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# Digital Message Centers at Tollway Oases

May 23, 2011

# History—Tollway and Wilton

- 2002—Tollway selects Wilton Partners as Oases developer
- 2004—Fremont Investments (later iStar) loans \$83 million to Wilton to fund construction of the Oases
- 2007—Wilton Partners stops paying rent to the Tollway
  - Reserve payments are also delinquent
  - Debt service payments to the lender are also stopped
- 2008—Tollway issues default letter to Wilton under ground lease
  - iStar follows by issuing default letter to Wilton under loan agreement
  - iStar commences due diligence prior to filing legal action

# History—Tollway and Wilton

- 2009—iStar files foreclosure on Wilton
- 2009—iStar makes \$2.6 million in payments to Tollway to make current all past due rent and reserves
- 2009—Court appoints U.S. Equities Asset Management LLC as receiver and Oases management firm

# History—Tollway and Wilton

- 2010— Foreclosure sale held and SFI Chicago Tollway LLC takes title to property
  - U.S. Equities is appointed asset manager by SFI
  - In December, Tollway transfers its rights to pursue permit for billboard signs to SFI
- 2011—In early March, SFI, CBS and U.S. Equities meet with Tollway to discuss ways to move forward with proposed sublease

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# History—Tollway and Wilton

- Advertising signs in original plan
- Signs are an integral financial element
- All permits thoroughly vetted and deemed compliant

# Message Board History—FHWA

- January 2007—Tollway and Wilton approached the FHWA for conceptual approval of billboards at the Belvidere Oasis
- April 2007—FHWA Memorandum suggested that billboards would violate the Highway Beautification Act due to an interpretation of the Tollway ROW limits
- July 2007—FHWA permits window signs at the Oases

# Message Board History—FHWA

- December 2007—the FHWA permits monopole-mounted billboards at the Belvidere Oasis
- December 2007—the FHWA reversed its previous position
  - Stated that the Oases were outside Tollway ROW

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# Message Board History—IDOT

- 2008—Wilton applied for IDOT permits for all seven oases locations
  - IDOT granted permits for five (DeKalb and Lincoln excluded).
  - Permits were for wall mount on the Oasis, non-operating Tollway property
- July 2008—FAA provided “Determination of No Hazard to Air Navigation” for Des Plaines and O’Hare.



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# Message Board History—IDOT

- Permits for wall-mounted digital signs (36' x 12') were issued between July and October 2008
  - One in each direction of travel
  - Valid for three years
- 2011, the permits were assigned to CBS Outdoor and amended to allow for 41' x 12' displays

# Message Board History—Tollway

## ■ Concerns

- Operational impacts
- Sign content and message

## ■ Traffic Engineer Recommendation

- Perform a study to determine the effects of the Electronic Message Board on traffic operations

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# Study Scope

- Purpose: Evaluate the potential for driver distraction due to this technology
- Scope of work
  - Three-year study
  - Traffic conflicts study
  - Crash (accident) study
  - Speed study
  - Weaving analysis

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# Thank You

