

OHIO TURNPIKE COMMISSION

Resolution Authorizing the Executive Director to Issue Public Notice and Hold Public Hearings Regarding a Proposal to Revise the Ohio Turnpike Commission's Schedules of Tolls

WHEREAS, in accordance with Governor John Kasich's Ohio Jobs and Transportation Plan (the "Plan"), as endorsed by the Commission via Resolution No. 1-2013, as well as the amendments that will become effective to the Ohio Turnpike Act on July 1, 2013, under Am. Sub. H.B. 51, the Commission will engage in the issuance of up to \$1.5 billion dollars in Turnpike Revenue Bonds over the next several years that will be used to fund infrastructure projects identified by the Ohio Department of Transportation and approved by the Ohio Turnpike Commission, with the first issuance to also include \$70 million to accelerate the Commission's mainline pavement reconstruction program; and

WHEREAS, the Commission is authorized by the provisions of Ohio Revised Code Sections 5537.04 and 5537.13 to establish the schedule of toll rates, and Section 4.04(a) of the Master Trust Agreement dated as of February 15, 1994, as supplemented by Eighteen supplemental agreements (collectively, the Master Trust Agreement), allows the Commission to increase tolls from time to time as necessary to cover the cost of the operation, maintenance and administration of the Turnpike Project, and also to meet the required amount of System Pledged Revenues; and

WHEREAS, to implement the Plan, the Executive Director and CFO/Comptroller have determined that toll rate increases are needed to pay any increased operating costs over the next ten years, as well as increases in debt service payments required because of the issuance of new debt to fund the infrastructure projects contemplated under the Plan; and

WHEREAS, the Executive Director and CFO/Comptroller have concluded that, on January 1, 2014, and on the first day of January each year thereafter through 2023, a toll rate increase of 2.7% per year, which approximates the historical rate of inflation, would provide stable predetermined toll rates from which traffic and revenue forecasts and financial projections could be generated and provided to the bond rating agencies; and

WHEREAS, the 2.7% per year toll rate increases are meant to estimate the future rate of inflation and may be higher than or lower than the actual rate of inflation; and

WHEREAS, with approval of this resolution, in accordance with the provisions of Ohio Revised Code Section 5537.26, notice will be issued to the Governor and respective leaders of the General Assembly explaining the justification for the toll rate increases, and public notice will be issued and a series of public hearings will be conducted in at least three geographically diverse locations along the Turnpike during a ninety-day period prior to the Commission taking any action to change the toll rate structure; and

WHEREAS, the Commission has duly considered all of these recommendations.

NOW, THEREFORE, BE IT

RESOLVED, that, in accordance with Ohio Revised Code Section 5537.26, the Commission hereby authorizes the Chairman and the Executive Director or his designee to issue the required notice to the Governor and respective leaders of the General Assembly explaining the justification for the toll rate increases, and to issue public notice and conduct the required public hearings regarding the proposed revised schedules of toll rates as outlined in the attached exhibit; and

FURTHER RESOLVED, that the Executive Director shall prepare a report to the Commission after issuing public notice and holding the public hearings in at least three geographically diverse locations along the Turnpike; and

FURTHER RESOLVED that, if the cumulative increase in the toll rates exceeds the cumulative rate of inflation from January 1, 2012 (the date of the last toll increase) through December 31, 2023, in accordance with the requirements of Sections 4.04(a) and 5.09(a) of the Master Trust Agreement, it is the Commission's intent to freeze tolls after the tenth year until the cumulative rate of inflation from January 1, 2012 forward exceeds the cumulative increase in tolls since that date; and

FURTHER RESOLVED that, if the cumulative increase in the toll rates is less than the cumulative rate of inflation, and the Commission's operating and capital costs are increasing more than

projected, the CFO/Comptroller and the Executive Director are instructed to determine whether a change in the toll rate schedule is required so that the Commission will have sufficient funds to pay operating, debt service and capital costs in accordance with the requirements of Sections 4.04(a) and 5.09(a) of the Master Trust Agreement; and

FURTHER RESOLVED that the Executive Director of the Ohio Turnpike Commission will provide a certified copy of this resolution to the Huntington National Bank, as Trustee for the Bondholders, and to the Commission's appointed bond counsel.

(Resolution No. 21-2013 adopted April 8, 2013)