

Excess Right-Of-Way and Annexation Policy

Customer Service and Planning Committee

March 12, 2015

Agenda

- ▶ **Excess right-of-way authorization**
- ▶ **Review of other agencies**
- ▶ **Overview of proposed policy**
 - ▶ Excess right-of-way
 - ▶ Annexation
- ▶ **Policy considerations discussion**
- ▶ **Next steps**

Excess Right-Of-Way Authorization

- ▶ **Toll Highway Act 605 ILCS 10/8(a)**
 - ▶ Tollway empowered to dispose of excess property or partial interests
- ▶ **Trust Indenture § 708 (Amended and Restated May 31, 1999)**
 - ▶ “The Tollway may from time to time sell, exchange or otherwise dispose of any real property or release, relinquish or extinguish any interest in it as the Tollway by resolution shall declare is not needed in connection with the maintenance and operation of the Tollway system, and, in the judgment of the Tollway, will not in the future be needed for any foreseeable improvement to the Tollway system.”

Overview of Existing Policy and Practice

- ▶ **Guided by Toll Highway Act and Trust Indenture**
- ▶ **Reactive approach based on requests**
 - ▶ Three-step internal review process
 - ▶ Informal review of location and Tollway need
 - ▶ Engineering review – potential to declare excess or not
 - ▶ Formal review by multiple departments
- ▶ **Formal disposal of excess right-of-way**
 - ▶ Public agency via intergovernmental agreement
 - ▶ Sealed bid for private entity
 - ▶ Value determined by appraisal
- ▶ **Board action as outlined in Toll Highway Act and Trust Indenture**

Review of CSP Committee Input

- ▶ **Discussion of “public purpose”**
- ▶ **Concern for long-term impact and land use restrictions**
- ▶ **Balance interests of Tollway opportunities to lease or sell**
 - ▶ Income producing opportunities
 - ▶ Accommodating to other public entities
 - ▶ Prioritize interests – financial or otherwise
- ▶ **Need to be flexible and provide a framework for future decisions**
- ▶ **Best serve the needs of Tollway customers, bondholders and community**

Overview of Other State Agencies

Agencies Researched

- ▶ California Surplus Property Sales
- ▶ Delaware DOT
- ▶ Florida DOT
- ▶ Illinois DOT and CMS
- ▶ Indiana DOT
- ▶ Michigan DOT
- ▶ Missouri DOT
- ▶ New Jersey DOT
- ▶ New York DOT (Surplus Property Unit)
- ▶ Oregon State Surplus Property Program
- ▶ Tennessee DOT (Excess Land Office)
- ▶ Texas – North Texas Tollway Authority
- ▶ Wisconsin DOT

Procedures Incorporated

- ▶ Identification of excess right-of-way
- ▶ Information required from requestor
- ▶ Preliminary/informal review
- ▶ Public use and sale
- ▶ Former owner/adjacent property owner consideration
- ▶ Flexibility/optional procedures
- ▶ Long-term protective measures
- ▶ Annexation
- ▶ Formal approval and disposal process

Policy Considerations and Discussion

- ▶ **Multi-step excess review process**
 - ▶ Initiated by requestor or staff
 - ▶ Proactive staff evaluation during project development
 - ▶ Outline of information to be submitted to assist review
 - ▶ Informal review
 - ▶ Formal review committee
- ▶ **How will excess land be used**
 - ▶ Requesting party to specify intent and future use
 - ▶ Protect long-term impact to Tollway
 - ▶ Public use
 - ▶ To be held in public interest
 - ▶ Future private development
- ▶ **Economic impact and tax generation analysis**
 - ▶ Define public benefit

Policy Considerations and Discussion (ctd.)

- ▶ **Consideration for prior owners and adjacent and contiguous property owners**
 - ▶ Opportunity to complete a direct sale rather than bid
- ▶ **Financial consideration (private)**
 - ▶ Fair market value
- ▶ **Financial consideration (public sale)**
 - ▶ Fair market value
 - ▶ Exchange of property
 - ▶ Other terms as recommended
- ▶ **Public notification process for sealed bids**
- ▶ **Formal approval and disposal process**
 - ▶ Board review and approval

Future Policy Considerations Discussion

Annexation requests

- ▶ **Annexation of Tollway property**
 - ▶ Tollway must volunteer/agree to annexation
 - ▶ Tollway cannot be forced to be annexed
 - ▶ Guidelines and criteria for Tollway to agree to be annexed

- ▶ **Annexation Considerations**
 - ▶ Consideration of rationale of annexation
 - Economic development
 - Community expansion
 - ▶ Consideration and concurrence of neighboring communities
 - ▶ Should the Tollway seek compensation for annexations?
 - Financial or in-kind service fee waivers (emergency services, utilities, etc.)

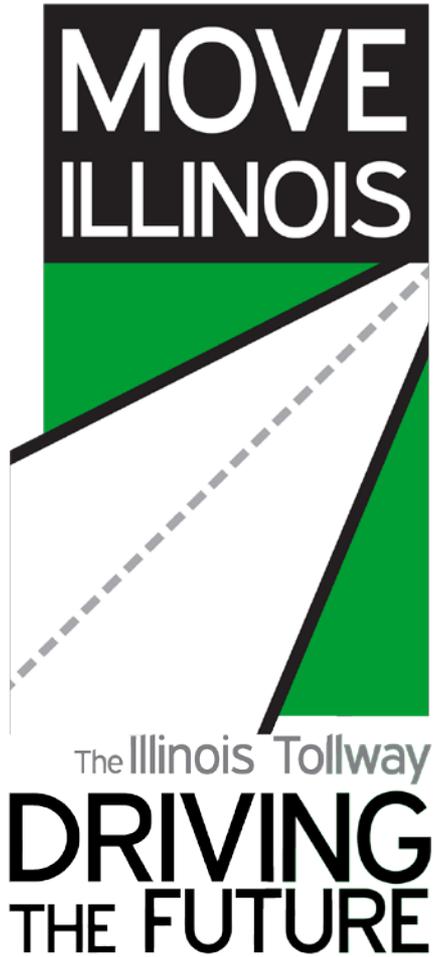
Proposed Policies: Voice Your Opinion

- ▶ **The Tollway regularly seeks public comment via email, mail or in-person on proposed policies to ensure that the interests of those impacted by Tollway decisions have been considered**
- ▶ **Staff and the Board will review the comments, post their responses online and then revise the proposed policy, as necessary**

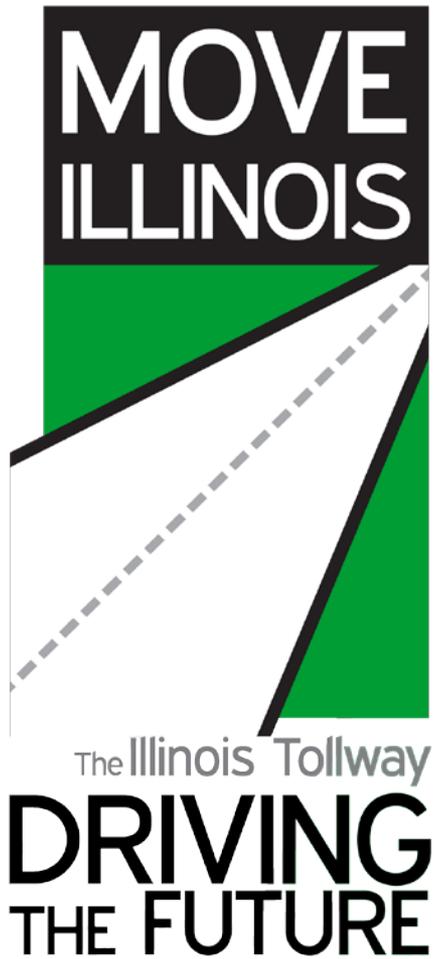
Note: This process is for committees that generally meet every other month.

Next Steps

- ▶ **Seek public comment on proposed policy**
- ▶ **Engage stakeholder discussion**
 - ▶ Local communities
 - ▶ Counties
- ▶ **Extended review period**
 - ▶ Recommend 60-day review period
- ▶ **Review comments with Customer Service and Planning Committee**
- ▶ **Anticipated revised final policy mid-2015**



THANK YOU



Appendix

Disposal of Excess Right-Of-Way

- ▶ **Potential parameters for disposal consideration**
 - ▶ Existing Tollway use
 - ▶ Size and location of parcel
 - ▶ Future land use
 - ▶ Surrounding zoning/land use
 - ▶ Market demand
 - ▶ Tax benefit
 - ▶ Assemblage of properties
 - ▶ Other factors affecting marketability
 - ▶ Traffic and toll revenue
 - ▶ Others???

- ▶ **If governmental entity expressed interest**
 - ▶ Fair market value
 - ▶ Exchange of property
 - ▶ Other terms as recommended