

Illinois Route 53/120 Project
Stewardship Fund Working Group #1
Roll Call August 14, 2014
Meeting minutes issued by Lake County

| PRESENT | NAME | REPRESENTING |
|---------|---------------------------|----------------------------|
| Present | Aaron Lawlor | Lake County |
| Present | Brad Leibov – Chairperson | Liberty Prairie Foundation |
| | George Ranney | Co-Chair, BRAC |
| Present | Mike Talbett | Village of Kildeer |
| Present | Angie Underwood | Village of Long Grove |
| Present | Dave Brown | Village of Vernon Hills |

General Business

Call to Order and Roll Call

Chair **Brad Leibov (BL)** introduced **Mike Matkovic (MM)**, of Christopher B. Burke Engineering Ltd., to provide an overview of what the Blue Ribbon Advisory Council (BRAC) report says about the proposed the Environmental Stewardship Fund (ESF). **MM** stated that the ESF was intended to preserve and enhance the local environment around the Illinois Route 53/120 corridor and minimize long-term impacts and unintended consequences. The \$81 million stewardship fund can accomplish long-term environmental protections over the 50-year life expectancy of the project and included in that cost was the acquisition of 750 acres of land to be protected, restored and enhanced. **BL** said this working group must put forth recommendations on how the ESF is funded, how it will function and how it will be managed.

To help further lay the foundation for these issues, **BL** provided a handout that highlighted relevant language from the BRAC report as well as excerpts from a joint position letter from local environmental groups submitted during the BRAC process that served to inspire the proposed ESF. **Aimee Lee (ALee)**, of the Tollway, explained that the Tollway, by its authority, is allowed to apply toll revenues toward the cost of mitigating direct impacts of the roadway, but there are restrictions on the Tollway beyond that. The intent of the ESF will dictate what funding sources are eligible to support the ESF. **BL** acknowledged that the Tollway does not have statutory authority to use Tollway funds for unintended consequences outside of the right-of-way (ROW). However, **BL** further proposed that local contributions should not be used to fund the ESF at any different level than the overall project, but suggested that the Tollway and Lake County be granted discretion in aligning Tollway and local contributions among the various project costs, including the ESF. **Mike Talbett (MT)** suggested that if the group has any input with the other committees it would be to inform the Tax Increment Financing-Value Capture Working Group to create a wider taxing district to draw more funds from a broader base. **ALee** noted that the BRAC report does not specify the geographic boundaries in which the fund must be dedicated to which may impact governance and management of the fund.

Jim Anderson (JA), of the Lake County Forest Preserve District, said the group must account for other issues that extend beyond the corridor downstream and decide what the Tollway is already mitigating directly and what the ESF can assist indirectly. He also pointed out that at a mitigation ratio of 5:1, there

is already a significant amount of land required of the Tollway to buy and mitigate in addition to the 750 acres of land required in the ESF. **MM** clarified there are between 75 and 95 acres of direct impacts and the 5:1 mitigation ratio recommended by the BRAC provides more than 490 acres of mitigation, all included in project cost, outside of the ESF. The ESF is intended to cover indirect impacts that are unknown. **JA** said that is a significant amount of land to manage over time. The ESF could meet the maintenance costs for a local resource agency after five years of Tollway mitigation. **MM** said the USACE looks at wetland bank sites first as a preferred option. If the Tollway purchases bank credits from a certified bank site, that will relieve the Tollway of long-term maintenance responsibility. Currently, there are not 490 acres of bank credits available, but that may change over time. The Forest Preserve District may be a source for those credits. If it's on Tollway right-of-way (ROW), it is still the responsibility of the Tollway to maintain however, but if it is off ROW, there can be a land easement granted to the Tollway or an agreement made.

The group then debated over management of the ESF. **MT** said if the land acquisition costs are added to the restoration costs, a great deal of the fund will be consumed. **JA** said a larger site that provides public access, wetlands and tree planting is much easier to manage over the long term rather than fragmented smaller pieces. **JA** also noted that a larger site provides for better quality habitat, etc. over fragmented pieces. **BL** said organizations, like The Conservation Fund and The Nature Conservancy, have a history of managing similar funds. It's up to the local resource agencies to propose projects. The national organizations would work with advisory councils on when and where to fund projects. **MT** said the working group can surrender that responsibility to them and then create an oversight committee to oversee that work. **JA** said there will be a necessity for a steering committee with all stakeholders to identify priorities and what needs must be funded.

As a first step to this discussion, **ALee** said the Tollway is looking for more clarity from the group on whether the ESF is intended for direct and/or indirect impacts. If it is established that the ESF is only for indirect impacts, then resources must come from state, federal or local, and not the Tollway. **RZ** said it is difficult to say what impacts come as a result of a new roadway due to unintended impacts of development and potential degradation to natural resources.

For the current level of analysis, **ALee** said the project costs related to all direct impacts is estimated at \$242 million, and is outside the cost of the ESF. **BL** said it is clear that the Tollway is not permitted, able or willing to fund indirect impacts. **BL** said the language is clear that this land acquisition and restoration is an indirect impact, so the question is how to address the fact that the Tollway can't participate in or fund the ESF. **Aaron Lawlor (AL)** said it is a natural fit to look at the TIF as the primary funding source for the ESF. **AL** said a TIF district would provide the local communities along the corridor a tangible benefit through the utilization of the ESF. There are statutory issues and legislation required to implement a TIF, but part of that legislation package would include permitting a TIF for a function like the ESF. **Liz Schuh (LS)**, of CMAP, said the proposed TIF boundaries include commercial and industrial properties within a mile of Illinois Route 53/120 and within two miles at interchanges. **LS** cautioned that TIF funds have to be spent within the TIF district.

ALee commented that recognizing the ESF as an important component to maintaining consensus on the overall project, this working group was formed to help kick start the discussion of the ESF and provide it with enough foundation and definition to ensure future discussions can continue beyond the Finance Committee process. **BL** then solicited comments about the working group's objectives before adopting them.

Action item: The group moved to adopt the edited objectives with a motion from **MT**, seconded by **Angie Underwood (AU)**. All were in favor and there was no opposition. The word "fully" was omitted from the second objective at the direction of **BL** based on his earlier comment that Lake County and the Tollway should determine alignment of funding sources to project cost items. The adopted working group objectives are as follows:

- Better define the scope of the stewardship fund
- Identify what existing or new local funding sources could be used to support this fund
- Define an overall governance structure for management of this fund
- Identify necessary next steps to implement

The group then debated whether the fund should be for future uses or strictly as a contingency fund for unintended consequences. **Dave Brown (DB)** asked for a better understanding of the direct and indirect impacts and more clarity on funding priorities. He also sought more information about the challenges in the corridor and opportunities for a 750-acre wetland mitigation site to be implemented in the corridor. As it relates to funding priorities, **LS** said the Land Use Committee is defining cold spots for preservation and developing analysis, but that data is not readily available. **BL** said the ESF can be coordinated and informed through other processes like the Land Use Committee.

Action items: The group then summarized takeaways for the next meeting: provide better distinction between direct and indirect impacts to the project; discussion of potential priorities for the ESF; discussion of potential restoration issues or areas in need of attention within the corridor.

BL said the goal is not to prioritize specific projects for the fund over 50 years but just to provide context and guiding principles for how to set priorities. Subsequent meetings were scheduled for Wednesday, August 27, at 2 p.m., and Friday, September 5, at 11 a.m. There was a motion to adjourn and the group broke for the day at 3:44 p.m.