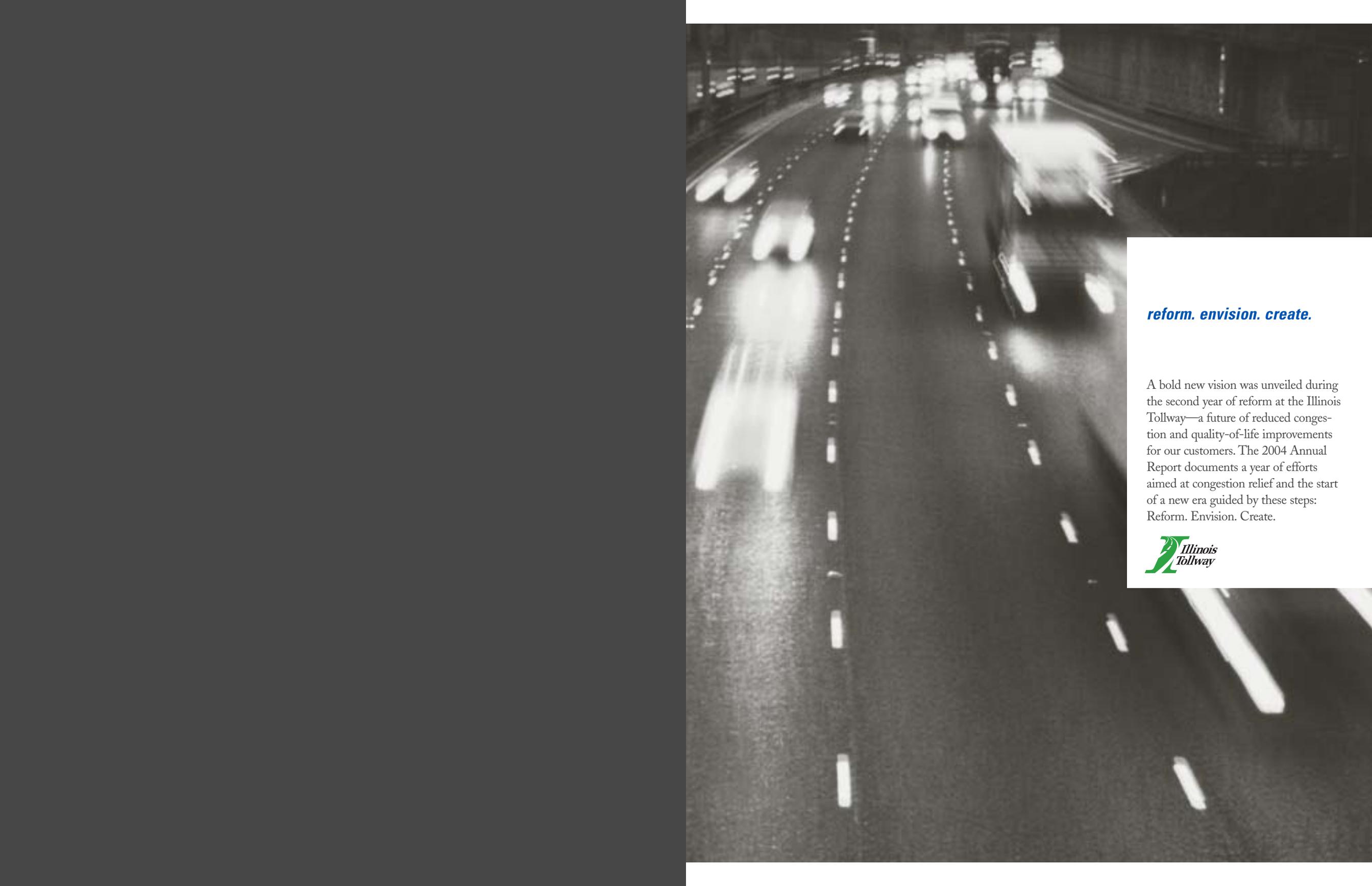


Forward Progress



2004 Annual Report



reform. envision. create.

A bold new vision was unveiled during the second year of reform at the Illinois Tollway—a future of reduced congestion and quality-of-life improvements for our customers. The 2004 Annual Report documents a year of efforts aimed at congestion relief and the start of a new era guided by these steps: Reform. Envision. Create.



LOOKING FORWARD TO THE FUTURE

The time has come for a major overhaul of the Tollway's roads.



Rod Blagojevich, Governor

As Governor of the state of Illinois, I take pride in commending the Illinois Tollway for its second year of reform and for the passage of the *Open Roads for a Faster Future* Congestion-Relief Plan. When Tollway Chairman John Mitola and Executive Director Jack Hartman joined me on August 25, 2004 to unveil the plan, I announced that the time had come for a major overhaul of the Tollway system.

The *Open Roads* plan that was approved by the Tollway Board of Directors on September 30, 2004 will create a new Tollway system for the 21st century, so that commuters can get where they're going faster and easier.

Rebuilding and widening the Tollway's roads, 65 percent of which have not been reconstructed since they were built in the late 1950s, means drivers will spend less time behind the wheel and more time with friends and family.

The massive improvements in store for Illinois Tollway customers are the latest examples of the new way of doing business at the Tollway. By focusing on the ABCs of reform in 2003, straightening up its finances and making better use of existing resources, the Tollway earned the public's trust and paved the way for this monumental plan to build toward the future. I salute the Tollway for its hard work on the road to

reform, and for earning the public's confidence in a plan that will dramatically benefit the drivers and the communities served by the Tollway. The \$5.3 billion Congestion-Relief Plan will generate \$20 billion in economic benefits over the next 10 years, including the creation of 252,000 well-paying jobs.

I look forward to the future when the Illinois Tollway's open roads set the industry standard for congestion relief while strengthening the state's vital transportation network that drives Illinois' economy.

Sincerely,



MISSION STATEMENT

The Illinois State Toll Highway Authority is dedicated to providing and promoting a safe and efficient system of toll supported highways while ensuring the highest possible level of service to our customers.

BOARD OF DIRECTORS

Top row from left: James Banks, Ronald Materick, David Andalcio, Carl Kramp, Carl Towns.

Bottom row from left: James Roolf, Chairman John Mitola, George Pradel.

Not Pictured: Governor Rod Blagojevich, Ex-officio; Secretary Tim Martin, IDOT, Ex-officio.

EXECUTIVE STAFF / CHIEFS

Top row from left: Kathleen Cantillon, Communications; Marilyn Johnson, Chief of Staff; Jack Hartman, Executive Director; Karen Burke, Operations; James Wright, Inspector General; Brian McPartlin, Administration; Capt. Tami Haukedahl, Illinois State Police District 15.

Bottom row from left: Thomas Bamonte, General Counsel; Leanne Redden, Planning; Ted Young, Information Technology; Michael Colsch, Finance; Jeff Dailey, Engineering.



ADVANCING REFORMS. ENVISIONING SUCCESS.

This annual report reflects how the Tollway is fulfilling our pledge to invest in the future.



John Mitola, Chairman



Jack Hartman, Executive Director

FORWARD PROGRESS

The Illinois Tollway passed many milestones in 2004, and congestion relief was our main destination as we continued the Tollway's journey on the road to reform. We advanced the Governor's reform agenda with more steps toward greater accountability, business efficiencies and customer service. After putting the Tollway's financial house in order, the reform team made forward progress by envisioning how to deploy current and future resources for a long overdue rebuild of the 274-mile system.

After months of input, the Tollway unveiled a Congestion-Relief Plan, *Open Roads for a Faster Future*, at a press conference led by the Governor on August 25.

REFORM AGENDA CONTINUES

We are excited about the improvements that will be coming from the *Open Roads* plan, while we remain steadfast in progressing the Governor's reform agenda. We are proud that in 2004 the public

acknowledged our progress at 12 public hearings held throughout Northern Illinois and that editorials in nearly all major area newspapers supported the plan and the reform agenda.

Previous Tollway administrations tried and failed to secure the toll rate modifications and required increases necessary for a system wide rebuild; each time their efforts were thwarted by customers, elected officials and media who questioned whether the people who ran the Tollway could be trusted. We have come a long way in earning back that trust and nothing is more important to the Tollway than keeping it.

ENVISIONING THE FUTURE

In September 2004, we shared our vision for the Tollway's future. *Open Roads for a Faster Future* is a \$5.3 billion, 10-year plan to reduce traffic and congestion by rebuilding/restoring almost the entire system, adding lanes to major roads, converting mainline toll plazas to Open Road Tolling, and building the long-anticipated extension of I-355 into

Will County. These improvements are expected to pump \$20 billion into Illinois' economy and create 252,000 jobs.

The *Open Roads* plan fulfills our pledge to invest in the future and support the local economy. The rebuild will address the Tollway's aging infrastructure, add capacity and reduce travel times.

CREATING A BETTER LIFE

We are humbled that the reforms have helped restore public confidence in the Tollway so we can lead the long-overdue overhaul of the Tollway's roads. Our goal: shorter travel times, less congestion, and a better quality of life for our customers.

The following pages detail the *Open Roads* plan and how recent Tollway reforms paved the way for the Board's passage of the plan on September 30, 2004.

Sincerely,

12

public hearings to share the vision of Open Roads

329,000

I-PASS transponders sold during December 2004

252,000

jobs will be created by the Open Roads plan

65

additional I-PASS Only lanes—for a total of 151 lanes

servicing our customers

Aiming for customer service excellence

PLAYING A CRITICAL ROLE IN ILLINOIS' ECONOMY

The Illinois Tollway is a vital link in Illinois' transportation network, moving more than 1.3 million daily vehicles on 274 miles of roads, including the Tri-State (I-94, I-294, I-80/I-294), Northwest (I-90), Ronald Reagan Memorial (I-88), and North-South (I-355) Tollways.

Commuters make up 75 percent of Tollway customers, while commercial

vehicles comprise 13 percent of the system's users. What started in the late 1950s as a rural bypass connecting Illinois to Indiana and Wisconsin now plays a critical role in the state's economy, moving employees to their jobs throughout the region and directly linking businesses, goods and services from suburb to suburb and from the suburbs to Chicago.

TOLLWAY SERVICES

I-PASS Electronic toll collection allowed customers with transponders to pay tolls by driving through 151 I-PASS Only lanes without stopping.

Oases Re-opened two of seven over-the-road buildings being redeveloped to provide enhanced food and traveler services. New and improved Mobil fuel stations were re-opened at all locations.

Travel Information Travel times and roadway information on 25 Dynamic Message signs over the road, at www.gcmtravel.com, and www.illinoistollway.com.

Illinois State Police District 15 Law Enforcement Seatbelt compliance on the Tollway has risen to 87 percent compared to 83.4 percent for the rest of the State.

H.E.L.P. Trucks Respond to disabled vehicles or stranded motorists; Zero Weather Road Patrols offer overnight assistance in extreme weather.

***999 Tollway-funded Service** To respond to customer cell phone calls seeking assistance for themselves or fellow drivers to keep lanes clear.

25

DMS signs for customer communications

151

I-PASS Only lanes for I-PASS customers



2004 Capital Program is creating a bright future

I-PASS EXPANSION PROJECT

Planning, design and construction work was completed to convert 65 additional toll lanes to new dedicated lanes for I-PASS customers to zip through the toll plazas without stopping or fumbling for change. Since 2003, 104 new I-PASS Only lanes have been added, for a total of 151 lanes—or 32 percent of all toll collection lanes.

OASES REDEVELOPMENT

Two shining examples of the efforts to improve customer service are the first two new over-the-road buildings at the O'Hare Oasis on the Tri-State (I-294) in Schiller Park and the Belvidere Oasis on the Northwest Tollway (I-90) in Belvidere. The Tollway and its partners Wilton Partners and ExxonMobil, in an innovative public-private partnership, celebrated the grand openings of the sparkling, bright and inviting oases in June 2004. The oases tenants meeting the needs of our customers included: McTreat,

McDonald's, Stonebridge Café, Travel Mart, Fifth Third Bank ATMs, Panda Express, Krispy Kreme Doughnuts, Tropicana Smoothies, Subway, and Starbucks. Also, new Mobil fuel stations served customers at all seven locations when the Belvidere, Des Plaines, Lake Forest, Lincoln, and O'Hare Oases opened in 2004.

CONSTRUCTION COMMUNICATIONS

To improve on-the-road customer communications, the Tollway added 13 more over-the-road Dynamic Message Signs (DMS), for a total of 25 signs sharing travel times and real-time information to reduce delays caused by weather or traffic-related incidents.

IMPROVING THE TRI-STATE

To prepare for the widening of the South Tri-State (I-294), rebuilding and widening work continued on the Cal-Sag Bridge, while sub-structural

work began on the Markham Yard Bridge. Also, pavement reconstruction and widening began between the I-80 interchange and the I-94/394 interchange to prepare for the addition of a new lane in each direction. On the central and north end of the Tri-State, 16 bridges were repaired between I-55 and the Edens Spur.

ELIMINATING THE "WASHBOARD"

The Tollway began rebuilding deteriorated pavement nicknamed "the washboard" for its bumpy ride on the Reagan Memorial Tollway (I-88) from Route 59 to Naperville Road.

NEW SHOULDERS

Seventeen miles of shoulder replacement work were completed on the North-South Tollway (I-355) to ensure roadway safety. Also, a fourth lane was extended northbound from Maple Avenue to Hitchcock Avenue for congestion relief.

reform



RESTORING PUBLIC TRUST

The Tollway's two years of reforms set the stage for congestion relief.

ABCs OF REFORM CONTINUE >

The second year of the Tollway's reform agenda continued efforts to increase accountability, implement business efficiencies and improve customer service while demonstrating that agency staff are trustworthy stewards of toll revenues.

In the first round of reform, which began in 2003, the Tollway put its financial house in order and demonstrated that the Tollway is being frugal with customers' toll dollars and respectful of their time. In 2004, the Tollway continued to review all operations, developed and implemented top-to-bottom reforms, and progressed efforts to run the agency more like a business with increased transparencies to the outside world. The following efforts helped lay the groundwork for the *Open Roads for a Faster Future* Congestion-Relief Plan.

REFORM INITIATIVES IN 2004:

- I-PASS Success Stories
- I-PASS Support Savings
- Aggressive Pursuit of Scofflaws Continued
- Illinois Tollway Helicopter Sold
- Making a Private Ramp Public



“Their formula for restoring public trust should be a model— become more transparent, more accountable and more attuned.”

Rockford Register Star, *Tollway reform has come in a hurry to agency*, 4-25-04



REFORM INITIATIVES >

I-PASS SUCCESS STORIES

Since I-PASS is the Tollway’s most effective congestion-relief tool, the Tollway continued its drive to make it as easy as possible to purchase a transponder and manage an I-PASS account. Through sales online at www.illinoistollway.com, at Jewel-Osco stores, and via 1-800-UC-IPASS, the Tollway sold 704,375 transponders for a total of nearly 1.8 million active transponders, an increase of 148 percent from 2003.

The new account management function unveiled at www.getipass.com contributed to a 1,000 percent increase in website visits. I-PASS users can now update their vehicle information and add funds to their accounts 24 hours a day, 7 days a week.



I-PASS SUPPORT SAVINGS

Operating efficiencies generated by moving more transactions to the Tollway web site, selecting a new call center provider, and joining the Interagency Group E-ZPass Consortium helped save the Tollway nearly \$6 million in 2004.

AGGRESSIVE PURSUIT OF SCOFFLAWS CONTINUED

The Tollway’s award-winning Violation Enforcement System (VES) continued working on behalf of 97 percent of honest toll-paying customers who pay their fair share to ride the system. Approximately \$13 million was collected from toll violators, for a total of \$31 million in collections since the aggressive enforcement initiative was launched under the reform agenda.

HELICOPTER SOLD

In July, the Tollway’s Bell Long Ranger IV Helicopter was sold at a public auction at Tollway headquarters, with the \$952,000 in proceeds funding additional congestion-relief efforts. The sale of the helicopter had long been requested by state officials and exemplified reform efforts to ensure toll money is wisely and properly spent.

MAKING A PRIVATE RAMP PUBLIC

To further demonstrate the new era of openness, the Tollway officially opened to the public its private Ogden Avenue entrance ramp to the eastbound Ronald Reagan Memorial Tollway. The private ramp adjacent to Tollway headquarters was paid for by Tollway customers so it was made accessible to them.

\$13 million
collected in toll violation fines

1,000%
increase in online activity

\$952,000
from sale of helicopter

envision



ROAD MAP FOR THE FUTURE

Open Roads for a Faster Future sets forth innovative plans for the Illinois Tollway.

LAYING THE FOUNDATION >

With reforms firmly in place and recognized by the media, the Tollway reform team focused on the much-needed rebuild of the 274 miles of Tollway roads. After gathering input from state legislators, elected and local officials, as well as business and civic organizations, the Tollway developed its Congestion-Relief Plan—*Open Roads for a Faster Future*.

Governor Blagojevich joined the Tollway in unveiling the \$5.3 billion plan in June 2004. The plan will reduce traffic and congestion by rebuilding and reconstructing the entire Tollway system, adding lanes to the system's major roads, converting mainline toll plazas to Open Road Tolling, and building the long-anticipated south extension of I-355 into Will County.

The public was encouraged to attend and comment on *Open Roads for a Faster Future* and the necessary toll increase to fund it during 12 public hearings held September 14–21, 2004. The hearings were attended by a total of 1,404 people, who supported the Congestion-Relief Plan by a margin of 3 to 1.

“Making the system the first in the nation with ‘open-road tolling’ to most users... is both visionary and sensible. Most important, the plan addresses the major problems facing the system with real, sensible solutions.”

The Star, Tollway plan makes a lot of sense, 8-29-04



5 COMPONENTS OF THE PLAN >

FIX IT

The Tollway will rebuild/restore 90 percent of Tollway roads, 65 percent of which have not been reconstructed since they were built in the late 1950s.

CONGESTION RELIEF

The *Open Roads* plan will widen 117 miles of existing roads and implement Open Road Tolling. Existing I-PASS improvements have already shaved 10 minutes off a typical Tollway commute, and an additional 15 minutes in travel time reductions are expected upon completion of Open Road Tolling. While the technology is complex, the idea is simple: By the end of 2006, toll booths will be removed and I-PASS customers won't need to slow down or stop to pay tolls; they'll drive at highway speed while tolls are collected electronically.

MEETING REGIONAL GROWTH— BUILDING I-355 SOUTH

The four-to-six lane extension of I-355 South is 12.5 miles long, extending from the Stevenson Expressway (I-55) to I-80, and will reduce travel times by 20 percent and improve access to job-rich areas. As one of the fastest growing counties in the state, Will County's population is projected to exceed 1.1 million by 2030. The I-355 South Extension will serve as a critical transportation link that will bolster Northern Illinois' transportation network.

ENHANCING LOCAL ECONOMIES

By creating 252,000 jobs, the Congestion-Relief Plan will strengthen local economies. Every dollar invested in highways yields almost \$4 in economic benefits and growth, according to the

U.S. House Committee on Transportation and Infrastructure, 2003.

CUTTING-EDGE INITIATIVES

New programs accompanying construction include context-sensitive noise walls, bike paths and landscaping. In all construction projects, the Tollway will use Intelligent Transportation Systems technology to share more real-time information with drivers, improve incident management and better coordinate with local transportation networks.

1,404

people attended 12 public hearings in each of the counties the Tollway serves

10,751

letters/petition signatures supported the Open Roads plan



create



OPEN ROADS AHEAD

Tollway customers can expect reduced travel times and less congestion through the Open Roads plan.

THE PLAN IS APPROVED >

On September 30, 2004, the Tollway Board of Directors approved the \$5.3 billion Congestion-Relief Plan *Open Roads for a Faster Future* and the toll increase necessary to fund it. Under the plan, tolls remain the same for cars with I-PASS, while tolls double for cash-paying cars. Toll rates for trucks traveling during rush hour triple, with discounts of between 25 and 33 percent for trucks with I-PASS that travel in off-peak periods and weekends.

COMMUNICATED THE PLAN

Since the *Open Roads* plan was scheduled to take effect on January 1, 2005, Tollway staff quickly set their focus on communicating the many ways to get an I-PASS and encouraging I-PASS sales by aggressively promoting the time and money savings of I-PASS.

PREPARED FOR A NEW ROAD

Simultaneously, the Engineering staff began laying the groundwork for building a new road, I-355 South. In November, Governor Blagojevich led a groundbreaking ceremony in Will County as hundreds of local residents and business owners cheered on when the first shovel of dirt was pitched for the extension of the North-South Tollway.





“Tollway officials deserve credit for creating a more efficient and open operation. The payback should be public confidence that they can be trusted to embark on the ambitious rebuilding of the system.”

Chicago Tribune, *A green light for the Tollway*, 8-30-04

734,375

I-PASS transponders sold in 2004

OUTREACH CONTINUED

While we prepared for the dozens of construction projects under the *Open Roads* plan, the Tollway broadened its reach to minority and women-owned businesses by creating a Disadvantaged Business Enterprise program to help make it easier for these smaller firms to participate in the contracts that would be awarded under the \$5.3 billion plan.

MADE IT EASIER TO GET AN I-PASS

Per a mandate from the Governor, the Tollway unveiled I-PASS Assist, a plan that makes I-PASS available at a discounted rate for income-eligible

drivers. Additionally, new I-PASS Gift Cards in \$20 and \$50 increments were unveiled as a convenient way to manually replenish I-PASS accounts or to give as a holiday present.

I-PASS SALES SURGED

Since the weeks leading up to the toll increase effective date also coincided with the holiday gift-giving season, customers were encouraged to “beat the rush” and buy their transponders before January 1st, 2005. As a result, I-PASS sales surged to record-setting levels—more than 329,000 transponders were sold in December alone.

measures of success (unaudited)

2004 Reforms Pave Way for Open Roads

INCREASED I-PASS SALES/SERVICE

ACTIVE TRANSPONDERS

2002	887,000
2003	1,114,000
2004	1,800,000

I-PASS USAGE OVERALL

2002	38%
2003	44%
2004	54%

I-PASS USAGE RUSH HOUR

2002	43%
2003	49%
2004	59%

CONGESTION RELIEF

I-PASS TIME SAVINGS TODAY

I-PASS now shaves up to 10 minutes off an average one-way commute on the Tollway (Wilbur Smith and Associates)

I-PASS today saves time **one-way 10 minutes**

FUTURE I-PASS TIME SAVINGS

Through *Open Roads for a Faster Future* (sample one-way trip)

Tri-State (I-394 to I-290) **cars 8–10 minutes**
trucks 10–13 minutes

Northwest (Kennedy to Rt. 59) **cars 10–12 minutes**
trucks 11–13 minutes

Reagan Memorial (Aurora to York) **cars 13–15 minutes**
trucks 15–18 minutes

OUTREACH/SUPPORT

OPINIONS OF THE OPEN ROADS PLAN OF THE 1,404 PEOPLE WHO ATTENDED THE 12 PUBLIC HEARINGS

support	71%
oppose	21%
other	7%

252,000 JOBS CREATED through Open Roads Plan

10,751 LETTERS/PETITIONS supporting Open Roads Plan

MAXIMIZED REVENUE/REDUCED SPENDING

COLLECTIONS FROM TOLL VIOLATORS (IN MILLIONS)

2003	\$18 m
2004	\$13 m
total	\$31 m

SAVINGS THROUGH EFFICIENCIES

\$952,000 FROM SALE OF HELICOPTER redeployed for congestion relief

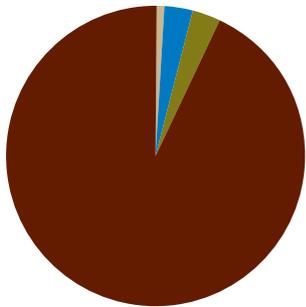
\$6 MILLION SAVED through enhanced I-PASS services, online purchases and account management, new I-PASS call center contract, and discount on transponder costs through Tollway membership in IAG Consortium/E-ZPass



The Tollway has redeployed resources to ensure that toll dollars are efficiently spent.

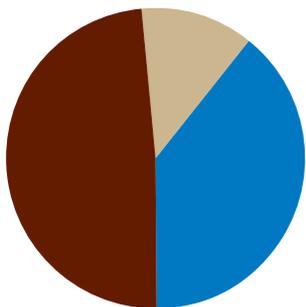
SPENDING TOLLS WISELY

The Illinois Tollway is a user-funded system—only those who use it pay for its construction, operations, maintenance, and debt repayment. The Tollway receives no state or federal funding for road construction.



2004 REVENUE SOURCES

Tolls	\$392m	93.1%	Collected via cash or I-PASS.
Concessions	\$3m	0.7%	Revenues from oases fuel, food and retail sales.
Violations	\$13m	3.1%	Revenue based on collections of violation payments.
Miscellaneous	\$13m	3.1%	Revenues from investment income, permits, grants, fiber optics, etc.
Total	\$421m	100%	



2004 EXPENDITURES

Maintenance & Operations	\$198m	48.8%	Expenditures related to toll collection, traffic control, safety administration and insurance.
Debt Service	\$49m	12.1%	Renewal, Replacement and Improvement—Capital expenditures for system wide maintenance and expansion.
RR & I	\$159m	39.1%	Principal and interest payments on outstanding Tollway bonds.
Total	\$406m	100%	

As part of the ongoing reform efforts to increase transparency, the Tollway implemented Quarterly Financial Reports to assess actual financial performance and ensure spending tracks closely to budget.

The user-friendly nature of the 2004 Budget document was acknowledged by the Government Financial Officers Association (GFOA) for Excellence in Budget Presentations.

Get I-PASS and Get Going!

Illinois Tollway

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Downers Grove, IL 60515

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