing/selling of Parkways Authority properties**
  - **Development of Facility Improvement Program**
  - **Conducting periodic inspections of Authority properties and facilities**
- **The Committee shall consist of members of the Authority Board appointed by the Chairman plus the Parkways General Manager and the Director of Maintenance Engineering. This Committee will evaluate and recommend to the Authority all matters under their purview that require a Board decision.**

# PERSONNEL STRENGTH

- **Total Employees** **366**
- **Permanent Full Time** **335**
- **Permanent Part Time** **31**

# TURNPIKE DATA

- **State Police Troop 7 Parkways Division (31 Troopers and 2 PSC Officers)**
- **24/7 Radio Operations, State Police Dispatch and Communications System**
- **Courtesy Patrol/Motorist Assist Program**
- **Fatality Rate Per 100 Million Miles Traveled (2014) – 0.1**
- **FY/16 Budgeted Highway Operations (In Millions)**
  - **Operating Revenues - \$84.8 (Tolls - \$84.6)**
  - **Operating Expenses - \$39.8**
  - **Principal and Interest on Bonds - \$10.8**
  - **Capital Expenditures/Renewal & Replacement (Roadway, Bridges & Facilities) - \$34.2**

# WHO USES THE WV TURNPIKE?

- **APPROXIMATELY 34.8 MILLION TRANSACTIONS ON THE WEST VIRGINIA TURNPIKE IN FY/2014**
- **AVERAGE DAILY TRANSACTION LEVEL IS APPROXIMATELY 96,000 PER DAY**
  - **78.1% ARE PRIVATELY OWNED VEHICLES AND**
  - **21.9% ARE COMMERCIAL VEHICLES**
- **16% OF TOLL REVENUES COME FROM WV PASSENGER CARS AND 8% FROM WV COMMERCIAL VEHICLES (PER NOVEMBER 2005 WILBUR SMITH TRAFFIC STUDY)**

# WHO USES THE WV TURNPIKE?

- **76% OF TOLL REVENUES (\$64.5 MILLION) COME FROM OUT-OF-STATE PASSENGER AND COMMERCIAL VEHICLES (PER 2005 WILBUR SMITH TRAFFIC STUDY)**
- **COMMERCIAL TRAFFIC ACCOUNTS FOR 48% OF TOLL REVENUES (\$40.9 MILLION)**

# TURNPIKE DATA – FY/16

## Budgeted Tamarack and Non-Toll Revenue Operations (In Millions)

● <b><u>REVENUES</u></b>		
– Concessions	\$3.2	
– Tamarack Sales & Interest Income	<u>\$6.8</u>	
– <b>TOTAL:</b>		<b>\$ 10.0</b>
● <b><u>EXPENSES</u></b>		
– Cost of Goods Sold	\$3.0	
– Operating Expense	\$5.0	
– <b>TOTAL:</b>		<b><u>\$ 8.0</u></b>
● <b><u>NET NON-TOLL REVENUE</u></b>		
Available for Tamarack Capital Repairs		<b>\$ 2.0</b>

# TURNPIKE DATA

# PARKWAYS OF EXCELLENCE (OPERATIONS)

- **HIGHWAY MAINTENANCE-REPAIR AND REHABILITATION**
- **SNOW REMOVAL OPERATIONS**
- **SAFETY SERVICES**
  - **Reflectors, Signage, Striping 8”, SNAPS, Wrecker Services, Fire Services, Guardrail, Defibrillators, Overhead Variable Message Boards, CCTV’s, Emergency Gates**
- **STATE POLICE**
  - **Speeding, Assistance, Counter Narcotics, PSC Inspectors**
- **FACILITIES MAINTENANCE REPAIR AND UPGRADE**
- **TRAVELER INFORMATION**
  - **Motels/Hotels, Weather, Road Conditions, Construction Information**

# PARKWAYS OF EXCELLENCE (OPERATIONS)

- **MOTORIST ASSISTANCE (COURTESY PATROLS)**
- **SERVICE AREAS & WELCOME CENTER**
  - **Food Service, Gas Stations, Appearance, Courteous Service, Maintenance, Cleanliness, Travel Boards**
- **TOURIST INFORMATION**
  - **Know the State, Heritage, Attractions, Reservations**
- **TOLL COLLECTION**
  - **Courteous, Customer Oriented, Service Critique Forms, Training, E-ZPass Non-Stop Electronic Tolling**
- **“BEST OF WEST VIRGINIA” GIFT SHOPS**

# E-ZPASS®

- **E-ZPass Electronic Toll Collection System and Parkways Authority Commuter Discount Programs**
  - **E-ZPass is the electronic means by which holders of a transponder, either passenger or commercial vehicles, can pass through the toll lanes without stopping**
  - **Four (4) discount plans available to: WV E-ZPass passenger vehicles, frequent user (flat fee for unlimited use); WV E-ZPass passenger vehicles, infrequent user (35% savings); WV E-ZPass commercial vehicles (20-35% savings; Non WV E-ZPass commercial vehicles (13% savings)**
  - **WV citizens who participate in the E-ZPass non-commercial commuter pass program are able to deduct from adjusted gross income up to \$1,200 per year on their state income tax return for taxable years beginning on or after January 1, 2007 (minimum amount eligible for deduction is \$25.00).**

# E-ZPASS®

- **New toll collection system completed in December 2011, provides WV E-Zpass customers with enhanced account management**
- **Upgrades to the toll plaza signage and “stop and go” lights**
- **Customers now have the ability to access and manage their accounts on-line via the internet**
- **New system has the software capability to track toll violations through the use of optical character recognition of license plates and automatically generate reports to assist in the collection of tolls**