Illinois Route 53/120 Project
Finance Committee Meeting #10
Roll Call January 20, 2015
Meeting Minutes issued by Lake County

Present

NAME

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 Brainman 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
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
Present Jim Schwantz Village of Palatine
Present Tom Rooney Village of Rolling Meadows
Present George Monaco Village of Round Lake
Present Linda Lucassen Village of Round Lake Park
Present Dave Brown Village of Vernon Hills
Present Burrell Russell Village of Volo
Present Doug Maxeiner Village of Wauconda
Present Wayne Motley City of Waukegan
Present John Yonan Cook County Department of Transportation
Present Jim Heisler McHenry County
Present 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
Present Senator Althoff Illinois State Senator Althoff
Present Pete Harmet Illinois Department of Transportation
Present 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 Brainman (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
increased

Referring
to
plans
The
improvements
on
the
Project.

McHenry
also
helped
fund
projects
like
the
Eola
Road
interchange
at
I-88
and
the
Elgin
O’Hare
Western
Access
(EOWA).
Kane
and
McHenry
County
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
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
diagrams
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.