

**West Virginia Board of Public Works  
Tuesday, September 30, 2014 – 2:00 p.m.  
Governor’s Cabinet and Conference Room  
Minutes**

**Attendees:**

Members

Governor Earl Ray Tomblin  
Secretary of State Natalie E. Tennant  
Attorney General Patrick Morrisey  
Commissioner of Agriculture Walt Helmick  
State Superintendent of Schools Dr. Mike Martirano  
Josh Stowers for State Treasurer John D. Perdue  
Russ Rollyson for State Auditor Glen B. Gainer III

Guests

Jeff Amburgey, Tax Department  
Scott McNeil, Tax Department  
John McHugh, WV Military Authority  
Brig. Gen. David Buckalew, WV National Guard  
Eric Hudnall, Division of Highways  
Stefan Zakaib, Division of Highways  
Bill Hicks, Health and Human Resources  
Kathy Schultz, Attorney General’s Office  
Tracy Webb, Attorney General’s Office  
Peter Markham, Governor’s Office  
Brittany Vascik, Governor’s Office  
Phil Kabler, WV Gazette  
Sheryl Webb, Secretary of State’s Office  
Judy Cooper, Secretary of State’s Office  
Amber Epling, Secretary of State’s Office  
Deena Foster, Pea Ridge PSD  
Steve Lovejoy, Pea Ridge PSD  
Charlie Woolcock, Pea Ridge PSD  
Ron Flora, Pea Ridge PSD

The West Virginia Board of Public Works met on Tuesday, September 30, 2014 at 2:00 p.m. in the Governor’s Cabinet and Conference Room of the State Capitol Complex. This meeting was held pursuant to the provisions of Chapter 11, Article 6, Section 11 of the West Virginia Code. The meeting was called to order and chaired by Governor Tomblin. A quorum of elected officials was established.

The first item on the agenda was the approval of minutes from the April 3, 2014 West Virginia Board of Public Works meeting. Commissioner Helmick moved to approve the minutes with Dr. Martirano seconding the motion. The motion carried.

The second item on the agenda was a presentation by the State Tax Department concerning tentative assessments for public utility companies for tax year 2015. Jeff Amburgey, Director of the Property Tax Division, addressed the Board. The Department of Tax and Revenue issued notices of tentative assessed values to public utility companies operating in West Virginia on September 12, 2014. For Tax Year 2015, the total of all of the utility assessments in the State was \$9,514,592,000. This represents an increase of \$411,150,400 or about 4 ½ % over the final assessed values set by the Board of Public Works for tax year 2014. Mr. Amburgey explained that the increase this year is attributable to an increase in taxable property in certain industries; mainly the electric industry, pipeline industry and the cellular industry. The electric industry has seen normal growth as they do every year. The pipeline industry is continuing to invest in not only utility property to move Marcellus gas, but also in a lot of activity in northern West Virginia, especially in Marshall County. The cellular industry continues to grow and expand as more customers switch from land line phone service to wireless service. Every year there is fluctuation in a category called underground gas stored. It fluctuates with the price of natural gas. Between 2012 and 2013 there was an increase in the price of natural gas which has resulted in about an 11% increase in that category. The increases have been offset this year by decreases in the coal industry and the land line phone industry. The decline in the coal industry affects 2 groups mainly. There have been a few small power plants that have closed. For 2015, AEP has already announced the closing of 3 plants in West Virginia. Although the total utility tax base continues to go up each year, the counties where power plants close are severely impacted. Governor Tomblin asked where the plants that are scheduled to be closed are located. Mr. Amburgey responded at the Kanawha River in Kanawha County, a second plant in Mason County and the Kammer plant in Marshall County. Governor Tomblin asked if there was an estimate of what the assessment reduction will be. Mr. Amburgey responded that he did not have those numbers but the electric industry continues to have to add pollution control equipment and other items of that nature. He expects that even with the closing of the plants, the industry as a whole should remain flat. The tax base as a whole shouldn't suffer, but the communities could be affected. If the tentative values become finalized, this would result in an increase in property tax revenue of approximately 9 million dollars compared to last year. Mr. Amburgey explained that property taxes are almost all local money. Very little comes to the State and general fund. Of the total of all property tax bases, the utilities represent about 13% of the grand total. Secretary Tennant asked why, since there is a decrease in the assessments for non-cellular phone companies, Capitol Radio Telephone Company had a 30% increase. Mr. Amburgey responded that a 30% increase generally indicates that the company did not file a return. Commissioner Helmick asked if assessments get increased by 30% for not filing a return. Mr. Amburgey responded yes. Commissioner Helmick stated that utility taxes in a particular county are very significant. He asked if a power plant was closed and that gets included in the tax formula, would it have an effect on the students in that county. Mr. Amburgey responded that he is not a local share expert. The Governor responded that the local share would decrease if you close a power plant, but the State back fills the loss. In that case, the county would be funding more through the State than the local share. Commissioner Helmick stated that is a

fallacy in the formula. Secretary Tennant made a motion to accept the tentative assessments for public utilities for tax year 2015 with Josh Stowers seconding. The motion carried.

The final item on the agenda was discussion of the following deeds listed 1 through 12 seeking approval by the Board of Public Works.

1. Between the State of West Virginia, State Armory Board and the City of Spencer, dated June 2, 2014, approved as to form by the Attorney General's Office July 17, 2014.
2. Between the State of West Virginia, State Armory Board and the Upshur County Development Authority, dated September 22, 2014, approved as to form by the Attorney General's Office September 23, 2014.
3. Between the West Virginia Department of Health and Human Resources and Pea Ridge Public Service District, dated September 22, 2014, approved as to form by the Attorney General's Office September 23, 2014.
4. Between Marshall University Board of Governors, on Behalf of Marshall University and the West Virginia Department of Transportation, Division of Highways, dated April 23, 2014, approved as to form by the Attorney General's Office August 6, 2014.
5. Between the Monongalia County Development Authority and the West Virginia Department of Transportation, Division of Highways, dated April 25, 2014, approved as to form by the Attorney General's Office July 17, 2014.
6. Between the Board of Education of the County of Monongalia and the West Virginia Department of Transportation, Division of Highways, dated February 27, 2014, approved as to form by the Attorney General's Office May 14, 2014.
7. Between the City of Grafton and the West Virginia Department of Transportation, Division of Highways, parcel no. 1-1, dated November 8, 2013, approved as to form by the Attorney General's Office May 14, 2014.
8. Between the City of Grafton and the West Virginia Department of Transportation, Division of Highways, parcel no. 4, dated November 12, 2013, approved as to form by the Attorney General's Office May 14, 2014.
9. Between the County Commission of Cabell County, West Virginia and the West Virginia Department of Transportation, Division of Highways, dated July 10, 2014, approved as to form by the Attorney General's Office August 27, 2014.
10. Between the West Virginia Department of Transportation, Division of Highways and the Hardy County Board of Education, dated March 26, 2014, approved as to form by the Attorney General's Office May 14, 2014.

11. Between the West Virginia Department of Transportation, Division of Highways and the City of Keyser, dated August 20, 2014, approved as to form by the Attorney General's Office September 5, 2014.
12. Between the West Virginia Department of Transportation, Division of Highways and the Mingo County Public Service District, dated June 27, 2014, approved as to form by the Attorney General's Office September 9, 2014.

John McHugh addressed the Board concerning deed number 1. This deed pertains to the conveyance of the old Spencer Armory to the City of Spencer. The total consideration is \$175,000. The deed contains a reversionary clause that has been modified. Basically, it provides that if the City no longer needs the property for public purposes it can either convey the property back the State Armory Board or sell it at fair market value to a third party, but the State Armory Board would get the proceeds from that minus what the City of Spencer has paid for the property and any improvements that they made. Commissioner Helmick made a motion to approve deed number 1 with Russ Rollyson seconding. The motion carried.

John McHugh addressed the Board concerning deed number 2. This deed is part of a larger transfer of property pursuant to an agreement made in 2010. It anticipates multiple property transfers over time. This is the second in that series. The first one occurred when the Upshur County Development Authority conveyed 21.9 acres and funds to the State Armory Board for the construction of a new readiness center. The readiness is complete so the Armory Board will now convey this 6.52 acres plus the old armory to them. Attorney General Morrissey made a motion to approve deed number 2 with Secretary Tennant seconding. The motion carried.

Bill Hicks addressed the Board concerning deed number 3. This is a public easement that DHHR is providing for Pea Ridge Public Service District. It is on a piece of land in Cabell County currently occupied by the Green Acres Regional Center. Previously the DHHR endeavored to create a waste water treatment facility on this tract of land. The property is no longer in the condition that it needs to be in for that project. This conveyance would become part of the Route 2 Public Service District project. Governor Tomblin asked if this is the piece of land that will allow the Alcon facility to obtain a public sewer. Mr. Hicks responded that it is. Attorney General Morrissey made a motion to approve deed number 3 with Commissioner Helmick seconding. The motion carried.

Eric Hudnall addressed the Board concerning deed number 4. He explained that during the original construction of I-64 in the 1960s, there was a larger parcel cut in half. At that time a tunnel was constructed underneath I-64 to connect the two pieces. During the engineering for the widening project between 29<sup>th</sup> Street and Hal Greer Boulevard, it was determined that the tunnel was no longer structurally sound. It had to be shored up with steel members all the way across. It is no longer accessible. Legal access to the back portion of the property has been cut off so no payment was taken from Marshall University. The payment of \$60,000 to Marshall

University is for damages to the residue which the WV Constitution requires them to pay. It has been put in the chain of titles so if Marshall University ever decides to sell the property, it will be clear that nobody will have access to underneath I-64. Commissioner Helmick made a motion to approve deed number 4 with Dr. Martirano seconding. The motion carried.

Eric Hudnall addressed the Board concerning deed number 5. He explained that this is a conveyance for an industrial access road in Chaplin Hill Business Park. With this acquisition of right of way, that completes acquisition activities for the entire road. The construction contract has already been granted to build the road. Secretary Tennant made a motion to approve deed number 5 with Attorney General Morrissey seconding. The motion carried.

Eric Hudnall addressed the Board concerning deed number 6. He explained that this project is the old Easton Elementary School at the bottom of airport hill. When the new Eastwood Elementary School opened, the Monongalia County Board of Education contacted the DOT about the property. This will be for Easton Elementary to Airport Road Project to build a new road up the hill. Commissioner Helmick made a motion to approve deed number 6 with Secretary Tennant seconding. The motion carried.

Eric Hudnall addressed the Board concerning deed number 7. He explained that this is for the Bridge Street Bridge Project in downtown Grafton. The property is to be used for a non-controlled access right-of-way and temporary construction easement. Commissioner Helmick made a motion to approve deed number 7 with Attorney General Morrissey seconding. The motion carried.

Eric Hudnall addressed the Board concerning deed number 8. He explained that this involves the same project as number 7 on the other side of the bridge. Commissioner Helmick made a motion to approve deed number 8 with Russ Rollyson seconding. The motion carried.

Eric Hudnall addressed the Board concerning deed number 9. He explained that this is for a small bridge project on Route 43 in Cabell County. Commissioner Helmick made a motion to approve deed number 9 with Attorney General Morrissey seconding. The motion carried.

Eric Hudnall addressed the Board concerning deed number 10. He explained that this is a portion of old WV Route 55 that goes through the property of East Hardy High School. They are acquiring it to build a parking lot. Commissioner Helmick made a motion to approve deed number 10 with Secretary Tennant seconding. The motion carried.

Eric Hudnall addressed the Board concerning deed number 11. This is a conveyance to the City of Keyser as part of the construction of the Keyser McCoole Bridge. This is a parcel adjacent to



the bridge. The City already uses it for parking. Secretary Tennant asked if the State retains the mineral rights to the property. Mr. Hudnall responded that they do. Secretary Tennant made a motion to approve deed number 11 with Dr. Martirano seconding. The motion carried.

Eric Hudnall addressed the Board concerning deed number 12. He explained that this is for the construction of a water tank site near Mingo Central High School. This would allow the Mingo County PSD to expand their service area and provide better water service to the High School. Dr. Martirano made a motion to approve deed number 12 with Attorney General Morrissey seconding. The motion carried.

With no further business, Secretary Tennant made a motion to recess the meeting until November 18, 2014 with Josh Stowers seconding. The motion carried. The meeting recessed.



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Natalie E. Tennant, Secretary of State and  
Ex-Officio Secretary of the West Virginia  
Board of Public Works