

THE BOND BUYER

W.Va. Parkways Authority plans bonds, with toll fees to be determined

By

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The Charleston Gazette-Mail, W.Va.

Published

January 08 2018, 12:09pm EST

A first round of Parkways Authority bonds — \$120 million to \$125 million of the \$500 million of total bonds authorized — will be ready to go to market in late April or early May, West Virginia Parkways General Manager Greg Barr said Thursday.

The next milestone toward the bond sale comes Feb. 1, when the authority will receive a Traffic and Revenue study, which will outline West Virginia Turnpike toll increases needed to pay off the bond issue over 25 years, and to recommend a price point for deeply discounted EZ-Pass transponders providing unlimited use of the Turnpike for passenger vehicles.

In pushing his highway construction program, Gov. Jim Justice advocated for an \$8 annual fee for the EZ-Pass — a fraction of the current \$285 cost — while the legislation passed last June sets the price at no more than \$25 a year.

Barr said Thursday that the traffic study is analyzing the impact of three flat fee rates — \$8, \$15 and \$25 — to project sales of EZ-Pass transponders at each price point, and determine the amount of additional tolls that would be necessary to offset losses on the discounted passes.

"Right now, it's too soon to say where we're at on the final projected numbers," Barr said, adding, "At the February meeting, we're going to have to adopt a preliminary toll schedule, and flat-rate schedule, and notice public meetings."

Under the legislation, the authority has to conduct public hearings in counties served by the Turnpike regarding toll increases before the bonds may be sold. Barr said those meetings are on schedule for March.

The Turnpike bonds are part of Justice's plan to generate up to \$2.8 billion for highways construction and repair, a program that began with the sale last fall of

\$260 million of GARVEE bonds, financed through future federal highways appropriations.

Transportation Secretary Tom Smith said that money will fund projects that will get underway this spring, including 13 interstate highway reconstruction projects that will upgrade 100 miles of roadway on Interstates 64, 77, 79 and 81.

By comparison, Smith said, in the past 10 years, only about 7 miles of interstate have been reconstructed.

A \$100 million project to add extra lanes to the Turnpike between the I-64 split and W.Va. 19 will be among the first major projects to get underway this year, he said. That project has been on the books since 2006, but it had been on hold for lack of funding.

In addition to the first round of Parkways bonds, Smith said, the state plans to go to market with the first \$800 million of general obligation bonds -- part of \$1.6 billion in road bonds approved by voters in October -- by June 1 and to issue a second round of GARVEE bonds, totaling \$100 million to \$150 million, in the fall.

Smith said the plan is to have "wave after wave" of bond issues, so that major construction projects can be spread out over four to six years.

"It just keeps on ramping and ramping and ramping," he said of the road projects, adding, "It's all about getting an economic spark with a lot of highways work as quickly as we can."