

**MINUTES OF THE SEPTEMBER 28, 2011
MEETING OF THE ELGIN O'HARE WESTERN BYPASS
FINANCE COMMITTEE**

The Finance Committee of the Elgin O'Hare Western Bypass (EOWB), pursuant to notice duly given, held a Finance Committee Teleconference Meeting at 9:30 a.m. at the DuPage County Complex, 421 North County Farm Road, Wheaton, IL 60187.

EOWB Council Members Participating:

Mr. Dan Cronin, DPC Chairman, Finance Committee Co-Chairman
Mr. Michael Zonsius, Chicago Dept. of Aviation (designee of Ms. Rosemarie Andolino, Commissioner)
Ms. Kristi Lafleur, Finance Committee Co-Chairman, Executive Director, IL Tollway
President Rodney Craig, Hanover Park
Mayor Larry Hartwig, Addison
President Alan Larson, Schaumburg
Mr. Christopher B. Meister, IFA
President Jeff Pruyne, Itasca
Mayor Nunzio Pulice, Wood Dale
Mayor Gayle Smolinski, Roselle
Mayor Craig Johnson, Elk Grove Village
Mr. Robert Schillerstrom, Partner, Ice Miller, LLP

By Telephone:

Mayor Barrett Pedersen, Franklin Park
President Frank Soto, Bensenville

Finance Committee Members Absent:

Ms. MarySue Barrett, President, MPC
Mr. Randall Blankenhorn, Executive Director, CMAP
Mr. John Gates, Jr., Chairman RTA
Mayor Moylan, Des Plaines
Mr. James Pandolfi, Crowe Horwath
Mr. Jerry Roper, Chicago Chamber of Commerce
Secretary Schneider, IDOT
Mayor Peter DiCianni, Elmhurst

Others Participating:

Ms. Nicole Aranas, Village of Itasca
Mr. Mark Avery, DuPage County
Mr. Alex Beata, CMAP
Mr. Lou Bertuca, IL Tollway
Mr. Alan Boffice, Elk Grove Village
Mr. Mike Colsch, IL Tollway
Mr. Tom Cuculich, DuPage County
Ms. Jan Janowicz, DuPage County
Ms. June Johnson, Schaumburg
Ms. Johnna Kelly, DuPage County
Mr. Ross Klicker, City of Wood Dale
Mr. John Kos, DuPage County
Mr. Bill Lenski, RTA
Mr. John Loper, DuPage County
Ms. Sohair Omar, Illinois Financial Authority
Ms. Lidia Pilecky, CH2M Hill
Mr. Matthew Roan, Elk Grove Village
Mr. Ray Rummel, Elk Grove Village
Ms. Liz Schuh, CMAP
Ms. Courtney Shea, Acacia Financial
Mr. Greg Stukel, IL Tollway
Mr. Evan Teich, Village of Itasca
Ms. Kitty Weiner, Office of Congressman Peter Roskam

Ms. Cathy Williams, IL Tollway
Mr. Rocco Zuccherro, IL Tollway

By Telephone:

Mr. Greg Hummel, Bryan Cave LLP
Ms. Diana Paluch, Bensenville

General Business

Call to Order and Roll Call

Co-Chairman Cronin called the Finance Committee meeting to order at 9:44 a.m. with the above EOWB Council Members, IFA staff and other participants present. Roll call was taken by DuPage County Administrative Assistant Jan Janowicz.

Introduction

Mission and Goals

Co-Chairman Cronin thanked everyone for their attendance. The Committee is extremely grateful to the Tollway Board and Staff for including EOWB in their Capital Plan and the commitment of \$3.1 billion dollars. It shows a real investment in the region, and he is convinced that the Tollway, as well as the Governor's office, is committed to this project. The principle objective for this Committee is to identify funding sources to fill the funding gap/plug in hole in the amount of \$300 million. The Committee will need to create a list of various options as credible sources for funding. It is important that we reiterate the deadline of December 31, 2011 in order to complete this task. As the process moves forward, it is important we send a strong message that all of the stakeholders are committed to these efforts. We must speak with a unified voice. If we become fragmented, it jeopardizes the project.

Updates

ISTHA

Co-Chairman Cronin turned the floor over to Ms. Kristi Lafleur with the IL Tollway for a few opening remarks. Ms. Lafleur mentioned that the last time she met with this Committee, the Committee was in the process of finalizing the Elgin O'Hare-West Bypass Advisory Group Report and discussing the next meeting date to learn the feedback from the Governor's Office along with the Tollway Board and their response. The Tollway Board's response was positive and the Elgin O'Hare-West Bypass was one of the projects that made it into the Tollway's Capital Program. There is a little amount of work left to be done on the financing of this project. This is a very important project for the region and it is critical to keep it on track. Ms. Lafleur thanked everyone for their support and cooperation.

Co-Chairman Cronin turn the floor over to Mr. John Loper with DuPage County so the Committee could focus on specific issues and questions which need clarification.

Mr. Loper stated that the first question (as posed by the Corridor Mayor's Council) which needs to be clarified is "what is included in the \$3.4 billion dollar price" which has been discussed for the project. Was this inclusive of the interim project or for the total project? Is this a commitment and what is the Tollway committing to? Ms. Lafleur replied that the \$3.4 billion dollar project, which the Tollway is committing \$3.1 billion (with some assumptions), is equivalent to the \$2.2 billion dollar project (present dollars) which was discussed. This assumes certain levels of tolling for the existing Elgin O'Hare and tolling rates.

Mayor Hartwig asked Ms. Lafleur to clarify some of the assumptions. Ms Lafleur replied the rate of tolling is the major assumption. Using conservative inflation assumptions, which might turn out to be even less, the Tollway will still be held accountable for the \$3.1 billion dollars for this project. Ms. Lafleur explained that any saving incurred would be evenly distributed amongst the Stakeholders and Partners. Mayor Johnson asked for clarification as to who the other Partners are. Ms. Lafleur stated whoever is funding the Tollway would recognize any savings. Or the savings could go towards advancing some of the elements in the next Phase. Mayor Johnson said that in discussions with staff, it was brought up that priorities can change. It is his concern, along with several of the Mayors, that this \$3.1 billion is indeed guaranteed confirmed to this project. Ms. Lafleur felt a concern may exist only if it takes a very long time to develop project financing.

Mr. Loper stated the Corridor Mayor's Council questioned the rationale behind the sequencing presented at the last staff meeting. Mr. Zuccherro (Tollway staff) distributed a handout entitled Elgin O'Hare-West Bypass Construction Schedule based on the Illinois Tollway "Move Illinois Program". This handout explains the rationale behind why the Tollway approached the project in the manner. The general sequence of construction consists of:

- Widen & rehabilitate the existing Elgin O’Hare Expressway (2013)
- Construct the Elgin O’Hare Extension (2014 – 2017)
- Construct the West Bypass South Leg (2018 – 2022)
- Construct the West Bypass North Leg (2023 – 2025)
- Potential to advance construction of the I-90 at Elmhurst Road interchange as part of the I-90 widening and reconstruction project. (2013 – 2016)

Mr. Zucchero noted that some of the things that drove the Implementation Schedule are cash flow, construction capacity, existing projects, timing and project readiness. Mr. Zucchero detailed a number of key structural milestones such as the DesPlaines Oasis, the I-90 project, I-294 resurfacing project and the decommissioning and construction of a new runway at O’Hare as important factors in setting this schedule. He presented a complete and thorough summary of the Construction Schedule.

Mr. Loper mentioned the concern that if the schedule and/or sequencing is changed, does that affect the “funding” gap. Ms. Lafleur replied that it possibly would. One example would be if the Tollway had to buy out the lease early at the Des Plaines oasis in order to remove it, that would add to the cost. Mayor Johnson voiced his concern with the Construction Schedule and with the impact of the proposed plan on the local communities. He suggested an alternative schedule of adding lanes to the existing Elgin-O’Hare Expressway, then building the Western Bypass north and south legs and finishing with the new Elgin-O’Hare Expressway. Discussion between the Tollway and Mayor Johnson ensued. Mr. Pete Harmet with IDOT stated that the discussions on the traffic impacts was based on the 2030 Freeway Scenario and it showed the difference between what happens on traffic on York Road. We are now looking at the 2040 Tollway Scenarios so those numbers are in summary lower so it is not necessarily the same information as in Tier One. Mayor Soto stated that the reality is that we have to deal with funding. The issue how do we fund it. Discussion ensued regarding the Construction Schedule. Mr. Schillerstrom stated that that there are several things that we need to look at and two things we need the answers to. If we change the phasing of the project how much if any additional cost is going to be added to this. The other thing we need to know is will the impact on the local roads going to be changed from what you put in your Phase I based on the timing of the sequences. Until we know this information it will be difficult to make a decision. Mayor Soto concurred with Mr. Schillerstrom and brought up a third issue; if IDOT and the Tollway could look at alternative traffic flows during that period of time that could address some of the concerns Mayor Johnson is raising.

Mr. Loper brought up the concern of the Right-of-Way (ROW) issue. What Rights of way are included in the final price of the \$3.4 Billion. To clarify this, is it assumed that the ROW for the central portion of the Elgin O’Hare is included in that price, and what and to whom do we owe money to if we have to pay for the ROW inside of O’Hare International Airport? Ms. Lafleur assumed that the O’Hare ROW would have to be negotiated with the City of Chicago. Mr. Zonsius recalled the ROW as 207 acres at approximately \$880,000 per acre. Discussion ensued regarding ROW donations, acquisition etc. Ms. Pilecky stated that the original project cost estimate assumed rights of way currently in transportation corridors (such as the current Elgin-O’Hare Expressway and Thorndale Avenue) would be donated free of cost; those rights of way not presently in highway use (such as those rights of way at O’Hare, private properties and properties held by communities) would be purchased at fair market value. Mr. Schillerstrom inquired as to who are the decision makers on the O’Hare Airport ROW property; the FAA, the City of Chicago, the airlines or all of the above. To the best of Mr. Zonsius’s knowledge that would be Commissioner Andolino and the Mayor of Chicago. It was Mr. Schillerstrom’s understanding that if DuPage County’s ROW land was donated, would it not be used as an offset to lessen the funding gap. Co-Chairman Cronin replied that is not correct, there is an understanding with the Tollway that DuPage County’s willingness to donate that ROW would be credited toward the \$300 million gap. Ms. Lafleur noted that this would be an item for further discussion as the goal is to reduce the project cost through in-kind or other contributions. The Tollway is working with IDOT to determine what items are included in the project cost estimate.

Co-Chairman Cronin observed that it is the Committee’s task to develop credible options to fill the funding gap. While we are intent on developing these credible options, we do need to pursue the information we discussed today. Ms. Lafleur replied that the Tollway and IDOT will need some time to gather the data requested.

Federal

Co-Chairman Cronin invited Mr. Pete Harmet to offer an update on the Federal Transportation Bill and how this could impact EOWB. Mr. Harmet mentioned that IDOT’s role has changed in the project. We are a Partner and Supporter of completing the Environmental Process which should be completed year-end of 2012. The three basic components of Stakeholder Outreach:

- Newsletter distributed this fall with two logos
- Notice for next corridor planning meeting in late October
- Next corridor planning meeting in January

On the engineering side IDOT is working on geometrics and traffic – the big change has been from the 2030 Freeway to the 2040 Tollway along with the CMAP component of that which will update the geometric layout needing another round of coordination. There are a lot of drainage studies underway. Big ticket environmental issues are air quality and noise analysis – where the noise impact will be and what type of mitigation will be proposed. IDOT is coordinating with the Resource and Regulatory Agencies in advance. We are assembling the draft Environmental Impact Statement which is being planned for later this fall. Mr. Harnet said the Federal Government passed a six month extension on the Federal Transportation Bill.

Mr. Schillerstrom brought up the opportunities this group has with the Federal Government in Washington D.C. As this project is one of national significance it is imperative that we go to D.C. and talk to our delegates. We have strong advocates in Washington, as both Senators Durbin and Roskam have been very strong advocates. Co-Chairman Cronin concurred, stating that he has reached out to Congressmen Quigley and Hultgren along with Senator Kirk, all of whom are very committed to this project. Co-Chairman Cronin stated that the Federal Transportation Bill will be passed and there will be money available for this project. We must diligently “dog” our representatives for our share of the funding. Co-Chairman Cronin stated that as a group we must develop a strategy to approach our advocates. Mayor Pedersen felt it was important to reach out to Cook County Board President Toni Preckwinkle as both Franklin Park and Elk Grove Village are located in Cook County. Co-Chairman Cronin concurred as this is of regional and national importance. Discussion ensued on how much money the Committee should request. Mr. Schillerstrom noted that in previous discussion he has had with Transportation Secretary Ray LaHood and Congressman John Mica they did discuss \$500 Million. Given that there are unresolved issues about sequencing and the cost of interchanges, \$500 Million sounds a reasonable request. In order to be responsible, speaking in one voice and that the information we share with our Federal Representatives is complete, comprehensive and fact based, we will need a document substantiating our request. Co-Chairman Cronin reminded the group that the County has submitted documentation for a TIGER grant in the amount of \$50-100 Million for projects in the corridor. Co-Chairman Cronin suggests that staff and this committee put together a framework document. Mr. Zonsius suggests that this document should include sources and uses data for presentation of facts to the Federal Government. .

Co-Chairman Cronin introduced Mr. Chris Meister, with the IFA, and asked him for his point of view for the document. Mr. Meister stated that he is happy to work with the Committee on creating this document. There is a way to put together the document where we are not “short-changing” some of the valid concerns being raised by Mayors Johnson and Smolinski. Both the Tollway and IDOT have demonstrated their commitment and responsiveness to meeting these concerns. One of the big accomplishments of the Governor’s Commission was that we reached consensus which we could take to the outside world. Ms. Lafleur mentioned that realistically it will take the Tollway about one month to figure out the re-sequencing request, but they will try for three weeks. Co-Chairman Cronin feels it is of utmost importance to begin the work on the preliminary draft document with Chris Meister and the IFA’s assistance.

Other Business - None

Next Steps

There will be a Meeting of the Project Financing Working Group of the Elgin-O’Hare West Bypass Adversary Council on October 19, 2011 at 9:30 a.m. at DuPage County Complex in Room 3-500B

Community Input - None

Adjournment

Hearing no objection the meeting was adjourned at 11:04 a.m.