

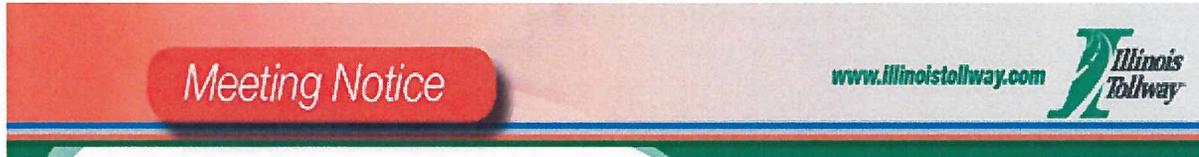
**Item #7C:**

**Village President Underwood**

IL Route 53 Extension - Finance Committee Meeting - June 30, 2014

**From:** Illinois Tollway [info@mail.openroadsahead.com]  
**Sent:** Monday, June 23, 2014 10:31 AM  
**To:** David Lothspeich  
**Subject:** Illinois Route 53-120 Finance Committee Meeting Notice

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



**The Illinois Tollway invites you to attend the  
Illinois Route 53/120 Project  
Finance Committee Meeting #6**

***Monday, June 30, 2014  
10:00 a.m. - noon***

**Lake County Central Permit Facility, 2nd Floor  
500 West Winchester Road  
Libertyville, Illinois 60048**

[map/directions](#) / [add to your Outlook](#)

**The agenda will include the following:**

- I. Roll call
- II. Approve May 8, 2014, meeting minutes
- III. Discussion of Blue Ribbon Advisory Council recommendations
- IV. Next steps
- V. Public comments
- VI. Adjournment

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RSVP by June 27 to: **Cathy Valente, (847) 217-5004** or [cvalente@getipass.com](mailto: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 Six  
June 30, 2014**

Lake County Central Permit Facility



## Objective of Today's Meeting

- ❑ **Recap of May 21 Tollway Board Committee Meeting**
- ❑ **Preview of preliminary information being prepared for Tollway Board Committee Briefing**
- ❑ **Discussion of next steps for the Finance Committee**



## May 21 Tollway Board Committee Feedback and Discussion

- Tollway Directors stressed that a local contribution is necessary for project advancement
- The local contribution should reflect the context of the full package of recommendations, with the cost of the Blue Ribbon Advisory Committee (BRAC) innovations being a starting point
- Local contribution must be deemed fair in context to the overall tollway system
- What are the cost implications of the BRAC Recommendation within the context of the overall project?
- What were the results of the User Survey?
  - Handout will be provided

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Finance Committee

## Preview of Information for Tollway Board Committee

### Context:

- The Innovative BRAC Recommendations address a unique project setting
- The Tollway recognizes the unique project setting and the objective to accomplish the innovative BRAC Recommendations
- Today's status report on the cost of the BRAC innovations and potential cost refinements is informational, but sets the table for the remaining Finance Committee work
- Questions?

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Finance Committee

## Review of Project Setting and Innovative BRAC Recommendations

### George Ranney

- ▣ Co-Chair of the Illinois 53/120 Blue Ribbon Advisory Council
- ▣ President and CEO of Metropolis Strategies

### Mike Sands

- ▣ Chairperson of the BRAC Environmental Working Group
- ▣ Senior Associate at the Liberty Prairie Foundation

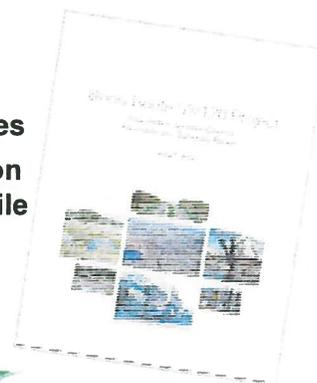


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Finance Committee

## Context for Blue Ribbon Advisory Council

- ▣ Modern roads must be adapted to their unique environmental setting
- ▣ The full impact must be mitigated as a project cost, not as an “external cost” paid for by others
- ▣ The Illinois Route 53 Extension has not moved forward because of these community and environmental challenges
- ▣ The recommendations of the Blue Ribbon Advisory Council (BRAC) provide a fragile coalition of support for moving the project forward



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## Objectives of BRAC Innovations

### □ An Innovative Context Sensitive Solution driven by Guiding Principles:

- Unique project setting (environment and communities)
- Enhance mobility, accessibility and relieve congestion
- Seek innovative, safe, integrated, multi-modal design solutions that also preserves the environment, communities, and enhances economic vitality
- Minimize environmental impacts and long term impacts
- Promote environmental features and sustainable practices in all aspects of the project
- Develop and apply innovations to create a 21<sup>st</sup> Century modern boulevard



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Finance Committee

## Objectives of BRAC Innovations

### □ Principal design standards

- Tolled parkway
- 4-lanes and 45 mph
- Roadway design to minimize impacts
- Connectivity



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## Objectives of BRAC Innovations

- **Principal performance standards**
  - Resource protection and enhancement
  - Impact mitigation
  - Quality assurance



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## Objectives of BRAC Innovations

### Stewardship Fund:

- Long term protection and enhancement of environmental resources
- At least 750 acres land restoration and protection
- Long term monitoring and stewardship by partner organizations
- Protocols and legal funding structure are to be determined
- Amount established by BRAC Report
  - Cost of \$81 million\* or 2.8 percent of project cost (First of its kind implementation)



\*2020 dollars

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Finance Committee

## Preliminary Cost Analysis

- ❑ **Total project cost = \$2.870 billion\***  
(all-in implementation, per BRAC recommendations, year 2020)
- ❑ **Cost of BRAC Innovations = \$450 - \$600 million\***  
(16 - 20 percent of project cost)
  - ❑ Innovation cost elements include roadway design, environmental mitigation, and the stewardship fund
  - ❑ Relative to a traditional Tollway project
  - ❑ Based on engineering Plans of Record (2001) relative to roadway elevation
  - ❑ Contingent upon alternatives and future engineering developments
- ❑ **Evaluation ongoing with further information at next Finance Committee meeting July 29**
- ❑ **A few examples of potential opportunities for cost refinements**

\*2020 dollars

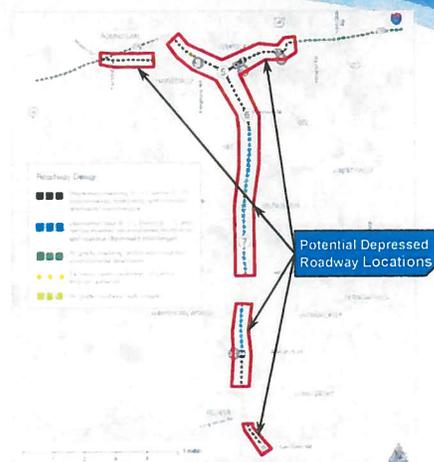
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Finance Committee

## Opportunities for Cost Refinement

### Depressed roadway

- ❑ **Cost assumes depressed roadway areas per BRAC Report**
- ❑ **Cost includes earthwork, retaining walls, pump stations, and groundwater pumping**
- ❑ **Potential cost refinements based on coordinating high benefit areas with design requirements**



Proposed Depressed Roadway Illustration



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## A Look Back and Ahead...

- Meeting 1: Initiate the Committee, project background
- Meeting 2: Presented refined project cost
- Meeting 3: Basics of project financing and Tollway cost sharing policy
- Meeting 4: Preliminary traffic and revenue forecasts, established gap, breakout session on funding options
- Meeting 5: Developed Committee's mid-term update to Tollway
- Meeting 6: Tollway Board Committee Feedback
- **Meeting 7 (July): Identify local contribution target, assess feasibility of and prioritize local funding options**
- **Meeting 8 (September): Identify uses and sources of funding**
- **Meeting 9 (October): Nail down major aspects of the recommendation**
- **Meetings 10-?: Discuss draft recommendation and approve final**

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Finance Committee

## QUESTIONS AND ANSWERS

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## Next Steps

- ▣ **Finance Committee Meeting #7,  
Tuesday, July 29, 2014**
  - ▣ Lake County Central Permit Facility  
500 Winchester Road  
Libertyville, IL 60048
  - ▣ **Planned Agenda:**
    - Final report on potential cost refinements
    - Refined bonding capacity estimates
    - Prioritization of financing strategies
    - Local contribution levels
    - Begin to formulate a financing package

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## PUBLIC COMMENTS

[IL53120Info@getipass.com](mailto:IL53120Info@getipass.com)

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**THANK YOU!**

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### Menu of Funding and Financing Options

The following table represents a number of options for funding and financing the Route 53/120 project. All options shown in this menu are based on Alignment 2. Menu items 1-4 were developed by CMAP.

**Figure 13:** Menu of Funding and Financing Options

Menu of Options		Cost	Gross Revenue	Bonding Capacity (Rate and term shown to left)
1	<b>Value Capture: Special Service Area (SSA)</b> 2020\$. Assumes SSA tax rate of 0.50%. Shows original and expanded VC area. Expanded area applies a lower tax rate of 0.21% in Cook County. Ranges reflect standard bonding and TIFIA bonding. Excludes existing residential.		--	Smaller VC Area = \$20M - \$66M Expanded VC Area = \$69M to \$176M
2	<b>Value Capture: Tax Increment Finance (TIF) District</b> 2020\$. Assumes 50% diversion to underlying districts. Shows original and expanded VC area. Ranges reflect standard bonding and TIFIA bonding. Excludes existing residential.		--	Smaller VC Area = \$35M - \$269M Expanded VC Area = \$193M - \$626M
3A	<b>0.25% Lake County Sales Tax</b> All bonding capacity assumes 2020\$. Ranges reflect standard Lake County bonding (20 year) and TIFIA bonding.		\$24M - \$30M	\$192M - \$287M
3B	<b>0.50% Lake County Sales Tax</b> All bonding capacity assumes 2020\$. Ranges reflect standard Lake County bonding (20 year) and TIFIA bonding.		\$49M - \$60M	\$384M - \$573M
4	<b>Lake County Motor Fuels Tax (Four-Cents)</b> All bonding capacity assumes 2020\$. Ranges reflect standard Lake County bonding and TIFIA bonding.		--	18 MPG = \$116M - \$184M 35.5 MPG = \$59M - \$93M 54.5 MPG = \$38M - \$61M
5	<b>Congestion Pricing</b> Additional annual gross revenue shown. Bonding capacity assumes 6% rate and 25-35 year term.	N/A	\$10M - \$20M	\$115 - \$135M (1.5X Coverage)
6	<b>Increase Toll Revenue through Indexing</b> Apply 2% annual increase to passenger cars: .20 in 2025, .26 in 2040. Assumes 6% rate and 25-35 year term	N/A	\$0M - \$15+M	\$58M - \$93M (1.5X Coverage) \$44M - \$70M (2X Coverage)
6A	<b>Congestion Pricing Combined with Indexing</b> These two options are not additive. However, when combined, they produce a greater benefit than when used alone. Indexing would apply 2% annual increase to passenger cars: .20 in 2025, .26 in 2040. Assumes 6% rate and 25-35 year term	N/A	\$10M - \$20+M	\$138M - \$171M (1.5X Coverage)
7	<b>Use Inside Shoulder as 3<sup>rd</sup> Lane on Rt. 53 During Peak</b> Assumes Hybrid Scenario, .20 per passenger car. Additional annual gross revenue shown. Bonding capacity assumes 6% rate and 25-35 year term.	\$138M - \$201M	\$0M - \$5M	\$8M (1.5X Coverage) \$6M (2X Coverage)
8	<b>Add Lane in each direction (for six lanes) on Rt. 53</b> Assumes Hybrid Scenario, .20 per passenger car. Additional annual gross revenue shown. Bonding capacity assumes 6% rate and 25-35 year term. Revenue is higher than menu option 7, but appears to be the same due to rounding.	\$172M - \$266M	\$0M - \$5M	\$17M - \$21M (1.5X Coverage) \$12M - \$16M (2X Coverage)
9A	<b>Toll Existing 53 – widen and reconstruct</b> Cost assumes new eight-lane from I-90 to Lake Cook Rd. Additional annual gross revenue shown. Bonding capacity assumes 6% rate and 25-35 year term.	\$380M - \$418M	\$75M - \$100M	\$483M - \$556M (1.5X Coverage) \$363M - \$417M (2X Coverage)
9B	<b>Toll Existing 53 – reconstruct only</b> Cost assumes reconstructed six-lane from I-90 to Lake Cook Rd. Additional annual gross revenue shown. Bonding capacity assumes 6% rate and 25-35 year term.	\$280M - \$308M	\$70M - \$95M	\$471M - \$544M (1.5X Coverage) \$353M - \$408M (2X Coverage)
9C	<b>Toll Existing 53 – reconstruct only and improve 53/290/90 interchange</b> Cost assumes reconstructed six-lane from I-90 to Lake Cook Rd., including improvements to the interchange (approx \$1.310B) . Additional annual gross revenue shown. Bonding capacity assumes 6% rate and 25-35 year term.	\$1,590M - \$1,618M	\$70M - \$95M	\$471M - \$544M (1.5X Coverage) \$353M - \$408M (2X Coverage)

Menu of Options		Cost Range	Gross Revenue	Bonding Capacity (Rate and term shown to left)
10	<b>Longer Term Borrowing</b> Increase in bonding capacity by changing to a 35 year term rather than 25 year term. Would require legislative approval.	N/A		\$59M (1.5X Coverage) \$43M (2X Coverage)
11	<b>Lower Cost Borrowing</b> Shows impact of 1% reduction in interest rate over 25-35 year term using the Hybrid Baseline scenario	N/A		\$58M - \$79M (1.5X Coverage) \$44M - \$60M (2X Coverage)
12	<b>Add Toll at IL Route 132 to and from the south</b> Assumes Hybrid scenario, .95 IPASS and \$1.90 rates for passenger cars beginning in 2025. 2040 gross revenue shown. Assumes 6% rate and 25-35 year term	Minimal Cost (gantry only)	\$10M - \$15M	\$80M - \$94M (1.5X Coverage) \$60M - \$71M (2X Coverage)
13A	<b>IL Route 132 Toll AND Increase Waukegan Toll</b> Assumes Hybrid scenario, Passenger car rates beginning in 2025: .95 IPASS and \$1.90 cash at IL 132; \$1.75 IPASS and \$3.50 cash at Waukegan. Assumes 6% rate, 25-35 year term	Minimal Cost (gantry only)	\$30M - \$50M	\$269M - \$317M (1.5X Coverage) \$202M - \$238M (2X Coverage)
13B	<b>IL 132 &amp; Increased Waukegan + Tolling at Border</b> Assumes Hybrid roadway scenario. All elements of 13A, plus extending Tollway to the state line. Assumes new ramp plazas at Russell Road (state line) and US-41, with passenger car rates: .30 IPASS and \$.60 cash. Assumes 6% rate and 25-35 year term	Minimal Cost	\$35M - \$55M	\$301M - \$354M (1.5X Coverage) \$226M - \$265M (2X Coverage)

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Article updated: 5/8/2014 6:56 PM

## Who pays for Route 53 extension?

By Marni Pyke

Members of an Illinois tollway advisory council tossed around ideas to fund a Route 53 extension Thursday, noting that sharing the cost regionally instead of locally will ease the pain.

The tollway has yet to decide if it will adopt the pricey project, which would lengthen Route 53 north 12 miles from Lake-Cook Road to connect with Route 120.

Tolls on the proposed roadway would pay for only a fraction of the cost, leading to an estimated gap of \$2.47 billion.

Financing ideas include levying project-specific gas or sales taxes in Lake County or creating special local taxing districts, such as a tax increment financing district or special service area (SSA).

But an SSA, which usually involves a tax on a narrowly defined area, "is a tough sell," Hawthorn Woods Mayor Joseph Mancino said.

"People look at it as a tax increase ... that's one hurdle."

The tollway increased rates in January 2012 to pay for a massive \$12 billion improvement program that includes the Elgin-O'Hare Expressway extension and an interchange at the Tri-State Tollway and I-57.

The Route 53 project didn't make it onto that list although the tollway is covering costs related to planning. Several officials said the entire toll system should pitch in for the Route 53 extension.

"This is a road that will affect and benefit everyone in the region," Buffalo Grove Mayor Jeffrey Braiman said, adding that the current situation is "a regional problem that needs a regional solution."

"There has to be a way for the entire region to pay for this," former Lake County Chairman David Stolman said.

Other possible Route 53 revenue includes: adding tolls on the Tri-State Tollway at Route 132 and the Wisconsin border; increasing the Waukegan toll; or tolling the existing part of Route 53 between Lake-Cook Road and I-90, which several Cook County mayors oppose.

Plans call for a four-lane, 45 mph road with tolls of about 20 cents a mile.

Drivers don't want to pay exorbitant tolls, but "residents will pay if it reasonably reduces their driving time," Hainesville Mayor Linda Soto said.

The group will present their findings so far to the tollway board later this month, said Illinois Chamber of Commerce Executive Director Doug Whitley, who is co-chairing the advisory council.

The funding solution should involve a variety of approaches, he said. "The reality is there has to be a local contribution to make it happen."

Quoting from a historical source, Whitley added, "taxation is the art of plucking the most feathers from the goose with least amount of hissing."

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Article updated: 7/1/2014 5:13 AM

## Panel to study potential Route 53 cost savings

By Mick Zawislak

The costs of innovations associated with the proposed Route 53 extension north into Lake County will be examined for possible savings, but environmental protection will remain a top concern, officials said Monday during a recap of the \$2.87 billion project.

Leaders of a finance committee advising state tollway officials on ways to fund the Illinois Route 53/120 project said the agreement among varied interests to proceed hinges on that being the case.

"We must think of the impact of the road design on future generations," said George Ranney, co-chairman of a blue ribbon committee of local, business and other leaders. Last year, the group reached a consensus on a four-lane parkway with a 45 mph speed limit and a host of protections.

"Let me tell you, it (consensus) was fragile and if we divert in any meaningful way, you're going to end up with environmental and other groups opposing this," Ranney said.

About two dozen local officials and others who comprise the finance committee gathered at the Lake County Central Permit Facility for a recap of the project as presented to a tollway board committee in May, as well as outstanding issues and next steps.

Preliminary costs of innovations, such as roadway design, environmental protection measures and a special fund for long-term monitoring, are pegged at \$450 million to \$600 million, and one of the next steps is to look for savings.

"We're not developing detailed roadway plans at this point, but we're looking at it conceptually as best we can. We're looking at refinement of our scope and refinements of our costs," said Mike Matkovic, an engineering consultant for the committee.

Tolls alone won't come close to paying for the road, and various possibilities are being considered to make up the shortfall. Tollway directors have stressed that public participation is needed for the project. What constitutes that or how much it should be has not been determined.

The innovations were among measures identified by the committee as being a necessary part of the process rather than additions.

"The richness of Lake County's natural resource base is exceptional and presents a particular challenge for any road project," said Michael Sands, head of the blue ribbon committee's environmental group.

The committee next will look to adjust the parameters of some measures, such as depressed or elevated roadways or wetland mitigation, for example.

One element not on the table is the \$81 million fund for long-term monitoring.

"The environmental stewardship fund is not up for discussion," Lake County Board Chairman Aaron Lawlor said. "We all know the things that make this consensus work and I don't want to jeopardize that."

A final report on potential cost refinements, local funding options and other financing details is scheduled for discussion July 29. A recommendation to the tollway board is expected by the end of the year.

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# Illinois Route 53/120 Project

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## Finance Committee

**Meeting Five  
May 8, 2014**

Lake County Central Permit Facility

The Illinois Tollway  
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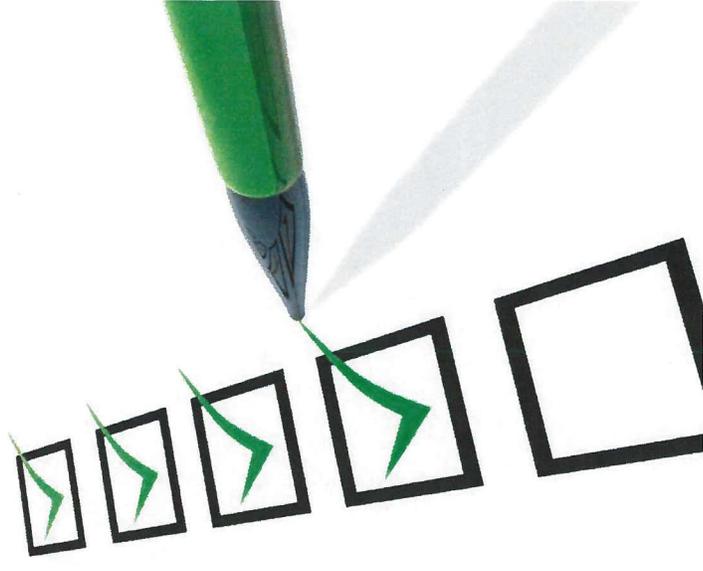
# Summary of Previous Meeting

- **Meeting #4, March 18, 2014**
  - Results of the travel demand modeling
  - Revenue forecasting and bond capacity estimates
  - Refined estimate of funding gap
  - Breakout session on funding options



# Objective of Today's Meeting

- **Planning for mid-term update to the Tollway Board on May 21**
  - What feedback does this committee need from the Tollway Board?
  - What is our message to the Tollway Board?



# Breakout Session Recap

- At our last meeting, we broke into groups to start the discussions about financing recommendations
- Representatives from each group to recap
  - ▣ Red Group – Aaron Lawlor, Lake County
  - ▣ Green Group – Angie Underwood, Long Grove
  - ▣ Yellow Group – Steve Lentz, Mundelein
  - ▣ Blue Group – Brad Leibov, Liberty Prairie Foundation



# What It Takes To Make A Successful Project

- **Federal Perspective:**
  - ▣ Jeff Blais, Federal Highway Administration
- **Tollway Perspective:**
  - ▣ Mike Colsch, Illinois Tollway
- **State Perspective:**
  - ▣ Mike Kleinik, Chicago Laborers District Council
  - ▣ Mike Sturino, Illinois Road and Transportation Builders Association
- **Lake County Perspective:**
  - ▣ Paula Trigg, Lake County Division of Transportation



# Next Meeting Logistics

- **Tuesday, July 29, 2014**
  - **Lake County Permit Facility**  
500 Winchester Road  
Libertyville, IL 60048
- **Finance Committee Meeting**
  - 1-2:30 p.m.



# PUBLIC COMMENTS

[IL53120Info@getipass.com](mailto:IL53120Info@getipass.com)

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