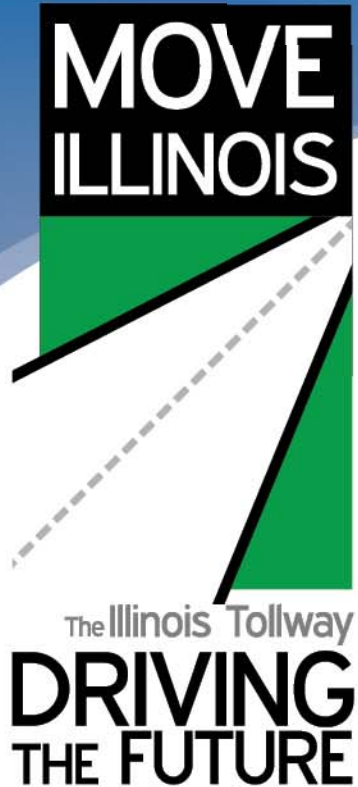


Illinois Route 53/120 Project



Finance Committee

Meeting Eight
September 11, 2014

Lake County Central Permit Facility



Summary of Previous Meeting

□ Meeting #7, July 29, 2014

- Formed three working groups to focus on key subjects
 - Lake County Tolling and Motor Fuel Tax – four meetings
 - Value Capture – three meetings
 - Stewardship Fund – three meetings

Objective of Today's Meeting

- **Provide a report on BRAC innovations and project costs**
- **Report on findings and recommendations of the working groups**
- **Discuss the next steps for the Finance Committee**

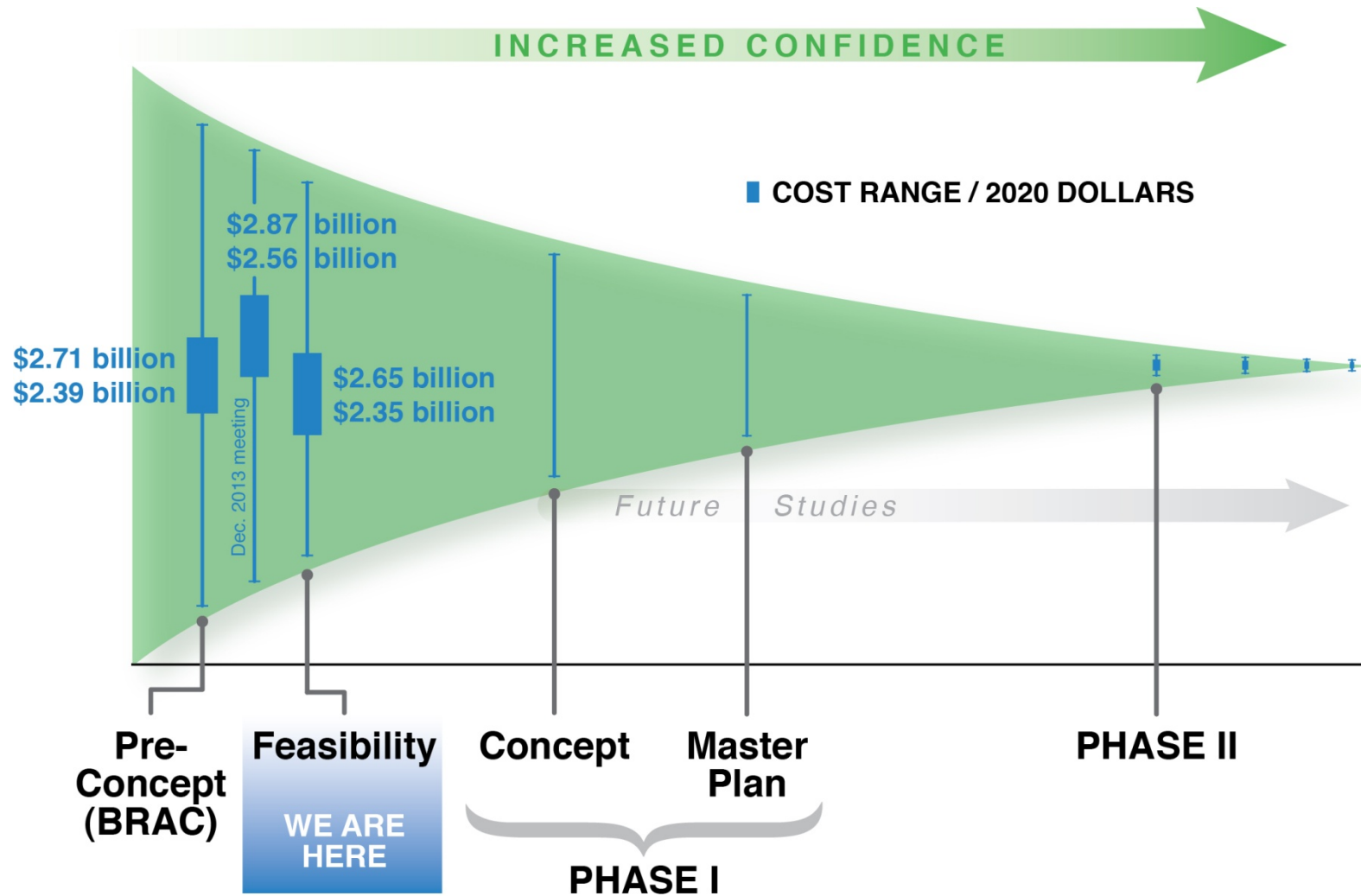


Refined Cost Estimate of BRAC Innovations

- **Cost of BRAC innovations = \$325 – \$400 million***
 - ▣ Higher confidence level of cost estimate
 - ▣ Better definition of design concepts to achieve BRAC innovations through working meetings with BRAC environmental working group, and Lake County Forest Preserve District (LCFPD) and Lake County Stormwater Management Commission (LCSMC)
- **Cost Refinement Areas**
 - ▣ Greater use of wetland banking, naturalized multi-purpose stormwater management and water quality facilities
 - ▣ Wildlife under crossings vs. bridges
 - ▣ Open space connectivity focused near high-quality resource areas
 - ▣ Depressed roadway limitations near floodplains and Advanced Identification (ADID) sites
- **Total project cost = \$2.35 – \$2.65 billion***

*2020 dollars

Theory of Project Cost Estimate



Overview from the Working Groups

- **Lake County Tolling and Motor Fuel Tax (MFT)**

- Marty Buehler - Executive Director, Lake County Transportation Alliance

- **Value Capture**

- Steve Lentz - Mayor, Village of Mundelein

- **Stewardship Fund**

- Brad Leibov - President and CEO, Liberty Prairie Foundation

Lake County Tolling and MFT

- **Adopted objectives to guide our work**
- **Met four times**
- **Considered 15 options**
- **We have recommendations for:**
 - ▣ Tolling strategy in Lake County
 - ▣ Lake County fuel tax strategy
- **Our recommendations can fit in with the ongoing work of the Finance Committee**

Lake County Tolling and MFT

- **Desired outcomes of a Lake County tolling strategy**
 - ▣ Raise revenues for Illinois Route 53/120 Project
 - ▣ Mitigate and minimize diversion onto local roads
 - ▣ Improve tolling equity
 - ▣ Safety is a priority under any tolling scenario



Lake County Tolling and MFT

- **Recommended tolling package**
 - ▣ Indexing and congestion pricing on Illinois Route 53/120
 - ▣ I-94 Deerfield System Approach
 - Install open road mainline toll plaza near Deerfield Road and restore original configuration (original plaza removed in 1998)
 - Reduce toll rate at Waukegan Toll Plaza
 - New tolls at Illinois Route 132, Illinois Route 21 and Illinois Route 120
 - ▣ Estimated bonding capacity is pending final analysis
 - ▣ Full ramp tolling scenario as alternative to Deerfield System Approach



Lake County Tolling and MFT

- **Recommended fuel tax strategy**
 - Amend the 1989 County Motor Fuel Tax law to include Lake County
 - Flat fuel tax (\$0.04 per gallon)
 - 50/50 revenue split between project and other transportation needs in Lake County (first priority - U.S. Route 41 corridor improvements)
 - Estimated bond capacity of \$34 - \$45* million toward project
 - The Tollway, IDOT, and Lake County have discretion in how local funds are allocated to best leverage federal funds
 - Estimated annual revenue of \$5.7 million

*Assumes 20-year borrowing term by Lake County
5.5 percent interest rate for current interest bonds
7.5 percent interest rate for capital appreciation bonds

Lake County Tolling and MFT

- **Other considered strategies**
 - ▣ **Longer-term borrowing** - Low likelihood in getting the needed legislation.
 - ▣ **Lower-cost borrowing (TIFIA)** - Not recommended. Risks to project delivery and budget too great.
 - ▣ **Off-system improvements** - Project elements that may be funded by federal or state dollars and led by an agency other than the Tollway.

Value Capture Working Group

□ **Adopted objectives**

- ▣ Define how this funding mechanism will operate
- ▣ Determine an expected level of revenue available to support the Illinois Route 53/120 Project
- ▣ Identify necessary next steps to implement

Value Capture Working Group

- **Sustainable Transportation Fund**
- **How will this funding mechanism operate?**
 - Dedicate 25 percent of new non-residential development property taxes in one-mile radius of corridor, two-mile radius at interchange
 - Remaining 75 percent is left to underlying districts
- **Expected level of revenue toward project**
 - Projected net present value = \$81- \$108 million*
 - Projected bonding capacity = \$46 - \$61 million* (bonding period of 25 years)
- **Desired as a dedicated source to Stewardship Fund**

*Year 2020 dollars
6 percent interest rate

Value Capture Working Group

□ Recommended next steps

- Garner support from municipalities and underlying districts
- Further analysis needed including market analysis forthcoming from Land Use Plan
- Draft new legislation
 - Create multi-jurisdictional district
 - Funding pledged to Stewardship Fund
 - Examine existing statutes and identify other things desired in new legislation

Environmental Restoration and Stewardship Fund

□ **Adopted objectives**

- 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

Environmental Restoration and Stewardship Fund

□ Purpose

- The Environmental Restoration and Stewardship Fund will provide financial support for the protection and enhancement of the natural resources, including agricultural lands and water bodies, within two miles of the Illinois Route 53/120 roadway. The fund will support efforts to improve the ecological health within the corridor through:
 - Protection and restoration of at least 750 acres of land
 - Long-term stewardship of the current and newly protected lands and other natural resources, including agricultural lands and water bodies
 - Innovative investments intended to remediate ecological health issues that may arise within the corridor
 - Monitoring and study to inform governance and funding priorities

Environmental Restoration and Stewardship Fund

□ Funding Recommendations

- The Environmental Restoration and Stewardship Fund is an essential and integral component of the roadway project and shall be funded as part of the overall project budget.
- Contributions to the fund may include a combination of Tollway revenue, value capture, motor fuels tax or other revenues. Statutory requirements, which may impede the use of such revenues for the express purposes of the fund will need to be considered and addressed.
- The Tollway and Lake County have discretion in how Tollway and local contributions are allocated to the Environmental Restoration and Stewardship Fund.
- While the Environmental Restoration and Stewardship Fund may generally be funded incrementally over time, the commitment to protect and restore at least 750 acres will likely require a mechanism for generating a significant amount of funds upfront or the ability for the fund to finance large capital expenses over time.

Environmental Restoration and Stewardship Fund

□ Governance Recommendations

- The governance of the fund shall be conducted in a transparent and financially accountable manner that inspires a high level of confidence among key stakeholders and the public.
- The governance system for the fund shall be composed of an independent steering committee of Lake County environmental, municipal and elected leaders and also a technical advisory committee that will advise the steering committee. The steering committee will determine funding priorities, make specific funding decisions and evaluate the performance of the fund administrator.
- The steering committee shall be established concurrent with the Tollway Board's advancement of the project.

Environmental Restoration and Stewardship Fund

□ **Governance Recommendations (continued)**

- Comprehensive, baseline environmental data on pre-construction conditions in the roadway corridor is necessary for the technical advisory committee to develop criteria standards and funding priority recommendations.
- The fund administrator, under the direction of the steering committee, shall establish an open and competitive project selection process, protocols for field work evaluation and monitoring, reporting mechanisms and opportunities for public engagement. The administrator shall not be allowed to bid on projects funded by the fund.
- The fund administrator shall be a third-party organization with professional and fiduciary expertise in fund administration, conservation field work evaluation, and reporting.

Lake County Summary

VALUE CAPTURE

- One-mile area with “bump-outs” up to two-miles at interchanges
- New, non-residential growth
- Expansion of existing commercial
- Legislative considerations

\$81 - \$110 million
net present value

MOTOR FUEL TAX

- \$0.04 per gallon Motor Fuel Tax
- 50 percent dedicated to the Illinois Route 53/120 Project
- 50 percent dedicated to U.S. Route 41 rehabilitation project

\$67 - \$89 million
bonding capacity

CONGESTION PRICING AND INDEXING

- Implement congestion pricing and indexing on Illinois Route 53/120
- Use as potential pilot for the Tollway system

\$128 - \$165 million
bonding capacity

Lake County Summary

TRI-STATE TOLLWAY (I-94) TOLLING REVENUE

- Implement Deerfield mainline toll
 - Decrease Waukegan toll
 - Remove Edens Spur toll
 - Address free access points along the Lake County portion of Tri-State Tollway (I-94)
- \$350 - \$450 million
bonding capacity

POTENTIAL GRANT FUNDING

- CMAQ
 - ITEP
- \$55 - \$? million
bonding capacity

BRAC COST REFINEMENTS

- Previous estimates = \$450 – \$600 million
- Revised estimates = \$325 – \$400 million



Confirm Message to Tollway Board Committee

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ILLINOIS**

The Illinois Tollway
**DRIVING
THE FUTURE**

Next Steps

- **Report to the Tollway Board Committee**
Thursday, September 18, 2014
- **Finance Committee Meeting #9**
Wednesday, October 1, 2014
 - ▣ Time change to 10:00 a.m.
 - ▣ Lake County Central Permit Facility
500 Winchester Road
Libertyville, IL 60048
 - ▣ Planned agenda
 - Begin to formulate a financing package



PUBLIC COMMENTS

IL53120Info@getipass.com

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