



Chicago Metropolitan Agency for Planning (CMAP) Board

Annotated Agenda

Wednesday, September 11, 2019

Cook County Conference Room
233 S. Wacker Drive, Suite 800
Chicago, Illinois

- 1.0 Call to Order and Introductions** 9:30 a.m.
- 2.0 Agenda Changes and Announcements**
Recognition of Andrew Madigan (City of Chicago) and President Franco Coladipietro (DuPage County) for their service to the CMAP Board. Welcome Mayor Karen Darch (Northwest Cook) and Jim Healy (DuPage County)
- 3.0 Approval of Minutes—June 19, 2019**
ACTION REQUESTED: Approval
- 4.0 Executive Director's Report**
4.1 Local Technical Assistance (LTA) Update
4.2 Fall Event Series
4.3 Other Announcements
- 5.0 Committee Reports**
The chair of the Coordinating Committee will provide an update from the meeting held prior to the board meeting. A written summary of the working committees and the Council of Mayors Executive Committee will be distributed.
ACTION REQUESTED: Information
- 6.0 Procurements and Contract Approvals**
6.1 Dun and Bradstreet Data Subscription
6.2 Cost Increase Request for Thirst and Clarity Partners
ACTION REQUESTED: Approval
- 7.0 Election of Officers**
The Nominating Committee will make a recommendation for appointing officers and members of the Executive Committee
ACTION REQUESTED: Approval

8.0 ON TO 2050 Plan Update

The CMAP Board and the MPO Policy Committee named a sub-committee to evaluate the timing of the ON TO 2050 Plan update. Reporting on behalf of the CMAP Board will be Matt Walsh.
ACTION REQUESTED: Information

9.0 Spring Legislative Recap and Capital Bill Analysis

The 101st General Assembly concluded its spring session with passage of several noteworthy pieces of legislation including an operational budget and capital investments for transportation, natural resources, and ‘vertical’ infrastructure. Staff will present analysis of the capital package, with a focus on transportation revenues, potential projects, and implications for future CMAP policy priorities. Written analysis also includes other relevant legislation enacted this summer.

9.1 Analysis of non-transportation infrastructure capital funding, the operational budget, and other measures

9.2 Analysis of transportation capital funding and projects

ACTION REQUESTED: Discussion

10.0 Embedded Staff Planner (ESP) Program Update

Staff will present an update on the ESP program, which officially kicked off in the spring in Sauk Village and Calumet Park.
ACTION REQUESTED: Information

11.0 Other Business

12.0 Next Meeting

The Board is scheduled to meet next in a joint meeting with the MPO Policy Committee on **Thursday, October 10, 2019**.

13.0 Public Comment

This is an opportunity for comments from members of the audience. The amount of time available to speak will be at the chair’s discretion. It should be noted that the exact time for the public comment period will immediately follow the last item on the agenda.

14.0 Adjournment

Chicago Metropolitan Agency for Planning Board Members:

- | | | |
|---------------------------|-----------------------|--------------------|
| ___ Gerald Bennett, Chair | ___ Jim Healy | ___ Anne Sheahan |
| ___ Rita Athas | ___ Mike Montgomery | ___ Matthew Walsh |
| ___ Frank Beal | ___ John Noak | ___ Diane Williams |
| ___ Matt Brolley | ___ Rick Reinbold | |
| ___ Karen Darch | ___ Carolyn Schofield | ___ Leanne Redden |



Chicago Metropolitan Agency for Planning

Agenda Item No. 3.0

233 South Wacker Drive
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312 454 0400
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Chicago Metropolitan Agency for Planning (CMAP) DRAFT Board Meeting Minutes June 19, 2019

Offices of the Chicago Metropolitan Agency for Planning (CMAP)
Cook County Conference Room
Suite 800, 233 S. Wacker Drive, Chicago, Illinois

Board Members Present: Gerald Bennett, Chair-representing southwest Cook County, Rita Athas representing the City of Chicago, Frank Beal-representing the City of Chicago, Matt Brolley-representing Kane/Kendall Counties, Franco Coladipietro-representing DuPage County, Andrew Madigan-representing the City of Chicago (via tele-conference), Mike Montgomery-representing the City of Chicago, John Noak-representing Will County, Rick Reinbold-representing south suburban Cook County, Carolyn Schofield-representing McHenry County (via tele-conference), Anne Sheahan-representing the City of Chicago, Matthew Walsh-representing west central Cook County (via tele-conference), Diane Williams-representing Cook County, and non-voting member, Leanne Redden-representing the MPO Policy Committee

Staff Present: Joe Szabo, Melissa Porter, Jesse Elam, Angela Manning-Hardimon, Stephane Phifer, Gordon Smith, Jane Grover and Sherry Kane

Others Present: Stephanie Brown-Lake County Council, Jack Cruikshank-WCGL, Mike Klemens-Lake County Council, Josh Klingenstein-NWMC, Daniel Knickelbein-DMMC, Kelsey Mulhausen-Southwest Conference, Tom Rickert-Kane/Kendall Council, Dave Seglin-CDOT, and Cody Wolcott-Metra.

1.0 Call to Order and Introductions

CMAP Board Chair Mayor Bennett called the meeting to order at approximately 9:36 a.m. and asked Board members to introduce themselves.

2.0 Agenda Changes and Announcements

No need for a closed session, Agenda Items No. 2.0 adjourn to closed session and 3.0 reconvene open session were stricken from the Agenda.

Unable to attend the meeting today, Chairman recognized Mayor Al Larson, City of Schaumburg and thanked him personally and on behalf of the entire Board for his service. One of the founding members of the board who had served since the beginning, Mayor Larson was active and engaged through his entire term and had served numerous committees including the Executive Committee. Chairman wished that Mayor could have been present today (Larson had retired as Mayor of Schaumburg) and wished him the best.

Chairman also announced a change in leadership at CMAP, thanked the selection committee--Rita Athas, Frank Beal, Carolyn Schofield, Mayor John Noak, and President Rick Reinbold, and Heidi Voorhees-GovHR--for their time and effort (over 3 days) and who had reached a decision for a new Executive Director. A pool of over 70 candidates, narrowed down to screening 20, with 7 (one had dropped out from an original 8) very qualified individuals had been interviewed. A very tough decision, Chairman went on to say, Erin Aleman was chosen to fill the position. Originally from CMAP, Erin had gone on to IDOT, and moved up to a leadership position there within a short period of time. This is the recommendation from the selection committee, Chairman reported, adding that background info and an employment contract, similar to that of previous executive directors, had been forwarded to members of the Board.

A motion by Mayor John Noak, seconded by Diane Williams to appoint Erin Aleman as the new Executive Director of CMAP, with all in favor, carried.

Chairman also recognized the service of outgoing executive director, Joe Szabo, citing accomplishments over four years that included the following: involvement of the agency's second major plan; improving communications to the public; organizing staff to bring that about; remaining steadfast and maintaining relationship with the Counties, the CoGs, and other key stakeholders throughout the region; the face of the agency with many public speaking opportunities; and, establishing a funding relationship in the region through the very successful reintroduction of the dues program.

Szabo congratulated Erin Aleman and walked back over his 43 year career beginning as Plan Commissioner to and Mayor of the Village of Riverdale, his work at Metra, the Rail Workers Union, the FRA, and back to Chicago finishing up here at CMAP. It had been an honor, he said, to serve and thanked his Chief of Staff, Melissa Porter, who had followed him here from D.C.

3.0 Approval of Minutes

A motion to approve the minutes of the CMAP Board meeting of May 8, 2019, as presented made by Frank Beal, was seconded by Rita Athas, and with all in favor, carried.

4.0 Executive Director's Report

The Local Technical Assistance (LTA) program update was included in the packet, Executive Director Joe Szabo reported. Szabo also reported on the following: CMAP's new Deputy Executive Director for Communications and Outreach, Kathy Lane; the end of session in Springfield that had made important progress on implementing ON TO 2050 recommendation for sustainable transportation funding through an increase in the Motor Fuel Tax (MFT); and, work with implementers and CMAP's Transportation

Committee to consider the FAST Act's rescissions in July 2020 to ensure funding (at the end of the current federal fiscal year—September 30) is fully obligated.

5.0 Committee Reports

Chair of the Coordinating Committee, Frank Beal, reported the activities of the early morning meeting that included: the presentation of the South Cook County Mobility Study Pilot to improve transit service on the south side of the city and in the south suburbs by the County, the RTA, and the CTA, who will back stop the 3-year program; and, the FY 2019 Local Technical Assistance (LTA) program call for projects covering promotion strategies and selection criteria. A written summary of the working committees and the Council of Mayors Executive Committee was distributed.

6.0 Procurements and Contract Approvals

Deputy Executive Director for Finance and Administration Angela Manning-Hardimon presented the following for approval: a 2-year contract (with three 1-year renewals) to Bang the Table at an annual cost not to exceed \$47,900 for on-line public engagement tools for regional and local planning; a 3-year contract (with 2 1-year renewal options) to Thirst at an annual cost not to exceed \$250,000 for a broad range of design related services (including branding and naming, facilitation and trainings to further CMAP communications initiatives, development of design tools, event design, and digital and print product design; a contract amendment to Pangaea Information Technologies, Ltd., for an additional 1-year contract extension in the amount of \$35,000 for the FY 2020 Regional Transportation Data Archive Project; a subcontract to CMAP in the amount of \$35,975 to assist Enterprise Community Partners in completing the Cook County Regional Assessment of Fair Housing; and, contract preapproval for a western Will County truck route and communities study and Local Technical Assistance (LTA) comprehensive freight land use plan--in the essence of timing (the Board likely will not meet again until September)--that would allow the Executive Director to execute a contract.

A motion by Mayor John Noak, seconded by Rita Athas to approve the procurements and contract awards as presented, and with all in favor, carried.

7.0 FY 2020 Unified Work Program (UWP)

Referring to the Board memo included in the packet, Deputy Executive Director for Finance and Administration Angela Manning-Hardimon presented the FY 2020 Unified Work Program (UWP), reporting the following: the UWP budget allows CMAP to remain operational and provides for the core transportation planning dollars for the City of Chicago, the Council of Mayors, Will County, and the transit agencies; the funding also provides competitive funding for committee-selected programs; federal funding is estimated at \$18,137,725 (up just over \$190,000 from last year), and with the local match the budget totals \$22,672,156; of that amount, \$21,355,956 covers core programming and \$1,316,200 is allocated to competitive programming; the FY 2020 has been considered and approved by the UWP Committee, the Transportation Committee, and CMAP's Coordinating Committee. When queried, Hardimon reported that there would be no increase to the Council of Mayors allocation.

A motion by Mayor John Noak, seconded by Rita Athas, to approve the program as presented, and with all in favor, carried.

8.0 DRAFT FY 2020 Budget and Work Plan

Having been considered at its last meeting in draft form, Deputy Executive Director for Finance and Administration Angela Manning-Hardimon presented CMAP's FY 2020 budget and work plan, highlighting the following: the budget reflects CMAP funding requirements to conduct its core MPO activities, coordinate projects that implement the plan recommendations of ON TO 2050, provide funding for non-transportation planning work, and to provide funding to CMAP partners in the form of operational and competitive funding; total revenues are projected at \$19,847,155 (up \$1.4 million from FY 2019) and expenditures at \$19,548,088 (up \$1,227,261 from FY 2019); there is no increase in local dues seen in FY 20; CMAP, RTA, CDOT, and CTA were awarded 100% of their funding requests at \$1,316,200 for competitive projects under the Unified Work Program (UWP); there is a 5% decrease in personnel costs due to a new salary calculation based on average turnover rate and average full time employee on payroll. There is an 8.5% increase in operating expenses, primarily due to CMAP's relocation to the Post Office; a 3.5% increase under occupancy expenses; and a 37% increase in contractual services related to year one implementation activities for ON TO 2050, recent state awards where we are required to meet the local match, completion of MPO required projects such as the Travel Survey that will continued in FY 20. When queried, Hardimon reported that following the presentation of the draft budget, there was a conversation regarding CMAP's compliance with MBE/WBE participation. Currently, Hardimon went on to say, because our funding is passed through IDOT, we are not required to have a compliance program. CMAP does not actively go out and select contracts on that basis. However, one of our largest single vendors that we do business with is a Minority-Owned Company—SLG provides IT services at a cost of roughly \$800,000 annually—that has been on board for the past 6, or 7 years. Executive staff will look into developing an MBE/WBE program that will include outreach efforts in the vendor component of the RFP. RTA Executive Director Leanne Redden added that they are required to comply with MBE/WBE and conducts outreach efforts in vendor selection and the staff of CMAP is invited to connect with the RTA staff responsible for the program.

Finally, a motion to approve the FY 2020 Comprehensive Budget and Work Plan made by Frank Beal was seconded by Mike Montgomery, and with all in favor, carried.

9.0 CMAP-MPO Policy Committee Memorandum of Understanding (MOU)

Chief of Staff/General Counsel Melissa Porter presented a red-lined version of the CMAP-MPO Policy Committee Memorandum of Understanding (MOU) that was presented in draft form at the last meeting. Porter reported that the edits were largely focused on minimal substantive, grammatical, and stylistic changes intended to capture the changes that the Board made to the committee structure last November. The MPO Policy Committee approved the changes at their recent meeting, Porter concluded.

A motion to approve the Memorandum of Understanding between the CMAP Board and the MPO Policy Committee as presented, made by Mayor John Noak, seconded by Frank Beal, and with all in favor, carried.

10.0 Public Participation Plan

CMAP Principal Jane Grover presented the final draft of CMAP's Public Participation Plan for Board review and approval. The federally-required Public Participation Plan is

CMAP's documented plan for meaningful, inclusive, proactive, and compliant public engagement to guide development of long-range plans and amendments, as well as the Transportation Improvement Program and other agency initiatives. The draft Plan builds on the 2013 version, includes a lot of regulatory language, was published for 45 days for public comment, was considered by the Citizens' Advisory Committee in March and again last month. One public comment was received related to expansion of bike facilities, the RTA reviewed the plan, and regulatory language was included that allows the RTA to use our public participation plan to satisfy its regulatory requirement. The final draft was approved by the Transportation Committee in June, earlier this month by the Citizens' Advisory Committee, and last week by the MPO Policy Committee.

A motion by Frank Beal to approve the CMAP Public Participation Plan, as was presented, seconded by Diane Williams, and with all in favor, carried.

11.0 Legislative Update

CMAP staff Gordon Smith reported that the state legislative report had been included in the board packet. In terms of the Capital Bill, while not yet signed, made for a good session. The miss that appears to have happened (or rather near miss)—performance based programming—because ongoing conversations of the partners of all 4 caucuses, as well as members of the Governor's staff, can still be done administratively. Board members discussed the spring session in terms of indexing the gas tax, performance-based initiatives, the significant park and recreation funding that will come back to the community, the significance to the transit agencies in the traditional funding allocation as well as the pay-as-you-go component, the nuance in the gas tax and vehicle registration cut the transit agencies into the gas tax pie, the additional MFT going to locals will allow flexibility in funding to some other projects, non home-rule, and finally, funding for CMAP.

12.0 Appointing a Nominating Committee

Chairman Mayor Bennett appointed the following members to serve as a nominating committee recommend the positions of Vice Chairs and members of the Executive Committee: Frank Beal-representing the City of Chicago, Matt Brolley-representing the Collar Counties, and Matt Walsh-representing Suburban Cook County, to be brought back to the Board in September for approval.

13.0 Other Business

There was no other business before the CMAP Board, although Chairman Mayor Bennett once again thanked the search committee for their work, members were reminded about the event for Joe on June 26, and announced that two vacancies now exist on the CMAP Board—northwest Cook, and Lake County.

14.0 Public Comment

There were no comments from the public.

15.0 Next Meeting

Chairman announced that the Board would not meet in July and August, rather will meet next in September.

16.0 Adjournment

At 10:28 a.m., a motion to adjourn by Mike Montgomery, seconded by Frank Beal, and with all in favor, carried.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Sherry Kane", is written in black ink on a light blue background.

Sherry Kane, EA

08-30-2019

/stk



Chicago Metropolitan Agency for Planning

Agenda Item No. 4.1

233 South Wacker Drive
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MEMORANDUM

To: CMAP Board and Committees

From: CMAP Staff

Date: September 4, 2019

Re: Local Technical Assistance (LTA) Program Update

The CMAP Board and committees receive regular updates on the projects being undertaken through the Local Technical Assistance (LTA) program, including those receiving staff assistance and consultant assistance. To date, 224 local projects have been initiated. Of these, 203 projects have been completed, and the remainder are under development. FY20 projects are being initiated, and will appear in the update over the next few months.

Further detail on LTA project status can be found in the attached project status table. Projects that appear in this document for the first time, or that were recently completed, are noted and highlighted in italics.

ACTION REQUESTED: Information

Projects Currently Underway

| No. | Project | CMAP lead | Timeline | Assistance type | Status and notes |
|-----|---|-----------------------------|------------------------|-----------------------|---|
| 506 | Cook County (Maine-Northfield) unincorporated area plan (see website) | Jake Seid | July 2016 – July 2019 | Staff assistance | Project is complete, and implementation discussions are underway. |
| 700 | Algonquin-Cary subarea plan (see website) | Kate Evasic | Mar. 2018 – Dec. 2019 | Staff assistance | CMAP staff drafted the key recommendation memo, which is undergoing Village review. Staff also attended two community events to conduct additional outreach. The consultant is revising the market analysis. |
| 701 | Aurora Regional Active Mobility Program (RAMP) (see website) | Jane Grover/ John O'Neal | Sept. 2018 – Feb. 2020 | Staff assistance | Project is essentially complete. Final deliverable was a memo sent to internal management in June, which recommended handing off the project to KKCOM, who will lead the "Chicagoland Bike Share Forum" going forward, with CMAP as a member and participating in future meetings and activities. |
| 702 | Beach Park Northern Lakeshore Trail Connectivity Plan | John O'Neal | Dec. 2018 – Mar. 2021 | Consultant assistance | Project outreach is underway, with key stakeholder interviews wrapping up, and project website, including interactive input map, and iPad kiosks deployed. Simultaneously, research both for ECR and for Complete Streets policy part of project, is underway. |
| 703 | Beecher comprehensive plan (see website) | Ricardo Lopez | Jan. 2018 – June 2019 | Consultant assistance | The steering committee is scheduled to meet on August 29 to review draft Comprehensive Plan. A public hearing is TBD in October 2019. |
| 705 | Calumet Park comprehensive plan | Patrick Day | Sept. 2018 – Feb. 2020 | Consultant Assistance | Visioning is underway. |
| 706 | Carol Stream zoning, sign, and subdivision regulations | Jake Seid | May 2018 – May 2021 | Consultant assistance | Houseal Lavigne Associates completed the Recommendations Memo and received feedback from the Village Steering Committee. Village staff and the Steering Committee recently reviewed the draft District standards of the Unified Development Code. |
| 707 | Channahon comprehensive plan (see website) | Heidy Persaud | Mar. 2018 – Sept. 2019 | Consultant assistance | Draft Plan under review by CMAP. |
| 709 | Chinatown Parking Study (see website) | Lindsay Bayley | Feb. 2018 – Sept 2019 | Staff assistance | Steering committee met on 7/31 to review the recommendations memo. Staff is planning an open house on 8/20 for local residents to review the recommendations and add comments before final drafting. |

| No. | Project | CMAP lead | Timeline | Assistance type | Status and notes |
|-----|--|-----------------|------------------------|-----------------------|--|
| 711 | DuPage County Corridor Study (see website) | Lindsay Bayley | Jan. 2018 – Sept 2019 | Consultant assistance | Drafting final plan. |
| 712 | Far South CDC Existing Conditions and Market Analysis | Katanya Raby | Apr. 2018 – Sept 2019 | Staff assistance | Drafting final report. |
| 713 | Forest Preserve District of Cook County, Des Plaines River Trail, South Extension Planning Study (see website) | John O'Neal | May 2018 – Oct. 2019 | Staff assistance | Draft study is underway. |
| 715 | Illinois International Port District planning priorities report (see website) | Elizabeth Scott | Apr. 2018 – May 2019 | Staff assistance | The master plan process commenced in August. Outreach and existing conditions work is underway. |
| 717 | Justice I&M Canal Trail Extension Feasibility Study (see website) | John O'Neal | Jan. 2018 – Sept. 2019 | Consultant assistance | Draft study report is complete. Open house held on July 16. Comments and final edits currently being incorporated. |
| 719 | Kane County / Mill Creek watershed-based plan (website) | Holly Hudson | Oct. 2017 – Oct. 2019 | Staff assistance | The consultant completed the hydrology and water quality calibration of the HSPF model and will run the model to provide an estimate of existing land use-based pollutant loads for phosphorus, nitrogen, total solids, and fecal coliform. CMAP staff continued to work on developing a future land use layer; this will be used in the HSPF model to estimate future potential pollutant loads. Staff began stakeholder interviews to gather input on potential BMP opportunities. |

| No. | Project | CMAP lead | Timeline | Assistance type | Status and notes |
|-----|---|----------------|------------------------|-----------------------|---|
| 720 | Matteson streetscape improvement plan | Ricardo Lopez | Mar. 2019 – Feb. 2020 | Consultant assistance | Draft ECR is complete. Steering committee and public workshop to take place in September 2019. Dates TBD. |
| 721 | Maywood Zoning Reference Guide | Maggie Jarr | Jan. 2018 – May 2019 | Staff assistance | CMAP presented the final Zoning Reference Guide at the Plan Commission/Zoning Board of Appeals meeting on June 11. This project is complete. |
| 723 | McHenry County Council of Governments Shared Services Study (see website) | Brian Daly | May 2018 – June 2020 | Staff assistance | CMAP staff has been analyzing to a data and information request from government districts in McHenry County to fully assess local government services and assets, staff. The project advisory committee will be meeting September 13th, and workshops with staff and officials from McHenry County government districts are being scheduled for the fall. |
| 724 | McKinley Park Development Council neighborhood plan (see website) | Ricardo Lopez | Feb. 2018 – Dec. 2019 | Staff assistance | Draft Recommendations memo is complete. Partners to review memo in September. Steering committee to meet in late September to review recommendations. |
| 725 | Montgomery Zoning and Subdivision Ordinance (see website) | Jake Seid | Sep. 2018 – Sep. 2021 | Staff assistance | CMAP staff is in the process of completing Module 1 of 4 of the Unified Development Ordinance. Module 1 will focus on the administrative standards of the Ordinance re administrative bodies, zoning applications, and nonconformities. Module 1 will be sent to Village staff for review in mid-September. |
| 726 | North Avenue corridor plan (see website) | Cindy Cambray | Jan. 2018 – June 2020 | Staff assistance | Mobility and revitalization recommendations for the corridor were presented to the public at an open house on May 9. The final plan is now being drafted. |
| 727 | Northwest Municipal Conference multimodal transportation plan (see website) | Lindsay Bayley | Sept. 2018 – Feb. 2020 | Consultant assistance | Consultant shared online interactive map of priority corridors, the analysis of results of surveys, and preliminary assessment of access to transit. Next Steering Committee meeting is August 27th. |

| No. | Project | CMAP lead | Timeline | Assistance type | Status and notes |
|-----|---|---------------------|------------------------------|-------------------------|---|
| 728 | Chicago Belmont-Cragin Avenues for Growth (see website) | Heidy Persaud | Apr. 2018 – Oct. 2019 | Consultant assistance | Final Plan delivered. |
| 730 | Robbins stormwater, TOD, and industrial area plan | Argumedo, Dominick | Jan. 2018 – Dec 2019 | Staff assistance | CMAP staff is currently drafting the key recommendations memo. |
| 731 | <i>Sandwich planning priorities report</i> | <i>Jared Patton</i> | <i>Jan. 2018 – June 2019</i> | <i>Staff assistance</i> | <i>The final report was adopted by the Village Board on June 24. This project is complete.</i> |
| 733 | South Suburban Mayors and Managers Association Pilot Embedded Staff Planner Program | Patrick Day | Mar. 2019 – Mar. 2021 | Staff assistance | CMAP staff continues working in the Villages of Calumet Park and Sauk Village. |
| 734 | Summit zoning ordinance update | Jake Seid | Nov. 2018 – Jan. 2020 | Consultant assistance | Duncan Associates met with Village leadership and staff to discuss its Recommendations Memo. The consultant is currently drafting District standards for the Village and plans to complete them in September. |

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Chicago Metropolitan Agency for Planning

Agenda Item No. 6.1

233 South Wacker Drive
Suite 800
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MEMORANDUM

To: CMAP Board

From: Angela Manning-Hardimon
Deputy Executive Director, Finance and Administration

Date: September 4, 2019

Re: Dun and Bradstreet Data Subscription

CMAP maintains large data resources for use in its development, projection and evaluation of land use and transportation in the northeastern Illinois region. The required data is reviewed to determine how the data sets are used by staff, which staff uses the data sets and how frequently the data is used. If the data is not available from a free source, it must be purchased.

CMAP staff is requesting Board approval to continue the Dun and Bradstreet online data subscription for two additional years. Employment related data from Dun and Bradstreet is used for the Land Use Model, the evaluation of Regionally Significant projects and travel and emission modeling for conformity.

Staff is recommending a two-year agreement for a total cost of \$228,671.00. Support for this purchase will be included in the FY20 and 21 Operating budgets.

ACTION REQUESTED: Approval



Chicago Metropolitan Agency for Planning

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MEMORANDUM

To: CMAP Board

From: Angela Manning-Hardimon
Deputy Executive Director, Finance and Administration

Date: September 4, 2019

Re: Cost Increase Thirst and Clarity Partners

On April 11, 2018, the CMAP Board approved a two-year contract with Clarity Partners, LLC, for website support, development and administration, in the amount of \$220,000.00 annually, with three one-year options for renewal for a total project cost of \$1,100,000.00. On February 6, 2019, staff received Board approval for a cost increase in the amount of \$80,000.00 per year for a maximum not to exceed contract cost of \$1,500,000.00. This cost increase was necessary to provide performance improvements to the CMAP website and additional maintenance of the customer relationship management system. Staff is seeking Board approval for an increase of \$125,000 annually for FY20 and FY21 for a maximum total contract cost of \$1,750,000.00. Options years will remain at \$300,000 a year.

On June 12, 2019, the CMAP Board approved an agreement with Thirst for Design Integration for \$250,000.00 per year for a maximum contract cost of \$1,250,000.00. Staff is seeking Board approval for and additional \$75,000.00 per year for two-years. This would increase the annual project cost to \$325,000 for years one and two. Year three and all option years will remain \$250,000.00 per year. The total contract cost for this project will not exceed \$1,400,000.00.

These additional funds are being requested to provide digital assets for enhanced public engagement and agency communications. The additional funds will include web design and development and other digital asset production. Support for this work will be included in the FY19 and FY20 Operating budgets.

ACTION REQUESTED: Approval

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Chicago Metropolitan Agency for Planning

Agenda Item No. 7.0

233 South Wacker Drive
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MEMORANDUM

To: CMAP Board

From: CMAP Nominating Committee:
Frank Beal-representing the City of Chicago
Mayor Matt Broley-representing the Collar Counties
Matt Walsh-representing Suburban Cook County

Date: September 4, 2019

Re: Nominations – CMAP Officers

The nominating committee submits the following names for consideration as officers and members of the Executive Committee of the Chicago Metropolitan Agency Planning (CMAP) Board:

| | |
|------------|--|
| Chair | Gerald Bennett, Mayor-Suburban Cook County |
| Vice Chair | Carolyn Schofield-Collar Counties |
| Vice Chair | Anne Sheahan-City of Chicago |
| At Large | Diane Williams-Suburban Cook County |
| At Large | Rita Athas-City of Chicago |
| At Large | John Noak, Mayor-Collar Counties |

The nominating committee believes the slate continues to represent the desired geographical balance while providing a mix of position and experience.

ACTION REQUESTED: Approval

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**MEMORANDUM**

To: CMAP Board

From: CMAP staff

Date: September 4, 2019

Re: FY2020 operating budget and non-transportation measures enacted in 2019

In addition to a suite of measures to boost transportation infrastructure investments, spring session closed with the successful passage of an operating budget and other legislation. Communities throughout northeastern Illinois will have to contemplate changes introduced by measures such as an historic expansion of gaming, legalization of recreational cannabis, and reforms to sales tax collection. The capital package also included funding for natural resources, affordable housing, and appropriated funds for projects throughout the region for a wide variety of purposes. This analysis provides a synopsis of this legislation and a brief discussion of ongoing policy priorities for the implementation of ON TO 2050, excluding transportation infrastructure investments. A companion memo examines transportation infrastructure in the capital package, and implications for ON TO 2050 implementation.

Operating budget passed

In the final days of session, the General Assembly passed a \$79.71 billion operating budget, \$38.46 billion of which are General Funds,¹ [Public Act 101-0007](#), and a budget implementation bill (BIMP), [Public Act 10-0010](#), that are largely in line with the administration's revenue projections. However, projections rely on a number of new and still-unproven revenues which are explored in this memo. The approved package closely matches Governor Pritzker's original [budget proposal](#), which does not deviate significantly from FY2019 spending.

The operations appropriations maintain funding for the Illinois Department of Transportation (IDOT), Illinois Department of Natural Resources (IDNR), Illinois Environmental Protection Agency (IEPA), and Department of Commerce and Economic Opportunity (DCEO) consistent with FY2019 levels. State and federal pass-through funds included in the budget for metropolitan planning and research purposes are also maintained, supporting CMAP and the

¹ Office of Management and Budget, Executive Office of the Governor, "Table I-A Operating and Capital," <https://www2.illinois.gov/sites/budget/Pages/default.aspx>, accessed August 27, 2019.

15 other metropolitan planning organizations in Illinois. The budget further provides appropriations close to FY2019 levels for Amtrak (\$50 million), RTA free and reduced fare reimbursement (\$17.6 million), and Pace Paratransit (\$8.4 million). Pace Paratransit funds will all come from the Road Fund; previously, about half came from the General Revenue Fund (GRF). The Public Transportation Fund (PTF), which includes the State's statutorily required 30 percent match to the Regional Transportation Authority (RTA) sales tax and Chicago real estate transfer tax, remains at FY2019 levels, which continue a 5 percent reduction. In addition, [Public Act 10-0010](#) continues the 5 percent reduction to the Local Government Distributive Fund (LGDF) from FY2019. The budget also includes \$29 million to the Department of Human Services (DHS) to issue grants in support of the 2020 Census, focusing on historically [undercounted populations](#).

In May, Governor Pritzker announced the State had collected an additional \$1.4 billion from individual and corporate tax revenues. This influx of funds was used to address the shortfalls of the FY2019 budget.

However, a General Funds bill backlog of approximately \$6.5 billion remains and accrues interest at a rate of 9 to 12 percent per year. Other funds have backlogs as well. In FY19, the State paid [\\$140 million](#) in interest. Public Act 101-0030 authorizes the State to issue \$1.2 billion in bonds to help pay down this backlog, speeding the pay down process at a comparatively better interest rate, yet establishing a different long term liability. The issue of prompt payment remains a serious challenge throughout the state, including for regional partners such as the RTA.

General Funds changes include sales tax shift

The portion of state sales tax revenue attributable to motor fuel purchases will be incrementally shifted from the GRF and the Common School Fund to the Road Fund, a change that will be phased in between fiscal years 2022 and 2026. The state may have pursued this change to head off concerns about sales tax on motor fuel violating the recent Safe Roads Amendment to the state constitution. This will provide additional resources for the State's transportation needs and related debt service, but will reduce funding available for other State programs and services. The impact is dependent on the price of gas, and based on historic prices and expected drops in fuel consumption, the shift could range from \$400 to \$800 million annually. The portion of state sales tax on motor fuel that is disbursed to local governments would not be affected, nor would revenues accruing to the Build Illinois Bond Fund.

[Public Act 101-0032](#) repeals the Commercial Distribution Fee (CDF), a 14.35 percent surcharge on heavy truck registrations, which had previously been directed to the GRF. The CDF generated \$55 million in fiscal year 2019. In addition, [Public Act 101-0010](#), the operating budget implementation bill, made changes to the funds that flow into the PTF. An additional \$50 million annually will be directed to the PTF from the Road Fund rather than the GRF, which will largely offset the decreased GRF revenue resulting from the CDF repeal.

Measures with revenue and local planning implications

The State of Illinois enacted other legislation this session, which will have ramifications not only for state and local revenues, but also local planning decisions. This section will address some larger policy changes: significant expansions to gaming, the legalization and taxation of recreational cannabis, modernization of the sales tax, and a proposed constitutional amendment that could result in a new graduated income tax structure.

Expansion of gaming and casino revenues

[Public Act 101-0031](#) creates new one-time and ongoing revenues from the expansion of existing casinos and electronic gambling, the establishment of up to six new casinos in the state, and the legalization of sports betting, among other changes. The Governor's office estimates that new ongoing revenues from casino gaming, video gaming, and sports wagering will be [\\$350 million annually at full implementation](#). However, with siting and other considerations involved with the development of new casinos, it is unclear how long it will take to reach full implementation. Given the magnitude of the gambling expansion, it is also unclear if the revenue projections properly reflect market demand.

Revenues from gaming and wagering are not consistent and sustainable sources of capital funding. CMAP analysis has shown that many of the [unproven revenue sources](#) from the previous capital bill did not live up to initial estimates. After the passage of Illinois Jobs Now! in 2009, eight years lapsed before revenue projections from video gaming were realized, primarily due to communities opting out of electronic gambling. Gaming and casino revenues identified in Rebuild Illinois are equally susceptible to implementation factors that may delay or reduce revenue projections. One such factor is demand for gambling and other gaming activities. Rebuild Illinois will add up to 13,200 gaming stations between new casinos and increased limits on electronic gaming terminals, yet tax revenue collected at Illinois' casinos have decreased by 14 percent in the last five years. Future revenues will be dependent on the sustained use of new gaming facilities and terminals, with such a substantial expansion of gaming it is unclear how the multiple new options will fare as they compete for some of the same customers.

New casinos licensed in northeastern Illinois

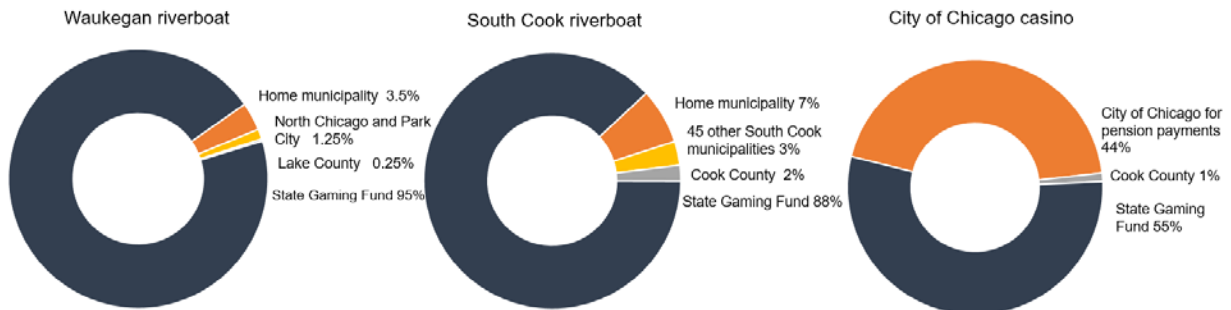
The legislation allows for the licensing of up to six new casinos. Of the six, three will be located in northeastern Illinois— a casino in the City of Chicago and riverboats in Waukegan and a designated area of south Cook County. Locations for the new facilities are yet to be determined, though the casino to be located within the City of Chicago is subject to final determination by the Illinois Gaming Board after the submission of a commissioned feasibility study. Prior to submitting an application to the state, casino developers may negotiate a revenue sharing agreement with the host municipality or county where the facility will be located. The bidder selected for the Chicago casino will also have the right to install electronic gaming stations in both Midway and O'Hare airports.

When applying for a license to operate one of the new casinos, [Public Act 101-0031](#) requires the owner to work in good faith with the host municipality or county to negotiate the permanent location and any necessary zoning accommodations. Additionally, the corporate authority of

the municipality or county must hold a public hearing to discuss the negotiated details of the casino proposal and pass a resolution by majority of the corporate authority or board, thereby mitigating siting and zoning setbacks.

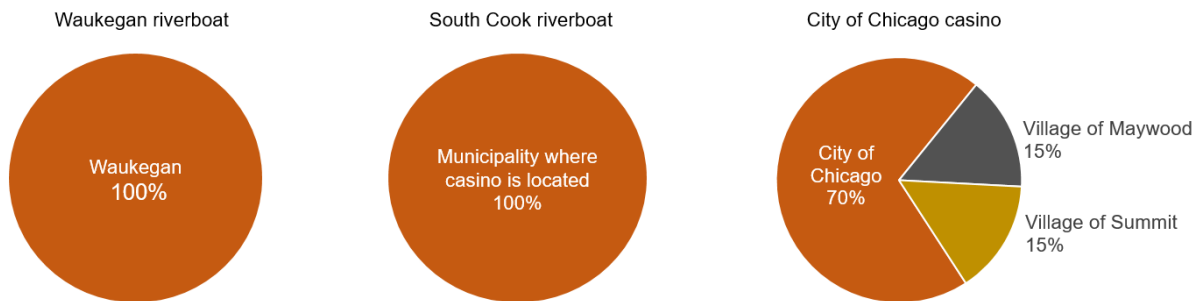
The tax rate on the operation of the new casinos will vary based on the annual adjusted gross receipts (AGR) of each casino. For electronic gaming at new casinos, the rate may range from 15 percent on adjusted gross receipts of \$25 million and under, up to 50 percent on AGRs in excess of \$200 million. For table gaming, the rate is 15 percent for casinos with AGRs under \$25 million and 20 percent above. A portion of each admission fee will also be distributed to local governments. Of taxes collected on AGRs, local disbursements vary by casino, as shown in the graphic below.

Local disbursement from taxes collected at new casinos in northeastern Illinois



Note: Chicago casino revenue projections based on the Illinois Gaming Board's "City of Chicago Casino Financial Feasibility Analysis."
 Source: Chicago Metropolitan Agency for Planning analysis of State of Public Act 101-0031.

Local disbursement of \$1.00 from each admission fee collected at new casinos in northeastern Illinois



Source: Chicago Metropolitan Agency for Planning analysis of State of Public Act 101-0031.

Sports betting legalized

Public Act 101-0031 makes sports betting legal in Illinois, with revenues to be deposited into the Capital Projects Fund. The Illinois Gaming Board will award up to seven licenses to allow betting at venues with more than 17,000 seats. In addition to expected ongoing revenues, there

are a number of one-time upfront fees to be collected. Licensing fees for new sports betting facilities will be \$10 million, with an additional \$1 million renewal fee every four years. For three eligible online sports wagering operators, the initial renewal fee is \$20 million, which can then be renewed after four years for \$1 million. Licensing revenues are scheduled to support ongoing capital costs. For sports betting facilities, 15 percent of gross wagering receipts will go into the Sports Wagering Fund, which in turn is transferred to the Capital Projects Fund monthly. In Cook County, an additional 2 percent will be collected for the purpose of enhancing the county's criminal justice system.

Video gaming expanded

[Public Act 101-0031](#) increases the maximum number of video gaming terminals at a licensed location from five to six. Currently, a tax of 30 percent is collected on net terminal income, 83 percent of which is deposited into the Capital Projects Fund and the rest of which is deposited into the Local Government Video Gaming Distribution Fund. Starting July 1, 2019, an additional 3 percent tax will be collected on net terminal income, with another 1 percent to be added on July 1, 2020. Both increases will be deposited into the Capital Projects Fund.

Sales tax to remote sellers expanded and other sales tax revenue increases

[Public Act 100-0587](#), enacted in 2018, required out-of-state retailers to collect the 6.25 percent use tax on sales to Illinois purchasers if such transactions total \$100,000 or number more than 200 transactions as of October 1, 2018. This legislation was modeled after a similar law in the State of South Dakota and prevailed in a challenge from a remote seller case that was decided by the U.S. Supreme Court. This session, the State enacted a further reform to remote sales tax collection. The Leveling the Playing Field for Illinois Retail Act, [Public Act 101-0031](#), will require, starting July 1, 2020, that these remote retailers charge Illinois consumers all state and local retailers occupation taxes, rather than just the state use tax, as well as other changes.

The changes are expected to result in an increase in overall state sales tax revenue, a portion of which accrues to the Build Illinois Bond Fund. The State of Illinois estimates that improved compliance via a new Illinois Department of Revenue (IDOR) sales tax rate database required in the Leveling the Playing Field for Illinois Retail Act -- as well as changes to how third party retailers and marketplace facilitators determine whether to charge use taxes, in separate legislation, [Public Act 101-0009](#) -- will generate an **additional \$200 million** in state sales tax revenue annually.² In addition, [Public Act 101-0031](#) puts a \$10,000 cap on the sales tax exemption amount for vehicle trade-ins for sales taxes on vehicle purchases, estimated to generate \$40 million annually.

Other provisions of the Leveling the Playing Field for Illinois Retail Act will primarily have local impacts. Remote sales will be taxed and sourced at the location where the purchase is shipped or delivered. Local governments with home rule and non-home rule sales taxes will experience revenue increases, including the RTA, counties, and municipalities. Municipalities' state tax disbursements will change, as revenues that had previously been state use tax, and disbursed by population, will now be state sales tax and disbursed by the location of delivery.

² The State of Illinois' Rebuild Illinois summary states that these changes will generate \$200 million annually. See https://www2.illinois.gov/HISNews/20266-Rebuild_Illinois_Capital_Plan.pdf.

Municipalities that have low levels of remote sales relative to their population may experience decreases in revenue. Conversely, municipalities with high levels of remote sales relative to their population may see increases in state disbursements. If ecommerce – which currently comprises approximately 10 percent of retail sales nationwide – continues to grow, this could substantially change how sales taxes are distributed in the region.

Ecommerce is changing which jurisdictions are experiencing the cost of supporting retail sales. Today, jurisdictions may house distribution facilities where goods originate or residences where they are delivered. This creates more truck traffic in these locations, along with the higher cost of wear and tear that trucks generate. To respond to ecommerce and the growing consumer preference for services over goods, ON TO 2050 recommends modernizing state disbursements of revenues to local governments. Allocating some revenues to the point of purchase for online sales is a step in the right direction to help communities address these costs.

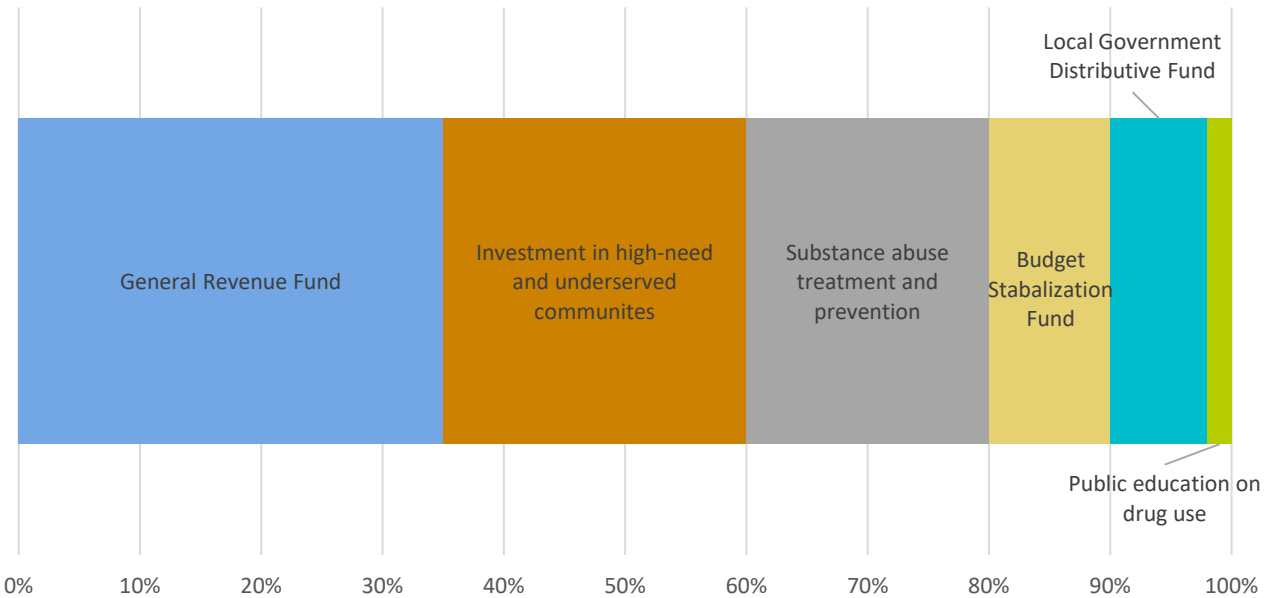
Parking and cigarette revenues

Public Act 101-0031 implements a state parking excise tax, estimated to generate \$60 million annually. Starting January 1, 2020, drivers parking in parking lots and garages will be subject to a 6 percent tax, and parking paid on a monthly or annual basis will be subject to a 9 percent tax. This structure is very similar to one already in place in Cook County. The funding package increased cigarette taxes by 5 cents per cigarette and electronic cigarettes will be taxed at a rate of 15 percent. These increases are expected to generate \$160 million annually. Revenues will be deposited into the Capital Projects Fund, which is primarily used for buildings, natural resources, and local transportation, including for bond repayment purposes.

Recreational cannabis revenues and regulation

The Cannabis Regulation and Tax Act, [Public Act 101-0027](#), allows cannabis possession, consumption, and use for persons aged 21 and over beginning January 1, 2020. The law provides for many state regulations for possession, use, cultivation, and dispensing; but this section will focus on various provisions contained in the law pertaining to state and local taxation, and local regulations. In addition to licensing fees and fines for businesses cultivating or dispensing cannabis, growers are subject to a 7 percent gross receipts tax. Consumers will be subject to state excise taxes, at rates of 10 percent for products with lower THC levels, 25 percent for products with higher THC levels, and 20 percent for infused products. Revenues generated from these state fees and taxes to go the Cannabis Regulation Fund (CRF). After funding is utilized by the State to implement, administer, and enforce the Cannabis Regulation and Tax Act and expunge of previous cannabis offenses, disbursements are made as depicted in the chart below. It is unclear how much revenue will actually accrue to the CRF and will be available for these purposes.

Distribution of revenues from the Cannabis Regulation Fund after other statutory requirements are fulfilled



Source: Chicago Metropolitan Agency for Planning analysis of Cannabis Regulation and Tax Act

The new law provides counties and municipalities with some taxation and regulatory authority. Counties may impose sales taxes on cannabis by ordinance, with maximum rates of 3.75 percent for unincorporated areas and 0.75 percent for incorporated areas, except Cook County can impose 3 percent in incorporated areas. Municipalities may impose sales taxes by ordinance up to 3 percent. If counties and municipalities impose these taxes, the resulting maximum aggregate local tax rate is 3.75 percent in non-home rule counties and unincorporated Cook County, and 6 percent in incorporated areas of Cook County.

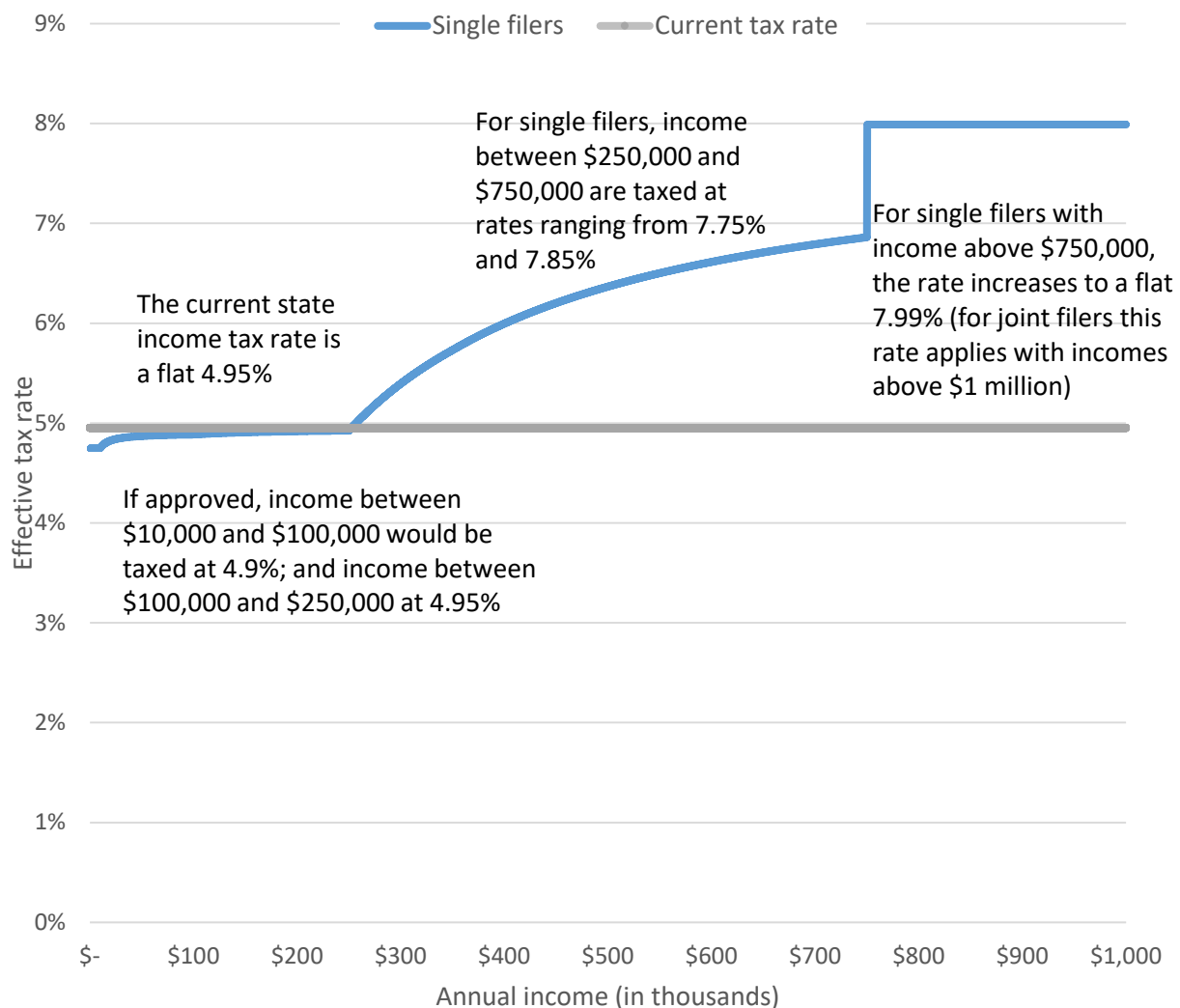
As of January 1, 2020, only currently operating medical dispensaries will be allowed to sell cannabis recreationally under “early approval” licenses. On an ongoing basis through 2022, the State will issue up to 500 licenses for new recreational dispensaries. While licensing for dispensaries, cultivation centers, transporters, and processors is the purview of the State, local governments may impose additional business registration requirements for recreational cannabis businesses. Such local licensing may be used, in addition to zoning ordinances, to restrict the number of cannabis businesses in operation.

Any unit of local government may, through zoning ordinance, restrict the sale of recreational cannabis by restricting the zoning types that allow for retail sales. Within the region, Naperville and Oak Brook have indicated they do not plan on updating village zoning code to allow for recreational cannabis sales. Other regional municipalities, such as Joliet, La Grange, Lombard, Oak Park, and Tinley Park are bringing the topic to their governing boards over the summer of 2019 to discuss next steps for zoning changes. For municipalities seeking to update zoning to allow for retail sales, the law allows for the regulation of operating hours, location, and the number of businesses that may be allowed. Additionally, typical zoning specifications can be applied, such as parking requirements, signage, minimum distances between cannabis businesses and sensitive locations through conditional use permits, and the regulation of on-premises consumption within a zoning type.

Income tax reform proposed via constitutional amendment

This spring, General Assembly passed a [Senate Joint Resolution Constitutional Amendment](#) to strike out the state constitutional requirement that income taxes be imposed at a non-graduated rate. The constitutional amendment question will appear on the November 2020 general election ballot where 60 percent of those voting would have to approve the measure for it to be enacted. Should voters approve the change, the Illinois Income Tax Act, [Public Act 101-0008](#), would go into effect creating a graduated individual income tax structure. The following chart shows effective tax rates resulting from the rate schedule in the legislation for single filers, and reflects the proposed shift from graduated rates to a flat rate at the highest income levels.

Effective income tax rates as of January 2021 if voter referendum passes, as compared to current tax rate



Source: Chicago Metropolitan Agency for Planning analysis of Public Act 101-0008

If the referendum passes next year, changes to the income tax rates and structure would go into effect January 1, 2021. The Governor's Office estimates that additional [revenues in the first year would total \\$3.4 billion](#). Proceeds from the income tax are deposited into General Funds and the Local Government Distribution Fund, which disburses revenues to counties and

municipalities based on their share of the state's population. The proportion of overall income tax revenues accruing to the LGDF would decrease in order to keep revenues constant. As a result, municipalities and counties would not experience additional disbursements as a result of the income tax increase.

Support for ON TO 2050 natural resources and housing priorities

[Public Act 101-0031](#) enacts several new revenue and funding sources to support capital investments in infrastructure such as public facilities, green infrastructure, affordable housing, and local economic development projects. Many of the new revenues will be used to support the Capital Projects Fund. Under [Public Act 101-0030](#), the Capital Projects Fund will be used to repay general obligation bonds, such as those that supply the Capital Development Fund, and Build Illinois Bonds. Public Act 101-0029 appropriated \$2.7 billion in Build Illinois Bond funds for local infrastructure and other projects and \$5.9 billion from the Capital Development Fund for natural resources infrastructure, and State of Illinois and higher education facility improvements.

[Public Act 101-0029](#) invests in a wide range of projects and programs in areas that support the three plan principles in ON TO 2050. The topic areas below highlight some of the largest non-transportation investments in the suite of legislation passed as part of the capital funding package.

Investments in water infrastructure

[Public Act 101-0029](#) funds statewide programs for wastewater facilities and sewerage, stormwater drainage, flood prevention, water supply, and other water infrastructure projects, in addition to numerous appropriations for projects in specific communities.

The Water Revolving Loan Program funds projects through the Water Pollution Control Loan Program and the Public Water Supply Loan Program (PWSLP). The capital package provides \$100 million for the fund, which will be made available through one or both of the loan programs over the next six years. Another \$100 million is appropriated specifically for the PWSLP to fund drinking water projects. PWSLP projects are ranked and selected based on their relative public health benefits and violation of the Safe Drinking Water Act. The program has additional incentives for small communities, low-income communities and green infrastructure projects. Projects funded through the program have primarily included water main replacements, water storage improvements, and transmission upgrades in recent funding years. In FY2019, the PWSLP programmed \$300 million, 90 percent of which were located in northeastern Illinois. Given the growing need to replace lead service lines, new funding allocated through the PWSLP is not expected to meaningfully increase the capacity of the program. In FY2019 alone, the total amount of project applications exceeded available funds by more than \$400 million.

Public Act 101-0029 appropriates \$85 million from the Anti-Pollution Bond Fund and \$25 million from Build Illinois Bond Fund to the Illinois Environmental Protection Agency (IEPA) for the purposes of providing grants to local units of government for addressing water quality

issues and sewage treatment works. It is unclear how this bucket of funding will be programmed across the state. Additionally, \$55 million of Build Illinois Bond Funds are allocated for specific line-item projects in northeastern Illinois communities, including sewer replacements, water main improvements, and flood mitigation efforts among other water infrastructure investments.

Open space investments

The capital package appropriates \$1.8 million for the acquisition, preservation, and stewardship of open spaces and natural areas in northeastern Illinois. Another \$101 million in funding will be available statewide, though it is unclear how much of these additional funds will come to the region. Of the statewide funds, \$23 million will come from the Open Space Lands Acquisition and Development (OSLAD) Fund—which funded \$28.9 million in grants in 2019, the first time grants were made from the fund since 2015. OSLAD grants require a 50 percent local match, which limits the number and types of communities that can apply if local funding is unavailable for smaller and low-resourced communities. The capital package appropriated \$25 million from the Open Lands Trust Fund, which has not awarded any funding since 2014, and \$10 million from the Natural Areas Acquisition Fund (NAAF), which restores high quality natural habitat. NAAF has been nearly dormant since 2010, awarding less than \$1.5 million over the last nine years. The remaining \$43 million to be available statewide will be made available from the Capital Development Fund through IDNR.

Capital funds for affordable housing initiatives

Both the operating budget and the capital package allocate new resources for affordable housing initiatives across the state and in the region. Public Act 101-0029 appropriates \$200 million from the Build Illinois Bond Fund to the Illinois Department of Revenue (IDOR) for the Illinois Housing Development Authority (IHDA). These funds will be available statewide for the purpose of making affordable housing grants, loans, and investments for low-income families, low-income senior citizens, low-income persons with disabilities, and at risk displaced veterans. In addition to funds made available to IHDA, the legislation also appropriates an additional \$37 million to a number of non-profit, civic, and private institutions in the region for the purposes of both social services targeted towards housing issues, as well as land acquisition and construction of affordable housing.

Other legislation

The General Assembly also passed legislation concerning government consolidation, data, water infrastructure, and conservation. The bills that were supported by the Board and are of direct relevance to CMAP and ON TO 2050 include [Public Act 101-0230](#), McHenry County Township Dissolution, and [Public Act 101-0485](#), short-term borrowing authorization for RTA and CTA.

In an effort to incentivize the growth of data centers in Illinois, [Public Act 101-0031](#) exempts qualified facilities from remitting retailer's occupation tax, use tax, service use tax, and service occupation tax, in addition to local retailers occupation taxes and Chicago's non-titled tax on certain equipment purchases. To qualify, existing data centers must have made a capital investment of at least \$250 million in the five years prior to 2020 and new data centers must

make a similar investment within five years. Additionally, facilities must create at least twenty full time jobs. CMAP recommends that the State closely monitor these incentives, provide transparent information about the investment during the incentive, and evaluate the program on an ongoing basis.

Moving forward

While additional capital funding for our state is paramount, other legislative changes have significant impact on the region. The legislation makes changes to the state's General Funds revenues by shifting funds to the Road Fund, shifting some PTF support from the General Funds to the Road Fund, and repealing the CDF. On the whole, these changes provide more support for the state's transportation system, but potentially at the expense of other priorities in the state, such as natural resources, human services, education, and more. Having insufficient funding to pursue all of these priorities is a result of the state's ongoing fiscal challenges. New revenues such as the proposed graduated income tax may help, the State should engage in fiscally sustainable practices to guarantee the reliability of state support for a range of key services and investments.

Local governments may also benefit from several changes that will help them generate revenue that supports their ability to adapt to changing national and local economic conditions. These reforms begin to implement ON TO 2050's recommendation that the state's tax structure ensure that communities have sufficient revenues to cover the cost of public services and infrastructure. Sourcing online sales where deliveries are made will help municipalities and counties maintain services and infrastructure as more goods are delivered straight to consumers rather than to retail stores. While additional revenues will accrue to municipalities and counties through shares of state taxes on cannabis and potentially local taxes, local governments will not receive additional state income tax revenue should voters approve a constitutional amendment to allow a graduated income tax structure. Some of the legislation will require municipalities to go through decision making processes regarding whether or not to pursue cannabis sales and/or casinos, which have implications on the potential for additional local tax revenue as well as necessary public services and infrastructure for those activities.

ACTION REQUESTED: Discussion

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MEMORANDUM

To: CMAP Board

From: CMAP Staff

Date: September 4, 2019

Re: Transportation capital infrastructure package enacted in 2019

The 101st Illinois General Assembly concluded the first year of session with a flurry of activity, passing Rebuild Illinois, an infrastructure funding package with new revenues¹ and a comprehensive state budget, among other initiatives. The session saw action on several ON TO 2050 recommendations including an increase of the state motor fuel tax (MFT) and its indexing to inflation; new ongoing funding for transit capital; an emphasis on multi-modal projects such as bicycle and pedestrian facilities; and authority for some local governments in northeastern Illinois to raise their own user fees.

This analysis discusses the revenues passed, implications for multimodal projects, and what further actions are needed. Although the legislation made laudable progress, critical work remains to ensure adequate transportation funding that will enable the region to make the level of investments required to improve overall condition and modernize the system. While some funds have been allocated to specific projects or modes, much about how these funds will be programmed remains unknown. Other funds allocated should be programmed by the State and local governments according to need and benefit. Even with all allocated funds, there is still a gap to address all infrastructure needs and truly sustain the system.

Moving forward, CMAP will identify how to include these challenges and priorities for the agency's 2020 legislative agendas and other policy initiatives. To meet the goal of a reliable, efficient, and safe system, the region needs to focus limited resources on asset management and modernization. The infusion of additional funding into the system still falls short of the need, particularly for transit. To modernize the system and adapt to changing mobility, state and regional policy makers will have to consider revenue enhancements like congestion pricing,

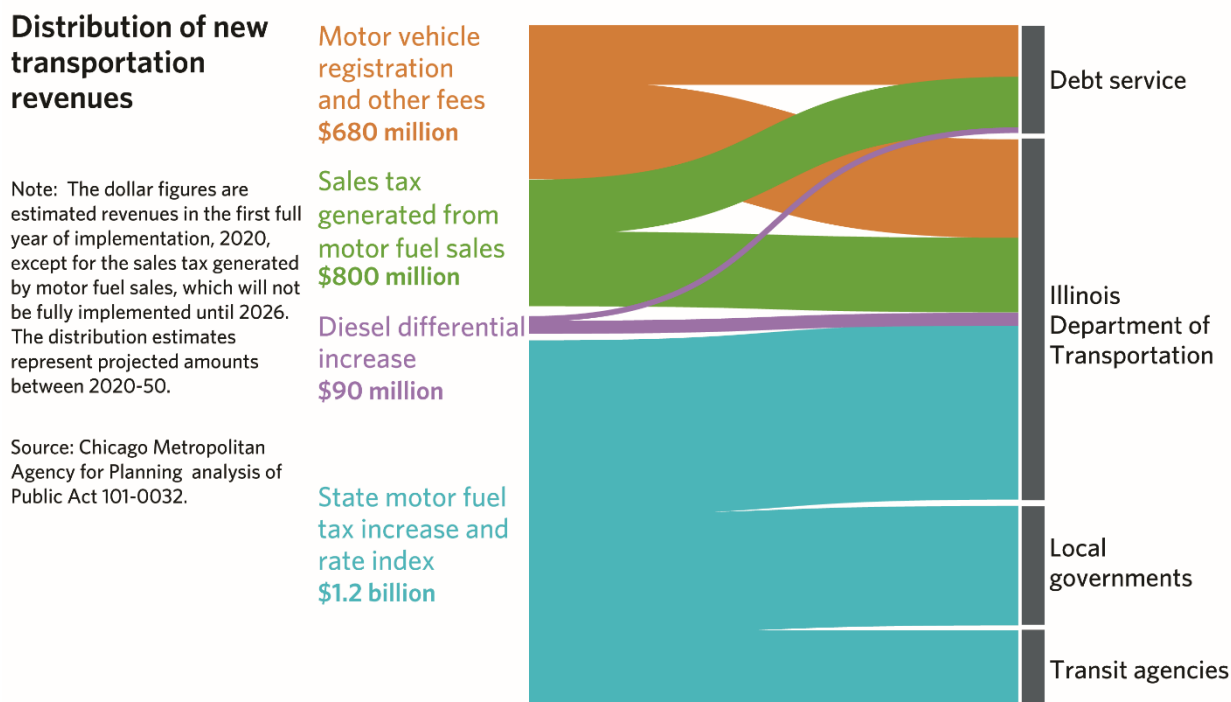
¹ Capital revenues and proposed expenditures approved by the Illinois General Assembly and signed by Governor Pritzker were established in four separate pieces of legislation: Public Acts [101-0029](#) (capital appropriations), [101-0030](#) (bonding authorization), [101-0031](#) (revenues for other infrastructure projects), and [101-0032](#) (transportation revenues). These are collectively known as the Rebuild Illinois program.

tolling, and securing additional transit revenues, and eventually transitioning from the MFT to a road usage charge, all of which are recommendations of ON TO 2050.

A companion analysis examines non-transportation legislation, including “vertical” capital appropriations, enacted this summer which also affect the region’s ability to implement ON TO 2050.

User-fee based funding for transportation

Among many notable achievements this session, the revenues passed for transportation capital are derived from user fees, primarily charging those who benefit from the system. CMAP has long recommended that the State move away from using unrelated revenues to fund the transportation system and towards more sustainable funding for all modes, and the bills enacted as part of Rebuild Illinois make progress on both counts. In the first full year of implementation, the changes will provide an estimated additional \$2 billion from raising transportation user fees. In addition to these transportation user fees, Rebuild Illinois shifts those sales taxes associated with motor fuel purchase from the General Funds to the Road Fund, providing annual revenues between \$470 - \$840 million at full implementation in 2026, depending upon the price of motor fuel. Over time, the full set of revenues will be used to both pay back \$11 billion in new bonds associated with the Rebuild Illinois program issued over six years for roadway, bridge, transit, rail, port, and airport infrastructure, as well as to pay for state, local, and transit capital needs on an ongoing basis.



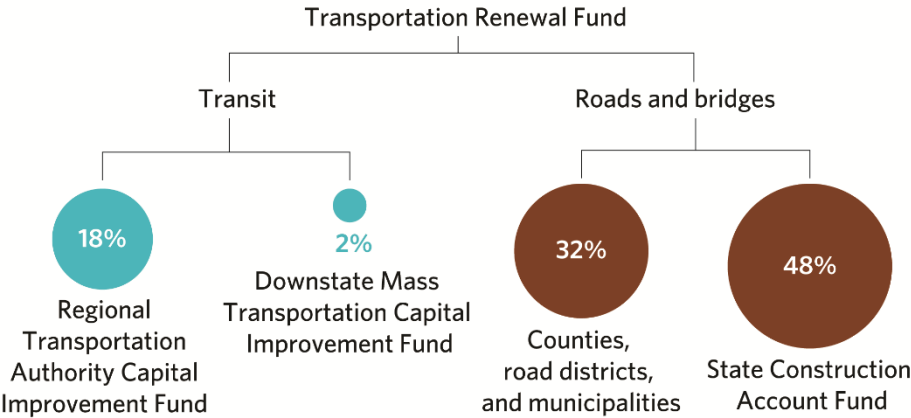
Motor fuel tax increased, indexed

The capital funding package doubles the state MFT rate from 19 cents per gallon to 38 cents per gallon. In addition, the MFT rate is indexed to the federal [Consumer Price Index](#) for all Urban Consumers, allowing revenues to grow more sustainably and keep up with the costs of operating and improving the system, which increase over time. The increase and indexing of the state MFT implements a major [recommendation of ON TO 2050](#) and its predecessor GO TO 2040. The proceeds of the rate increase will be deposited into a new Transportation Renewal Fund, estimated to total \$1.2 billion in the first year. This fund will provide ongoing revenues to the Illinois Department of Transportation (IDOT), the Regional Transportation Authority (RTA), downstate transit agencies, and local governments.² The following chart displays the percent of new MFT revenues distributed to each entity.

Distribution of Illinois' 19-cent motor fuel tax increase

Note: Percentages represent the portion of \$1.2 billion in anticipated new annual motor fuel tax revenue.

Source: Chicago Metropolitan Agency for Planning analysis of Public Act 101-0032.



The higher rate imposed on diesel fuel, known as the diesel differential, will also increase from 2.5 cents per gallon at present to 7.5 cents per gallon. The revenues, estimated to generate nearly \$90 million in the first year, will be deposited into the Road Fund to support ongoing state transportation needs and debt service. The diesel differential attempts to compensate for the impacts of freight haulers, which cause additional wear and tear on the roadways due to vehicle weight. Under the legislation, while the 38 cent per gallon base rate is indexed to inflation, the 7.5 cent differential is not. As a result, the proportional difference between the rate that drivers of diesel fuel vehicles pay and the rate that other drivers pay will diminish over time.

Passenger, truck, and electric vehicle registration fees increased

Public Act 101-0032 also increases several other transportation-related fees. Such fees are currently the largest source of funding for IDOT. These include increasing passenger vehicle registration fees by \$50 and truck registration fees by \$100. Several other fees, such as certificate

² Distribution of the revenues generated from the prior motor fuel tax rate will not change. For the current distribution methodology, see <http://www.idot.illinois.gov/Assets/uploads/files/Doing-Business/Manuals-Guides-&-Handbooks/Highways/Local-Roads-and-Streets/MFT/Motor%20Fuel%20Tax%20Funds%20Source,%20Distribution%20and%20Uses%20for%20Municipality.pdf#page=10>.

of title fees, were also increased. ON TO 2050's financial plan for transportation assumed increases in these fees.

The funding package also increases fees for electric vehicles. Instead of a discounted \$35 biennial electric vehicle registration fee, electric vehicle owners will now pay the same base registration fee as all vehicle owners -- \$151 -- plus an additional \$100 fee in lieu of paying the MFT. This provision introduces more parity between electric vehicle drivers and other drivers. However, most drivers will pay closer to \$200 annually in MFTs per vehicle under a 38-cent MFT, and unlike the MFT rate, the \$100 fee will not be indexed to inflation.

Expanded revenue options for local governments

Counties, road districts, and municipalities will receive disbursements of the MFT increase from the Transportation Renewal Fund, as well as bond funding discussed later in this analysis. Local governments already receive state MFT revenue from the 19-cent rate, equivalent to 54.4 percent of the revenues after deductions (or about 45 percent of the gross amount) according to criteria outlined in statute. From the increased rate, local governments will receive 32 percent. While the proportional breakout among types of local governments is the same as current statute, the new language does not outline what criteria IDOT should use to disburse the revenues. Assuming the criteria will be the same as for disbursement of existing MFT revenues, local governments in northeastern Illinois would receive approximately 66 percent more MFT revenues, or \$235 million in the first year, and nearly \$12 billion over the next thirty years.

The increased funding to local governments can be used for highway maintenance, highway construction, bridge repair, congestion relief, and construction of aviation facilities. The legislation does not explicitly permit investment of the local government allocations from the Transportation Renewal Fund in transit infrastructure, such as Metra stations, which are often municipally owned properties. Therefore, it remains unclear if transit capital expenditures would be eligible in cases where congestion relief benefits are not evident, which is a requirement under current law. Clarification via new legislation would aid multimodal expenditures of funds.

Public Act 101-0032 provides some local governments with the ability to implement their own local MFT. This helps accomplish the ON TO 2050 recommendation that local governments implement user fees to fund the cost of providing infrastructure and that the State allow them to do so. Currently, DuPage, Kane, and McHenry counties are the only non-home rule counties permitted to charge a local MFT, while both home rule municipalities and the state's sole home rule county, Cook, may establish and collect a local MFT pursuant to their home rule powers. As illustrated in the chart below, the funding package allows Lake and Will counties to establish their own MFT, while also increasing the current maximum rate for these five counties to 8 cents per gallon from 4 cents and indexing the rates to inflation. In addition, non-home rule municipalities located within Cook County may now implement a local MFT of a maximum of 3 cents per gallon. The Illinois Department of Revenue (IDOR) would collect the taxes and charge a 1.5 percent collection fee.

County motor fuel tax rates, current rates and maximum rates allowed by new legislation

Note: Cook County currently imposes a rate of six cents under their home rule authority.

Source: Chicago Metropolitan Agency for Planning analysis of Public Act 101-0032.

| | | | | |
|---|---------------|---------------|---------------------------|----------|
| Previous maximum county MFT rate | No limit | | | Cook |
| | 4 cents | | DuPage Kane McHenry | |
| | No county MFT | Kendall | Lake Will | |
| | | No county MFT | 8 cents | No limit |
| Maximum rate under new legislation | | | | |

Bond proceeds support near-term investments while incurring long-term obligations

The State will use revenue accruing to the Road Fund to pay off debt service for the \$11 billion in bonds that the State will issue as part of this capital package. [Public Act 101-0030](#) provided an additional \$6.5 billion to the existing Series A bond authorization and \$4.5 billion for a new Multi-modal Transportation Bond Fund authorization. Bond proceeds will be allocated toward state and local road projects, transit projects, and other transportation infrastructure such as aviation, ports, and freight rail.

[Public Act 101-0029](#) provides \$1.5 billion in Series A bond funds to counties, road districts, and municipalities for public infrastructure and transportation improvements related to economic development. The breakout among types of local governments is the same as the state MFT, but again, the criteria that will be used to disburse the bond funds among local governments within each type is not indicated. The following table provides a summary of how the bond funds will be allocated.

Bond authorizations and estimated debt service

| | |
|---|------------------------|
| Bond amount expected between FY2020-25 | |
| State roads and bridges (Series A) | \$5.0 billion |
| Counties, townships, municipalities (Series A) | \$1.5 billion |
| Transit (Multi-modal Transportation Bond Fund) | \$3.0 billion |
| Aviation, passenger rail, freight, ports (Multi-modal Transportation Bond Fund) | \$1.5 billion |
| Total bond proceeds amount | \$11.0 billion |
| New debt service payments from Road Fund expected between FY2020-50 | -\$17.4 billion |
| Note: Debt service estimate assumes that bonds are issued approximately evenly over the six years of the program and that the interest rate is 4.5 percent. Calculated in nominal dollars. Payment total includes interest and principal. | |

CMAP estimates that \$17.4 billion of the new Road Fund revenues will be used for bond payments over the next three decades. During most of the repayment period, the State will need to use somewhere between one third and one half of additional Road Fund revenues for debt service. The State has not indicated a specific timeline for issuing these bonds. Under the previous capital program, Illinois Jobs Now!, Illinois delayed issuing bonds and providing bond funds due to lower than anticipated revenues, which particularly affected the timing of transit investments. However, some of the transportation revenues that will be used to repay these transportation bonds will start accruing to the Road Fund immediately, which could help with timely issuance of the bonds. A schedule of predictable bond revenue sales would help implementers plan for improvements.

A portion of the Build Illinois Bond funds, which use non-transportation revenues and provide funds to many types of infrastructure, were also allocated to transportation purposes. These are discussed in further detail below.

Revenue allocation decisions remain

The capital package identifies many new transportation investments. Some projects are specifically named, while other project types receive new funding allocations. The following describes these investments. As of this writing, neither IDOT's FY2020 annual highway improvement program, FY2020-25 proposed multi-year highway improvement program, nor the final Transportation Asset Management plan have been published. Those documents will provide additional clarity about what major investments will be prioritized in the near term.

Over an anticipated six years, the capital funding package provides approximately 53 percent of its new transportation funds for state roads and bridges, 21 percent for transit, 19 percent for localities, and 7 percent for other improvements such as passenger rail, freight rail, aviation,

and ports, after deducting estimated debt service.³ Excluding the initial infusion of bond proceeds, the ongoing percentage to transit is smaller, at an average of 14 percent per year from 2019-50.

The table below shows the distribution of all new transportation revenues for the first six years, including amounts dedicated to specific projects and estimates of funds for northeastern Illinois.⁴ Approximately 10 percent of new transportation revenue provided by Rebuild Illinois is dedicated to specific projects identified in [Public Act 101-0029](#) and [Public Act 101-0007](#).

Distribution of new transportation funding

| (Millions of \$) | FY20-25 Total | Estimate to northeastern IL | Funds for specific projects | |
|--|------------------|--------------------------------|-----------------------------|-------------------------|
| | | | Funds appropriated | Share of total funds |
| State roads and bridges | | | | |
| <i>State Construction Account (from TRF)</i> | \$3,821 | No est. | \$81 | 2% |
| <i>Road Fund**</i> | \$2,705 | No est. | \$100 | 4% |
| <i>Bond proceeds</i> | \$5,000 | No est. | \$1,010 | 20% |
| Localities | | | | |
| <i>MFT revenue (from TRF)</i> | \$2,547 | \$1,535 | - | 0% |
| <i>Bond proceeds</i> | \$1,500 | \$988 | - | 0% |
| Transit | | | | |
| <i>MFT revenue (from TRF)</i> | \$1,592 | \$1,433 | - | 0% |
| <i>Bond proceeds</i> | \$3,000 | \$2,700 | \$346 | 12% |
| Other bond proceeds | | | | |
| <i>CREATE</i> | \$400 | \$400 | - | 0% |
| <i>Intercity passenger rail</i> | \$722 | No est. | \$722 | 100% |
| <i>Grade crossings</i> | \$78 | No est. | - | 0% |
| <i>Aeronautics</i> | \$150 | No est. | \$6 | 4% |
| <i>Ports</i> | \$150 | No est. | - | 0% |
| | | | | |
| Total | \$21,665 | | \$2,265 | 10% |
| *For local governments, it is assumed for purposes of this analysis that current distribution criteria will be used. However, this is not specified in the legislation. | | | | |
| **Road Fund notes: 1) P.A. 101-0032 requires IDOT to set aside \$50 million from the Road Fund for pedestrian and bicycle facilities, including conversion of abandoned railroad corridors to trails. 2) Road Fund estimates presented above exclude amounts that will be dedicated to repayment of bonds. Staff's Road Fund debt service estimate for FY20-25 is \$3.1 billion, though actual amounts could vary substantially if the State's timeline for bond issuances differs from staff's assumptions. | | | | |

³ While the revenues and bond authorizations enacted are not generally tied to a specific timeframe, the Governor's office has discussed and analyzed Rebuild Illinois as a six-year program (FY202-25), and this portion of this analysis uses this same timeframe.

⁴ Note that while the Governor's office's [summary of Rebuild Illinois](#) includes certain federal funds and existing revenues, this analysis only considers new state revenues.

In addition to funds derived from new transportation revenues, the capital package also includes appropriations from the existing Build Illinois Bond Fund for a wide variety of improvements, some of which include transportation projects. Build Illinois Bonds, first established in 1985 as an economic development initiative, are now used for a wide variety of purposes including public infrastructure, community development, and schools. Debt service is repaid from sales tax revenue and the Capital Projects Fund, which will receive new cigarette tax, parking tax, and certain gaming revenues. The table below displays the distribution of transportation-related Build Illinois Bond funds. The majority of funds are for general infrastructure in unspecified locations, though all funds in the road/bridge, bicycle/pedestrian, and transit categories -- and some funds in the general infrastructure category -- are dedicated to specific projects identified in [Public Act 101-0029](#).

Build Illinois Bond Fund appropriations for transportation*

| (estimates in millions) | Northeastern Illinois | Downstate | Unspecified | Total |
|----------------------------------|-----------------------|---------------|----------------|----------------|
| Roads/bridges | \$37.9 | \$6.6 | - | \$44.5 |
| Bicycle/pedestrian | \$12.8 | \$0.6 | - | \$13.3 |
| Transit | \$2.5 | \$3.3 | - | \$5.7 |
| Transportation electrification** | | | \$70.0 | \$70.0 |
| General infrastructure* | \$31.6 | \$14.0 | \$779.3 | \$824.9 |
| Total | \$84.8 | \$24.4 | \$849.3 | \$958.5 |

*General infrastructure refers to funding from line items designated for "infrastructure improvements", "capital improvements", or other unspecified improvements. Eligible recipients include local governments, school districts, community based providers, and other entities. These funds could be – but are not guaranteed to be – used for transportation projects.
 **Transportation electrification includes electric vehicle charging infrastructure and electrifying public transit, fleets, and school buses.

Appropriations include some ON TO 2050 Regionally Significant Projects

New revenues available to the region as a result of the capital package will impact some of ON TO 2050’s existing [Regionally Significant Projects](#) (RSPs). A number of ON TO 2050 RSPs are specifically identified for funding in the capital package, while additional revenue available to implementing agencies will enable progress on others. The Governor’s office released fact sheets indicating specific projects that will be advanced as part of Rebuild Illinois, some of which are RSPs.⁵ RSPs of note include:

- [I-80 \(Ridge Rd to U.S. 30\)](#): \$1.2 billion (\$848 million specifically provided in legislation)
- [I-190](#): \$561 million
- [CREATE](#): \$400 million for the 75th St. Corridor Improvement Project and adjacent corridors

⁵ Chicago projects fact sheet: <https://twitter.com/GovPritzker/status/1145748697864646656>
 Will County projects fact sheet: https://www2.illinois.gov/IISNews/20266-Rebuild_Illinois_-_JolietWill_Co_Transportation_Projects.pdf

- [IL-43/Harlem Avenue \(CREATE project GS-1\)](#): \$150 million⁶
- [US-12/95th St.](#): \$92 million
- [IL-47](#): \$57 million
- [CTA Blue Line O'Hare Branch](#): \$50 million

Three other projects identified in the capital package, operating budget, and budget implementation bill, respectively, would qualify as RSPs and require amendment of ON TO 2050 or inclusion in the next plan update if they were to proceed past preliminary engineering. While additional projects may arise as new funds are programmed, projects that meet the RSP threshold and are currently not on the fiscally constrained list include:

- Metra extension to Kendall County (currently on the fiscally unconstrained list)
- Eagle Lake Road interchange
- Road and transit improvements related to the proposed [One Central](#) development⁷

Appropriations include mix of enhancements and expansion

ON TO 2050 emphasizes investment in the existing transportation system, with limited expansions. Even with these new revenues, the backlog of state of good repair needs as well as enhancement and modernization needs require a focus on the existing system. Because most of the funding provided in the capital package is broadly eligible for different project types -- including reconstruction, modernization, or expansion -- it is not yet possible to analyze impacts of Rebuild Illinois by project type. The [Rebuild Illinois summary document](#) released by the Governor's office indicates that Transportation Asset Management Plan criteria will drive decision-making for state-funded road construction projects. Projects specifically listed in the capital package or in subsequent information released by the Governor's office represent a mix of enhancements to the existing system and system expansions. IDOT's FY2020-25 multi-year program will provide clarity about near term priorities and future projects but as of this writing that document is not available. ON TO 2050 emphasizes asset management and other performance-based processes in the allocation of transportation funds.

Bond funds support investments identified in LTA plans

The appropriations in Public Act 100-0029 vary in their degree of project specificity. From the information available in the public act, staff have identified a number of projects slated to receive Build Illinois Bond Fund proceeds that are supported by local plans conducted by CMAP's Local Technical Assistance (LTA) program. Of these projects, twenty-one identify specific planning elements from completed local plans, totaling approximately \$9 million. These projects include bicycle/pedestrian improvements, housing and community development projects, and transit improvements. Staff have identified an additional forty-five projects within

⁶ This appropriation is from the Grade Crossing Protection Fund (GCPF). However, it is not clear that sufficient revenues will be available for both this line item and the traditional GCPF appropriation in P.A. 101-0007.

⁷ The Budget Implementation Act included a new [Public-Private Partnership for Civic and Transit Infrastructure Project Act](#). This allows the State to negotiate and enter into a public private partnership with the developer of One Central, including the provision of public funding of infrastructure through state sales tax revenues. One Central, as outlined by the developer, includes road and transit improvements that would meet ON TO 2050's threshold for Regionally Significant Projects (RSP) but are currently not on the ON TO 2050 fiscally constrained list.

the legislation that total another \$9 million designated for unspecified infrastructure improvements in communities that have received assistance from the LTA program. If prioritized for projects identified in planning efforts, these projects can be implemented quickly, demonstrating the importance of the local planning process. In addition to the identified projects, it is possible that other appropriations flowing to communities in northeastern Illinois will be used to fund projects recommended in recent planning efforts.

Project implementation will take time

While new funding promises many benefits for the region's transportation network, much work remains to implement Rebuild Illinois. The funds and projects outlined in the capital funding package and budget will be planned and implemented over at least the next six years. Before many of these projects can begin, many must undergo a series of planning steps. Each federally funded project must be in the region's [Transportation Improvement Program \(TIP\)](#), which budgets for transportation projects undergoing planning or implementation within the next five years. The [RSP](#) list within ON TO 2050 outlines fiscally constrained major transportation improvements that the region will pursue, containing federally funded projects that add capacity and cost more than \$100 million, and all projects exceeding \$250 million, including reconstructions. Several projects listed in the capital funding package are not currently included in one or both of these lists, and will need to successfully undergo their respective [amendment processes](#).

Additional considerations to implement ON TO 2050

While the capital funding package implements a number of ON TO 2050 priorities, there is room for advancement on others. As outlined above, the bill provides increased revenue for transportation infrastructure. Several funding set-asides allocate funding directly to the multimodal projects that are important for a well-functioning transportation system that works better for everyone. Local governments received more options to raise revenues, and freight investment continues to garner support. However, more progress is needed on emerging technology and performance based programming.

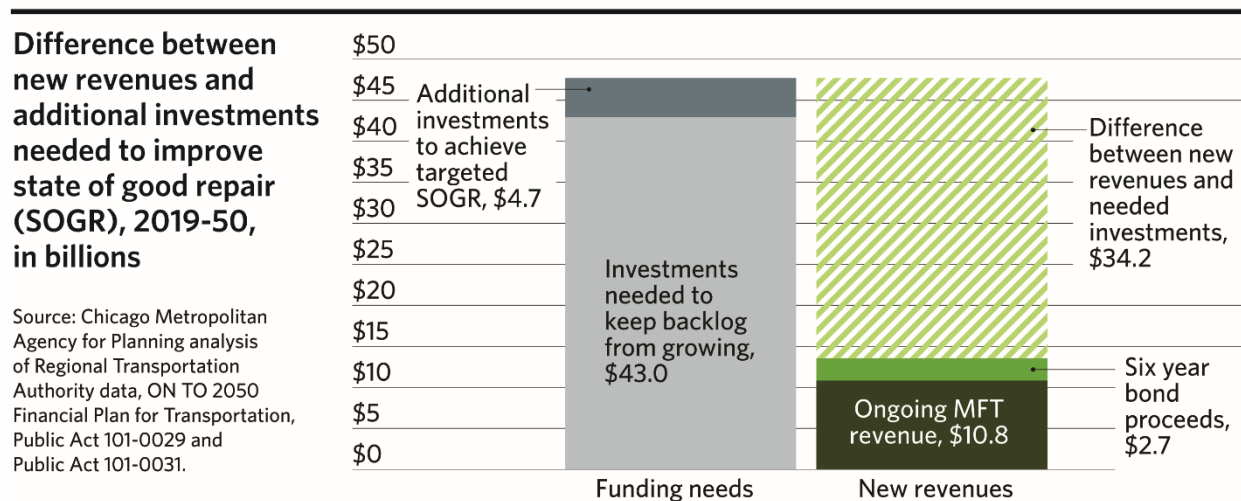
Transit funding will not achieve a state of good repair

The legislation represents the first time that a portion of the state MFT has been dedicated toward funding transit capital infrastructure. The RTA will receive ongoing distributions of revenue from the Transportation Renewal Fund, equivalent to 18 percent of the fund, via the state MFT increase. These revenues will initially provide approximately \$235 million, and will increase annually as the MFT rate increases, resulting in \$10.8 billion over the next 30 years. In addition, the RTA will receive \$2.7 billion from the Multi-modal Transportation Bond Fund over the next six years, including \$2.2 billion to be used for capital infrastructure across the system and \$469.5 million to be used for specific projects outlined in the legislation. Overall, transit investments in northeastern Illinois account for a quarter of the \$11 billion transportation bond funding. The following table provides an overview of these new funding resources. In addition to these, \$2.5 million in Build Illinois Bond funds were appropriated to municipalities in the region for transit infrastructure, primarily for station improvements.

New funding for RTA, 2019-50

| | |
|--|-----------------------|
| Multi-modal Transportation Bond Fund appropriations | \$2.7 billion |
| Funding for capital infrastructure across the system | \$2.2 billion |
| Funding for specific projects | \$0.5 billion |
| Transportation Renewal Fund | \$10.8 billion |
| Total | \$13.5 billion |

Despite the benefits of this new funding, basic state of good repair needs on the transit system remain unfunded. In 2017, the RTA reported that nearly a third of its assets were not in a state of good repair, representing a \$19.4 billion maintenance backlog. In addition to maintenance needs, the system requires additional investments in enhancements in order to improve access to transit and increase ridership. Once the priorities for this new funding are determined and the remaining needs identified, the State and region will likely need to consider additional sources of funding for transit.



Clarification on funding for biking and walking

The capital funding package requires IDOT to set aside \$50 million from the Road Fund for bicycle and pedestrian improvements to be awarded competitively through an expanded Illinois Transportation Enhancements Program (ITEP), with provisions to allow high-need communities easier access to the funds. The intent appears to be an annual allocation to biking and walking, but the language is imprecise and may require cleanup in future bills. It is important that the new state funds continue to be dedicated to a mix of on-street improvements, separate trails, and elements of larger projects. In addition, IDOT may need to provide support to high-need communities that often lack sufficient staff to oversee the project application or management of these projects. The legislation calls for administrative rules to be developed for the expanded ITEP program.

Continued investment in freight priorities

The capital funding package also allocates \$400 million to CREATE, a priority of ON TO 2050 to support the region's status as a rail freight hub as well as ease passenger rail delay and reliability issues. Initial information provided by the Governor's office indicates that these

funds will go to the [75th Street Corridor Improvement Project and adjacent corridors](#), reaching approximately 75 percent of the funding required for the second phase of the 75th Street CIP. Private railroads and Cook contributed to the first phase, and private or additional public support may be required again, pending final cost estimates. This project received a \$132 million INFRA grant from the U.S. Department of Transportation in 2018, as well as significant contributions from the State and Cook County to pursue the first portion of the project. ON TO 2050 recommends implementing CREATE, with a particular focus on the 75th Street project as well as a set of [priority grade crossings](#) throughout the region.

Additional revenues to local governments

A large portion of the state's roadway, bicycle, and pedestrian infrastructure is maintained by counties, road districts, and municipalities. ON TO 2050 calls for additional funding and funding options for local governments to provide transportation infrastructure and basic services. The capital funding package allocates additional revenues to local governments as well as providing limited new options for them to raise revenues for transportation infrastructure. Many local governments lack the resources necessary to even assess the condition of their infrastructure, so it is unclear whether this funding will be sufficient to address needs. CMAP has prioritized pavement management at the local level, aiding local governments in collecting data on road condition and developing pavement management plans.

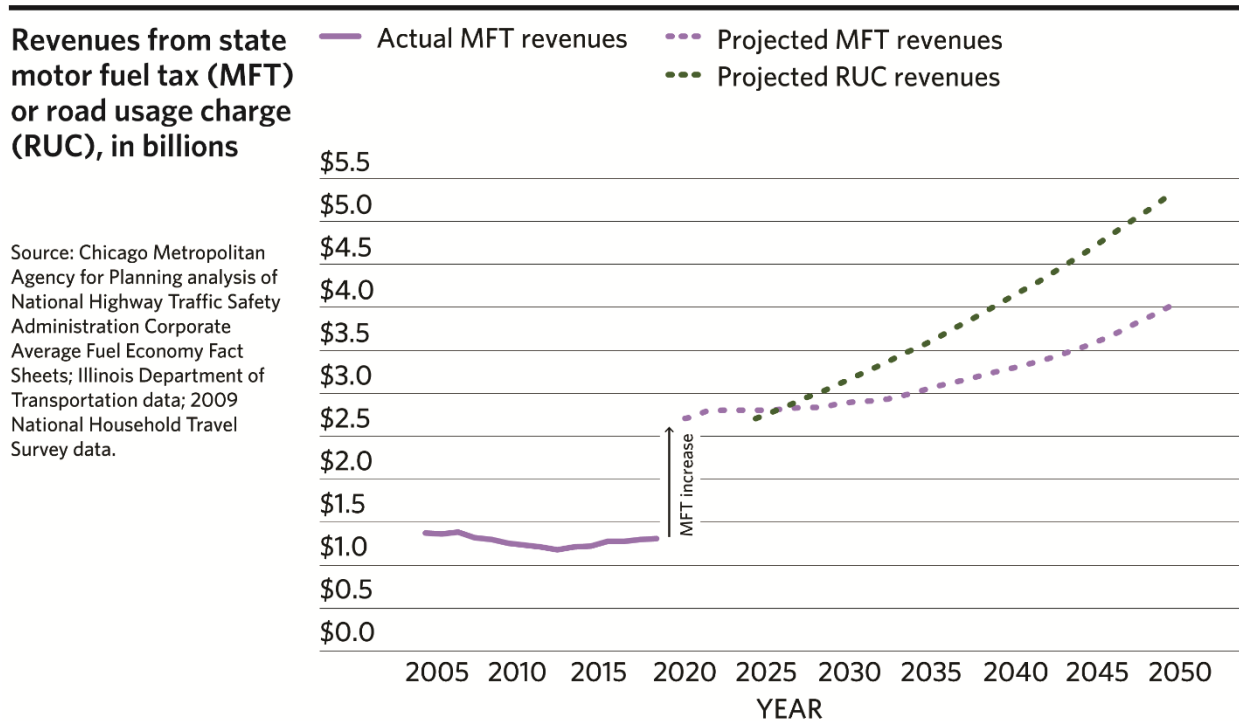
Improvements to IDOT and RTA funding allocation process

ON TO 2050 recommends that transportation funding be distributed based on transparent evaluation criteria that assesses a project's merits relative to established goals and targets. IDOT has recently begun to use more sophisticated asset management practices, as documented in its Transportation Asset Management Plan, to make maintenance investments. However, IDOT has not provided a transparent statewide prioritization system for expansion and congestion mitigation projects in program development. Similarly the transit agencies do not have a performance-based system for allocating funding to programs and projects across the three service boards. For projects not already listed as line-items in the capital funding package, it is important to make sure new and existing revenues are used for projects that best achieve state goals for improving system condition, enhancing safety, reducing congestion, and providing better transportation access, among others. As Rebuild Illinois is implemented, projects that maximize regional benefits -- regardless of mode -- should be given highest priority.

Eventual transition to a road usage charge remains necessary

The MFT increase and indexing, as well as other fees increased in the capital funding package, have provided an excellent step toward sustainable transportation funding for the state and region. At the same time, mobility trends continue to change. Increased fuel efficiency and a lack of substantive growth in vehicle travel will undermine the ability of the MFT, even indexed to inflation, to keep pace with the cost of operating and maintaining the system over the long term. CMAP forecasts that state MFT revenues will increase an average of 1.4 percent annually, less than anticipated inflation. The annual inflationary rate increase is insufficient to keep up with increasing costs of construction and system needs due to expected reductions in fuel consumption.

ON TO 2050 recommends long-term replacement of the MFT with a road usage charge (RUC), which is collected as a per-mile fee when driving on public roadways. This transition is likely to take a decade or more. Implementing a RUC pilot in the near term can help the State explore administrative, reporting, and pricing options and impacts. The following chart compares expected revenues to the state, including the MFT increase, with potential revenues from a road usage charge.



Future legislation should look towards adapting to evolving technologies

As the State allocates new dollars, preparing to take advantage of new transportation technology should be a priority. ON TO 2050 calls for the State and region to harness technology to improve travel and anticipate future impacts. One priority is investing in connected and adaptive signals and interjurisdictional partnerships to manage congestion, speed transit, and respond to incidents on today’s system. Increased data from connected vehicles, mobile phones, and other sources could be analyzed to improve active traffic management over time. ON TO 2050 also calls for pilots for autonomous vehicles, innovative approaches to transit in low service areas, and improving the commutes of low income workers using. None of these investments are highlighted by the capital funding package, but should be implemented as funds are programmed.

Another rising issue is the growing use of transportation network companies (TNCs) such as Uber, Lyft, Via, and others. Local governments have primary responsibility to regulate and tax these services, often going beyond basic regulation to collaborate with TNCs on improving high volume pickup and drop-off areas to reduce congestion. Some local governments, such as the City of Chicago, use TNC fees to support transit improvements. The current legislation

governing TNCs will expire in June 2020, providing an opportunity to raise the bar for regulation, data sharing, and fees.

ACTION REQUESTED: Discussion

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