

Item #5A:

Village President Underwood:

IL Route 53 Extension - Finance Committee Meeting

July 31, 2014

David Lothspeich

From: Illinois Tollway [info@mail.openroadsahead.com]
Sent: Friday, August 01, 2014 10:20 AM
To: David Lothspeich
Subject: Illinois Route 53-120 Finance Committee Working Group Meeting Notice

[View this message in a browser.](#)



The Illinois Tollway invites you to attend the Illinois Route 53/120 Project Finance Committee Working Group Meeting

**Tuesday, August 5, 2014
2:00 - 3:30 p.m.**

Lake County Division of Transportation, Main Conference Room
600 West Winchester Road
Libertyville, Illinois 60048
[map/directions](#)

Lake County Tolling and Motor Fuel Tax Working Group
[add to your Outlook](#)

The agenda will include the following:

1. Establish working group objectives
2. Tolling along Illinois Route 53/120
3. Tolling along the Tri-State Tollway (I-94)
4. Motor fuel tax
5. Discuss desired research and analysis
6. Next steps

RSVP by August 4 to: Cathy Valente, (847) 217-5004 or cvalente@getipass.com.

Agendas, presentations and reports from the Finance Committee will be available in the Community Outreach section on the [Illinois Tollway's website](#). Please don't hesitate to contact us with any questions.

Illinois Route 53/120 Project

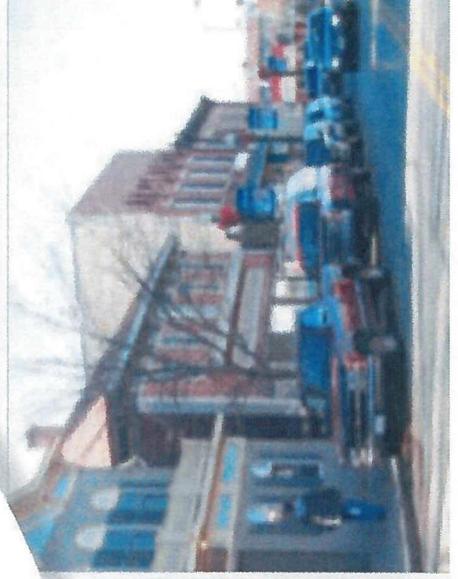
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Finance Committee

**Meeting Seven
July 29, 2014**

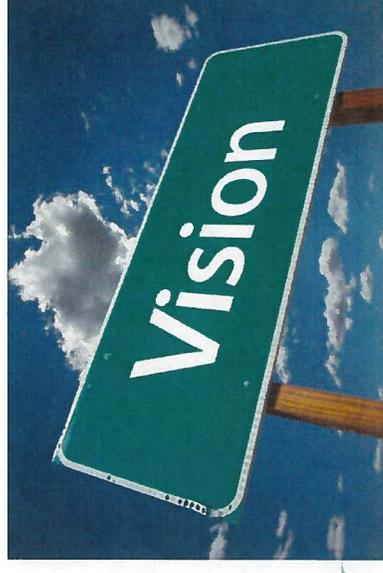
Lake County Central Permit Facility

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Role of Finance Committee

- **Finance Committee will be responsible for developing a viable and sustainable plan**
 - **Co-chairs, Tollway and consultant team here to support, conduct studies and analyses**
- **Develop a strategy to help close the funding gap**



Summary of Previous Meeting

- **Meeting #6, June 30, 2014**
- **Recap of May 21 Tollway Board Committee Meeting**
 - A local contribution is necessary and must be fair in context to the overall Tollway system
 - The local contribution should include the cost of the BRAC innovations
- **Reviewed background and context of the BRAC innovations**
- **Preliminary estimate for cost of BRAC innovations is \$450 to \$600 million (2020 dollars)**
- **Next steps to identify opportunities for BRAC innovations scope refinement and provide refined cost estimate**



LAKE COUNTY UPDATE

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Moving Forward

- Form working groups focused on key subjects
- Opportunity for more in-depth discussion
- Bring recommendations back to next meeting (tentatively September 11)



Value Capture (TIF) Working Group

- **Define structure and parameters of the mechanism to be used**
 - ▣ Corridor-wide districts vs. individual districts
 - ▣ New development vs. existing development
 - ▣ Inclusion of residential development
- **How much revenue would be generated to support the project?**
- **Identify necessary next steps to implement (e.g., legislation)**

Tolling in Lake County Working Group

- **Recommend a Lake County tolling strategy**
- **How much revenue would be generated to support the project?**
- **Form a recommendation and justification for what share of these revenues should be considered a local contribution**

Environmental Stewardship Fund Working Group

- What local funding sources should be used to support this fund?**
- What is a possible structure for governance and management of this fund?**

Other Working Groups?

- Others?

QUESTIONS AND ANSWERS

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Next Steps

- Working group meetings TBD
- Finance Committee Meeting #8
Thursday, September 11, 2014
 - Lake County Central Permit Facility
500 Winchester Road
Libertyville, IL 60048
 - Planned Agenda:
 - Report on potential cost refinements
 - Identify likely financing strategies
 - Begin to formulate a financing package

PUBLIC COMMENTS

IL53120Info@getipass.com

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THANK YOU!

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Lake County | updated: 7/30/2014 5:10 AM

How the Route 53/120 extension could be funded

Group eliminates some options



Video: Funding the Route 53 Extension



Mick Zawislak

A panel studying ways to fund a proposed Route 53/120 extension into Lake County has eliminated some possibilities and will gather details on others in coming weeks.

Tolling and/or widening the existing Route 53 south of Lake-Cook Road essentially was dropped from consideration Tuesday by a committee of about two dozen local officials and

others, who will make a recommendation to the Illinois State Toll Highway Authority.

"That's pretty much off the board," said Doug Whitley, co-chair of the finance committee. Pursuing that would add more layers to an already complex review process, and rebuilding the road would be too expensive to serve as a revenue source for the extension, he added.

Establishing special service areas along the route or increasing sales taxes in Lake County were regarded as low-priority possibilities, and also will not be pursued as the committee continues its work.

But that still leaves a fairly broad menu of selections to pay for the road, including a required local contribution toward the \$2.87 billion proposed project.

"Our job is to develop a funding strategy that we can recommend to the (tollway) board in good conscience," Whitley said to start the meeting at the Lake County Central Permit facility in Libertyville.

Congestion pricing, increasing the toll at the Waukegan plaza and/or adding tolls at Route 132 and tolling at the Illinois border will remain in play, as will establishing a 4-cent per gallon gas tax in Lake County.

Other possibilities include a so-called value capture component, which would establish tax increment financing districts on new nonresidential development. There, a portion of the higher property tax generated as the value of the land increased would be used to help pay for the road.

"Let's figure out a mix that provides the best opportunity ... so that we can fund the project with the least possible impact on our residents," said Steve Park, a Gurnee village trustee who represents the village on the panel.

The group unanimously decided to form three working groups focused on key areas.

The value capture group would define the structure of the method to be used and determine how much revenue would be generated; another would recommend a tolling strategy in Lake County; and the third would deal with how to pay for and manage an \$81 million environmental stewardship fund.

Tollway Executive Director Kristi Lafleur attended the meeting and praised the group for making "tremendous progress."

Efforts continue to find potential savings in the estimated \$450 million to \$600 million cost of innovations to be incorporated in the new road.