

Illinois Route 53/120 Project  
 Finance Committee Meeting #7  
 Roll Call July 29, 2014  
 Meeting Minutes issued by Lake County

<b>PRESENT</b>	<b>NAME</b>	<b>REPRESENTING</b>
Present	Chris Meister	Co-Chair
Present	Doug Whitley	Co-Chair
Present	Aaron Lawlor	Lake County
Present	George Ranney	Co-Chair, BRAC
Present	Charles Witherington-Perkins	Village of Arlington Heights
		Village of Buffalo Grove
Present	Michael Ellis	Village of Grayslake
Present	Stephen Park	Village of Gurnee
Present	Al Maiden	Village of Hainesville
		Village of Hawthorn Woods
Present	Mike Talbett	Village of Kildeer
Present	Tom Poynton	Village of Lake Zurich
		Village of Lakemoor
Present	Heather Rowe	Village of Libertyville
Present	Angie Underwood	Village of Long Grove
Present	Steve Lentz	Village of Mundelein
		Village of Palatine
Present	Barry Krumstock	Village of Rolling Meadows
Present	George Monaco	Village of Round Lake
		Village of Round Lake Park
Present	Dave Brown	Village of Vernon Hills
Present	Burnell Russell	Village of Volo
		Village of Wauconda
Present	Wayne Motley	City of Waukegan
Present	John Yonan	Cook County Department of Transportation and Highways
Present	Jim Heisler	McHenry County
		Metropolis Strategies
Present	David Stolman	BRAC Founding Co-Chair
Present	Brad Leibov	Liberty Prairie Foundation
Present	Michael Stevens	Lake County Partners
Present	Marty Buehler	Lake County Transportation Alliance
Present	Rachel Barry	Representing Illinois State Senator Althoff
Present	Tony Small	Illinois Department of Transportation
Present	Robin Helmerichs via phone	Federal Highway Administration

**General Business**

*Call to Order, Roll Call and Approval of Meeting Minutes*

**Doug Whitley (DW)** moved to accept the minutes for Meeting Six with a motion, seconded by **Heather Rowe (HR)**. **DW** notified the Committee that it received a summary of the user survey results as a handout and noted that this was to be shared with the Tollway Board Committee as a follow up to the Board Committee's questions about the survey results.

**DW** reminded the Committee that its role is to develop a viable and sustainable funding and financing plan for the project and that a Tollway team of staff and consultants was available to assist them. The Committee will continue to develop a financing strategy, although ultimate decisions rest with the Tollway Board. He summarized input from the Tollway Board, stating that a local contribution was necessary and must show there is commitment to move the project forward; that the level of the contribution is fair in context of the Tollway system; and that a local contribution account for the cost of the Blue Ribbon Advisory Council (BRAC) innovations that are unique to this project. While the Tollway Board did not provide an exact dollar amount for a local contribution, preliminary information suggests that the BRAC innovations will cost in a range of \$450-\$600 million. **DW** said consultants hope to provide more refined numbers when they meet again in September, but in the meantime, the Committee should consider working toward a local contribution of 20 percent. **DW** suggested that the Committee think of it as an annual payment over the length of the bond similar to a mortgage payment.

**Aaron Lawlor (AL)** said he spoke with many local leaders in defining what financing options were feasible. **AL** said he and community leaders divided the funding options into three categories: those with high levels of interest, others with medium interest and some with a low level. The high level included pilot opportunities that could be extrapolated out to the whole Tollway system, such as congestion pricing and indexing. Other high levels of interest were in value capture through tax increment financing (TIF), focusing on new non-residential growth to build consensus and projecting a 10 and 25 percent diversion rate. Implementing TIF and potential revenue forecasts require additional studies, he said. Lake County leaders also expressed high levels of interest for longer term borrowing, lower cost borrowing and adding tolls along the Tri-State Tollway (I-94) at Illinois Route 132, the Waukegan Plaza and at the border. All interests come with caveats, including safety concerns at Illinois Route 132 and truck diversions at U.S. Route 41, **AL** said. The medium feasibility category included the four-cent motor fuel tax in Lake County. Once they learn what the gas tax could generate, **AL** said they would consider splitting that revenue stream to fund Illinois Route 53/120 and planned transportation projects throughout Lake County because the tax is countywide. Funding options that ranked lowest in level of interest among the city and county leaders were the special service area, sales tax increase and tolling the existing Illinois Route 53. **AL** said the Committee should formalize a plan to pursue the chosen funding options and direct consultants to refine figures, but not rule out other funding sources that are not local.

Tollway Executive Director **Kristi Lafleur (KL)** commented that the Committee made tremendous progress. She thanked **AL** and local leadership in Lake County for their quick response to many painful decisions in funding the project.

**AL** suggested they take a motion on formalizing the funding options and **DW** said if there is agreement among the group on **AL's** report on feasible funding options, they would create three working groups to

examine these topics in August and come back with more information at the September Finance Committee meeting. **DW** said they would vote to adopt **AL**'s report as a formal map to move forward with subcommittee groups. **Stephen Park (SP)** said **AL** and community leaders endorsed the funding options as possibilities, but also required that the subcommittees gather more information and refined figures. They also agreed to keep working on reducing the overall project cost. **SP** said Illinois Route 53/120 is an important project to Gurnee and the whole county, as it is crucial to economic development. He said the least popular funding options should be buried. **SP** said the options selected should best help fund the project while having the least negative impact on residents.

**DW** then brought the plan to a vote, asking for all in favor and all opposed, and there was no opposition. **George Ranney (GR)** asked after the vote that he be recused from voting. **DW** explained that there will be three working groups established based on the funding options attracting the highest and medium levels of interest. There will be opportunity for a fourth if there is demand for another funding option. The subcommittees will pursue the options and delve into detail. **Chris Meister (CM)** said meetings will adhere to the Open Meetings Act with advance notice, public access and adopted meeting minutes. The three subcommittees were identified as the Tax Increment Financing Value Capture Working Group, Lake County Tolling and Motor Fuel Tax Working Group and the Stewardship Fund Working Group. **DW** clarified that the value capture working group will define what value capture entails. Besides assessing tolling and the motor fuel tax, the tolling working group will also be tasked to consider longer term borrowing and lower cost borrowing, as bonding capacity numbers are refined. The stewardship fund working group will determine how it will be funded and managed. **AL** suggested that in order for the purpose of the stewardship fund to remain intact, it would be helpful if outside sources from either the BRAC or Lake County Forest Preserve can attend. **DW** said the working groups can invite outside resources to join them if they feel additional personnel provide value. **Brad Leibov (BL)** said the Committee should not accept the language that only local sources are considered to fund the stewardship fund when overall resources from the other working groups, such as value capture and motor fuel taxes can be used. Tolls however would not fund the stewardship fund. **DW** said each committee has broad latitude to develop recommendations, but they must also provide explanation. Ultimately, the committee must make a recommendation and state why it makes sense, **DW** said.

### **Questions and Answers**

**Charles Witherington-Perkins (CWP)** asked if there had been additional outreach with Cook County. **John Yonan (JY)** said Cook County Board President Toni Preckwinkle was briefed, as was the Northwest Municipal Conference (NWMC), represented in the audience, and the Council of Governments, but the county had not met with individual municipalities. **AL** said he met with North Suburban Cook County mayors. **KL** said the original intent was to engage Cook County communities, but if the recommendation is to not pursue work on existing Illinois Route 53, it may not be necessary to expand outreach.

**Steve Lentz (SL)** asked if there would be a budget for expert resources, such as TIF consultants, because it will take additional research to implement a unique, multi-jurisdictional TIF district. **Aimee Lee (Alee)** said the working groups will be staffed by the Tollway and consultants and CMAP, which provided the

original analysis, and will be available to assist the committees. **KL** said the Tollway would work to provide the resources. **AL** said the county would also assist.

**HR** asked for updated ranges of revenues, especially from value capture and motor fuel taxes, to correlate with the analysis the working groups will be conducting. She also asked about changing the definition of land use in the TIF because numbers can change dramatically. **ALee** said they would ask CMAP to refine its original numbers and they would work to present new numbers at the working group meetings. **HR** also recommended that at least the first and possibly second meetings take place in person. **Marty Buehler (MB)** asked that the co-chairs follow up with those Finance Committee members who were not in attendance. The Finance Committee then assembled into their chosen working groups for a session to discuss future meeting dates, goals and selecting chairs for each group.

The Tax Increment Financing Value Capture Working Group included: Chair **Steve Lentz, Heather Rowe, Mike Stevens, Wayne Motley, Mike Ellis, Tom Poynton, Charles Witherington-Perkins, Joe Mancino** and **Aaron Lawlor**. (Additional members have since been added.)

The Stewardship Fund Working Group included: Chair **Brad Leibov, Angie Underwood, Dave Brown, Mike Talbett, George Ranney** and **Aaron Lawlor**. (Additional members have since been added.)

The Lake County Tolling and Motor Fuel Tax Working Group included: Chair **Marty Buehler, Stephen Park, John Yonan, David Stolman, Burnell Russell, George Monaco, Jim Heisler, Pete Harmet**, (IDOT) and **Robin Helmerichs** (FHWA). (Additional members have since been added.)

**DW** provided closing comments about the group's progress and reiterated the presence of Tollway staff and consultant support. He said it was not essential that the Finance Committee draft a final report in the next five weeks, but work to make progress. It is acceptable to ask more questions.

### **Public Comment**

Rob Sherman, of Buffalo Grove, said he was content with the response he has received from his earlier concerns from earlier public comment periods.

The next Finance Committee meeting was scheduled for Sept. 11, at 2 p.m. A motion was granted and seconded and the meeting was officially adjourned.