General Business
Call to Order and Roll Call

Meeting minutes from the first meeting were approved. Jeff Hall (JH), of TranSystems, led the group through refined analysis results for funding options related to this working group.

Lake County fuel tax. JH presented three options: a 4-cent per gallon flat fuel tax (same as in other collar counties), a fuel tax of 4-cents per gallon annually indexed at 2.25 percent, and a 1 percent excise tax on fuel revenue. Aaron Lawlor (AL) said in order to achieve consensus for a gas tax, revenues would need to be split 50/50 between the project and other needs in the county; for example towards projects on the Lake County State Highway Consensus Plan (see www.lcta1.com). The group endorsed the flat tax of 4 cents per gallon, as the most straightforward, feasible option. This option is estimated to generate $67 to $89 million in bonding capacity, of which 50 percent would go to the I-53/120 project.

Longer term borrowing. Based on its trust indenture, the Tollway is currently allowed to borrow on a 25-year-term. A legislative change to the Toll Highway Act would be needed to extend the term. JH said another 10 years can generate a potential bonding capacity ranging from $45 to $56 million. Stephen Park (SP) supported extending the bond terms to 35 years to parallel the federal TIFIA guidelines. SP asked whether the Tollway saw any benefit from having a longer borrowing term. Rocco Zucchero (RZ) indicated that the current Move Illinois capital program is advancing based on a 25-year borrowing term and does not need an extended term. Robin Helmerichs (RH) said TIFIA is the only federal borrowing program she knows of (35-year borrowing is allowed with TIFIA), while most federal programs are grants. The group expressed general support to consider a longer borrowing term.

Lower cost borrowing. JH explained that lower borrowing rates offered through TIFIA require a regular revenue stream, possibly from tolling or the gas tax and TIFIA loans come with federal regulations that pose challenges to the Tollway. John Yonan (JY) said the benefit is that loans are not reimbursed until project completion. The group discussed federal support through CMAQ grants similar to the Elgin O’Hare Western Access (EOWA) funding for off system, or stand-alone projects. Marty Buehler (MB)
said there are many unknowns to using TIFIA as revenue. SP said they may be eligible for TIFIA, but might not qualify and more costs could be incurred. Ron Shimizu (RS) also noted that the TIFIA program is currently oversubscribed. It was suggested that a better option would be to identify off system, or stand-alone improvements that could be funded through CMAQ dollars. Action item: JH said the consultants would research what projects would be federally eligible as off system, stand-alone projects that are eligible for CMAQ grants and how much federal funding is available for the county. MB suggested they make it another line item in the menu of funding options.

Toll sensitivity. JH said the travel demand model showed that the optimal toll rate (26 cents per mile on opening day in 2023) for revenue purposes generates $79 to $102 million in 2040. JH noted that the revenue from this option is double counted if coupled with congestion pricing and indexing. MB suggested they withhold from advancing this option until they review the more favored options and consider the analysis results.

Tolls on I-94 (Tri-State Tollway) in Lake County. Jonathon Hart (JHart), of CDM Smith, reviewed forecasted local road diversions and bonding capacity results for various I-94 tolling scenarios. MB requested Scenarios be given numbers for the Menu of Funding and Financing Table. Options included:

Full ramp tolling: $328-$422 million. Diversion: -1 to 6 percent.

New tolls at Illinois Route 132 (Grand Avenue) (BRAC #12): $70-$90 million. Diversion: -1 to 3 percent.

New tolls at Illinois Route 132 and increased toll rate at the Waukegan Plaza (BRAC #13A): $224-$288 million. Diversion: 0 to 3 percent.

New tolls at Illinois Route 132, increase toll at Waukegan Plaza and tolling at the state border (BRAC #13B): $252 million-$324 million. Diversion: -30 to 30 percent.


SP expressed safety and congestion concerns that may accompany new ramp tolls at Grand Ave. JHart said there is a period of initial hesitation with all electronic tolling (AET), but research does not show safety or operational issues. RZ said some safety issues are already being addressed through the current ramp reconstruction where a physical barrier will separate mainline westbound I-94 traffic from the northbound exit ramps at Grand Avenue.

JHart provided background on federal guidance related to implementing tolls at the state border. JHart said an interstate that uses federal money can only be tolled if it is a new facility, a bridge, tunnel, or used strictly for new capacity. U.S. Route 41 could be tolled if it is reconstructed, but tolling Grand Avenue is an easier and less expensive option. JHart said previous requirements for an interstate to have a free exit entering a state border before a tolled section were removed from the federal highway acts. MB said the group recommended removing the option of tolling at the border from the list.
Remaining I-94 tolling scenarios that still needed to be analyzed include a **new mainline toll plaza at Deerfield Road** and **per mile tolling using AET** between interchanges. MB asked if there was any follow-up from last meeting’s request for I-PASS penetration rates. It was stated that the percentage of transactions via I-PASS are 87.5 percent for systemwide, 91 percent at Lake Cook Road and 81.4 percent at the Waukegan Plaza. JHart noted that the Deerfield mainline scenario preliminary results indicate revenue levels similar to that of the Full Ramp Tolling scenario and is much less costly to implement. The group requested an assessment of the potential placement of a Deerfield mainline toll plaza. Noting the group’s interest in the Deerfield mainline scenario, JHart recommended that the group consider a scenario that combines a new Deerfield mainline toll plaza, tolls at the Grand Avenue ramps and a toll decrease at the Waukegan Plaza. This scenario, dubbed the **Deerfield System** approach, provides the best option to mitigate diversion, improve equity and raise revenues. Recognizing limited time for additional analysis, the group was comfortable with foregoing the **per mile tolling scenario** analysis and to focus time and resources on analysis of the Deerfield System approach.

The next meeting was scheduled for August 29, at 12 p.m. The final meeting was scheduled for September 9, at 2 p.m. MB noted that more time may be needed before making a final recommendation to the entire Finance Committee on September 11.

**Public Comment: Rob Sherman**, of Buffalo Grove, stated the group should consider a mainline plaza between Lake Cook Road and Dundee Road rather than at Deerfield; a toll at the border would not work because traffic would divert north of the border. The Tollway should merge its rates to ensure customers paid equally; and tolling all ramps disregards communities outside the Illinois Route 53/120 corridor that will experience traffic increases on local roads.

On a seconded motion, the group officially adjourned at 3:49 p.m.