

**MINUTES OF THE NOVEMBER 30, 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 11:00 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 Peter DiCianni, Elmhurst  
Mayor Larry Hartwig, Addison  
Mayor Craig Johnson, Elk Grove Village  
Ms. June Johnson, Schaumburg (designee of President Alan Larson)  
Mr. Christopher B. Meister, IFA  
Mayor Martin Moylan, Des Plaines  
Mayor Barrett Pedersen, Franklin Park  
President Jeff Pruyn, Itasca  
Mr. Jeffery Mermuys, Wood Dale (designee of Mayor Nunzio Pulice)  
Mr. Robert Schillerstrom, Partner, Ice Miller, LLP  
Mayor Gayle Smolinski, Roselle

**By Telephone:**

Mr. John Gates, Jr., Chairman RTA  
President Frank Soto, Bensenville

**Finance Committee Members Absent:**

Ms. MarySue Barrett, President, MPC  
Mr. Randall Blankenhorn, Executive Director, CMAP  
Mr. James Pandolfi, Crowe Horwath  
Mr. Jerry Roper, Chicago Chamber of Commerce  
Secretary Ann Schneider, IDOT

**Others Participating:**

Ms. Nicole Aranas, Village of Itasca  
Mr. Lou Bertuca, IL Tollway  
Mr. Alan Boffice, Elk Grove Village  
Mr. John Brining, Construction Industry Service Corp.  
Mr. Tom Cuculich, DuPage County  
Mr. Jim Grabowski, Elmhurst  
Mr. Jeff Heilstedt, AECOM  
Mr. Greg Hummel, Bryan Cave LLP  
Ms. Jan Janowicz, DuPage County  
Ms. Johnna Kelly, DuPage County  
Mr. John Kos, DuPage County  
Ms. Tam Kutzmark, DMMC  
Mr. John Loper, DuPage County  
Mr. Larry Martin, CH2M Hill  
Mr. Tim Oakley, Des Plaines  
Ms. Sohair Omar, Illinois Financial Authority  
Ms. Diana Paluch, Bensenville  
Mr. Derek Peebles, Des Plaines  
Ms. Lidia Pilecky, CH2M Hill  
Mr. Jeff Ragsdale, Office of Congressman Peter Roskam  
Mr. Matthew Roan, Elk Grove Village  
Mr. Ray Rummel, Elk Grove Village  
Ms. Liz Schuh, CMAP

Mr. Al Stefan, Baxter & Woodman (Itasca)  
Mr. Greg Stukel, IL Tollway  
Mr. Evan Teich, Village of Itasca  
Ms. Kitty Weiner, Office of Congressman Peter Roskam  
Ms. Rebekah Young, Hanover Park  
Mr. Bob Zimmerer, Roselle  
Mr. Rocco Zuccherro, IL Tollway

By Telephone:

Mr. Alex Beata, CMAP  
Mr. Mike Colsch, IL Tollway  
Ms. Amy Lee, RTA  
Mr. George Letavish, Office of Governor Pat Quinn  
Ms. Chrissy Nichols, Metropolitan Planning Council  
Mr. Sean O'Shea, Office of Governor Pat Quinn  
Ms. Courtney Shea, Acacia Financial  
Ms. Cathy Williams, IL Tollway

**General Business**

***Call to Order and Roll Call***

Co-Chairman Cronin called the Finance Committee meeting to order at 11:13 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.

**Approval of Minutes**

Co-Chairman Cronin requested a motion to approve and adopt the Minutes of the October 19, 2011 regular meeting of the Finance Committee. Motion by Mr. Schillerstrom, seconded by Mayor Pedersen to approve the Minutes. On voice vote all members present voted aye. Motion carried.

**Introduction**

Co-Chairman Cronin shared that he is pleased and optimistic with the progress made. He commended Mayor Johnson on his advocacy for his community.

**Review of Elk Grove Proposal and Financial Impacts**

The first agenda item is to review the Elk Grove Proposal and Financial Impact. Ms. Lafleur reported the Tollway has had the opportunity to review the Proposal and clarified with Elk Grove Village their priorities and some of the assumptions that went into the Proposal.

Ms. Pilecky emphasized that the Tollway had undertaken a high-level review, preliminary assessment, with the objective of gaining an understanding the technical implications from a traffic and financial perspective of potentially deferring the North Leg of the Bypass from the Tollway's *Move Illinois* Program as per the Proposal put forth by Elk Grove Village. The focus was on three topics:

- Needed Improvements
- Costs and Funding
- Other Considerations

An option which Elk Grove Village put forth was the deferral of the North Leg of the Bypass provided that other suitable improvements would be put in place in the near term. It is the Tollway's understanding that Elk Grove Village remains fully supportive of the eventual construction of the North Leg of the Western Bypass as in the *Move Illinois* Program. Mayor Craig Johnson replied yes.

Ms. Pilecky continues to summarize by saying that there are many traffic issues that exist on many local arterial roadways along the eastern border of Elk Grove Village and that these will be [exacerbated] if the North Leg of the Western Bypass is not constructed. These locations have been identified as:

- Elmhurst/Higgins Intersection
- Landmeier Road Median
- IL 83 (widen to 8 travel lanes)

- Elmhurst Road/York Road (widen to 6 travel lanes)

Ms. Pilecky then discussed the impacts of not building the North Leg on freeway and tollway systems and access points. With no North Leg, longer distance travel will be diverted to other routes. Ms. Pilecky indicated that this means that travel patterns will change and that other routes in proximity to the study area will require a higher level of improvement than is currently accounted for in the initial Construction Phase Plan. The locations in need of design modifications are:

- I-90: Elmhurst Road Interchange ramp widening and add auxiliary lanes.
- Elgin O’Hare/I-290: System interchange ramps, I-290 mainline and Elgin O’Hare mainline
- IL 19: Full interchange with access north and south

All of this will involve moderately more investment upfront.

Ms. Pilecky presented and thoroughly explained the next portions in the analysis “Project Cost and Funding Changes”.

	Estimated Capital Cost*	Other Needed Funding**
<b>Tollway Initial Construction Plan</b>	<b>\$3.400M</b>	<b>\$300M</b>
<i>Move Illinois Program Impacts:</i>		
Remove West Bypass North Leg	-\$750M	
Add mainline Design refinements	<u>\$40M</u>	
<b>Modified Tollway Projects Costs</b>	<b>\$2,690M</b>	
<i>Off-System Program Impacts</i>		
Added EGV Arterial Improvements	\$200M***	
<b>Modified Total Project Costs &amp; Funding</b>	<b>\$2,890M****&amp;*****</b>	<b>\$200M</b>
<b>North Leg Construction (post-2025)</b>	<b>Over 1,200M</b>	<b>TBD</b>

\*Estimated costs escalated to year-of –expenditure values

\*\*Estimated additional funding required from other sources

\*\*\*Arterial improvements cannot be funded through toll revenue

\*\*\*\*Estimated \$217 impact of net toll revenue reduction on Move Illinois bonding capacity

\*\*\*\*\*Tollway revenue can be used for \$2.690M

Ms. Pilecky cautioned the participants that while removing the North Leg from the Tollway Capital Program may alleviate short-term funding gaps, it may prove more costly in the long run due to cost escalation associated with building the North Leg after 2025.. She went on to discuss the traffic and congestion implications of not building the North Leg. Ms. Pilecky projected, based on their analysis of the system, that not including the North Leg of the west bypass would result in over 1 million hours of additional delay on freeways, tollways, arterial road and local roads and would translate into \$90 million congestion costs by 2030.

Ms. Pilecky emphasized that the Tollway is still early in the project development phase and that a lot of things have yet to be thought through in terms of construction staging, how to issue contracts and when to issue them with an eye toward minimizing construction and traffic impacts to the communities. Over the next few months, the Tollway will be looking closely at a detailed implementation and construction staging concept that will pay close attention to:

- Construction Packages and Sequence
- “Temporary” Connection Treatments
- Traffic and Financial Considerations
- Off-System Improvement Concept Refinements

She indicated that the Tollway and the consulting team will work with corridor stakeholders on this plan.

Co-Chairman Cronin thanked Ms. Pilecky on the excellent presentation.

Co-Chairman Cronin noted that everyone involved has gone to great lengths to make sure we have developed consensus, have a thorough examination every step of the way and the process has been good. The Elk Grove Village Proposal to take the North Leg off the table illustrates the problems for Elk Grove Village in particular with the sequencing of the East/West Corridor being built first. The challenge now is for everyone to look at this Proposal, decide what we can develop consensus on, and address some of the traffic issues at the eastern end of the East/West Corridor. Discussion ensued on the sequencing issues, maintaining the financial integrity, realizing the revenue necessary to pay the bonds, construct the roadway and not adversely impact communities. Ms. Lafleur stressed that we are early in the process and one of the steps that still needs to be done is to look at the impacts on the arterials due to the sequencing of the construction. It was stressed that toll revenue can only be used on Tollways. Mr. Schillerstrom inquired if there is access to the O’Hare Airport with this plan. There will be a connection into the west side of the airport which would be suitable to support whatever is developed. Mr. Schillerstrom surmised if the North Leg was built immediately, there would still be the need for the other projects to be built. Mayor Johnson did not believe so but could not answer with certainty because the [traffic impact] data

are not complete. Mayor Johnson stated that Elk Grove Village would prefer the Northern Leg built; however, their concerns are with the \$300M shortfall, and the impact of sequencing plan that will be felt for the next ten to fifteen years.

Co-Chairman Cronin noted that from the Tollway's and IDOT's perspective, the North Leg must be built. The consensus of opinion is now is the time for the North Leg to be built. It must be built with the sequencing that makes the most sense financially, while addressing the problems on the east end of the corridor. By proceeding with this proposal we will need to come up with \$50M to \$200M from the Federal Government or IDOT. There needs to be a careful analysis of what is absolutely and positively necessary to address the most problematic issue. The virtue of this project, which is why the Governor, the administration at the Tollway and IDOT has embraced it so enthusiastically, has been the tremendous local consensus. Conceptually, based on the two Tollway presentations, conversations with Mayor Johnson and the historical experience that this was originally planned as a North/South sequence followed by an East/West corridor, it makes sense to embrace the Project in its' entirety with the sequencing proposed by the Tollway. The problematic issues faced by Elk Grove Village must be addressed at the same time. Discussion ensued regarding the Elmhurst/Higgins intersection improvements; tolling and improvements on the Elgin O'Hare, use of 2030 figures as opposed to 2040 figures and Itasca's concerns with Park Boulevard not having full access.

### **Ongoing Work**

Co-Chairman Cronin introduced Mr. Martin, with a presentation on In-kind Contributions. Mr. Martin had a handout (Elgin O'Hare – West Bypass, Table 1: Local Contribution Options and Table 2: Cost Reduction Options) which he distributed. He mentioned that this is a work in process. Mr. Martin gave a thorough summary of the document which is attached hereto and made part of these minutes. This represents opportunities for In-kind Contributions and monies that would offset the costs of the ICP as defined, and is "food for thought". Best case scenarios for In-kind Contributions are land donations. One example could be the DuPage County Forest Preserve's donation of land for Wetland Mitigation. There are several utility relocations which will need to take place in the corridor. Mr. Martin also discussed Special Service Areas (SSAs), Business or Enterprise Zones and other user tax based funding mechanisms. Mr. Martin and Mr. Zucchero answered all questions posed. Co-Chairman Cronin mentioned that as the EOWB Finance Working Group, it is important to develop a comprehensive list of financial contributions and that we leave no stone unturned. It is imperative that we prove we have examined all options.

Co-Chairman Cronin introduced Mr. Meister. Mr. Meister will discuss financing proposals, and they do presume there is some sum of money of the \$300M left after In-kind Contributions. Mr. Meister turned it over to Mr. Loper as he has an update on the very competitive TIGER Grant.

### **Local Finance Update**

Mr. Loper reported that the TIGER Grant application for \$50 million has been submitted and received by USDOT. It has come to our attention that there is approximately \$8 billion dollars worth of filings for this grant money. Mr. Schillerstrom inquired if the grant money had to be used on the Tollway. Mr. Loper replied that it could be used locally. Mayor Hartwig inquired if we go with the Elk Grove Village Proposal, can we use the TIGER Grant for that. Ms Lafleur stated that it is a much less attractive project to the Tollway without the full Project being built. It becomes a fundamentally different Project than the one staff committed to with the Tollway Board. Co-Chairman Cronin summarized that if the working group comes up with \$300M in an agreeable fashion, and if we embrace Mayor Johnson's need to improve one of the projects or sites, then we are all together in supporting the Project in its entirety with the sequencing that was proposed by the Tollway.

Co-Chairman Cronin mentioned that he has had one on one discussions with several members of the Illinois Congressional Delegation regarding Western Access and every one of them has expressed strong support. He has met with Rep. Peter Roskam who has been very supportive. We have gone to Washington D.C. to meet with the Lobbyist. Staff is in the process of putting together a letter which we hope will be endorsed by at least five members of Congress. As we formulate the specifics of our request, Co-Chairman Cronin will share this with the group.

Mr. Meister stated that collectively we have a competitive opportunity that became available through the Federal Government in October. TIFIA is a competitive program which through the U.S. Department of Transportation. It is a program which allows the provision of credit. In essence it is a low interest loan. The terms and conditions are so advantageous it is a very competitive program. It could be in the form of a direct loan, a line of credit or loan guarantee, and is for qualified projects of national significance. TIFIA interest rates are the equivalent of Treasury Rates, which right now are below 3%. The maturity is 35 years and there are no principle or interest payments for the first 5 years. Mr. Meister gave a brief history on the last TIFIA round, and IDOT's and the Tollway's last Letter of Interest. The U.S. Department of Transportation announced the availability of a second round of for Fiscal Year 2012. The due date for Letters of Interest is the end of December, 2011. As the presentation by CH2M-Hill demonstrated the Tollway at this point is committing 91% of the funding which is very collective. The fact that the work of the Governors Commission has continued with time and resources speaks to the consensus and collective strength. This will be viewed favorably by the U.S. Department of Transportation. In essence it is a radically different fact pattern as we sit here as it was in March. There is no

fee for submission of a Letter of Interest. The Illinois Finance Authority, under its current statute, does have the ability to finance on behalf of a pool of municipalities and the county. Basically IFA would be a conduit funnel for commitments of a wide variety of local governments. The IFA could be the mechanism that would work with all staff to prepare and present the Letter of Interest. If we are successful, it will be a commitment of real dollars. This is very favorable financing. Mayor Pruyn inquired if the local governments would pay back the loan. Mr. Meister replied yes. Mayor Johnson inquired if the local governments would have to identify a revenue source to pay back the loans. Mr. Meister replied yes. Co-Chairman Cronin noted that as we would all be included in this we would need to figure out a proportionate share for each participant. Mr. Meister explained that there is no cost to do the Letter of Interest. If there is collective interest in taking this initial step we can begin to fill out the questionnaire within the next few weeks. Ms. Johnson inquired how does the Letter of Interest have to address the pay back plan. Ms. Shea explained the Letter of Interest is basically a very broad brush plan. If the group is asked to continue on the next stage is where the specificity is required as to the pay back plan. At the present time there is approximately 91% funding predicated on the Tollway's increase.

Motion by Mayor Pedersen, seconded by Mayor DiCianni to authorize Mr. Christopher Meister to prepare the TIFIA Letter of Interest and to submit it to the U.S. Department of Transportation. On a voice vote all members voted aye. Motion carried.

Mr. Meister assured the group that the Letter of Interest would be circulated before the next meeting so the Mayors and staff would have a chance for input.

### **New Business**

Mayor Pedersen inquired if in a future meeting there would be the opportunity for a presentation from the City of Chicago/Department of Aviation with their plans for Western Access into O'Hare Airport, future plans for parking, etc. Co-Chairman Cronin concurred adding he would greatly appreciate a presentation on their vision for the western side of O'Hare Airport. Mr. Zonsius replied that they do have the plans on the ALP, the 20 year plan for the airport, which they must supply to the FAA on a periodic basis. It is available on the website, but if it is the desire of the group, he will check availability of a presentation. Mr. Zonsius reiterated that the Western Terminal is a terminal which will be built on demand when warranted. Mayor Pedersen clarified that he is not inquiring about the Western Terminal, but a timeline when the "hole in the fence will be cut" and an entrance to a parking lot or a people-mover to the existing terminals.

### **Public Input**

Ms. Weiner inquired in regards to the federal monies, did they indicate what vehicles they would use to provide money for this Project. Co-Chairman Cronin replied they have had discussions with Mr. Bill Viney, who has advised them how to precede in terms of what line item through the Department of Transportation to be sure the money is funneled properly to the state.

### **Next Meeting Date**

There will be a Meeting of the Project Financing Working Group of the Elgin-O'Hare West Bypass Adversary Council on December 21, 2011 at 10:00 a.m. at DuPage County Complex in the Room 3500 B.

### **Adjournment**

Motion by Member Schillerstrom, seconded by Mr. Pedersen to adjourn. On a voice vote all members present voted aye. Motion carried.