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The Roads to Prosperity Program: A Big, Bold Transportation Plan

Cabinet Secretary Thomas J. Smith, Department of Transportation
State of West Virginia

Thomas J. Smith, West Virginia's Cabinet Secretary of the West Virginia Department of Transportation (WVDOT), is a professional engineer who has devoted his career to the betterment of transportation infrastructure throughout West Virginia and across the country.

Smith began his career with the Federal Highways Administration (FHWA), where he held various field engineering positions in a number of states, including Pennsylvania, Georgia, Ohio and California. In Massachusetts, he was the Project Administrator for the Central Artery Tunnel Project in Boston.

Most recently, and for over 16 years, Smith served as FHWA's Division Administrator for West Virginia. In this position, he oversaw the administration of many needed roadways, such as U.S. Route 35 and Appalachian Corridors D and H, which brought four-lane highways to previously underserved areas of the state. Before returning to West Virginia to become Cabinet Secretary, Smith served briefly as Senior Transportation Advisor for the Appalachian Regional Commission in Washington, D.C.

In addition to his work in transportation, Tom was named Acting FHWA Associate Administrator for the FHWA Office of Civil Rights in our nation's capital.

Smith received a bachelor's degree in civil engineering from North Carolina State University and completed additional graduate work at the University of California at Berkeley.

In January 2017, I was given the honor by Governor Jim Justice to serve as Secretary of the West Virginia Department of Transportation and the Commissioner of the West Virginia Division of Highways.

In February 2017, during Governor Justice's State of the State Address, he made transportation the centerpiece of his legislative agenda. For well over a decade, there has been much discussion over the funding to maintain the nation's crumbling infrastructure. West Virginia's own "Blue Ribbon Commission" concluded that roads and bridges have not been funded to the levels that allow for their proper maintenance and upkeep.

However, while the governor's plan was all about transportation, it was also about so much more than just transportation. Governor Justice's vision was that greatly increased transportation funding could directly "kickstart" West Virginia's economy and get it moving again. Economic studies all agree that investment in transportation infrastructure creates thousands and thousands of jobs.

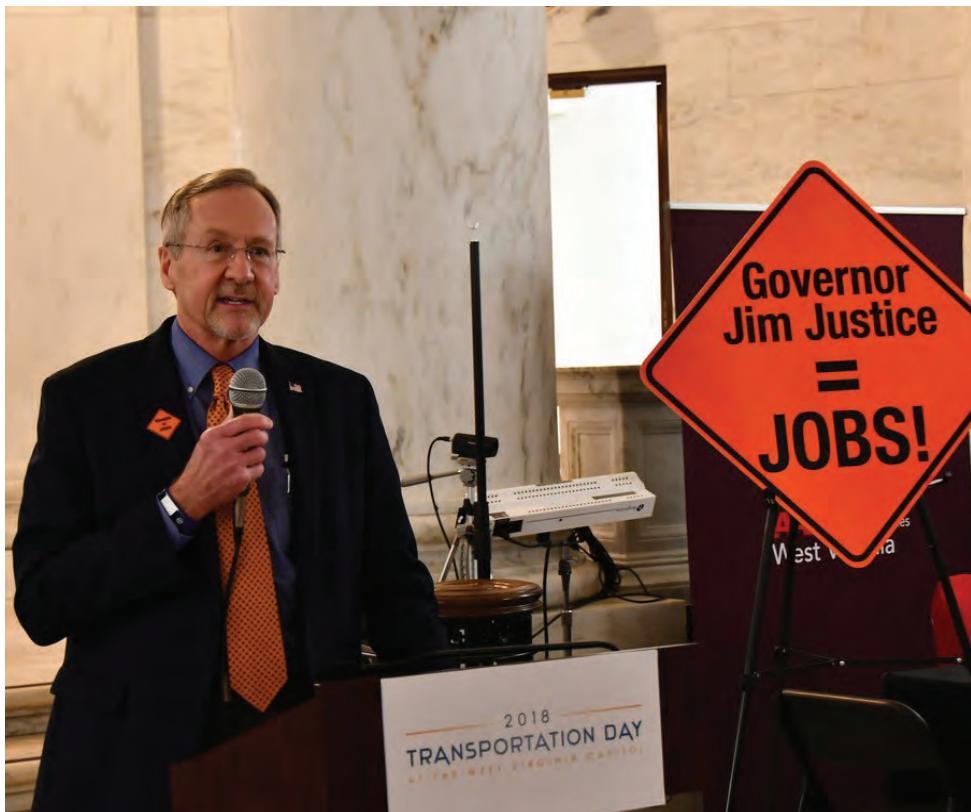
A Duke University study predicts that a program the size of the Roads to Prosperity initiative will generate upwards of 48,000 jobs. Showing the nature of transportation investment as a catalyst, the study predicts the generation of:

- 1) **Direct jobs** - those working on the job sites,
- 2) **Indirect jobs** - those working to produce products used on job sites, and
- 3) **Induced jobs** - those working because of the economic impact caused by the projects.

So, with a mind toward the effect transportation would have on the economy, Governor Justice wanted to focus on West Virginia's infrastructure. His plan was quite simple – what if West Virginia sold road bonds to make a real, meaningful impact on West Virginia's transportation infrastructure and provide the initial shot in the arm to kickstart our state's economy? Roads would get fixed and bridges would be repaired and replaced, all the while contributing to the economic recovery of the state. The governor's vision is big in the form of a \$2.8 billion program; it is bold in that it will



Secretary Tom Smith and Governor Jim Justice tout the Roads to Prosperity program at a "Save Our State" event



Secretary Smith speaks at 2018 Transportation Day event at the West Virginia State Capitol

create thousands of jobs; and it is spurring immediate economic recovery.

With Governor Justice's leadership, the "Save Our State" campaign was born, and a partnership was formed with the West Virginia Contractors Association, the American Council of Engineering Companies, the West Virginia Business and Industry Council, and the West Virginia Education Association, to name just a few. We crisscrossed the state talking about a collective effort to make major improvements to roads and bridges in all 55 counties in West Virginia. The "Roads to Prosperity Amendment of 2017," which was passed by the West Virginia Legislature during the 2017 regular session, authorized a constitutional referendum that allowed the state to issue up to \$1.6 billion in General Obligation (GO) bonds for highway and bridge construction by 2021. On October 7, 2017, voters overwhelmingly approved the amendment.

In addition to the bond amendment, the legislature passed several other important

pieces of legislation to aid in infrastructure improvements and economic recovery:

- **S.B. 1006** allowed for three additional funding components to provide \$135 million in road construction projects: 1) DMV fees were raised for the first time in many years, 2) sales tax on new vehicles was increased and 3) the wholesale gas tax was increased. Together, the revenue would pay the debt service on the \$1.6 billion bond.
- **S.B. 1003** continues the tolls on the West Virginia Turnpike and provides for an expected toll increase to be used to issue new bonds to upgrade the Turnpike and roads in the 10 counties that are adjacent to the Turnpike.
- **S.B. 2721** moved the sunset date on the Public Private Transportation Facilities Act to 2023 to coincide with the Division of Highways' six-year State Transportation Improvement Plan (STIP).
- **S.B. 2722** changed the limits on the use of Design-Build projects from the \$50 million annually (or \$150 million over three years), to \$200 million per project and \$400 million annually.

- **H.B. 2878** increased the state's ability to use Grant Anticipated Revenue Vehicle (GARVEE) bonds from \$200 million to \$500 million.
- **H.B. 202** provided for enhanced communication and coordination between Commerce, Labor, Tax and Transportation to ensure that companies "play by the rules" as they build roads.

With the legislation passed, amendments voted on and new revenue coming in, the table is set for the West Virginia Department of Transportation to deliver an even larger Roads to Prosperity Program, where every county sees a share of road improvement projects. In anticipation of the amendment's success, we accelerated resurfacing projects, addressed the need to make important repairs to our bridges and put forth the resources to repair slips and slides across the state where we previously could not. Added to that is the ability to deliver \$2.8 billion worth of projects, many of which have already started.

Over the next several years, with Governor Justice's leadership and vision, the legislature's governance and the partnership and support of many, this big, bold plan will be moving forward. With hundreds of projects occurring, and a sense that warm, optimistic winds are beginning to blow West Virginia's way, a brighter future lies within our grasp. ▼