

Illinois Route 53/120 Project
 Finance Committee Meeting #10
 Roll Call January 20, 2015
 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
	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
	Tom Poynton	Village of Lake Zurich
Present	Matt Dabrowski	Village of Lakemoor
Present	Heather Rowe	Village of Libertyville
Present	Angie Underwood	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
	Doug Maxeiner	Village of Wauconda
	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
Present	Pete Harmet	Illinois Department of Transportation
	Robin Helmerichs	Federal Highway Administration

General Business

Call to Order, Roll Call and Approval of Meeting Minutes

On a motion from **Mike Talbett (MT)**, seconded by **Stephen Park (SP)**, the meeting minutes from the previous meeting were approved. **Doug Whitley (DW)** then reviewed the work and progress of the Finance Committee. **DW** said at the last meeting on November 13, 2014, the Committee reported preliminary funding recommendations for local contribution and also adopted a resolution calling for a state funding contribution toward all future needed land acquisition. **Aaron Lawlor (AL)** briefly

commented on the November 18, 2014 Tollway Board Committee Meeting at which he and Co-Chair **Chris Meister (CM)** presented. **AL** said the meeting was positive and offered a chance to lay out the Committee's working thoughts about a funding plan. **DW** said on December 18 draft recommendations were distributed to the Finance Committee, serving as a synopsis that could be early socialized with village boards and local constituents. Following that, a draft final report and recommendations document was distributed on January 13, 2015. **DW** said few comments had been received to date. He encouraged more comments before the Committee's next meeting. **DW** said the final report summarizes the committee and working group meetings, and includes six financing recommendations, two future action items and a conclusion. He said the report builds off of the recommendations proposed by the working groups to the full Committee in December. The intent of today's meeting was to discuss any initial comments to the report.

DW said financing recommendations consist of innovative local contributions. The Sustainable Transportation Fund (STF) is a mechanism intended to generate revenue for the Environmental Restoration and Stewardship Fund (ERSF), a requisite component of the project. **DW** said the report lays out the concept of how the STF would function but does not go into detail. Lake County will take the lead on advancing and shaping this through legislation in Springfield. **George Monaco (GM)** questioned the use of value capture, stating that it will be a difficult sell to local municipalities on a "new tax" and was under the impression that value capture was already dismissed as an option. **AL** explained that it was not a "new tax" and that they are capturing 25 percent of new non-residential growth and that the other 75 percent will benefit local taxing bodies. He said it is a local revenue source that would be used to fund local projects, and that 75 percent is an improvement over 100 percent of nothing. **Heather Rowe (HR)** confirmed that the 25 percent targets new non-residential development. **SP** also clarified that value capture was not dismissed, but rather that more specifically Special Service Areas (SSA) were rejected. He said it is not a new tax because Lake County cannot afford new taxes. **Matt Dabrowski (MD)** asked if it will be considered a "perpetual tax" on that value. He stated that smaller towns will be at a competitive disadvantage with other small towns outside of the STF district. **Joseph Mancino (JM)** said a new road will create traffic and that traffic will generate a greater chance to capture the increase in value. **DW** said he understood it not as a perpetual tax, but a revenue generating resource to help fully fund the ERSF. **GM** questioned why they would divert money from schools to a toll road. **Steve Lentz (SL)** explained to **GM** that the revenue created was not going to the roadway but rather to the ERSF and that new development will not occur without the road. **Brad Leibov (BL)**, who chaired the ERSF subcommittee, said his group looked at defining the purpose of the ERSF and not its funding source. He said if funds do not materialize, then there would be a problem. **Jeffrey Braiman (JB)** responded that the legislation will shape the STF and that the goal of the STF is to fund the \$81 million needed for the ERSF. The term of the STF could end upon fulfillment of the \$81 million need for the ERSF.

The Committee then discussed the recommendation to include Lake County in the 4-cent-per-gallon county option fuel tax. This new gas tax would commit 50 percent of revenues to the Illinois Route 53/120 Project with remaining revenue committed to other transportation priorities in Lake County. **AL** pointed out the topic corresponded with language on page 21 of the report. **Paula Trigg (PT)**, of Lake County, said other counties use it as an option tax in which they can use funds on state as well as county

roads. **DW** said Kane County uses it on all infrastructure projects. **Jim Heisler (JH)** confirmed that McHenry County uses all its gas tax revenue on infrastructure projects as well. **Rocco Zuccherro (RZ)**, of the Tollway, commented on how DuPage County has been instrumental in helping fund projects like the Eola Road interchange at I-88 and the Elgin O'Hare Western Access (EOWA). Kane and McHenry County also helped fund projects like the I-90/Illinois Route 47 interchange in Huntley and Cook County has assisted with funding off-system projects on the Elgin-O'Hare. **Marty Buehler (MB)** said the working group assessed how the gas tax would be implemented from a conceptual level, and not designed to provide technical recommendations about what other county priorities should be funded. **JM** said the gas tax revenue however could help underdeveloped county roads. **SP** said the local roads carrying increased traffic near the new Route 53 extension would also benefit from this funding. **GM** said he would support a gas tax if it could provide a benefit for these county roads. **AL** added that once the bonding commitment to the project is paid off, they will still have funds available to make improvements across the county.

The Committee discussed local support for innovative tolling strategies, featured on pages 19 and 20 of the report. The new tolling strategy affirms the Blue Ribbon Advisory Council's (BRAC) proposal of a tolled roadway consistent with national average for new projects of 20 cents per mile. It supports indexing and congestion pricing as a pilot for implementation across the Tollway system and supports a strategy to restructure I-94 tolls in Lake County to raise revenue, promote toll equity and mitigate diversions on to local roads. **RZ** explained to **JM** that 20 cents a mile is on pace with national toll rates for new projects. Although the Illinois Tollway rates are on average of 6 cents per mile, newer projects, such as the I-355 south extension (15 cents per mile), and the EOWA (20 cents per mile) are on par with national averages.

The Committee also noted that a state funding contribution was essential, as documented on page 25 of the report. This financing recommendation builds off of a resolution from the last meeting, which calls on the state to include the project in future Illinois Department of Transportation (IDOT) multi-year plans and that IDOT should complete land acquisition for the project and dedicate property already acquired to the project. **JM** asked if they could specify what funds would be allocated under section 9.5 on page 25. **DW** said this section allows the Tollway and Lake County the opportunity to maximize and leverage dollars. To avoid federalizing the entire project, **SP** noted that federal funding, such as CMAQ, can be applied by a county or local agency for off system projects that complement the Route 53/120 Project. **BL** also indicated that this section was in recognition that the County and Tollway may have statutory restrictions on how toll and other revenues can be used. This recommendation simply gives the Tollway and Lake County some discretion over how funds are allocated to the project in a way that can both bring in more outside dollars and comply with governing statutes.

Referring to maps on pages 10 and 12 of the report, **Linda Soto (LS)** raised concern with remaining congestion in 2040 in the Hainesville area where some off-system projects could be considered. **Jeff Hall**, of TranSystems, said one map presents where congestion currently is and the other map displays how the new roadway could impact future congestion, but it does not study future interchanges or any proposed improvements. A future Phase I study would more closely examine these issues. **Action items:** **LS** asked for more information on how Figure 2 was derived. **George Ranney (GR)** stated that Figure 1 on

page 10 did not show current improvements along Illinois Route 45, and he said the colors used on the map were confusing. He requested maps be revised accordingly.

Local partners will also seek federal money for stand-alone projects in a similar manner to the EOWA, as alluded to on page 25 of the report. **Pete Harmet (PH)** said federal funding is used primarily and to the greatest extent at the state and county level. During the EOWA process, **PH** said they made the whole project available for federal funding. In addition to the Tollway and Lake County maintaining discretion over allocation of funds to best leverage potential federal dollars, **DW** said the Committee's report called on the remainder of the funding gap to be addressed through systemwide revenue and that the Tollway Board identify the Illinois Route 53/120 Project as its next priority project.

DW continued to step through the remaining sections of the report. Recommended future actions included legislative work to create the STF, establish the ERSF and authorize the four cents per gallon gas tax. The Committee also encouraged continued stakeholder participation and discussion through finalizing the corridor land use plan and future Tollway community and stakeholder participation. **HR** said it would be helpful if information being developed through the Land Use Plan were available to take to taxing bodies when explaining the STF and illustrating how the concept will benefit them. She said it will be difficult to provide a recommendation and push too far on financing without the land use component being complete. To that point, **AL** said section 9.8 of the report on page 26, which calls for continued stakeholder participation and discussion, is critical to complete the project, while being mindful that the land use work is still being developed. He added that it will be a 75 percent benefit based on the new resources captured. **MD** confirmed that the 25 percent tax rate was not a county rate but the total rate. **AL** said it covers 25 percent of all new non-residential growth in the proposed district. **Jason Navota (JN)**, of CMAP, said the Land Use Committee was shooting to be done by June, but would work with any communities afterwards about any unresolved issues. Referring to section 9.7 of the report on page 26, **Action items: JM** stated that the legislative actions required should be expanded to include municipalities. **AL** committed to working with **JM** on new language. **JN** said CMAP would work with and provide **HR** and any other Committee members with updated market figures and requested data.

The recommendation concludes that the Committee has developed an innovative plan that supports new and creative funding and generates a package of \$745 to \$993 million toward the project. Continued engagement and coordination with local stakeholders will be critical to maintain consensus. **Action items: DW** asked if it would be beneficial to begin discussing the report to the news media before or after the Committee approved it. **AL** suggested they wait until after.

In closing, **DW** alerted the Committee that he had spoken with Randy Blankenhorn, Governor Bruce Rauner's nominee for Illinois Secretary of Transportation, and **DW** said he conveyed to him the progress of the Committee and the advancement of the project.

After an approved motion, the Committee officially adjourned at 3:35 p.m.