

Illinois Route 53/120 Project
Lake County Tolling and Motor Fuel Tax Working Group #3
Roll Call August 29, 2014
Meeting minutes issued by Lake County

PRESENT	NAME	REPRESENTING
Present	Aaron Lawlor	Lake County
Present	Marty Buehler	Lake County Transportation Alliance
Present	John Yonan	Cook County DOT and Highways
Present	Burnell Russell	Village of Volo
	George Monaco	Village of Round Lake
Present	Pete Harmet	Illinois Department of Transportation
Present	Jim Heisler	McHenry County
Present	David Stolman	BRAC Founding Co-Chair
Present	Stephen Park	Village of Gurnee
Present	Robin Helmerichs	Federal Highway Administration

General Business

Call to Order and Roll Call

Meeting minutes from the second meeting were approved on a motion from **David Stolman (DS)**, seconded by **Stephen Park (SP)**.

Jonathan Hart (JHart), of CDM Smith, provided an update on the new analysis results for two tolling scenarios: Deerfield Mainline and Deerfield System Approach. The two tolling scenarios that implement a new Deerfield Plaza will achieve similar revenue goals, but the Deerfield Systems Approach equalizes toll rates north of the Edens Spur, generates revenue by closing toll free movements and affects traffic patterns by closing toll free movements. Additional benefits in reducing diversion to local arterials—US 41 in particular—would be realized by lowering the toll rate at the Waukegan Mainline Plaza under the System Approach. The group narrowed its interest on the Deerfield System Approach and the Full Ramp Tolling scenarios.

The Full Ramp Tolling scenario has drawbacks as it does not necessarily equalize toll rates across the northern Tri-State and is less effective at reducing diversion around the Waukegan Plaza when compared to the Deerfield System Approach. The negative to the Deerfield System approach is that many people were relieved that the Deerfield Mainline Plaza was eliminated due to noise and congestion, **Rocco Zuccherro (RZ)** said, however, that was a different issue back then since it was prior to open road tolling. **JHart** speculated that diversions due to a mainline at Deerfield would be minimal since local roads do not appear to be an attractive alternative. **JHart** speculated that Full Ramp Tolling Scenario may not be as high profile as a mainline plaza but it could mean potentially addressing concerns of multiple municipalities and tier constituents. The approach has greater potential for operational issues due to the multiple tolling points.

SP said the other options from the funding table are too piecemeal and do not generate enough revenue, nor do they address diversion and equity. **JHart** said in his final opinion the benefits of the Full Ramp Tolling scenario are superseded by that of the Deerfield System Approach.

Aaron Lawlor (AL) said the goal of the exercise is to find the best solution with the least amount of pain. The Deerfield System is a fair amount of pain but it is an equitable distribution that provides political will to the Tollway Board and accomplishes its strategic goals **SP** said he liked the Deerfield System best because it takes the biggest bite now so they do not have to return a few years later looking for more funds. **DS** and **Jim Heisler (JH)** also chose the Deerfield System Approach. **SP** suggested they keep Full Ramp Tolling as a back up plan. **AL** asked that there be more information on potential diversion to have an idea of the impact on local roads.

Action item: The group agreed to make the Deerfield System approach as its chosen tolling scenario, but keep the full ramp tolling option alive while modeling is completed.

The group then reviewed what items were chosen from the menu of funding and financing options:

Item No. 4 Lake County Fuel Tax (\$0.04/gallon) was chosen with the option of splitting half the revenue generated to fund countywide road projects recognized in the Lake County Consensus Plan. **AL** said emphasis should be placed on U.S. Route 41 corridor operational improvements to promote geographic equity. **Jeff Hall (JHall)** stated that the Lake County State Highway Consensus List had US 41 as a regional corridor just like IL 120/53, so there is already historical precedent.

Item 6A Congestion Pricing Combined with Indexing. Limited only to the Illinois Route 53/120 Project.

Item 10 Longer Term Borrowing. **ALee** said she thought there was a willingness to keep the option on the table but pursue it knowing that it has been tried before and has failed. Rocco Zucchero said there was little support for a 35-year term for systemwide projects in the past due to questions on how it would affect the Tollway's bond rating. Refinancing existing bonds is not out of possibility however. Consensus was to drop this item.

Item 11 Lower Cost Borrowing (TIFIA). **ALee** said TIFIA was considered as part of the Elgin O'Hare Western Access and was not ultimately pursued. TIFIA may be considered from an off-system approach through Cook County or IDOT, but not for the entire project. **RZ** said the Tollway is able to take on risk inherent to an aggressive schedule, and if TIFIA is brought into the equation with additional layers of review it may impede the Tollway's project implementation schedule. **Robin Helmerichs (RH)** said the application process costs time and money and there is no guarantee projects will be qualified. Consensus was to drop this item in favor of standalone federally funded off-system projects.

Item 15 Deerfield System. Chosen option.

Item 17 Full Ramp Tolling. A secondary option to fall back on if the Deerfield System approach is not acceptable.

RZ said there are significant improvements off system, such as intersection improvements or widening projects that will be necessary and already included as part of the Illinois Route 53/120 costs. With regards to the Elgin O'Hare Western Access, there have been three Congestion Mitigation and Air Quality (CMAQ) grants administered by CMAP and led by Cook County and IDOT, local agencies that are entitled to apply for the federal funds while the Tollway is not. **RZ** said there are opportunities for Lake

County or other agencies to take the lead on similar off system projects for the Illinois Route 53/120 Project. **JHall** highlighted four potential projects: Midlothian Road and Illinois Route 60 (\$40 million-IDOT); Route 120 improvements west of the Route 120 bypass ties in near Wilson Road to Illinois Route 12 (\$80 million-IDOT); Hainesville Road extended south of existing Route 120 and connect to Alleghany Road and the Route 120 bypass (\$30 million-local roads); and near the I-94/Illinois Route 120 interchange, River Road would have to be relocated from Route 120 to O'Plaine Road southeast (\$30 million-local roads). The four stand-alone projects add up to \$180 million possibly eligible for CMAQ dollars. **AL** said these federal options should be included in the group's recommendations to the Tollway Board. **RZ** said it is important to show that correctly as a way of closing the gap of the project cost. **PT** said some of these are the projects the county typically pursues CMAQ funding for. This would be a new Item No.

Working Group Objectives

The group then reviewed where it stood on meeting the objectives it originally set out to accomplish.

- Recommend a tolling strategy within Lake County for Illinois Route 53/120 and for I-94. **ALee: Accomplished.**
- Determine the recommended tolling strategy's expected level of revenue available to support the Illinois Route 53/120 project. **ALee: More time needed to run model. It will not be available likely until after Sept. 11.**
- Provide a recommendation and justification on what portion of these toll revenues should be considered a local contribution to the Illinois Route 53/120 project. **ALee: Further discussion is warranted.**
- Identify implementation and potential legislative challenges associated with the selected tolling concept. **Further discussion is warranted**
- Develop a recommended strategy for how a new motor fuel tax could be structured and determine the expected level of revenue available to support the Illinois Route 53/120 project. **ALee: Accomplished**
- Identify necessary next steps related to implementing a new motor fuel tax (County analysis, outreach, legislation, etc.). **ALee: Accomplished. The group has discussed how to merge this with the Lake County State Highway Consensus List Plan and engage those who are east of I-94.**

ALee then stated that the toll revenue discussion is a hefty portion of the group's recommendation. The precedent is that toll revenues are not seen as a local contribution by the Tollway board, but there is a strong case to be made that the tolling strategy discussed here should be counted as a local contribution. It would be a stronger recommendation however if there was some verbiage behind that recommendation.

Marty Buehler (MB) asked that hereafter all new funding items have a number in the funding tables presented and the staff assigned the new numbers.

SP said he would be more comfortable having the model run to make a recommendation once all the pieces are there.

The report to the Finance Committee may state that this is preliminary information and this is the progress made with items pending, with analysis done after September 11. What is important of the timing is that there will be a presentation updating the Tollway Board on September 18, and having a preliminary recommendation will be helpful to gather feedback from the Board. **Action item:** The group, led by **MB** and **PT**, would draft a set of final recommendations to the Finance Committee.

Public Comment

Rob Sherman, of Buffalo Grove, said future toll indexing on freight will lead to more truck diversion to U.S. Route 41; he said there is a lack of inclusion among the working group from communities in southeast Lake County, where tolls and traffic on local roads may both increase; the working group should do more to merge rates across the system.

The group adjourned at 1:41 p.m.