

# Resolution

Whereas, the Maine Turnpike Authority (MTA) is supported entirely by tolls and service plaza revenue and not by taxation; it receives no state or federal funds and no support from state or federal pandemic programs; it pays for its capital projects in funds drawn from annual revenue, from revenue reserves, and from bond proceeds in capital accounts; bonds issued by MTA are secured and paid for from MTA revenue that includes tolls based on rates per mile that are among the lowest in the U.S.

Whereas, throughout the Covid pandemic the MTA sustained capital improvement progress by drawing on reserves that had been set aside for projects that included;

1. To rebuild and expand the interchange, bridge and toll system at West Gardiner/I-295;
2. To repair and replace and to expand capacity on older bridges at Cummings Road, Stroudwater River, Me. Central RR, and Warren Avenue preliminary to widening the Portland area mainline;
3. To preload soils for rebuilding a major interchange at Exit 45;
4. To widen the Portland area mainline from Mile 43 to Mile 46;
5. To build a new toll plaza in York;
6. To participate with other agencies in repairing and adding capacity on the Piscataqua River Bridge;
7. To plan and design a new interchange at Mile 35 to relieve long-standing congestion in Saco; and
8. To plan and design a five-mile Connector from Exit 45 to Gorham to relieve widespread congestion west of Portland.

Whereas, during the 2020 pandemic year, MTA invested \$116 million in capital projects that helped sustain the Maine economy while allowing contractors to work safely in reduced traffic to complete projects of major significance to the Turnpike and the public;

Whereas, during the pandemic, MTA revenue dropped by \$60 million from a comparable period prior to the pandemic;

Whereas, the major bond rating agencies have recently adopted more stringent criteria for setting levels of net operating revenue required to protect debt service;

Whereas, although traffic has now returned to pre-pandemic levels, the loss of revenue during the pandemic combined with new bonding constraints make it infeasible to complete future capital plans without raising tolls or adjusting discounts;

Whereas, MTA deems it imprudent to incur high interest debt that would sacrifice MTA's bond rating, a rating that is equal to the best among MTA's industry peers; it is important to retain MTA's bond rating to minimize borrowing costs, and render MTA bonds accessible to a wide market of investors including those in Maine who receive favorable tax treatment;

Whereas, MTA's capital improvement plan includes projects that are necessary to manage mobility throughout the service region, keep pace with Maine's economy, and add the capacity needed to safely accommodate increasing traffic; such future projects include work on the Portland Area Widening, the Gorham Connector, and interchange improvements in Saco, Biddeford and Wells;

Whereas, although MTA is reluctant to raise tolls while the economy is still recovering, MTA is one of the few U.S. agencies that has not raised tolls since November 1, 2012, the date when current tolls and discounts were last adopted for the Maine Turnpike;

Whereas, after weighing its options, the MTA Board has determined that to defer important capacity projects would cause greater harm than to adjust tolls upward to sustain them;

Whereas, MTA staff have identified adjustments to the MTA toll and discount program that would increase annual revenue by an amount necessary to preserve MTA's capacity to complete important capital projects; these adjustments are described on the attached document, entitled "MTA Staff Recommended Toll Adjustments;"

Now, therefore, be it

1. Resolved, that MTA will continue to support its current capital improvement plan.
2. Resolved, that MTA will implement on November 1, 2021, changes in toll structure sufficient to generate \$18 million in additional annual revenue by adopting either the Recommended Toll Adjustments or alternative measures to raise equivalent revenue.
3. Resolved, that MTA staff will further inform the public about the need for the revenue increase and the nature of the proposed changes; staff will seek public comment on the planned adjustments during the summer of 2021 and report results to the Board before its September meeting.