

Item #5A:

Village President Underwood

IL Route 53 Extension - Finance Committee Presentation #1

Illinois Route 53/120

**MOVE
ILLINOIS**

The Illinois Tollway
**DRIVING
THE FUTURE**

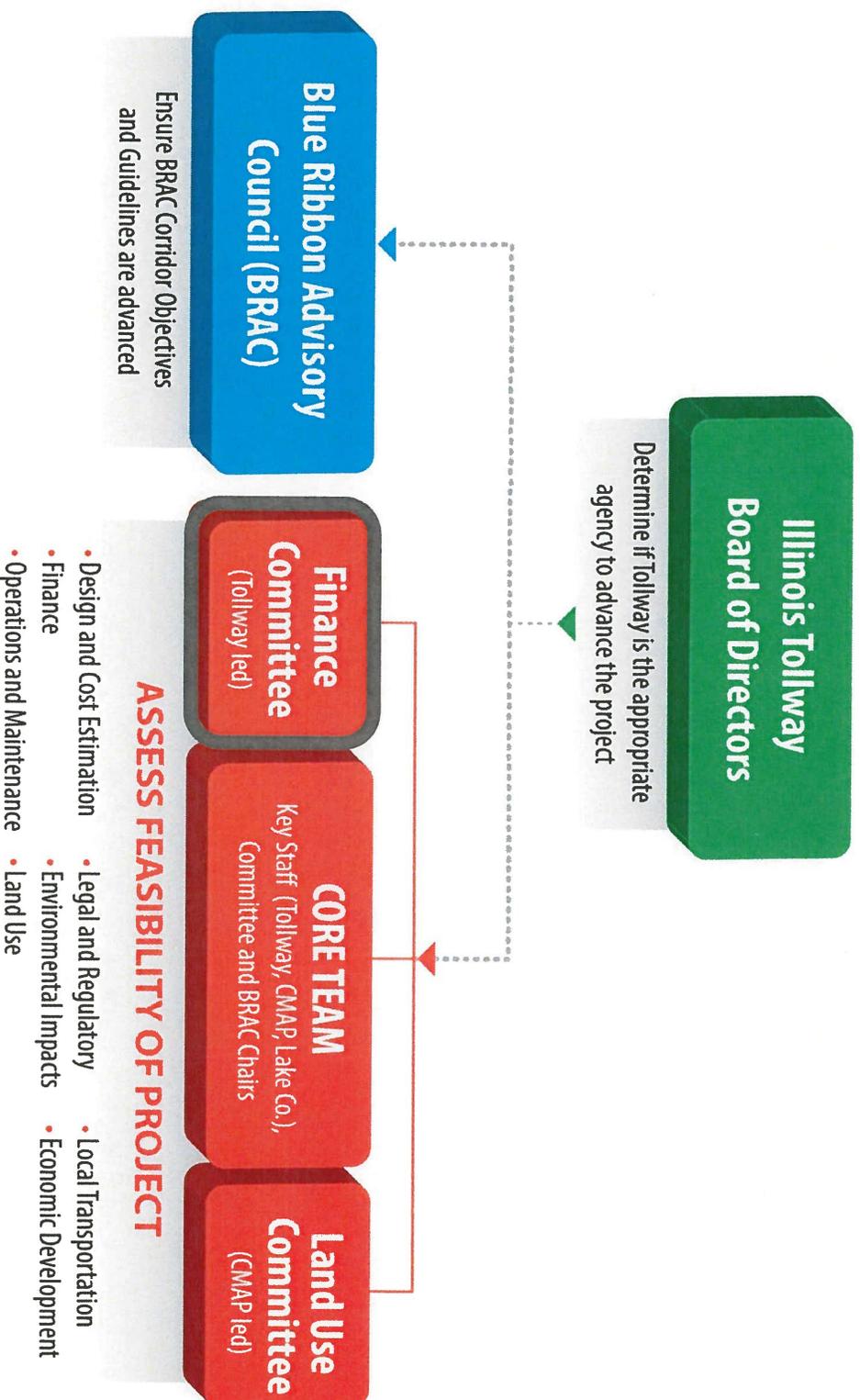
Finance Committee

**Meeting One
October 21, 2013**

Lake County Central Permit Facility



Collaborative Partners



Illinois Route 53/120 Finance Committee

Goal

- Financing strategy to implement project

Approach

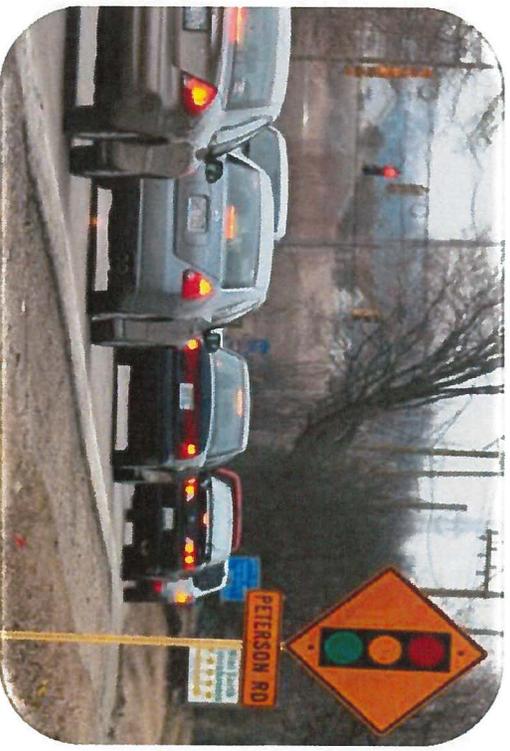
- Must be based on consensus

Deadline

- End of 2014 – recommendation to the Tollway Board

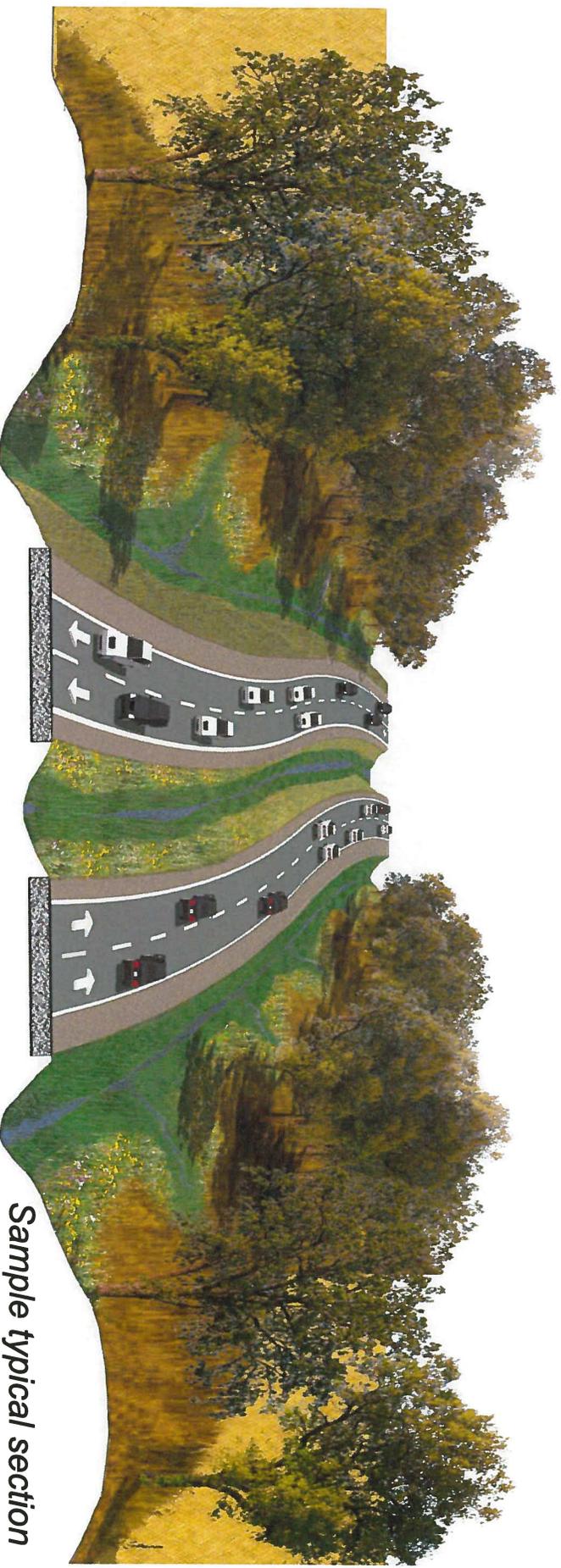
Lake County Travel Patterns

- County Board strategic goal to reduce congestion and improve transportation in the County
- Project Benefits
 - ▣ Improve travel by reducing congestion
 - ▣ Improved access
 - ▣ Long term economic developments
 - ▣ Improve air quality by reducing fuel consumption
- 76% of County voters endorsed this project through 2009 referendum



Balanced Vision for the Corridor

- Limited-access, tolled parkway
- Small footprint, 4 lanes, 45 mph
- Environmental enhancements and performance standards
- Innovative design



BRAC Project Financing Conclusions

Funding from tolls on the new roadway is insufficient to cover the project's costs.



Total Capital Cost \$2.5B*
(\$2.3-2.7B)



- Bonding Capacity
- Funding Gap

**Planning level estimate based on available data, mid-point used.
BRAC work did not include operations and maintenance costs.*



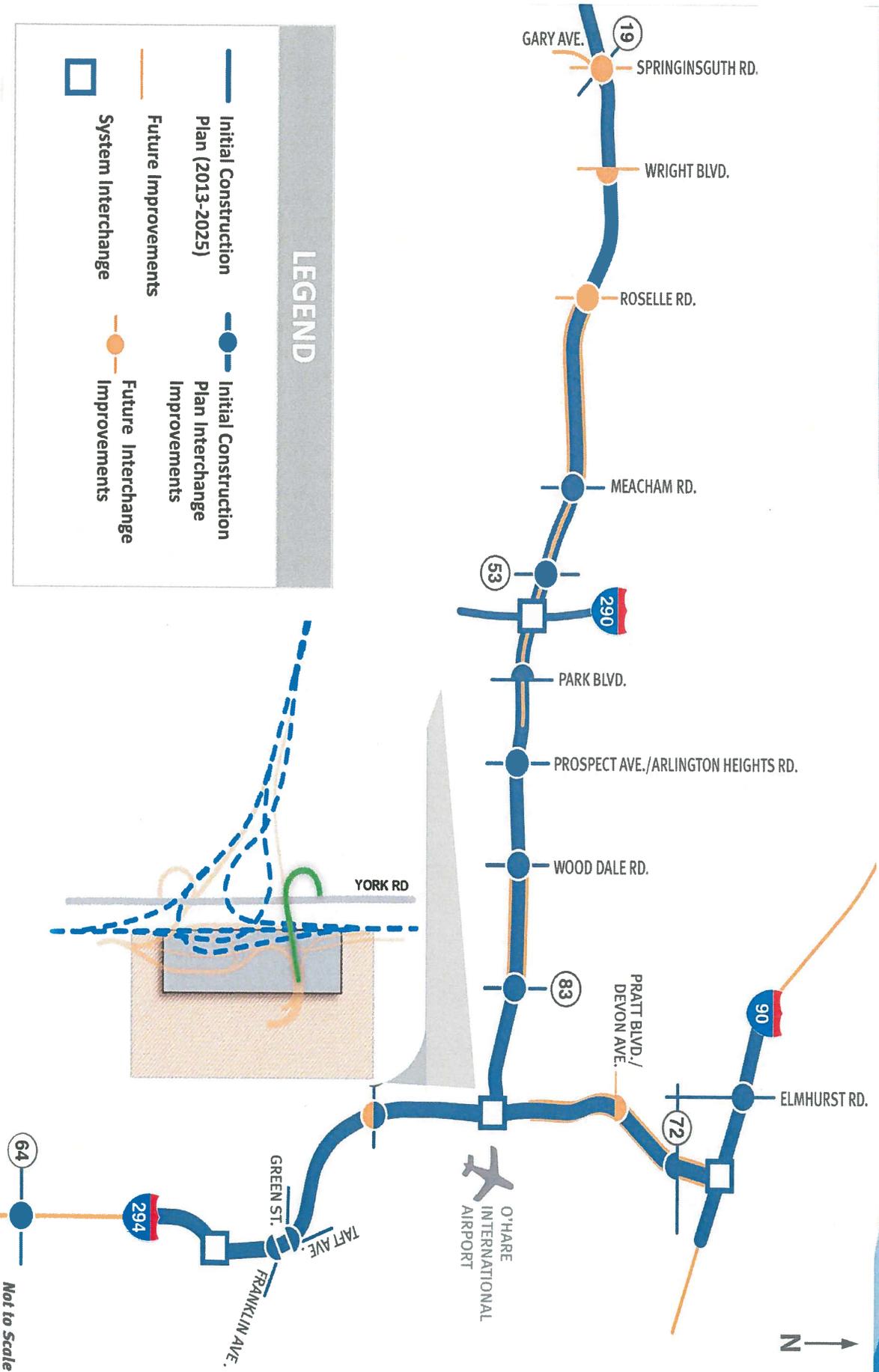
Closing a Funding Gap: EOWA Experience

EOWA Funding History Timeline

| Funding Source | End Tier One EIS June 2010 | Pre-Advisory Council October 2010 | Final Advisory Council June 2011 | Move Illinois Approval August 2011 |
|---|-------------------------------|--------------------------------------|-------------------------------------|---------------------------------------|
| Tollway systemwide toll revenue and bonding | \$0 | \$0 | \$720-\$805 million ⁴ | \$2.4 billion |
| Elgin O'Hare Western Access toll revenue | \$0 | \$350 million ³ | \$515-\$585 million ⁵ | \$700 million ⁵ |
| Funding gap | \$5.8 billion ¹ | \$5.5 billion ¹ | \$2.0 - \$2.2 billion ¹ | \$300 million ¹ |
| Total Project Cost | \$5.8 billion ^{1,2} | \$5.8 billion ¹ | \$3.4 billion ¹ | \$3.4 billion ¹ |

- 1 - Cost escalated to actual year of implementation (2013-2025) in *Move Illinois* Program
- 2 - \$175 million federal earmark and state match used for environmental, engineering and ROW.
- 3 - Estimated toll revenue for new roadway only for full-build (\$5.8 billion) project.
- 4 - Assumed 100 percent systemwide toll increase with a portion allocated toward the EOWA.
- 5 - Includes revenue and bonding capacity from both existing and new roads.

EOWA Initial Construction Plan 2013-2025



Role of Finance Committee

- Answers these questions
 - *Is the project feasible?*
 - *Should the Tollway build it?*



- Achieve Consensus on viable and sustainable plan to finance the entire project

- Forward final recommendations to the Illinois Tollway Board of Directors by the end of 2014

Strategy for Closing the Gap

Topics

- Refine project cost estimates
- Funding options
- Regulatory issues
- How public financing works
- Refine revenue estimates

Timeframe

- Late Spring 2014 – establish funding gap
- Summer through Fall 2014 – develop consensus strategy
- November 2014 – committee vote
- December 2014 – recommendation to Tollway Board

QUESTIONS and ANSWERS

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Future Meetings

- Meeting #2: Early December 2013
- Meeting #3: Late January/February 2014

Future meetings to be held on a monthly basis

Information or questions:

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PUBLIC COMMENTS

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THANK YOU!

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