General Business
Call to Order and Roll Call

Meeting minutes from the August 12, 2014 meeting were approved. **Tom Poynton (TP)** and **Heather Rowe (HR)** abstained from voting. **Liz Schuh (LS)** of CMAP provided a recap of the previous meeting and presented new revenue analysis based on direction from the last meeting to capture only new, non-residential development in the proposed project tax increment financing (TIF) district at various levels of diversion to underlying tax districts. No market study has yet been done on what the county would look like with and without the facility, so they used historical capture rates to approximate baseline data. The revenue figures assume that the TIF district would be established in 2018 accounting for net present values and projected bonding capacities for a 25 year term. **LS** also reviewed broad statutory issues that challenge the implementation of a TIF district. Those issues include: creating a TIF across multiple jurisdictions, the need for finding of blight, inclusions of farmland, 23-year TIF term limits and impacts on underlying jurisdictions.

**Aaron Lawlor (AL)** said it is important that the group sells the TIF district as not only an opportunity to build the road, but also to support the environmental stewardship fund (ESF) to mitigate against unintended consequences. **LS** provided a map of the value capture analysis area which is assumed to be in one-mile radius from the road’s approximate centerline and two miles from interchanges **Mike Talbett (MT)**, of Kildeer, asked if they can broaden the base to minimize individual taxes and maximize the total revenue. **AL** considered that politically untenable. **Barry Burton (BB)** said there would be opposition from communities east of I-94, while **Michael Ellis (ME)** said more parties at the table will complicate their chances of reaching consensus. **LS** clarified that the proposed boundaries do not interact with any existing TIF districts. **LS** also stated the analysis did not account for land use changes, in a response to a question from **HR**.

**AL** said TIF dollars don’t have to be bonded, but can be directed as annual cash payments to directly fund the ESF and the Tollway. **ME** said an agreement between the Tollway and local communities
represents a pledge for the locals to provide the Tollway a revenue stream. **AL** said a governance structure will be created to oversee the ESF and its use. **BB** said a similar advisory committee would be created to oversee a TIF district. **SL** reminded the group that the Finance Committee was told by the Tollway Board that the locals must cover the cost of the environmental enhancements recommended by the Blue Ribbon Advisory Council (BRAC). He questioned if they were raising enough revenue. **Aimee Lee (Alee)** said the BRAC innovations were preliminarily estimated at $450 to $600 million. Consultants are working with the BRAC environmental working group and stakeholders to further refine the cost estimate. New numbers will be presented to the Finance Committee on September 11. **AL** said he is less concerned about meeting that target and more concerned about making value capture work and providing the best offer. **AL** said tolling along I-94 projects bonding capacities of potentially $252 to $324 million. These tolls generate revenue and respond to equity issues and diversions on I-94. **BB** said other working groups are progressing; cost efficiencies will be achieved through the cost refinement process, new funds available from value capture, I-94 tolling and the county gas tax. Until all revenues are added, they do not know the final number. **ME** said a new stand-alone legislation would be needed to implement this speculated TIF district. They can decide what boundaries, numbers and percentages to insert later. **AL** requested they look at previous state statutes across the country to see how to overcome legislative issues earlier noted. **Action item: Mark Briggs (MB),** of Parsons Brinckerhoff, stated that he could provide statutes used in other states.

**AL** said linking the TIF district to the ESF makes most sense, but **JM** said more explanation is needed to address what the fund does. **HR** said they would be better off not saying that the TIF will last forever. **LS** cautioned that, by statute, TIF funds must be spent before the TIF ends. **LS** said although future TIF districts may be prevented, the underlying districts would receive new funding based upon the diversion. **BB** said there will be few impacts because there are not many areas in the boundary right for a TIF district. **Action item: AL** asked CMAP/Lake County GIS for a list of all the taxing districts impacted in the proposed TIF district. **LS** said she would also look at what data CMAP has available, but suggested the County would have better information.

**LS** reminded the group that with TIF, the revenue must be spent in the boundaries, and if the TIF is the primary funder for the ESF, then the ESF would need to limit its geographic scope accordingly. **MT** said the fund may need to cover indirect impacts that spread beyond the corridor. **BB** said that can be made clear in any proposed legislation. The group then discussed the diversion rate. **JM** expressed concern for gaining approval of 50 percent diversion in Hawthorn Woods. The group agreed that 25 percent essentially underwrites the ESF (cost of $81 million), estimated at $72 to $96 million in net present value revenues. The taxing districts in these areas are receiving 25 percent of something they didn’t before, **BB** said. **LS** added that the new facility will additionally increase property values and rents. **JM** disagreed, saying it may do the exact opposite in Hawthorn Woods, where it is unclear what the road will look like. He said there are serious concerns about the proposed elevation of the road and the effect of salt spray and potential reductions in property values. **JM** said he would like to see design concepts through Hawthorn Woods. **Alee** said the Tollway and consultants would talk with **JM**. **Action item: Based on the discussion, the group supported a TIF mechanism that captures new, non-residential growth in the corridor with 25 percent of revenues dedicated to the Illinois Route 53/120 project.**
AL said the next challenge is establishing a footprint to marry the ESF with the TIF. HR suggested a map be overlaid with environmental hot spots identified in the BRAC to ensure the ESF is used within the proper boundaries. LS said land use data is still coming. AL said the project costs encompass direct impacts, while the ESF will cover indirect impacts within the corridor which cannot be funded through toll revenues. **Action item:** SL noted that the group’s recommendation was that the TIF funds support the ESF. The next meeting was scheduled for Thursday, September 4, at 2 p.m. The group will discuss statutory issues and legislative principles to implement a TIF district and work to draft a summary and recommendation. A motion was approved to adjourn and the group broke at 11:20 a.m.