

Illinois Route 53/120 Project
 Finance Committee Meeting #9
 Roll Call November 13, 2014
 DRAFT Meeting Minutes issued by Lake County

PRESENT	NAME	REPRESENTING
Present	Chris Meister	Co-Chair
Present	Doug Whitley	Co-Chair
Present	Aaron Lawlor	Lake County
Present	George Ranney	Co-Chair, BRAC
Present	Charles Witherington-Perkins	Village of Arlington Heights
Present	Jeffrey Braiman	Village of Buffalo Grove
Present	Michael Ellis	Village of Grayslake
Present	Stephen Park	Village of Gurnee
Present	Linda Soto	Village of Hainesville
Present	Joseph Mancino	Village of Hawthorn Woods
Present	Mike Talbett	Village of Kildeer
Present	Tom Poynton	Village of Lake Zurich
	Matt Dabrowski	Village of Lakemoor
Present	Heather Rowe	Village of Libertyville
	David Lothspeich	Village of Long Grove
Present	Steve Lentz	Village of Mundelein
	Jim Schwantz	Village of Palatine
	Tom Rooney	Village of Rolling Meadows
Present	George Monaco	Village of Round Lake
	Linda Lucassen	Village of Round Lake Park
Present	Dave Brown	Village of Vernon Hills
Present	Burnell Russell	Village of Volo
	Frank Bart/Doug Maxeiner	Village of Wauconda
Unable to attend	Wayne Motley	City of Waukegan
	John Yonan	Cook County Department of Transportation and Highways
Present	Jim Heisler	McHenry County
	Jim LaBelle	Metropolis Strategies
Present	David Stolman	BRAC Founding Co-Chair
Present	Brad Leibov	Liberty Prairie Foundation
Present	Michael Stevens	Lake County Partners
Present	Marty Buehler	Lake County Transportation Alliance
	Senator Althoff	Illinois State Senator Althoff
Unable to attend	Tony Small	Illinois Department of Transportation
Unable to attend	Robin Helmerichs	Federal Highway Administration

General Business

Call to Order, Roll Call and Approval of Meeting Minutes

Doug Whitley (DW) moved to adopt the minutes for both Meeting Seven (Sept. 11, 2014) and Meeting Eight (July 29, 2014), with a motion from **Stephen Park (SP)**, seconded by **Tom Poynton (TP)**. **Joseph Mancino (JM)** abstained from approving either set of meeting minutes, stating that he did not attend the July 29th meeting. **DW** recapped that the total project cost was estimated at a range between \$2.35 and \$2.65 billion and the cost of the BRAC innovations were estimated at \$325 to \$340 million (all costs

expressed in year 2020 dollars). The working groups recommended: (1) a “Sustainable Transportation Fund (STF)” that leverages an increase in adjacent, non-residential land values due to the new road. Revenues directly fund the Environmental Restoration and Stewardship Fund; (2) a flat 4-cent gas tax, of which 50 percent of revenues support the project and the other 50 percent go toward meeting other Lake County transportation needs; and (3) a Lake County tolling package that included a pilot for indexing and congestion pricing along Illinois Route 53/120 and a new I-94 mainline system approach.

When combining the effects of the I-94 new mainline tolling and indexing and congestion pricing along Illinois Route 53/120, an additional \$380-\$510 million in bonding capacity will be generated. If the project received half of the revenues from the gas tax, it would equate to \$34-45 million in bonding capacity. The STF is expected to generate \$81-108 million in net present value. In total, this represents a range of \$495-663 million that could help close the project funding gap. Based on the new total project estimate, toll revenue and proposed funding concepts, **DW** stated that the Committee is approximately 40 percent of the way there. **DW** said he, **Chris Meister (CM)** and **Aaron Lawlor (AL)** plan to update the Illinois Tollway Board Customer Service and Planning Committee with these figures on Tuesday, Nov. 18.

Tollway Executive Director **Kristi Lafleur (KL)** said she was encouraged by the progress of the Committee and she said the Tollway Board should be pleased that their earlier feedback has been taken into account. She said the Tollway Board has always sought local consensus around the project, political and public support to advance the project and a recommended funding plan that proposes how the project can be fully funded. **KL** encouraged the Committee to stay engaged and applauded them for their leadership and time and attention. **KL** also encouraged the Committee to be more specific in terms of what they could support the Tollway in doing to close the remaining funding gap.

CM introduced a proposed timeline to conclude the Finance Committee and distributed a working outline for the final report. Two final meetings are scheduled-- January 20, 2015 and will be committed to reviewing and discussing a draft final report. The final meeting is scheduled for February 26, 2015 during which the goal will be to hold a roll call vote on the final report and recommendation. The final approved report would then be provided to the Tollway Board for their consideration. **DW** urged Committee members to voice any input or changes on the draft outline and he clarified that Committee members would have a chance to see a draft of the report prior to the meeting on Jan. 20. **DW** said his initial comments were to add an appendix to the report that identified Finance Committee members, Tollway staff and consultants working on the project, a timeline of when the Committee met and themes of the various meetings and all references and sources used by the Committee. **Heather Rowe (HR)** requested there be sufficient time for each Committee member to present a report to their respective boards and that an executive summary is included. **DW** said he anticipates that Committee members will have a draft report two weeks prior to the Jan. 20 meeting. **CM** said the hope is that the timeline is sufficient for Committee members to have enough time to consult with their boards and constituents. **CM** suggested the Finance Committee consider a similar document to the Elgin O’Hare West Bypass Advisory Council, which highlighted its points of consensus in a set of Guiding Principles, which summarized the stakeholders’ consensus items on the project for the Tollway Board. **KL** encouraged the Committee to provide more specific terms of what the Committee would support to plug the remaining \$1.63 billion funding gap. **Stephen Park (SP)** asked if the Blue Ribbon Advisory

Council (BRAC) innovations could become a standard for the Tollway to use in general, and also asked what steps will be taken with the Tollway Board after the final report is adopted. **KL** said the newly merged Customer Service Strategic Planning Committee is potentially meeting in March of 2015. The project is significant enough that there will likely be more discussion before the full Board, and if the schedule remains the same, the Board would take the final report under consideration and make a decision. She said she cannot commit to any action, and that is why she urged them for more specificity on how to fund the project.

Aaron Lawlor (AL) said it was important to take a comprehensive view of how they pay for the project and that funding also includes systemwide Toll revenue. Compared to the Elgin O'Hare Western Access, the Illinois Route 53/120 Project is far ahead in contributing local revenue, **AL** said. He cautioned that the final report not limit its financing options. He said he does not want to pin the success of the project to a state capital bill. **AL** said it is a multi-faceted opportunity that may take multiple funding sources and multiple capital bills. **SP** concurred that they examine the total menu of funding options to help them decide what makes most sense in combination. **KL** said knowing that there is broad support of any or all items on that list will be important to the Tollway Board in reaching consensus from local communities. **George Ranney (GR)** reminded the Committee of the importance of the Land Use Committee. Despite its timing being different than the Finance Committee, the Land Use Committee will also confirm that municipalities and Lake County are on board with plans for the road. He said the pressure is on that Committee to tie in with the rest of the project in a timely fashion.

HR asked if there was any anticipation that only parts of the financing formula will be adopted rather than the full report. **CM** said the level of specificity in the final report is critical, but the overriding goal is consensus and being able to articulate that consensus. **DW** said there is incentive for the Finance Committee Report to complete its report by February, so that it may accelerate the work of the Land Use Committee. If the Tollway Board accepts the final report, they will wait to see how the Land Use Committee develops. He said the report should praise all the unique aspects of the process and the road they envision, and if these recommendations are adopted it is a strong statement from Lake County.

AL told the Committee he is cognizant of the need for new legislation to authorize a county-wide gas tax and to create the Sustainable Transportation Fund. **AL** said further discussion around strategy and leveraging partners within the county and across the region is needed. He said that substantial legislation likely cannot be pushed through in one session. It often takes multiple years to educate and refine language that legislators are comfortable with, **AL** said. **CM** said it can take a one-to-three-year cycle of legislative sessions because of the exclusivity of the potential legislation, but having a new general assembly and governor in office presents a rare opportunity in which new ideas are often considered more quickly. **DW** said important legislative changes will need to occur for the financing recommendations to be implemented. Keeping these decisions in the Finance Committee's hands any longer could result in unnecessary delays. He said the Finance Committee will hand off the legislative strategy to **AL** and Lake County to lead for the foreseeable future.

A draft motion was then circulated among the Committee to adopt, calling for a state contribution to the project. **DW** said they have never officially made it an action to ask the state to partner in the

project, and putting a motion on record would allow them a chance to put it in the report. It will then be more apparent when they draft a report that the state is involved. **Brad Leibov (BL)** asked what the estimated cost is for land acquisition if the state were to cover. **DW** said they did not want to provide a specific number, but IDOT has already acquired about 60 percent of the needed land and it will require approximately \$200 million additionally to complete the land acquisition, and that number can rise, the longer it takes to acquire the identified land. It is difficult to place a number on the IDOT contribution, **DW** said, but it is significant to show that the state is a partner in the project. By making it open ended, they can better keep the project pliable to being the beneficiary of multiple capital programs that could occur before and during potential construction.

AL asked what the state's contribution was toward the Elgin O'Hare Western Access. **Rocco Zucchero**, of the Tollway, and **Pete Harmet**, of IDOT, said a \$140 million federal grant and \$35 million state grant contributed toward planning and land acquisition in addition to handing off right-of-way from the existing road, that was worth an estimated \$200 million. **KL** added it is difficult to pin down an exact contribution. **AL** said it is not realistic for one project to claim a quarter of a future capital bill. It will likely take several capital programs to ensure sufficient funding. He said the motion can at least hold the state accountable to be at the table and help fund the project. **George Monaco (GM)** asked if there was a reason to vote on it today. **DW** said the greater detail the Committee can package together the more productive the meeting would be with the Tollway Board Committee on November 18. **SP** added that it would also be beneficial prior to any January discussion as a new administration will then take office and the Finance Committee cannot meet again until Jan. 20. **DW** said he has been involved in the planning and development process for potential capital programs for the state and the Illinois Route 53/120 Project has never consistently appeared on any list. By having this vote, it will elevate the project's status. Despite CMAP's support, it has never showed up as a key component of a capital program, and it is better to have on the list sooner rather than later, **DW** said. **CM** said the communities have a valuable opportunity to deliver a firm and succinct message to policy makers in the Illinois General Assembly and new members of the executive branch.

Charles Witherington-Perkins (CWP) stated that the Illinois Route 53/120 Project is consistent with CMAP's top five new constrained priority projects along with the Elgin O'Hare Western Access, I-294/I-57 interchange, extension of the Red Line and the West Loop Transportation Center. **DW** commented that of the five projects it is the only one not underway. **HR** asked if there is any benefit in asking that as part of the motion they also include that IDOT contribute the land that has already been acquired for the project. **DW** said they have assumed the IDOT land is part of the contribution, but he and **HR** agreed that they include this point in the final report. **GM** asked that they include all past examples of when IDOT has contributed toward expansions or extensions, instead of limiting it to the I-355 extension and Elgin O'Hare Western Access. **RZ** said they could add the I-294/I-57 interchange also be included, as the first phase of the project would never have been completed without IDOT's contribution. **DW** agreed they amend the motion to include the interchange. **CM** said the intent of the motion was to highlight the precedent of significant state funding contribution to large scale Tollway projects.

Action item: On a motion from **Marty Buehler (MB)**, seconded by **Mike Ellis (ME)**, the Committee adopted the motion (as attached).

JM and **GM** abstained from voting on behalf of their villages. **GR** recused himself of voting due to what he called the technical language of the conflict of provisions.

AL then provided the Committee with an overview of the Land Use Committee work. He said the discussion has centered on the detailed planning areas and finalizing hot and cool spot maps to provide a balanced land use plan that both protects open space and natural areas and allows for economic development and local mobility and protects the character of local communities. The first public input session was held Nov. 12 at the Byron Colby Barn at Prairie Crossing in Grayslake. **Jason Navota (JN)**, of CMAP, reported that they 175 people attended to learn about the land use plan and share their values and interests. The next public input session was scheduled for Nov. 19 at Lake Zurich High School. The public has an opportunity to make written input at the open houses or online at www.lakecorridorplan.org. In the first quarter of 2015, the Land Use Committee will refine and review corridor scenarios and work with local partners on detailed planning concepts and develop a strategy on how they will implement the land use plan. In the second quarter, they will develop the draft report and the remainder of the year they will take the plan to the public and attempt to get buy in from communities. **AL** said by design the Land Use Committee started after the Finance Committee to limit the amount of meetings at once, but now it is time to marry the two groups back together, refine value capture estimates, identify areas for wetland mitigation and where stewardship fund investments may take place. It is not just a roadway but a conservation network that is critical to Lake County, **AL** said. The job now is to bring the Land Use Committee up to speed with the Finance Committee.

In closing, **Aimee Lee (ALee)**, of the Tollway, reminded the Committee to review the working outline for the draft final report and provide her with any comments. The Tollway Board Committee meeting will be held on Nov. 18 at 9 a.m. The next Finance Committee meeting will be held Jan. 20, 2015. The last meeting is scheduled for Feb. 26, 2015, at which point discussion regarding the adoption of the final report will take place.

There was no public comment. On a motion from **SP**, seconded by **Jeffrey Braiman (JB)**, the Committee officially adjourned at 3:16 p.m.