

**THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF THE
CUSTOMER SERVICE & PLANNING COMMITTEE**

November 18, 2014

The Illinois State Toll Highway Authority (the “Tollway”) held the Customer Service & Planning Committee Meeting on Tuesday, November 18, 2014 at approximately 9:03 a.m. at the Tollway’s Central Administration Building in Downers Grove, Illinois.

Bolded entries indicate issues which may require follow-up to present or report to the Board.

Committee Members Present:

Committee Co-Chair Tom Weisner
Committee Co-Chair Jeff Redick
Director Earl Dotson Jr.
Director James Sweeney

Committee Members Absent:

Director Jim Banks

Also Attending:

Chair Paula Wolff

Committee Co-Chair Weisner called for a motion to allow presentation by Business Systems of an item for consideration at the current point of the meeting, though not as originally ordered on the meeting agenda. Committee Co-Chair Redick made a

motion to approve; seconded by Director Dotson. The motion was approved unanimously.

ITEMS FOR CONSIDERATION

Committee Co-Chair Weisner called on Shana Whitehead, Chief of Business Systems, to present the following **Business Systems Item**:

Item 1: Renewal of Contract 11-0214 to Transitions, NFP (d.b.a. The Printer's Mark) for the purchase of Printing and Mailing Services in an amount not to exceed \$5,340,000.00 (State Use Program).

Chair Wolff requested confirmation that the vendor provides employment for persons with disabilities. Ms. Whitehead confirmed, noting the vendor provides employment for persons impacted by mental illness.

Chair Wolff asked how many persons are employed by the vendor in order to accommodate the Tollway's printing and mailing services. Ms. Whitehead responded that typically approximately three or four persons are assigned but the number varies depending upon the season.

Committee Co-Chair Weisner inquired if the vendor is located in Rock Island, Illinois. Ms. Whitehead responded affirmatively.

Committee Co-Chair Redick made a motion for approval of **Business Systems Item 1**; seconded by Director Sweeney. The

motion was approved unanimously to move to the full Board consent agenda.

CHAIR'S ITEMS

Committee Co-Chair Weisner called for a motion to approve the Minutes of the Customer Service & Planning Committee Meeting held on July 17, 2014. Director Sweeney made a motion to approve; seconded by Director Dotson. The motion was approved unanimously.

Committee Co-Chair Weisner then called on Kristi Lafleur, Executive Director.

EXECUTIVE DIRECTOR

Executive Director Lafleur stated that a discussion on the Tollway's scofflaw program is planned for a future Committee meeting and requested Committee members provide questions or concerns they would like addressed as part of the upcoming discussion. Committee Co-Chair Redick requested that historical results of the Tollway's current collection efforts in pursuit of scofflaws be incorporated into the discussion. Chair Wolff suggested for discussion an exploration of practices nationally to help inform possible additional interagency efforts, including those with the Office of the Secretary of State and the Illinois State Police, to improve collection efforts. Chair Wolff also suggested for discussion a review of the current practices, including timing and settlement threshold levels, as well as an examination of the effectiveness of the publication of scofflaw lists. Director Dotson

additionally requested that historical results of Tollway's current collection efforts be incorporated into the discussion.

Chair Wolff asked when the discussion regarding the scofflaw program is planned for the Committee. Executive Director Lafleur responded that the work in preparation for the discussion of the scofflaw program should be able to be completed by the 1st quarter of 2015.

Executive Director Lafleur introduced Aaron Lawlor, Lake County Board Chairman, and Chris Meister, Co-Chair of the Illinois Route 53/120 Project Finance Committee, to provide an update on the Illinois Route 53/120 Project Finance Committee's progress. [See attached presentation.](#)

Chair Wolff requested confirmation that it is the Illinois General Assembly from which legislation will be sought to address funding for the local contribution. Mr. Lawlor confirmed.

Director Dotson inquired whether a county-wide motor fuel tax would require a ballot referendum. Mr. Lawlor responded in the negative, adding that legislation to enable Lake County to secure a motor fuel tax would be sought from the Illinois General Assembly.

Executive Director Lafleur requested confirmation that Lake County Board action is not required to secure a county-wide motor fuel tax, in addition to action by the General Assembly. Mr. Lawlor confirmed this as his understanding.

Director Dotson inquired regarding the legislative efforts to advance the proposed funding strategies. Mr. Meister responded that the path to securing legislation to enact a county-wide motor fuel tax is clearly defined, however, legislative strategies to establish a sustainable transportation fund will require additional efforts and time to advance. Mr. Lawlor added that the proposed sustainable transportation fund is a variant of several established model funds nationally which are used as funding sources for infrastructure projects.

Mr. Lawlor, addressing the significant state financial contribution required, expressed the Finance Committee's appreciation for the continuing support of the Illinois Department of Transportation ("IDOT"), noting that approximately 75% of the required right-of-way for the project has been acquired. Mr. Meister added that the Finance Committee recently approved a resolution underscoring that the significant state financial contribution to the project should not be limited to a single future capital bill but should incorporate the sum of future capital bills enacted during the long time horizon of the project. Mr. Meister further stated that the resolution requests that some of the significant state financial contribution be included in future IDOT programmatic five-year plans, referencing precedent established for state financial contribution to previous Tollway projects.

Committee Co-Chair Redick inquired about the anticipated timeframes for the development and implementation of the legislative strategy to advance the proposed sustainable transportation fund in the General Assembly. Mr. Lawlor responded that concurrent development of the legislative strategy

and language is planned, with the progress of the refinement process determining whether introduction as soon as the 2015 spring session will be possible. Mr. Meister added that Mr. Lawlor, in his capacity as Lake County Board Chairman, will spearhead efforts to advance the state legislative action required for the funding recommendations.

Chair Wolff inquired whether the estimate for the range of funding amounts that would be generated by Tri-State Tollway (I-94) mainline tolling combined with indexing and congestion pricing for Illinois Route 53/120 is based on analysis provided by the Tollway's Traffic Engineer. Rocco Zuccherro, Deputy Chief of Engineering for Planning, responded affirmatively and detailed how the estimate was developed.

Chair Wolff inquired about the debt service coverage ratios reported for bonding of Tri-State Tollway (I-94) mainline tolling combined with indexing and congestion pricing for Illinois Route 53/120. Executive Director Lafleur responded that the estimated range of coverage ratios reported (2.0x - 1.5x coverage) directly correlates to the estimated range of bonding amounts (\$380 - \$510 million).

Chair Wolff inquired whether analysis was performed on the anticipated impact of Tri-State Tollway (I-94) tolling on Illinois Route 53/120 traffic. Mr. Zuccherro responded affirmatively, identifying this analysis as contributory to the development of the recommended tolling strategy, which includes Tri-State Tollway (I-94) mainline tolling combined with indexing and congestion pricing for Illinois Route 53/120.

Chair Wolff requested confirmation that the baseline tolling amount reported (\$250 - \$330 million) describes the estimated funding generated by standard tolling of only Illinois Route 53/120, without indexing or congestion pricing, and independently of Tri-State Tollway (I-94) tolling. Mr. Zucchero responded affirmatively.

Committee Co-Chair Weisner commended the Illinois Route 53/120 Project Finance Committee for their progress in addressing the funding gap of the local contribution.

Committee Co-Chair Weisner inquired about the implications and future precedent set by the proposed Tri-State Tollway (I-94) mainline system tolling approach to funding the local contribution. Mr. Zucchero responded that re-balancing of tolls on a specific segment of roadway is a unique approach to funding the local contribution, and addresses some identified toll rate inequities. Mr. Lawlor added that other tolling options are available that can address toll rate inequities on the Lake County portion of the Tri-State Tollway (I-94).

Director Sweeney requested clarification of the proposed tolling strategy for the Tri-State Tollway (I-94) and Illinois Route 53/120. Mr. Lawlor responded that the recommended tolling strategy includes a re-balancing of tolls along the Lake County segment of the Tri-State Tollway (I-94) combined with indexing and congestion pricing, in addition to baseline tolling, for Illinois Route 53/120.

Director Sweeney inquired regarding support of the mayors of the Lake County communities for the funding recommendations proposed. Mr. Lawlor responded that indications of support by those mayors involved in advancing the funding recommendations have been positive.

Director Sweeney commended the Illinois Route 53/120 Project Finance Committee for their progress in addressing the cost of the Illinois Route 53/120 Blue Ribbon Advisory Council (“BRAC”) innovations.

Chair Wolff inquired whether the refined total project cost estimate of \$2.35 - \$2.65 billion includes implementation of design changes previously discussed to reduce costs. Aimee Lee, Senior Manager of Strategic Planning, responded that the total project cost estimate does not include design changes and is a refinement of the understanding and assumptions of the costs of the BRAC recommendations. Mr. Zuccherro added that some efficiencies, achieving BRAC recommended outcomes at reduced costs, were identified and incorporated into the refined total project cost estimate.

Committee Co-Chair Weisner inquired about the Finance Committee’s approach to addressing the remaining significant estimated funding gap of approximately \$1.6 billion. Mr. Lawlor responded that the Finance Committee’s intent is to maximize the proposed preliminary funding recommendations and to continue to partner with the state and the Tollway in addressing the remaining project funding gap.

PUBLIC COMMENT

At this time, Committee Co-Chair Weisner called for public comment.

Mr. Rob Sherman, of Buffalo Grove, addressed the Committee. Mr. Sherman expressed his concern regarding the precedent that would be set by the proposed Tri-State Tollway (I-94) mainline system tolling component of the Illinois Route 53/120 Project Finance Committee's preliminary funding recommendation. He additionally expressed concern over the equity of the proposed re-balancing of tolls on the Tri-State Tollway (I-94). Lastly, Mr. Sherman expressed his concern that implementation of the proposed congestion pricing, in addition to baseline tolling, for Illinois Route 53/120 will significantly reduce customer usage.

Chair Wolff requested clarification of Mr. Sherman's contention that work is to be funded on U.S. Route 41 using Tri-State Tollway (I-94) mainline system tolling or Illinois Route 53/120 indexing and congestion pricing. Mr. Sherman expressed uncertainty and requested that Mr. Zucchero assist in the response. Mr. Zucchero responded that he believes Mr. Sherman is referring to the proposed Lake County motor fuel tax for which 50% would be utilized to fund the local contribution component of the Illinois Route 53/120 Project and the other 50% to be used to address priorities defined by Lake County. Mr. Sherman withdrew this portion of his comments against the funding recommendations.

Chair Wolff stated that the Board would never endorse utilization of toll resources for purposes other than on the Tollway system.

Illinois State Representative Elaine Nekritz, 57th District, addressed the Committee. Representative Nekritz commended Mr. Lawlor, Mr. Meister, and Mr. Doug Whitley, Co-Chair of the Illinois Route 53/120 Project Finance Committee, for their work on the Finance Committee. Representative Nekritz expressed her belief that legislators of the local communities are well informed and supportive of the direction in which the Finance Committee is heading.

Chair Wolff recognized the important contribution being made to the progression of the Illinois Route 53/120 Project by the many Lake County volunteers and local legislators.

... EXECUTIVE DIRECTOR (continued)

Executive Director Lafleur introduced Rocco Zuccherro, Deputy Chief of Engineering for Planning, and Aimee Lee, Senior Manager of Strategic Planning, to present an update on the Tollway's Commercial Vehicle Strategic Plan. [See attached presentation.](#)

Chair Wolff asked if there is a toll rate difference between commercial customers who utilize I-PASS and commercial customers paying with cash or other non-transponder payment options. Mr. Zuccherro responded in the negative.

Chair Wolff inquired whether outreach being performed by the Tollway to notify commercial customers of the pending toll rate increase will also encourage utilization of transponders. Mr.

Zucchero responded that encouraging the utilization of transponders is an ongoing component of Tollway outreach efforts.

Director Sweeney inquired whether there is a difference in collectability between non-transponder commercial vehicle violators and non-transponder passenger vehicle violators. Shana Whitehead, Chief of Business Systems, responded that current data does not easily address this comparison, however, her impression is that there does not appear to be a difference.

Director Dotson inquired whether the severity of the congestion reported on the 2013 Usage and Congestion diagram correlates to the Average Annual Daily Traffic (“AADT”). Ms. Lee responded that congestion is correlated to AADT. Ms. Lee additionally noted the purpose of the diagram is to identify priority locations for future congestion mitigation.

Chair Wolff inquired whether any of the current capital program projects are anticipated to relieve congestion in the identified priority locations. Executive Director Lafleur responded that engineering work is soon to be solicited from which a strategic plan will be developed for the central portion of the Tri-State Tollway.

Committee Co-Chair Redick commented that the Tollway’s ongoing efforts to communicate with the trucking industry have been effective in allowing the Tollway to address priorities identified by the industry, such as the implementation of enhanced account management and customer service. Committee Co-Chair Redick added that the latest outreach to the industry has solicited

the additional perspective of drivers, who have responded with differing priorities.

Committee Co-Chair Weisner expressed his view that commercial vehicle customers, although accounting for a smaller portion of system usage, contribute a disproportionate level of Tollway revenue, and thus should be valued as “prime” customers. He further stated industry priorities identified through survey outreach efforts should be a focus of Tollway attention. He added that providing additional short- and long-term truck parking not only addresses a priority identified by the industry but would enhance safety for all Tollway customers and employees.

Chair Wolff inquired whether industry survey outreach efforts requested respondents to identify the entities nationally that are best meeting the trucking industry’s priorities. Mr. Zucchero responded that while this request was not made, many respondents have indicated a willingness to participate in follow-up surveys and this question can be posed.

The Committee and staff discussed Tollway priorities for addressing industry concerns identified through the survey outreach, including exploration of a public/private partnership in order to share costs of providing additional short- and long-term truck parking, exploration of providing real-time communication of travel information/conditions to industry dispatchers, and the development of strategic plans for congestion mitigation at priority locations.

Committee Co-Chair Weisner asked if commercial trucking customers are offered specialized/dedicated customer service at the Tollway Customer Call Center. Ms. Whitehead responded affirmatively, noting that the current implementation, involving a separate menu option, has not been widely recognized as available and therefore a separate toll free number for commercial customers is being implemented and will be advertised through Tollway outreach.

Director Sweeney inquired regarding noise complaints received from nearby residences and businesses concerning trucks idling when parking at Tollway oases. Mr. Zuccherro responded that periodic complaints are received and that noise abatement efforts, including noise barriers, are implemented when indicated.

Executive Director Lafleur then re-introduced Rocco Zuccherro, Deputy Chief of Engineering for Planning, and introduced Joanne Fehn, Land Acquisition Manager, to present a draft of the Excess Right-of-Way (“ROW”) Policy under development. [See attached presentation.](#)

Chair Wolff inquired whether there is any legal obligation requiring interagency transfer of excess ROW be for “public purpose”. David Goldberg, General Counsel, responded that in general there is not a legal obligation. Ms. Fehn added that on some land acquired from municipalities or agencies, there may be restrictions included in the conveyance to the Tollway that mandate a public use.

Discussion ensued regarding the definition of “public purpose”, land-use restrictions, balancing interests of the Tollway, opportunities to sell or lease excess land for income-producing purposes, and potential benefits to the Tollway from development of excess ROW for purposes other than public use.

Chair Wolff commented that prioritizing the Tollway’s interests, financial or otherwise, in the outcomes will be an important component in the development of an excess ROW policy.

Committee Co-Chair Redick expressed his view that the excess ROW policy should be accommodating to the interests of other public entities. Committee Co-Chair Redick further stated that, rather than a series of rigid directives, the policy should also be flexible and provide a framework for future Tollway decision making that allows disposal of excess ROW in a manner that best serves the interests of Tollway customers, bondholders, and the community.

Committee Co-Chair Weisner requested staff attempt to determine, and provide for the Committee, the policies of other similar entities regarding disposal of excess property.

Chair Wolff noted that financial benefit from disposal of excess ROW can be achieved in multiple ways including direct sale, increases to Tollway usage from economic development, or residuals from development.

Director Sweeney inquired whether excess ROW could be purposed for environmental mitigation. Mr. Zuccherro responded

that assessing whether land could be needed in the future for any foreseeable improvement to the Tollway system is a primary component of the evaluation to declare excess or not.

... PUBLIC COMMENT (extended per Chair)

At this time, Committee Co-Chair Weisner re-opened the floor for public comment.

Mr. Rob Sherman, of Buffalo Grove, again addressed the Committee. Mr. Sherman suggested the Tollway utilize excess ROW for overnight truck parking. Mr. Sherman also suggested the Tollway consider income-producing uses for excess ROW such as for cell towers or billboards. Mr. Sherman shared his observation that some trucks are riding the center line through Toll Plazas in order to circumvent paying tolls. Lastly, Mr. Sherman suggested the Tollway consider a discounted toll rate for recreational vehicles.

[Director Dotson departed at 11:05 a.m.]

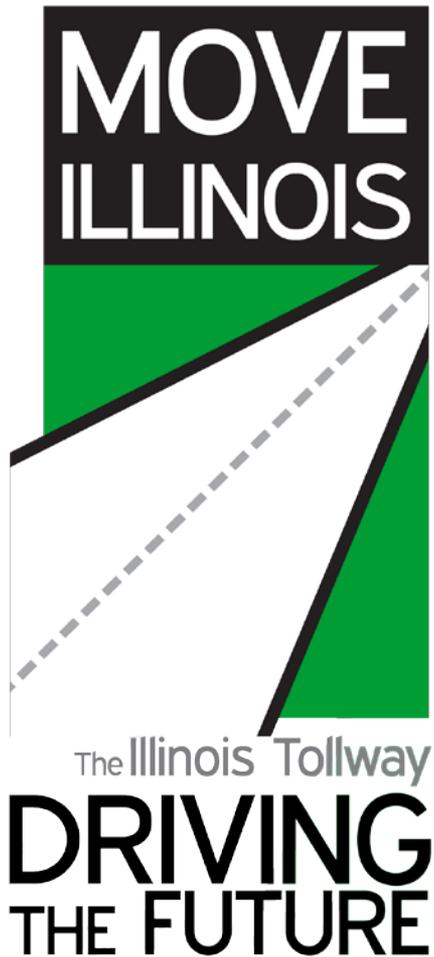
There being no further business, Committee Co-Chair Weisner requested a motion to adjourn. Motion to adjourn was made by Director Sweeney; seconded by Committee Co-Chair Redick. The motion was approved unanimously.

The meeting was adjourned at approximately 11:07 a.m.

Christie Regnery

Minutes taken by: _____

Christi Regnery
Board Secretary
Illinois State Toll Highway Authority



Illinois Route 53/120 Project Finance Committee Update

November 18, 2014

Illinois Route 53/120

Refined Project Cost Estimates

- ▶ **Refined total project cost = \$2.35 - \$2.65 billion***
- ▶ **Cost of BRAC innovations = \$325 - \$400 million***
 - ▶ Higher confidence level of cost estimate
 - ▶ Better definition of design concepts to achieve BRAC innovations through working meetings with BRAC environmental working group, Lake County Forest Preserve District and Lake County Stormwater Management Commission



Preliminary Funding Recommendation for Local Contribution



Tollway Analysis Results

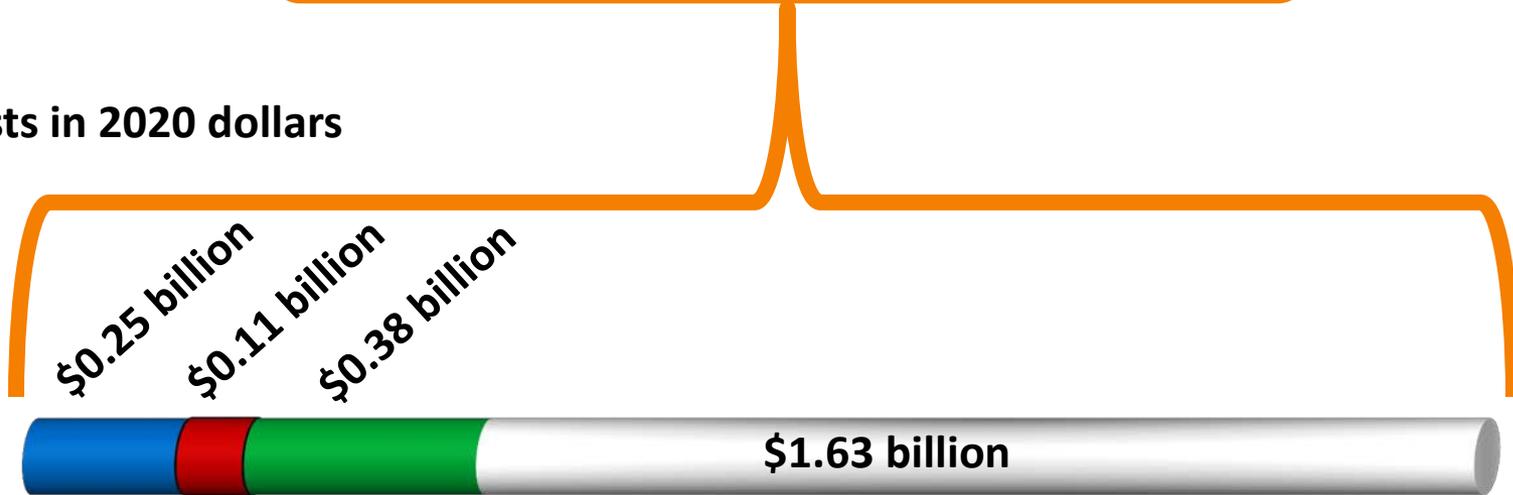
Tri-State Tollway (I-94) mainline system tolling AND	\$380 - \$510 million* <i>(25 year bonding, 2.0x – 1.5x coverage)</i> <i>(Approximately 75 percent attributable to the Tri-State Tollway (I-94) component and approximately 25 percent attributable to Illinois Route 53/120 component)</i>
Illinois Route 53/120 indexing and congestion pricing	
County-wide motor fuel tax	\$34 - \$45 million* <i>(20 year bonding, 50 percent of overall amount)</i>
Sustainable transportation fund	\$81 - \$108 million* <i>(net present value, preliminary results from CMAP)</i>
TOTAL	\$495 to \$663 million

(*2020 dollars)

Project Funding Gap

Total capital cost \$2.65 billion
 (\$2.35 - \$2.65 billion)

All costs in 2020 dollars



Baseline tolling (\$0.25-0.33 billion)

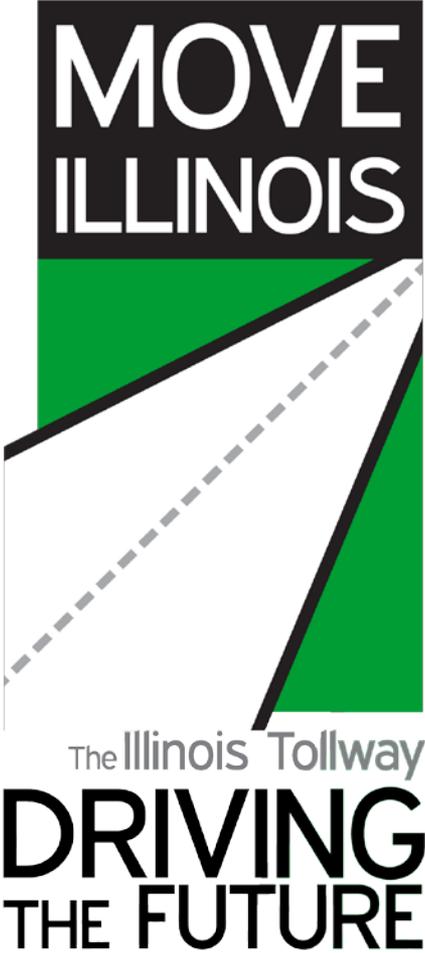
Lake County sources* (\$0.11-0.17 billion)

Recommended tolling strategy (\$0.38-0.51 billion)**

Funding gap (\$1.36-1.91 billion)

* Lake County sources include motor fuel tax and sustainable transportation fund

** Recommended tolling strategy includes Tri-State Tollway (I-94) mainline tolling combined with indexing and congestion pricing for Illinois Route 53/120



THANK YOU

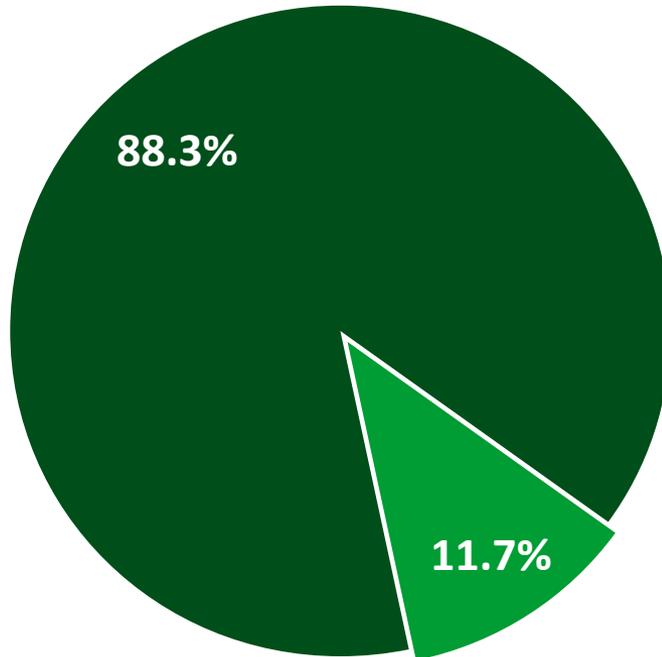


Commercial Vehicle Strategic Plan

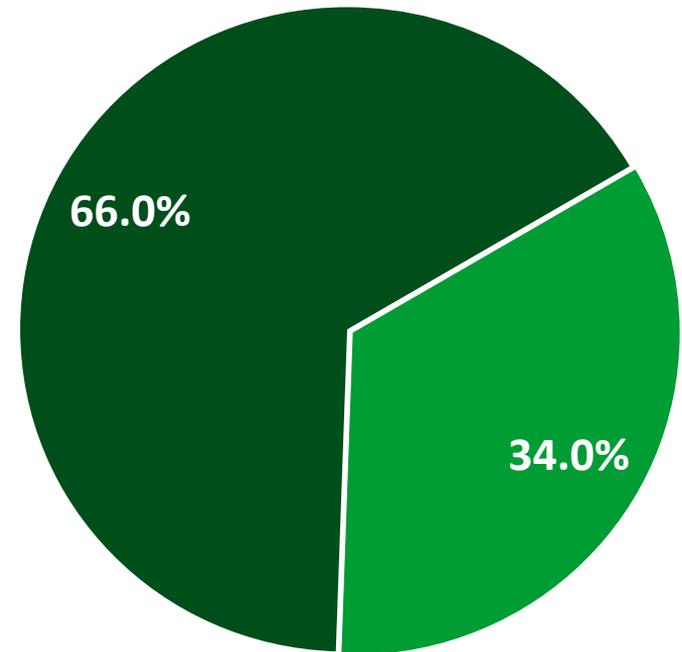
November 18, 2014

2013 Transactions and Revenue

TRANSACTIONS



REVENUE



-  Commercial vehicles
-  Passenger cars

Commercial Vehicle Toll Increase

Background

- Increase for commercial vehicles established by Board vote in 2008
- Effective January 1, 2015
- 2012 toll increase did not apply to trucks
- Previous commercial vehicle toll rate increase was January 2005 - 10 years ago
- 10 p.m. to 6 a.m. travelers get an average discount of more than 25 percent over daytime travelers

Plan

- Ongoing communication with trucking industry associations
- Signage at toll plazas systemwide (December 1 installation)
- Tollbooth posters and brochures
- Tollway website and updated Trip Calculator
- Legal notices in local newspapers

Survey Outreach Effort



2,398 Online Surveys

- Commercial I-PASS customers
 - Drivers
 - Dispatch
 - Logistics
 - Owner-operators
 - Small business owners



755 Field Intercept Surveys

- Seven Regional truck stops
- Three oases
- Drivers-only focus



18 Industry Interviews

- Medium and large businesses
- Industry groups
- Policy and research

Survey Outreach Findings

#1

Reason for avoiding the Illinois Tollway: Congestion

**TOP
3**

Reasons for choosing the Illinois Tollway: (1) Shortest route, (2) Least congested and (3) Travel time reliability

65%

Surveyed drivers indicating that the Illinois Tollway needs to provide more short- and long-term truck parking

89%

Respondents interested in receiving travel information/conditions from the Illinois Tollway

#1

Priority for all respondents: Congestion mitigation



Industry Interview Findings

PRIMARY CONCERNS

Increasing congestion

More stringent federal regulation

Driver shortage

PRIORITIES

Congestion mitigation

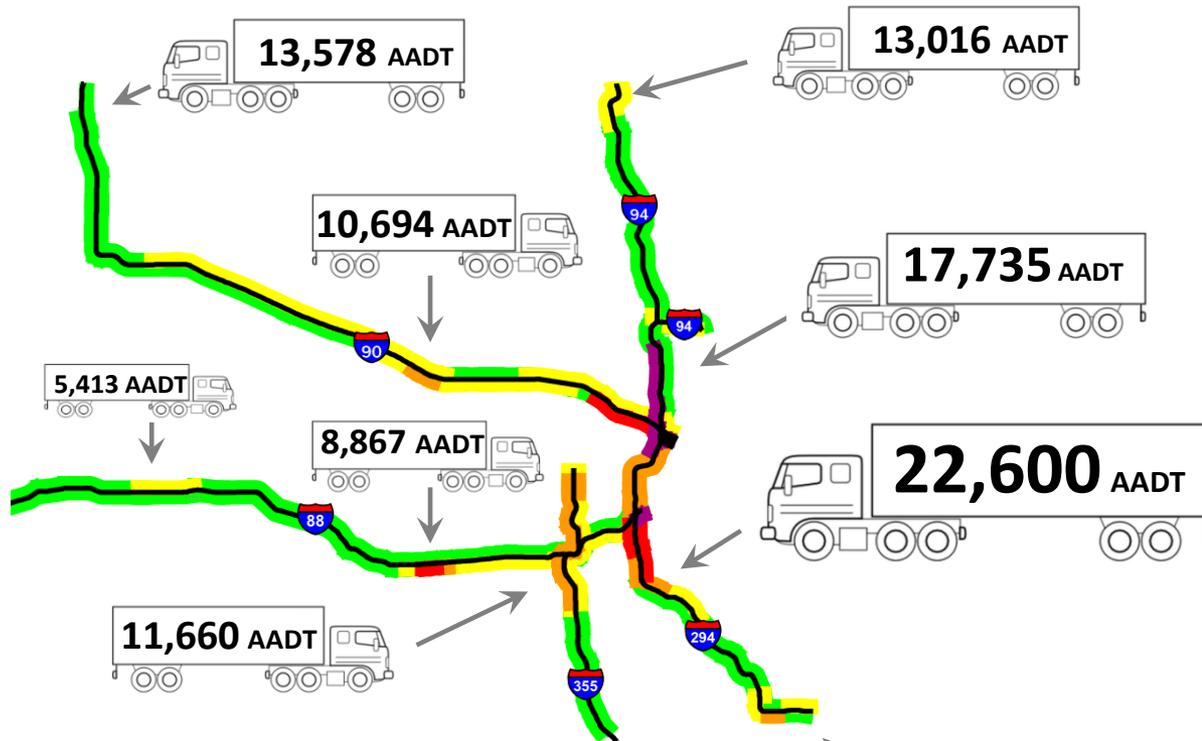
Truck parking

Enhanced account management/customer service

Ongoing dialog with trucking industry



2013 Usage and Congestion



CONGESTION

█ NONE
 █ LIGHT
 █ MODERATE
 █ HIGH
 █ SEVERE


AVERAGE ANNUAL DAILY TRAFFIC (AADT)

Presented by Rocco Zuccherro on November 18, 2014



Discussion

- **What should be the guiding principles for a commercial vehicle strategic plan?**
- **What should be our priorities?**
- **Which concerns should be addressed and how?**



THANK YOU

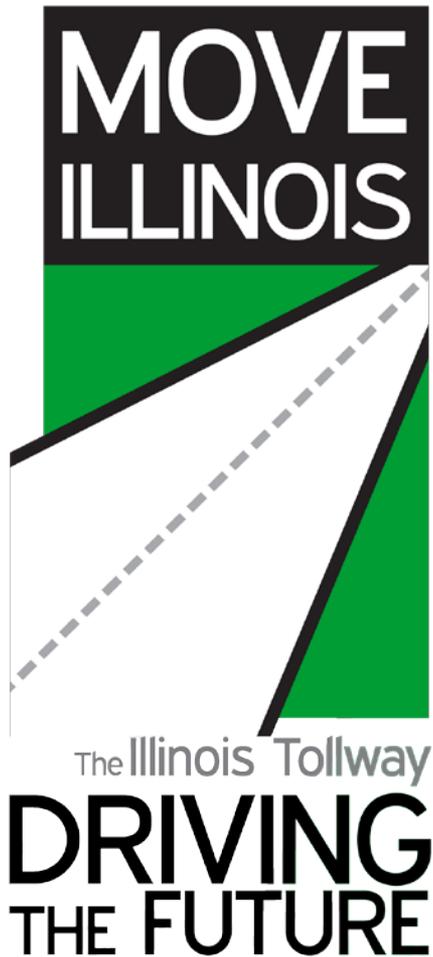


Appendix

Commercial Vehicle Toll Rates

Truck (Five-Axle) Published Toll Rates by Agency, Electronic (I-Pass for Illinois Tollway)		
Agency	\$ / Mile (Facility Weighted)	Last Toll Rate Change
Skyway Concession Company (IL)	2.692	January 1, 2013
Adams Avenue Parkway, Inc (UT)	2.500	June 27, 2001
Harris County Toll Road Authority (TX)	1.981	September 7, 2013
Northwest Parkway, LLC (CO)	1.474	January 1, 2014
Transportation Corridor Agencies (CA)	1.283	July 1, 2014
Central Texas Regional Mobility Authority (TX)	1.160	May 17, 2014
E-470 Public Highway Authority (CO)	1.136	January 1, 2014
Toll Road Investors Partnership II (VA)	1.086	April 11, 2014
Cameron County Regional Mobility Authority (TX)	0.870	June 5, 2013
Maryland Transportation Authority (MD)	0.850	January 1, 2012
Fort Bend County Toll Road Authority (TX)	0.824	April 15, 2014
Metropolitan Washington Airports Authority (VA)	0.784	January 1, 2014
North Carolina Turnpike Authority (NC)	0.718	January 1, 2014
DBi Services (VA)	0.710	January 3, 2013
Texas Department of Transportation (TX)	0.672	April 1, 2014
Tampa-Hillsborough County Expressway Authority (FL)	0.667	September 17, 2010
Florida Turnpike Enterprise (FL)	0.666	July 1, 2014
North Texas Tollway Authority (TX)	0.663	May 11, 2014
SH 130 Concession Company, LLC (TX)	0.631	April 1, 2014
Miami-Dade Expressway Authority (FL)	0.615	July 21, 2013
Osceola County (FL)	0.565	April 1, 2009
South Carolina Department of Transportation (SC)	0.551	March 30, 2008
San Diego Association of Governments (CA)	0.550	June 30, 2012
Connector 2000 Association (SC)	0.531	January 1, 2012
North East Texas Regional Mobility Authority (TX)	0.512	April 1, 2014
Delaware Department of Transportation (DE)	0.511	August 1, 2014
Illinois State Toll Highway Authority (IL)	0.491	January 1, 2015
Pennsylvania Turnpike Commission (PA)	0.487	January 5, 2014
City of Chesapeake (VA)	0.438	May 1, 2011
Mid-Bay Bridge Authority (FL)	0.400	January 6, 2014
New Jersey Turnpike Authority (NJ)	0.385	January 1, 2012
Illinois State Toll Highway Authority (IL)	0.351	January 1, 2005
South Jersey Transportation Authority (NJ)	0.341	May 18, 2010
Orlando-Orange County Expressway Authority (FL)	0.336	July 1, 2012
Massachusetts Department of Transportation (MA)	0.332	October 15, 2013
Central Florida Expressway Authority (FL)	0.325	July 1, 2012
Richmond Metropolitan Authority (VA)	0.294	September 8, 2008
New York State Thruway Authority (NY)	0.266	January 3, 2010
Indiana Toll Road Concession Company (IN)	0.253	July 1, 2014
Maine Turnpike Authority (ME)	0.237	November 1, 2012
New Hampshire Department of Transportation (NH)	0.209	July 1, 2009
Oklahoma Turnpike Authority (OK)	0.195	August 4, 2009
West Virginia Parkways, Economic Development, and Tourism Authority (WV)	0.184	August 1, 2009
Florida Department of Transportation (FL)	0.177	July 1, 2014
Virginia Department of Transportation (VA)	0.150	July 1, 1999
Ohio Turnpike and Infrastructure Commission (OH)	0.149	January 1, 2014
Kansas Turnpike Authority (KS)	0.128	February 1, 2013
Grand Total	0.622	





Excess Right-Of-Way Policy

Customer Service and Planning Committee

November 18, 2014

Agenda

- ▶ **Excess right-of-way authorization**
- ▶ **Overview of existing policy**
- ▶ **Goals for a new policy**
- ▶ **Future 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**

Goal of Policy Review

- ▶ **Evaluate existing policy to determine need for updates**
- ▶ **Provide direction on pending requests**
- ▶ **Evaluation of new projects**
 - ▶ Tri-State Tollway (I-294)/I-57 Interchange Project and Elgin O'Hare Western Access Project
 - ▶ Assess conditions to consider excess declaration
 - ▶ Consistent and clear feedback to requesting parties
- ▶ **Guidance and considerations for future requests**
 - ▶ Excess right-of-way
 - ▶ Annexation

Future Policy Considerations Discussion

What should policy consider moving forward?

- ▶ Allowing another government agency the offer to purchase before public bid
- ▶ Documentation or studies required for future use
- ▶ Land-use restrictions
- ▶ Tollway to review and approve use
- ▶ What would be considered a “public purpose” for interagency transfer?
- ▶ Lease vs. sale
- ▶ Liability, if no interested parties
- ▶ What level of financial consideration is appropriate?
- ▶ Obligation to bondholders?
- ▶ Should we install a moratorium in the interim?

Future Policy Considerations Discussion

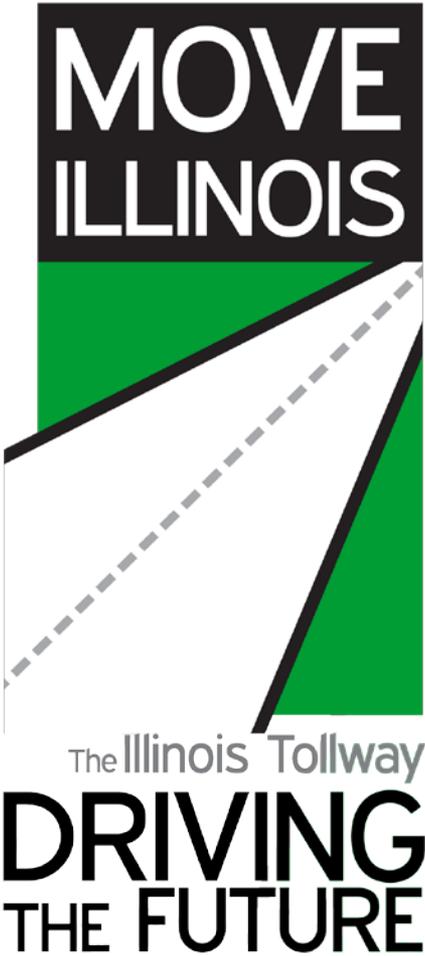
Annexation requests

- ▶ **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

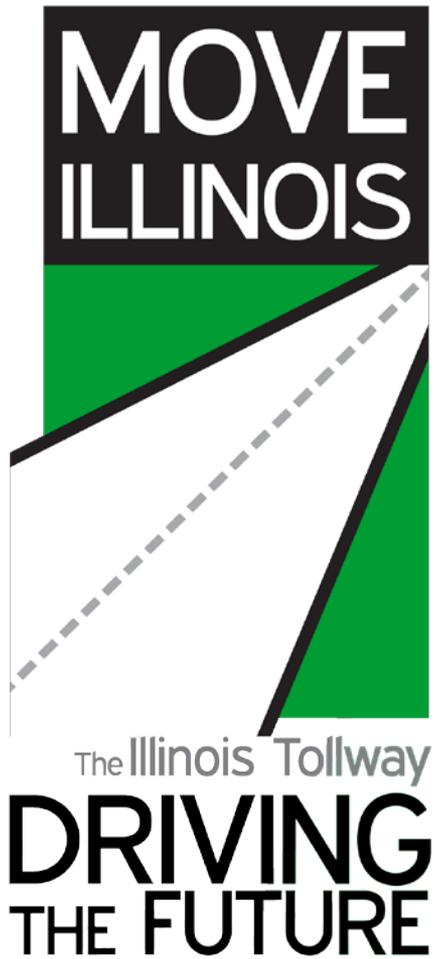
- ▶ **Annexation Considerations**
 - ▶ Consideration of rationale of annexation
 - Economic development
 - Community expansion
 - ▶ Consideration and concurrence of neighboring communities
 - ▶ Should the Tollway seek compensation for annexations?
 - Financial or in-kind service fee waivers (emergency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

Next Steps

- ▶ **Research other agencies**
- ▶ **Draft updated excess right-of-way policy**
- ▶ **Draft annexation policy**
- ▶ **Community feedback**
- ▶ **Refine policy based on feedback**
- ▶ **Anticipated Revised Final policy mid-2015**



THANK YOU



Appendix

Declaration of Excess Right-Of-Way

- ▶ **What makes it “excess?”**
 - ▶ Uneconomic remnant
 - ▶ Acquired, however design change eliminates Tollway need
 - ▶ Land acquired but no longer needed for Tollway purposes
 - ▶ Change of zoning or land use alters need from original purpose
- ▶ **Criteria for excess right-of-way owned by the Tollway**
 - ▶ It has no current use for Tollway or appurtenant purposes
 - ▶ It has no presently planned use
 - ▶ There is no foreseeable improvement to the system which would require its use



Declaration of Excess Right-Of-Way

How is the process initiated?

- ▶ **Inquiry from external party – private or public**
- ▶ **Staff right-of-way survey or corridor review**
 - ▶ Excess can be reviewed and anticipated after design has identified needed ROW
 - ▶ Request by Maintenance
 - ▶ Plat of highway survey and visual review
- ▶ **Informal staff review**
 - ▶ Visual inspection of possible excess property
 - ▶ Compare versus requestors information
 - ▶ Verify location and dimensions
 - ▶ Consult with internal staff and general engineering consultants
 - ▶ Evaluate reason for initial acquisition
 - ▶ Identify potential future use – input from inquiring party and staff evaluation
- ▶ **Respond to external party if not “excess”**

Excess Parcel Formal Review Process

- ▶ **Potential Excess - Land acquisition staff prepares memo**
 - ▶ Summarize informal review findings
 - ▶ Legal documents (title and survey)
 - ▶ Aerial photo
 - ▶ Other material as needed

- ▶ **Formal review committee**
 - ▶ Chief Engineer
 - ▶ Construction
 - ▶ Design
 - ▶ Planning
 - ▶ Maintenance and permits
 - ▶ Information Technology
 - ▶ General engineering consultant
 - ▶ Others as necessary

Declaration of Excess

▶ Outcome

- ▶ Request Denied
- ▶ Formal written declaration of Excess
 - ▶ For area requested or for a lesser interest
 - ▶ Considerations for lesser interests or restrictions
 - Access control
 - Future/ retention needs
 - Maintenance needs
 - Drainage, detention or retention
 - Restrictions

▶ Written Declaration of Excess

- ▶ Requires sign off of Chief Engineer, Land Acquisition Manager and General Manager of Maintenance
- ▶ Proceed with conveying excess declared

Disposal of Excess Right-Of-Way

- ▶ **Appraisal and disposal considerations**
 - ▶ Prior owner
 - ▶ Size of parcel
 - ▶ Location
 - ▶ Topography
 - ▶ Surrounding zoning/land use
 - ▶ Market demand
 - ▶ Acquisition value
 - ▶ Other factors affecting marketability
- ▶ **Reach out to original owner if they still own a contiguous parcel**
- ▶ **If governmental entity expressed interest or may have an interest**
 - ▶ Entity to acquire excess at current appraised fair market value
 - ▶ Potential exchange of lands between the Tollway and entity
 - ▶ Other terms as may be recommended to the Tollway Board
- ▶ **No transaction with original owner or government entity**
 - ▶ Proceed with sale by bid

Sale of Excess Right-Of-Way

- ▶ **Value of excess property determined by appraisal**
- ▶ **Excess property sold by bid**
 - ▶ Advertise by all appropriate means – notice by publication, posting on Tollway website
 - ▶ Procurement bulletin
- ▶ **No parcel shall be sold to a private party for less than the appraised market value plus ancillary costs**

Final Sale and Conveyance

- ▶ **Requires Tollway Board approval**
- ▶ **Conveyance restrictions**
 - ▶ Billboard restriction (public and private)
 - ▶ Use Restrictions
 - ▶ Public – may include restriction for use of property
 - Roadway or other public purpose only
 - Revert back to Tollway if not used for public purpose
 - ▶ Right of first refusal to re-acquire for Tollway needs?
 - ▶ Other restrictions to consider?
 - Residential
 - Non-compatible land uses – day care, schools, etc.