

**West Virginia Board of Public Works
Thursday, October 1, 2015 – 10:00 a.m.
Governor's Cabinet and Conference Room
Minutes**

Attendees:

Members

Governor Earl Ray Tomblin
Secretary of State Natalie E. Tennant
Attorney General Patrick Morrisey
State Treasurer John D. Perdue
State Auditor Glen B. Gainer III
Robin Gothard for Commissioner of Agriculture Walt Helmick

Guests

Jeff Amburgey, Tax Department
Fenway Pollack, Division of Highways
David Hildreth, WV Public Land Corporation
Kathy Schultz, Attorney General's Office
Peter Markham, Governor's Office
Russ Rollyson, Auditor's Office
Ashley Summitt, Secretary of State's Office
Briana Wilson, Secretary of State's Office

The West Virginia Board of Public Works met on Thursday, October 1, 2015 at 10:00 a.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 9, 2015 and August 12, 2015 West Virginia Board of Public Works meetings. Treasurer Perdue moved to approve the minutes with Auditor Gainer seconding the motion. The motion carried.

The second item on the agenda was consideration of the formal receipt of the tentative assessments for public utilities for tax year 2016 as presented by the State Tax Department. 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 11, 2015. For Tax Year 2016, the total of all of the utility assessments in the State was \$10,042,910,400. This represents an increase of \$530,199,400 over the final assessed values set by the Board of Public Works for tax year 2015. Mr. Amburgey explained that the increase this year is attributable to an increase in taxable property in a couple of industries. Most notably the electric companies and the pipeline industry. The electric companies continue to add property every year. The pipeline industry is up over 10% this year. They continue to add pipes and transport all the gas being produced. The increases have been

offset this year by a decline in the coal industry, which impacts a couple of other industries. Even though the electric companies have increased this year by about 6 ½%, this year has also had more power plant foreclosures. In addition, railroad values have gone up reasonably well in past years, but this year they have remained relatively flat. That is mainly because coal is the most productive revenue producing commodity that the railroads haul. They have been negatively impacted by the decrease in hauling coal out of West Virginia. Mr. Amburgey continued that if the tentative values become finalized, this would result in an increase in property tax revenue of approximately 12 million dollars compared to last year. Governor Tomblin asked how the Tax Department is treating the power plants that have been scheduled to be shut down but are being mothballed now because the Public Service Commission has requested that they do so. Mr. Amburgey responded that as long as they were still in operation, even though they were coming out of operation in 2015, they were included in the assessments. However, since they were slowing down, the revenue was impacted. Governor Tomblin asked how the devaluation of property in coal counties offsets the increase in property tax revenue this year that goes to all counties. Mr. Amburgey replied that the Tax Department had been looking at it. He did not have any exact figures with him. He continued that some companies in the coal industry, especially in Southern West Virginia, have been moving equipment out of state. A lot of the increases that are seen in utilities will not be enough to offset what's happening in the southern counties. The Governor requested that the Tax Department come back to him as he starts to prepare for the 2017 budget, to give him an idea of how much the local share is going to change overall as well as by county. Mr. Amburgey stated that he would get that information together as soon as he can. Secretary Tennant asked if it would be ready by the next meeting in November. Mr. Amburgey replied that he could have estimates that would be helpful. Auditor Gainer made a motion to formally receive the tentative assessments for public utilities for tax year 2016 with Treasurer Perdue seconding. The motion carried.

The final item on the agenda was discussion of the following deeds listed 1 and 2 seeking approval by the Board of Public Works.

1. Between the Board of Education of Berkeley County and the West Virginia Department of Transportation, Division of Highways, dated June 1, 2015, approved as to form by the Attorney General's Office September 8, 2015.
2. Between the West Virginia Public Land Corporation and the City of Wheeling, dated September 21, 2015, approved as to form by the Attorney General's Office September 28, 2015.

Fenway Pollack addressed the Board concerning deed number 1. He explained that this involves a turning lane off Route 51 at the Gerrardstown Middle School in Berkeley County. The Board of Education did the work and this deed brings the turning lane and land in to the system. Attorney General Morrissey made a motion to approve deed number 1 with Treasurer Perdue seconding. The motion carried.

David Hildreth addressed the Board concerning deed number 2. He explained that in 1942 the City of Wheeling conveyed to the Division of Highways a piece of land running from the river back to South Penn Street for the construction of a bridge. A bridge was constructed and several

years later was demolished. The Public Land Corporation has sold everything in that area with the exception of a 30 foot wide strip of land that runs in front of seven residences. They have attempted to sell the property to each of the residents who each thought they already owned it. The city and county thought the residents already owned it as well. When all of the plats and maps were researched, they discovered the residents did not own the property. The residents are not interested in paying for the land since they have maintained it and have paid taxes on it for over 30 years. The Public Land Corporation would like to gift it to the residents in order to get it off the books and rid them of the liability for the property. Governor Tomblin asked how this land ended up with Public Lands instead of Highways. Mr. Hildreth responded that the original deed from 1942 deeded the property just to the State of West Virginia with no designation to a particular division. The Public Land Corporation is the default for the State of West Virginia. Treasurer Perdue asked if Highways considered this part of their right of way in the area. Mr. Hildreth responded that it was part of the bridge right of way. Now, it's far enough off of the street that it is up in the yards of the residents. Governor Tomblin asked when the bridge was built and when it was torn down. Mr. Hildreth replied that he only knows the land was conveyed to the State in 1942, but has not found anyone with the exact history of the bridge. He continued that his proposal is that since the Public Land Corporation has no statutory authority to convey for anything less than fair market value, that they convey the property, as being in the best interest of the PLC and the State, to the City of Wheeling so the City of Wheeling can then convey the property to the individual land owners. Attorney General Morrissey asked what the fair market value of the property is. Mr. Hildreth responded that based on an appraisal from the last property sold, which is a paved parking lot in front of a commercial business, about \$1 per square foot. However, since this land is basically just grass in front of the houses, it is not marketable. Attorney General Morrissey made a motion to approve deed number 2 with Secretary Tennant seconding. The motion carried.

With no further business, Secretary Tennant made a motion to recess the meeting until November 17, 2015 with Auditor Gainer seconding. The motion carried. The meeting recessed.



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