Chicago Metropolitan
Agency for Planning

233 South Wacker Drive
Suite 800
Chicago, Illinois 60606

312 454 0400
www.cmap.illinois.gov

Regional Coordinating Committee

Annotated Agenda
Wednesday, June 10, 2015
8:00 a.m.

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

1.0 Call to Order 8:00 a.m.

2.0 Agenda Changes and Announcements

3.0 Approval of Minutes – March 11, 2015
ACTION REQUESTED: Approval

4.0 Alternatives to the Illinois Motor Fuel Tax
GO TO 2040 recommends implementing new and enhanced sources of reasonably expected transportation revenues, including a long-term replacement for the motor fuel tax (MFT). In support of this recommendation, CMAP staff has initiated an analysis of alternatives to the state MFT. Staff will present an overview of **an issue brief that assesses several possible MFT replacements**.
ACTION REQUESTED: Information

5.0 Fiscal Year 2016 Unified Work Program (UWP)
The Transportation Committee has recommended the approval of the proposed FY 2016 Unified Work Program (UWP) to the Policy Committee and the CMAP Board. The FY 2016 UWP totals $21,155,358 and includes $16,757,725 in FHWA and FTA regional planning funds and $4,397,633 in matching funds. The attached Executive Summary details the allocation of funding and awarded projects.
ACTION REQUESTED: Recommend Approval of FY 2016 Unified Work Program

6.0 Legislative Update

6.1 State Legislative Update
Staff will update the Committee on General Assembly activity and relevant legislative activities and the bills that we have monitored based on our Legislative Principles and Agenda.
ACTION REQUESTED: Information

6.2 Federal Transportation Reauthorization Update

The current federal transportation authorization, Moving Ahead for Progress in the 21st Century (MAP-21), was scheduled to expire on May 31, 2015. A short-term patch extending the current regulation and authorizing surface transportation programs to continue through July 31 passed Congress and was signed by the President on May 29.

ACTION REQUESTED: Information

7.0 Next Long Range Plan

CMAP is embarking on development of its next comprehensive regional plan, which will be the successor of GO TO 2040. Staff will discuss the overall timeline for plan development, provide an overview of plan development activities for the upcoming fiscal year, propose a process for preparing background material for the plan in the form of strategy papers, and outline topic areas for the strategy papers for committee discussion in FY 2016.

ACTION REQUESTED: Discussion

8.0 Other Business

9.0 Public Comment

This is an opportunity for comments from members of the audience. The Chair will recognize non-committee members as appropriate. Non-committee members wishing to address the Committee should so signify by raising their hand in order to be recognized by the Chair. The Chair will have discretion to limit discussion.

10.0 Next Meeting- October 14, 2015

11.0 Adjournment

Committee Members:

____Elliott Hartstein, chair	____John Noak	____Ed Paesel
____Frank Beal	____Sheri Cohen	____Leanne Redden
____Pat Carey	____Jack Darin	____Peter Silvestri
____Allison Clement	____Al Larson	____Thomas Weisner
____Michael Connelly	____Andrew Madigan	

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Regional Coordinating Committee

DRAFT Minutes
Wednesday, March 11, 2015

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

Committee Members Present:	Elliott Hartstein, Chair (CMAP Board), Frank Beal (CMAP Board), Lance Pressl (Institute for Work and the Economy - Economic Development Cmte.), Nancy Firfer (Metropolitan Planning Council-Housing Committee), Michael Connelly (CTA–Transportation Committee), Sheri Cohen (Human & Community Development Committee), Tom Weisner (CMAP Board), Ed Paesel (South Suburban Mayors & Managers Assoc.-Land Use Cmte.), Jack Darin (Illinois Sierra Club – Environment and Natural Resources Committee)
Members Absent:	Peter Silvestri (CMAP Board), John Noak (CMAP Board), Andrew Madigan (CMAP Board), Al Larson (CMAP Board), Leanne Redden (CMAP Board)
Others Present:	Patrick Knapp-Kane/Kendall Council of Mayors, Bruce Christensen – Lake County Council of Mayors, Aaron Maertins – Metra, Garland Armstrong – Access Living, Heather Armstrong – Access Living
Staff Present:	Jill Leary, Jesse Elam, Tom Kotarac, Joe Szabo, Gordon Smith, Jason Navota, Holly Ostdick, Ross Patronsky, Louise Yeung, Simone Weil

1.0 Call to Order

Elliot Hartstein called the meeting to order at 8:10 AM and asked committee members to introduce themselves.

2.0 Agenda Changes and Announcements

The conformity analysis and TIP amendment item was moved to after item #5 to accommodate late arrivals and have quorum. There were no announcements.

3.0 Approval of Minutes – January 2015

A motion was made to approve the minutes of the January 2015 meeting. All in favor, the motion carried.

5.0 Update on Illinois 53/120 Corridor Land Use Plan

Jason Navota provided an update on the 53/120 Corridor Land Use Plan that CMAP is undertaking with Lake County and the Illinois Tollway, referring to a PowerPoint presentation. He reviewed the scenario building exercise that the planning process went through and compared planned land use, as read from municipal comprehensive plans, with market projections. The take-home message, he said, was that communities plan for more non-residential development than the market would support, and that such planning tends to be aspirational. The project defined "hot spots" (places where land use is likely to change as a result of constructing IL 53/120) and "cool spots" (places with important natural resources), the idea being to use land use planning to shape growth in response to the road facility. Part of the project also involved scenario planning to help understand tradeoffs related to land use in the corridor, with the impacts of several scenarios quantified in terms of their impacts on a set of environmental, transportation, and other indicators.

Members asked how much of the land in the corridor is incorporated as well as other clarifying questions. Mr. Paesel requested a similar presentation to the Land Use Committee and suggested that CMAP needed to deal with the issue of IL 53/120 being in GO TO 2040 while the Illiana Expressway was not, even though neither had full funding identified. He also said it was an issue that the Illiana was criticized for mostly benefiting Will County when in the presentation it was noted that IL 53/120 would mostly benefit Lake County. Mr. Elam thanked Mr. Paesel for his comments, noted that the Illiana Expressway is a fiscally constrained project in GO TO 2040, and said that the main purpose of the agenda item was to discuss the land use plan for the IL 53/120 corridor.

Mayor Weisner suggested it could be a major political issue to increase density in the corridor, as some of the land use scenarios would. He also noted concern over water supply in Lake County and asked if water supply impacts were considered in the impact analysis for the scenarios. Mr. Navota said it was a complex issue and was not considered. Mr. Hartstein pointed out that the higher density area is along IL 120. Ms. Cohen asked about how housing affordability played into the scenario analysis. Mr. Navota showed additional slides on the market analysis conducted for the plan and said that it was done to try to determine the future mix of housing needed in the corridor. Mr. Darin inquired whether the proposed western end of 120 would create similar traffic problems as the current end of IL 53 at Lake Cook Road does; some discussion followed.

4.0 Transportation Consent Agenda: Semi-Annual GO TO 2040/TIP Conformity Analysis and TIP Amendment

Ross Patronsky provided an overview of the recommended TIP amendments. A motion was made to approve the amendments. All in favor, the motion carried.

6.0 Economic Valuation of the Chicago Wilderness Green Infrastructure Vision

Louise Yeung gave a presentation on a CMAP project to estimate the monetary value of the services provided by the landscapes in the Chicago Wilderness Green Infrastructure Vision (GIV), a map identifying important natural areas in the region. She reported that monetary benefits were estimated for flood storage, water purification, groundwater recharge, and carbon sequestration, while the value of recreation and native flora/fauna were qualitatively estimated. She noted that the methodology considerably underestimates the full services provided by these natural areas because it does not include all services or take into account all resources, particularly Lake Michigan.
Mr. Hartstein asked whether the information had been given to the forest preserve districts and to local governments for comprehensive planning. Ms. Yeung indicated that they were partners and the Local Technical Assistance program intended to use the product in their comprehensive planning efforts. Mr. Connelly asked how carbon storage was calculated; Ms. Yeung indicated that market prices were used.

7.0 State Legislative Update

Mr. Smith reviewed the bills CMAP has been tracking as well as the governor's proposed budget. He clarified that although the budget zeroes out an appropriation for CMAP, the governor's office had given him to understand that funding for the agency would be included in a statewide line item. Mr. Smith said he would be recommending to the Board that it support four bills. One would give counties power to dissolve certain units of government. Mr. Paesel asked if it would apply to municipalities as well; Mr. Smith said it applied to counties only. Another bill (HB 2685) allows RTA to sell working cash notes, while another (SB1907) expands the motor fuel tax to alternative fuel vehicles. Mr. Hartstein said he thought the idea of SB1907 was a good one and wanted to know how much revenue it would generate.

8.0 Other Business

There was no other business.

9.0 Public Comment

There was no public comment.

10.0 Next Meeting

The Regional Coordinating Committee meets next on June 10, 2015.

11.0 Adjournment

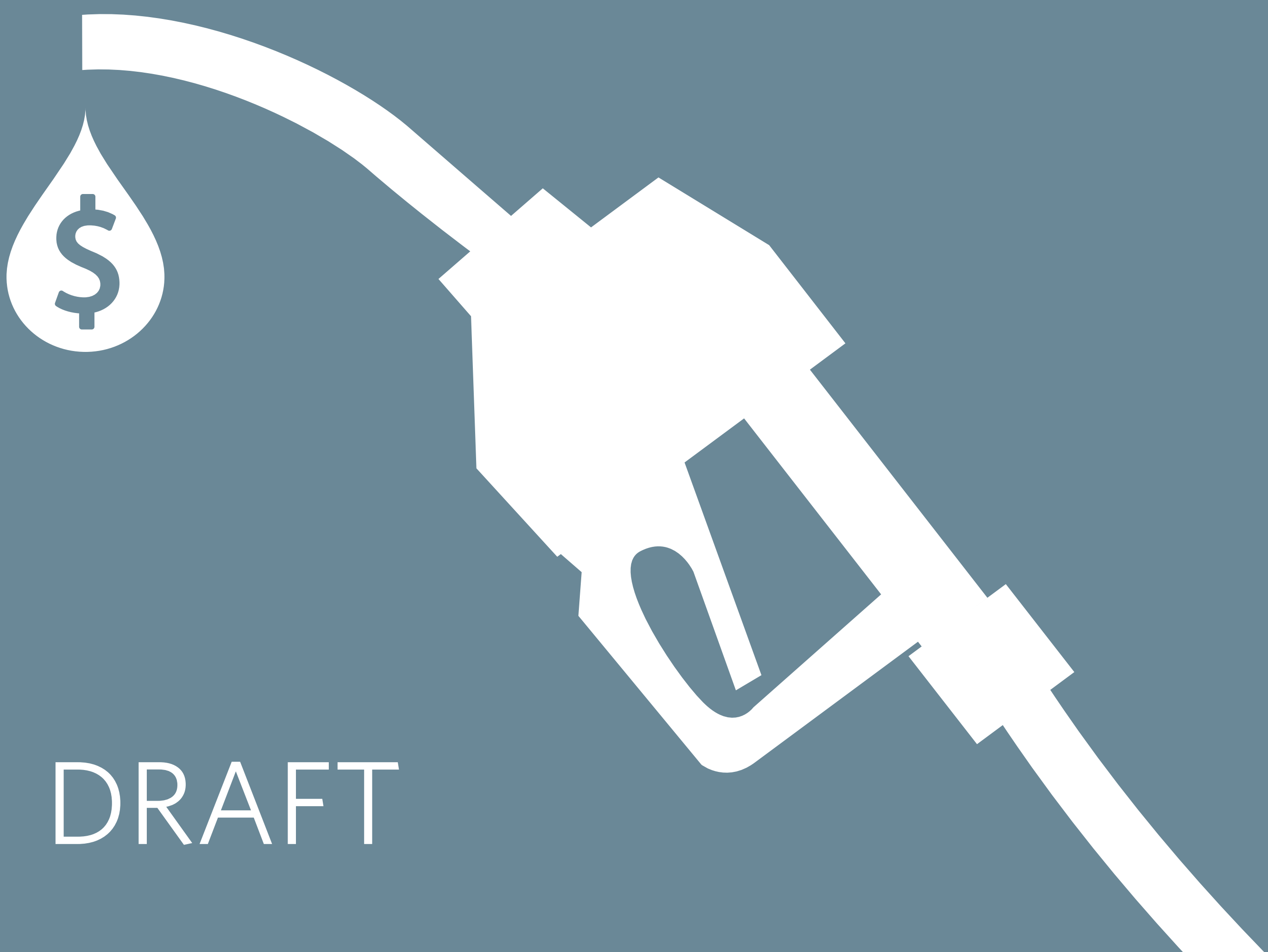
Respectfully submitted,

Jesse Elam
CMAP staff liaison

CMAP

Possible Alternatives to the Illinois Motor Fuel Tax

MAY 2015



DRAFT

Possible Alternatives to the Illinois Motor Fuel Tax

There is growing consensus that continued reliance on the motor fuel tax (MFT) is not an appropriate long-term solution for transportation funding. Despite being one of the primary revenue sources for transportation in Illinois, the **state MFT** has not been increased since 1991. Generating revenues through a flat, per-gallon tax, the MFT has failed to keep pace with inflation. The cost to operate, maintain, and expand the state's transportation system increases over time; to keep up, the revenues to support the system must also grow. Fuel consumption has declined as vehicles become more efficient, and overall vehicle travel has stagnated in recent years, further reducing MFT revenues.

CMAP forecasts indicate that transportation revenues from existing sources expected to be available between 2015-40 will just minimally exceed the amount necessary to operate, maintain, and administer transportation infrastructure in our state and region. This will allow only modest investments that would not suffice for bringing the system in metropolitan Chicago toward a state of good repair while enabling strategic enhancements and expansions.

To provide adequate revenue for modernizing and expanding the transportation system, GO TO 2040 recommends implementing new and enhanced sources of reasonably expected transportation revenues, including a **long-term replacement for the MFT**.

In support of that GO TO 2040 recommendation, CMAP has initiated an analysis of alternatives to the state MFT. The following analysis explores MFT replacements implemented by other states and assesses several possible MFT replacement options for Illinois, including mileage-based user fees, motor fuel sales taxes, and motor vehicle registration fees. CMAP's analysis relies on criteria such as sufficiency, equity, stability, implementation, and administration, including whether users of the transportation system pay a fair share of its maintenance and expansion. Please note that, while this document evaluates each approach, it does not make specific recommendations for the State of Illinois.

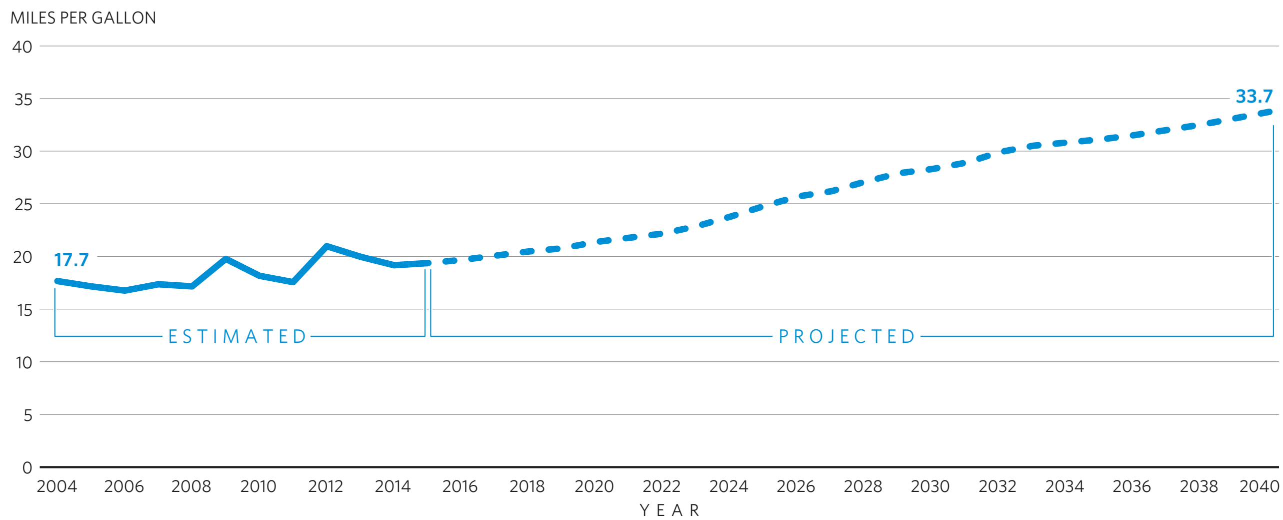
The Illinois motor fuel tax

In the short term, GO TO 2040 recommends that the state MFT rate be increased by 8 cents and indexed to an inflationary measure. The current 19-cent-per-gallon state MFT buys 42 percent less than when it became effective in 1991. Furthermore, state MFT revenues have been trending downward since 2007. This is due in part to a decline in statewide vehicle travel that, after growing steadily throughout the 1990s and early 2000s, peaked in 2004 but has since held fairly steady with some periodic declines.

As vehicles have become increasingly fuel-efficient, however, motor fuel consumption has been declining more steadily and faster than total vehicle travel. The chart below shows estimated past and projected future average fuel economy for light duty vehicles statewide.

As the fuel economy of vehicles rises and fuel consumption continues to slow, an MFT rate increase and inflationary index will be insufficient to keep revenues growing with the cost of construction. This demonstrates clearly that, to provide adequate revenue in the long term, the MFT ultimately needs to be replaced.

Average miles per gallon for light duty vehicles in Illinois, 2004-40



Source: Chicago Metropolitan Agency for Planning analysis of data from National Highway Traffic Safety Administration (NHTSA) Corporate Average Fuel Economy (CAFE) Fuel Economy Fact Sheets, Illinois Department of Transportation, and 2009 National Household Travel Survey.

Alternatives to the motor fuel tax

Respected sources such as the National Surface Transportation Infrastructure Financing Commission and the American Association of State Highway and Transportation Officials have evaluated a number of alternatives to the MFT, some of which have been implemented recently in other states. Each has strengths and challenges that must be carefully weighed. While the possible alternatives are numerous, this analysis focuses only on alternatives that have the strongest potential to raise sufficient revenue and that have the strongest connection between how the transportation system is used and how it is paid for. Alternatives include mileage-based user fees, a sales tax on motor fuel, and registration fees.

Mileage-based user fees

Mileage-based user fees include methods that charge based on a vehicle's use of the roadways, such as vehicle miles traveled (VMT) fees and tolling. A VMT fee is based on miles driven, rather than on the amount of fuel consumed. Some states have also evaluated a zone-based VMT fee, where charges vary based on the areas in which miles are driven. Many major studies, including a national commission on transportation finance and a recent report from the Government Accountability Office, have identified VMT fees as long-term and sustainable sources of transportation revenue.

Tolling is a familiar form of mileage-based user fees that applies to travel on specific transportation facilities. It can be applied in many ways, including charging fees for use of an entire expressway, for express toll lanes within a larger expressway, or for individual facilities such as bridges or tunnels. While tolling may not function as a complete replacement to the MFT, it has the potential to complement other strategies. It is important to keep in mind that Illinois imposes tolls only on expressways under the jurisdiction of the Illinois Tollway. Presently, federal law severely restricts tolling of existing interstates such as those operated by the Illinois Department of Transportation.

Sales tax on motor fuel

Unlike the flat, per-gallon MFT, the motor fuel *sales* tax is a percentage tax on the sale of fuel, separate from general sales taxes. This option has become increasingly popular among states as a full or partial replacement for the MFT.

If implemented to replace the current state MFT, a motor fuel sales tax would be in addition to other taxes on motor fuel that are applied to motor fuel, such as general state and local sales taxes and federal and local MFTs. In Illinois, state sales tax revenues generated from the whole base (including motor fuel), are primarily used for general purposes. The revenue raised from such a tax would be dependent on the price of fuel, how the tax is collected (i.e., at the retail or wholesale level), and whether the tax has a floor or ceiling intended to guard against motor fuel price volatility.

Registration fees

Currently, all states impose a fee to register vehicles. In most such states, the processes to administer and collect these fees were established decades ago. Some states raise a large portion of their transportation revenue from these fees. For example, in FY 2014, Illinois generated $1.4 billion through motor vehicle registration via fees on passenger vehicles and a variable fee structure for commercial vehicles, with $1.2 billion of the revenues being used for transportation purposes. Additionally, new registration fees can be imposed on alternative fuel vehicles when those fuels are not taxed like traditional motor fuel.

What other states are doing

Many states have recently taken steps to replace their MFT. While some of these alternatives still connect taxes or fees to actual use of the transportation system, others do not. Many states use a blended approach, using several mechanisms to raise new revenues. The chart below provides examples of recent state changes to transportation funding.

Among these, several states have taken major steps to move away from the MFT. The following are three case studies from Oregon, Virginia, and Pennsylvania.

VMT fee in Oregon

Since 2001, Oregon has experimented with small VMT fee pilot studies. In July 2015, Oregon will launch the third phase of its VMT program, called OReGO. Through this program, 5,000 volunteer participants will be charged 1.5 cents per mile and will receive a rebate for their state gas tax receipts. To address privacy concerns and provide flexibility to participants, drivers are offered multiple options to report mileage data, including both GPS and non-GPS technologies. Drivers are also able to choose whether the program is administered by a selection of private firms or the state. While Oregon is currently the only state implementing a VMT fee, Washington and California both have plans to implement their own pilot programs.

Sales taxes and wholesale motor fuel tax in Virginia

In 2013, Virginia passed transportation funding legislation that included new funding mechanisms for transportation. This legislation eliminated the state gas tax and replaced it with a number of other sources, notably wholesale taxes on motor fuel. The legislation included the following funding mechanisms:

- Directed a larger portion of the existing 4 percent general sales tax toward transportation.
- Raised the general sales tax to 4.3 percent and directed the increase to transportation.
- Imposed a new 3.5 percent sales tax on the wholesale cost of regular motor fuel and a 6 percent sales tax on the wholesale cost of diesel.
- Increased registration fees on hybrid vehicles by $64.
- Raised the motor vehicle sales and use tax by 1.15 percentage points.

Wholesale motor fuel tax in Pennsylvania

Pennsylvania eliminated its MFT in 2013, replacing it with additional revenues generated by eliminating the cap on their existing wholesale tax on fuel and adding a floor to ensure that drops in motor fuel prices did not result in reduction of tax revenues below a desired amount. The Comprehensive Transportation Funding Plan also increased vehicle registration and license fees while tying the fees to inflation.

Examples of state transportation funding, 2012-14

	INCREASED MFT	INITIATED VMT FEE	INCREASED GENERAL SALES TAX	INITIATED MOTOR FUEL SALES TAX	EXTENDED MFT TO ALTERNATIVE FUELS	INCREASED VEHICLE FEES
Arkansas			X			
Massachusetts	X					X
Maryland	X			X		
New Hampshire	X				X	
Oregon		X				
Pennsylvania				X		X
Rhode Island	X					X
Vermont				X		
Virginia			X	X		X

Source: Chicago Metropolitan Agency for Planning analysis of Transportation for America and OreGo data.

Criteria for analyzing revenue mechanisms

Finding a suitable replacement for the MFT requires careful examination across a number of criteria — both objective and subjective — including revenue-based metrics, economic factors, and implementation and administration issues, as shown in the following graphic. Previous studies used varying sets of criteria such as the National Surface Transportation Policy and Revenue Study Commission (2007), the American Association of State Highway and Transportation Officials (2014), the National Surface Transportation Infrastructure Financing Commission (2009), and the National Cooperative Highway Research Program (2006).

Revenue-based criteria determine whether the revenue source is able to sustain the transportation system.

Sufficiency: whether the revenue produced from the source will initially provide enough funding to replace the MFT.

Stability: whether revenues will be stable year to year, which is important for funding multi-year transportation programs as well as for bonding purposes.

Growth potential: whether the revenue source will grow at the same pace as construction costs.

Economic factors should be balanced in terms of the distribution and proportionality of the tax burden.

Benefit principle: whether the tax is a user fee imposed proportionately to the benefit received.

Equity: whether those better able to pay the tax experience more of the burden.

Feasibility examines how the tax would be implemented and operated.

Implementation: whether the tax could be easily executed.

Administration: whether the tax could be easily managed.

Analysis of revenue mechanisms

Using the criteria described, CMAP analyzed the performance of mileage-based user fees (primarily a VMT fee), a motor fuel sales tax, vehicle registration fees, and the current MFT.

Sufficiency

Any alternative to the MFT should generate sufficient funding to replace the current MFT with an additional 8-cent rate increase. A rate was calculated for each alternative that would generate enough revenue to initially replace the MFT, based on forecasted 2016 statewide MFT revenues, including revenues from CMAP's proposal to increase the MFT rate by 8 cents in 2016. MFT revenue forecasts are based on the methodology used in the GO TO 2040 Financial Plan for Transportation update adopted in October 2014, but utilize updated data. Revenue sufficiency is assessed based on the reasonability of that rate relative to national practices or existing rates. The table above provides an overview of how each revenue mechanism performs in terms of its ability to sustain the transportation system.

Under rates similar to those used elsewhere in the U.S., the VMT fee and the motor fuel sales tax are the most likely to provide sufficient revenues in Illinois. To replace the MFT, a flat-rate VMT fee here would only need to be 2 cents per mile in the first year, which is close to the 1.5 cents per mile being used in Oregon. However, variable rates could be implemented for different types of vehicles (such as trucks) or for certain types of facilities (such as state or local roads). In addition, a flat rate would need to be indexed to inflation to keep up with the cost of operating and maintaining the system.

Sufficiency of MFT replacement options

	RATE NECESSARY TO MATCH FORECASTED 2016 MFT REVENUES
VMT fee	**$0.02 per mile**
Motor fuel sales tax	**7.4% - 10.7%**
Motor vehicle registration fees	**117.0% increase to current rates** (varies by vehicle type)

Source: Chicago Metropolitan Agency for Planning analysis of Illinois Department of Transportation, Illinois Office of the Comptroller, and U.S. Energy Information Administration data.

Motor fuel sales tax rates in other states have ranged from 2 percent to 9 percent. However, the extent to which the motor fuel sales tax is sufficient would depend on the rate, which would likely need to be between 7.4 percent and 10.7 percent, depending on the price of motor fuel. Like the current Illinois MFT, this would be in addition to other existing taxes applied to motor fuel, such as federal and local MFTs as well as state and local general sales taxes. Shifting the current state sales tax revenues generated by motor fuel sales away from the Illinois general funds and into transportation purposes would not be a sufficient replacement overall, because the lost general funds revenue would need to be replaced.

Replacing the MFT with motor vehicle registration fees would require the rate to more than double, or else registration fee revenues would not be sufficient. Illinois' current $101 registration fee per passenger car is already the highest among the 24 states with flat fees. Non-passenger vehicle fees in Illinois — which vary based on vehicle class — would also have to be increased if the MFT were replaced this way.

Sufficiency Criterion Summary:

A VMT fee or a motor fuel sales tax would likely provide sufficient revenue to replace the MFT alone, while a motor vehicle registration fee would not likely be sufficient under typical fee structures.

Stability

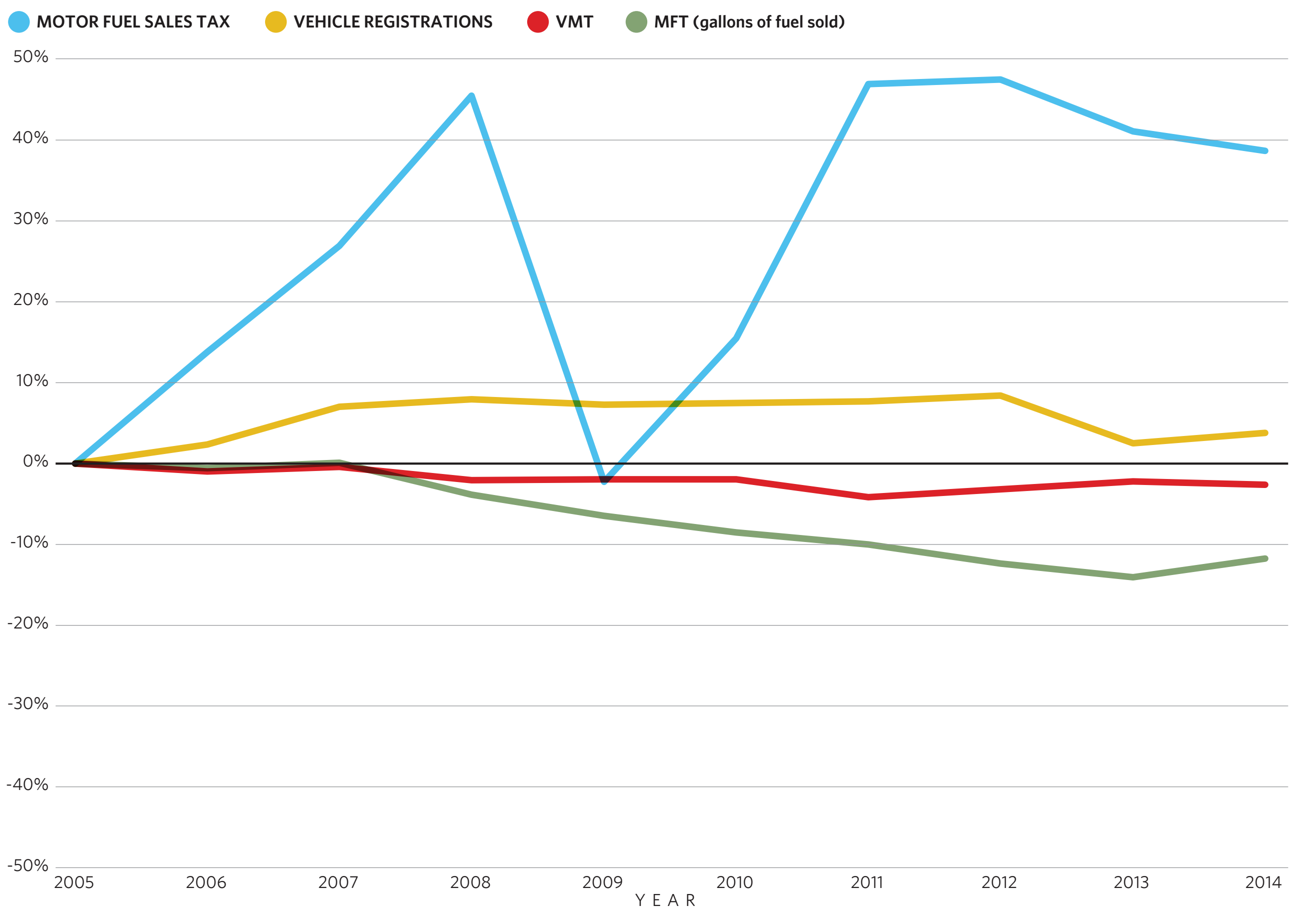
Transportation requires a stable source of revenue that can be used to maintain the system annually, plan for multiyear projects, and repay bonds to fund transportation projects. The chart below illustrates relative stability in the tax base for each revenue alternative since 2005.

Like the MFT base, the base for a potential VMT fee or a vehicle registration fee has been stable over the past eight years. On the other hand, the motor fuel sales base has been relatively volatile between 2007 and 2014, with increases and decreases driven by changes in fuel prices and consumption. The price of gasoline is unstable, and this volatility has been especially pronounced over the past decade due to political instability in oil-producing regions, large natural disasters, and major shifts in larger economic activity. However, a per-gallon floor could be implemented to ensure that revenues are maintained above a certain level even if motor fuel prices drop.

Stability Criterion Summary:

Generally, vehicle miles traveled and vehicle registrations have provided stable bases for generating revenue, but due to fluctuations in fuel prices, motor fuel sales have been volatile.

Historical stability of MFT replacement options: percent change in Illinois tax base since 2005



Source: Chicago Metropolitan Agency for Planning analysis of data from Illinois Department of Transportation, Illinois Office of the Comptroller, and U.S. Energy Information Administration.

Growth potential

The weak growth potential for the current MFT is largely responsible for driving the discussion of long-term replacements. Even if a revenue mechanism is sufficient to replace the MFT, it will need to grow with the cost of operating, maintaining, and constructing the transportation system over time. The chart below illustrates forecasted revenue growth for each revenue source from 2016 to 2040.

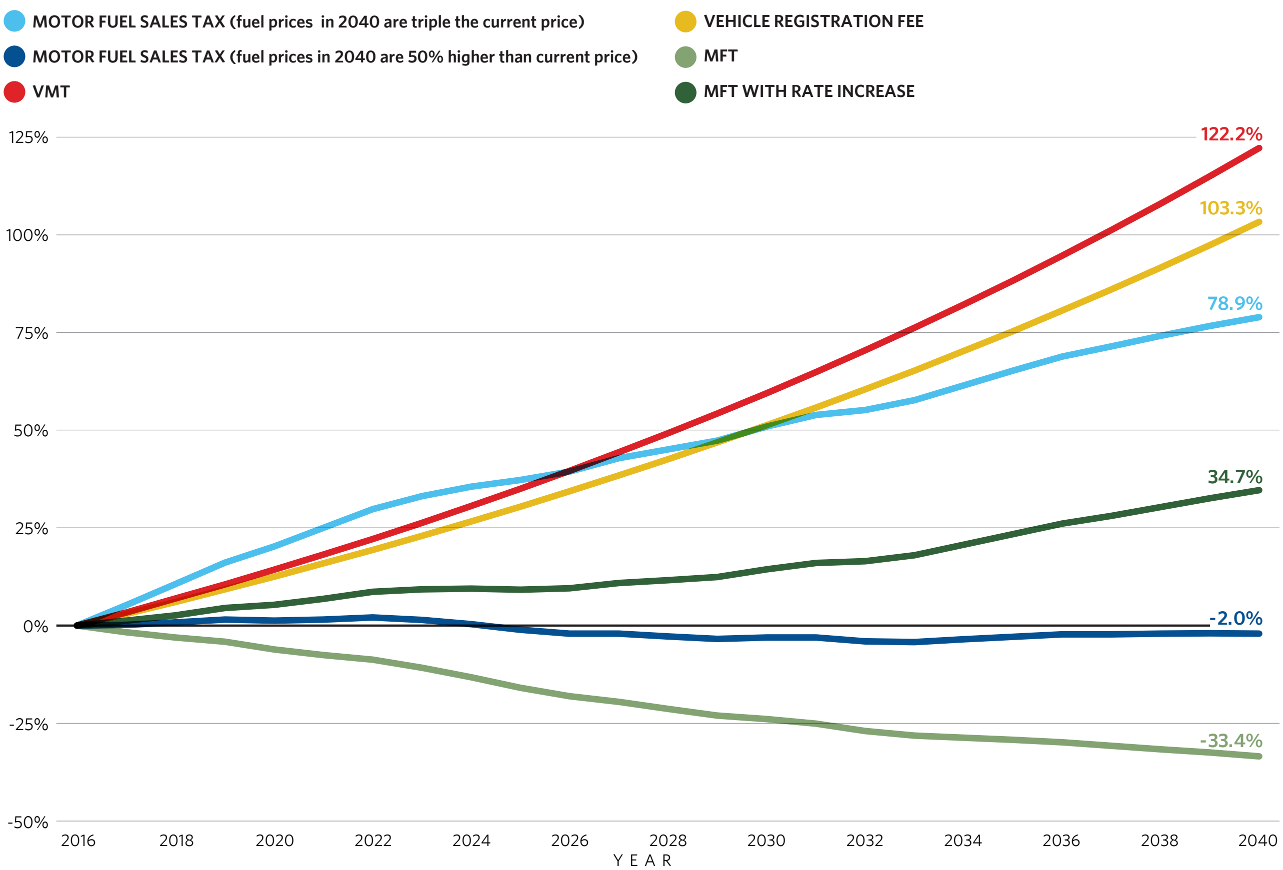
CMAP forecasts that statewide VMT and motor vehicle registrations will grow moderately until 2040. As CMAP proposes for the current MFT, it is assumed that the rates for these revenue sources would be indexed to an inflationary measure. Inflationary increases in the rate combined with modest growth in the base will ensure that revenues grow with the cost of operating, maintaining, and expanding the transportation system.

Growth in forecasted motor fuel sales tax revenue would vary depending on growth in fuel prices. Between 1995 and 2014, fuel prices tripled. If fuel prices triple between 2014 and 2040, CMAP estimates that the motor fuel sales tax revenue would grow nearly 80 percent relative to 2016 forecasts. However, if fuel prices increase just 50 percent by 2040, the motor fuel sales tax revenue would be 2 percent lower than in 2016, as decreases in gallons sold would completely offset the increases in fuel prices.

Growth Potential Criterion Summary:

All three replacement options have strong potential for revenue growth, but variable fuel prices could lead to poor growth under a motor fuel sales tax.

Growth potential of MFT replacement options: forecasted change in revenue, 2016-40



Source: Chicago Metropolitan Agency for Planning analysis of data from Illinois Department of Transportation, Illinois Office of the Comptroller, and U.S. Energy Information Administration.

Note: Motor fuel sales tax forecasts assume 2014 Midwest prices for the current price of motor fuel. The vehicle miles traveled fee forecast assumes growth in vehicle travel as well as indexing the rate to an inflationary measure. Vehicle registration fees are assumed to grow 3 percent annually through a combination of growth in registrations and fee increases.

Benefit principle

The MFT acts as an indirect user fee that charges users of the transportation system based on the amount of fuel consumed. While the MFT served as a reasonable proxy of use of the transportation system for many years, it increasingly falls short of meeting the benefit principle as variation in fuel efficiency across vehicles increases. Furthermore, the MFT does not vary based on time of day or the use of certain parts of the system, like interstates.

IMPORTANCE OF USER FEES
A good user fee sends a strong price signal to users of the transportation system because those using the system more pay more into its maintenance, operation, and expansion. This encourages efficient use of the system.

Mileage-based user fees

A fee that charges users of the transportation system for each mile driven presents the strongest user fee of any alternative analyzed. A VMT fee is a direct user fee that is solely based on the use of the system. This alternative could more effectively ensure that those who benefit from the transportation system pay a fair share for its maintenance and expansion and could avoid disparities across vehicles with varying fuel efficiencies. Furthermore, this alternative provides flexibility in that users could be charged various rates based on the facility used, time of day, and type of vehicle. Options for facility-level tolling provide an even greater connection between the fee and the benefits accrued to the users of the system, and reinvestment can be targeted based on the revenues raised along each facility or corridor.

Motor fuel sales tax

A percentage tax based on the wholesale cost of motor fuel presents an even more indirect user fee than the current MFT. A tax based on the price of motor fuel presents a weaker price signal to users of the system than the current MFT because it is further removed from the cost of using the system.

Motor vehicle registration fee

An increase in motor vehicle registration fees is less directly related to use of the system than the MFT. Ownership of a vehicle does not indicate how much or how little the vehicle is actually used on the transportation system. However, this source can be used to charge higher fees to vehicles that tend to result in higher roadway maintenance costs, like trucks and other heavy-weight vehicles. Some states even charge passenger vehicles different amounts based on the weight of the vehicle. In addition, registration fees require owners of alternative fuel vehicles to pay some share of their use of the system.

Benefit Principle Criterion Summary:

Because mileage-based user fees have the strongest overall connection to use of the system, they are the most direct user fees. A motor fuel sales tax is tangentially related to the consumption of fuel, while motor vehicle registration fees are not at all related to the use of the system.

Equity

The per-gallon MFT is already considered somewhat regressive because low-income households typically spend a larger percentage of their income on it relative to higher-income households. That dynamic remains the same regardless of gas prices because the current MFT is imposed on a per-gallon basis. Generally, a similar dynamic exists with other user fees as well as sales taxes on motor fuel.

Mileage-based user fees

While a mileage-based user fee such as the VMT fee would likely be as regressive as the current MFT, it has the potential to be the most equitable of all MFT alternatives. If a VMT fee were implemented, some users would likely pay more (and others less) than they currently do under the MFT, depending on how much they drive and the fuel efficiency of their vehicles. For example, lower-income individuals have been shown to drive less than higher-income individuals do. But taxpayers could choose to mitigate these effects by reducing travel, which makes the VMT fee more equitable.

A straight VMT fee would charge users per miles driven. But if integrated with facility-level tolling, this alternative could enhance equity by giving users additional options — for example, to pay lower fees by driving at non-peak periods. While lower-income drivers would still pay a larger percentage of their income in tolls than higher-income drivers, the extent of this regressivity could be reduced if transit were available along the corridor.

EQUITY AND THE MFT

Assuming the same amount of motor fuel is consumed across households of varying incomes, a household with income of $40,000 pays 0.23 percent of their annual income toward the current state MFT, while a household with income of $148,000 only pays 0.06 percent annually.

Motor fuel sales tax

Like the current MFT, sales taxes are typically regressive, and the regressivity of a motor fuel sales tax would be further exacerbated by upward fluctuations in fuel prices. While users would continue to have the ability to reduce travel or use a more fuel efficient vehicle, the fact that this revenue source is driven by the price of motor fuel makes it more difficult for lower-income users to reduce their tax burden. The chart below compares the tax burden for different household income levels under a 7.4 percent motor fuel sales tax at example price points of $2.75 and $4.00 per gallon.

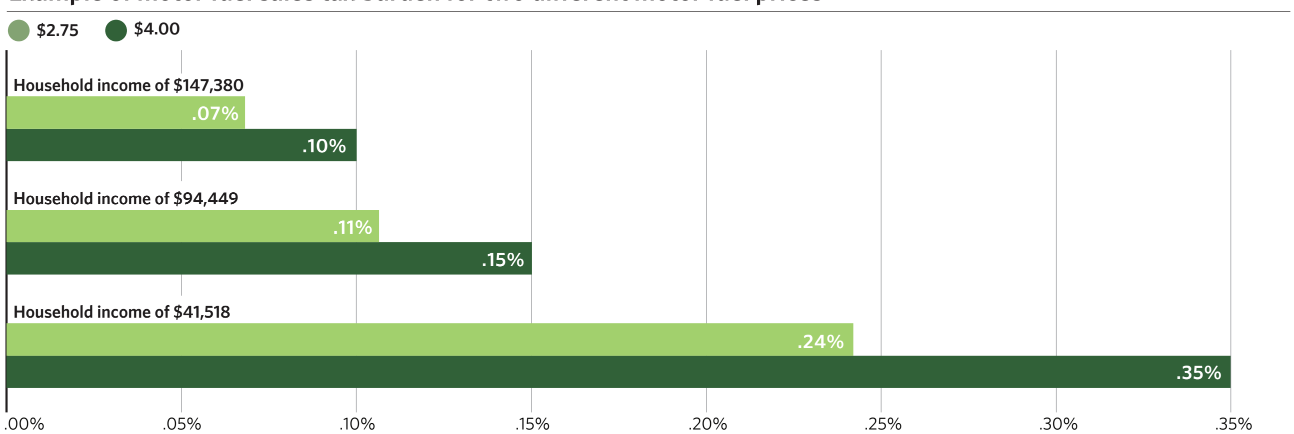
Motor vehicle registration fee

Because these fees are simply charged by the vehicle, registration fees are somewhat regressive. The extent of regressivity can be mitigated by implementing different rates depending on the value or age of the vehicle. However, unlike revenue sources based on fuel usage or mileage, a taxpayer can do little to mitigate the tax burden, short of not owning a vehicle.

Equity Criterion Summary:

While most options for replacing the MFT raise equity concerns, with the right configuration, mileage-based user fees have the greatest potential to be an equitable source of transportation revenue. Both the motor fuel sales tax and vehicle registration fees can be structured to avoid placing a higher burden on lower-income taxpayers.

Example of motor fuel sales tax burden for two different motor fuel prices



Source: Chicago Metropolitan Agency for Planning analysis.

Note: Hypothetical household income levels were determined using 2009-13 American Community Survey median household income (MHI) data by township for northeastern Illinois. The highest MHI was $147,380, while the lowest MHI was $41,518. The middle income level on the chart, $94,449, is the midpoint between these two income levels.

Implementation

One primary reason the MFT has been used for so long as the main source of transportation revenue is its ease of implementation. The mechanism for collecting the MFT is established and straightforward — a flat per-gallon tax passed along to consumers at the gas station. This is why, in the short-term, transportation revenues should be raised by increasing the MFT rate and indexing it to inflation. However, this does not solve the larger, long-term funding crisis in transportation.

Mileage-based user fees

Implementing this alternative may entail substantial investments in technology required to track mileage. For example, drivers would likely need to install a device to track and report VMT so an additional party could collect data and revenue — raising privacy concerns that are perhaps the biggest obstacle to implementing a VMT fee. However, as Oregon has shown with their VMT fee program, these privacy concerns could be overcome by offering drivers multiple options to report mileage data, including both GPS and non-GPS technologies, with the ability to choose whether the administration is by a private firm or the state.

To toll the existing interstate system, the federal government would need to lift current restrictions on tolling interstate facilities that are untolled at present. Currently, these federal restrictions severely limit the usefulness of tolling to raise sufficient revenue for the entire system. Tolling could allow these facilities to be self-supporting, which could be an advantage for heavily used roads, such as expressways, that require large capital expenditures. Additionally, tolling is a transportation-demand strategy that promotes efficient management of the transportation system. While the mechanism for physically collecting the tolls would be simple, there would be costs in establishing toll facilities.

Motor fuel sales tax

This alternative could be implemented and administered easily under existing systems, as sales taxes are already imposed on motor fuel as part of the general Illinois sales tax. It would require establishing the rate of the sales tax and deciding on the structure of the sales tax. For example, policymakers would need to determine whether there should be a floor or a limit to the amount of change in revenues each year due to fluctuations in motor fuel prices, and whether the tax should be collected at the wholesale or retail level.

Motor vehicle registration fee

This fee could simply be implemented and administered under the existing system for collecting registration fees. However, the fee would be more complicated to implement if a different structure were decided upon, such as implementing differential fee levels for vehicles of various weights for passenger vehicles.

Implementation Criterion Summary:

Both the motor fuel sales tax and the vehicle registration fees would be straightforward to administer and implement as a replacement for the MFT. Mileage-based user fees have several hurdles to implementation, including privacy concerns and startup costs.

Summary of Analysis

Relying on the MFT as a sustainable source for funding the transportation system is not a long-term option. Illinois must work toward balancing different alternatives to ensure that the transportation system is adequately funded. The chart at right provides a summary of CMAP's findings for how potential MFT replacements compare across different policy considerations.

Summary of considerations for replacements to the state motor fuel tax

GOOD FAIR POOR

	MILEAGE-BASED USER FEES	MOTOR FUEL SALES TAX	MOTOR VEHICLE REGISTRATION FEES
Sufficiency	Good	Good	Fair
Stability	Good	Poor	Good
Growth potential	Good	Fair	Good
Benefit principle	Good	Fair	Poor
Equity	Fair	Poor	Poor
Implementation and administration	Poor	Good	Good

Source: Chicago Metropolitan Agency for Planning analysis.

VMT fee

While mileage-based user fees appear relatively positive under most considerations, implementation and administration remain significant hurdles. This revenue source may benefit from a national solution that allows for tolling of existing non-tolled interstates and a nationwide VMT fee mechanism allowing states like Illinois to ensure that VMT fee revenues are collected from out-of-state drivers. A national approach also has the potential to streamline implementation and reduce the state's cost of executing a collection system.

Combining a VMT fee with facility-level tolling serves as a targeted pricing mechanism because it can raise significant revenues that more fully account for the costs of using the transportation system. For example, facility-level tolling could be used concurrently with a comprehensive VMT fee to charge variable rates on certain types of roads at particular times of the day.

Motor fuel sales tax

Because a sales tax on motor fuels can be implemented under existing systems, many states, including Illinois, have examined them. However, some states have recently learned that reductions in motor fuel prices can reduce revenues significantly. States have begun to respond to the challenge of unstable fuel prices with legislative changes. North Carolina recently adopted legislation that removed the wholesale component of their MFT and replaced it with a flat rate that rises annually with inflation and population change. However, Utah mitigated the volatility challenge by replacing its flat, per-gallon MFT with a wholesale MFT by instituting a floor for per-gallon revenue collections. However, the growth potential of motor fuel sales taxes is still hampered by greater utilization of fuel efficient vehicles, and its connection to use of the transportation system is even more distant than the MFT's is.

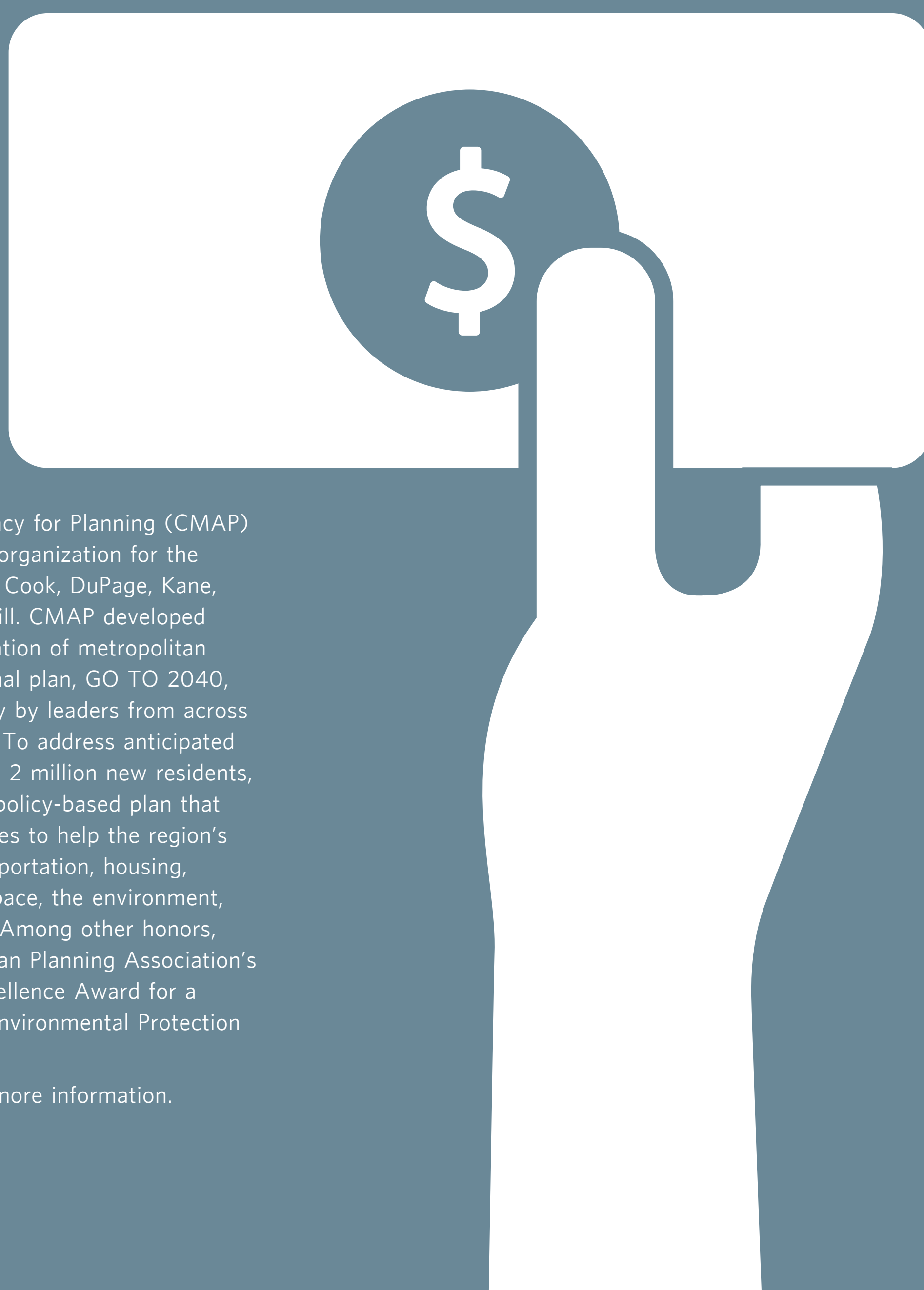
Registration fees

Motor vehicle registration fees are significantly problematic as a wholesale replacement for the current Illinois MFT, as they are unlikely to be implemented at a level that would be sufficient to replace the MFT. In addition, on their own they do not function as a user fee, as the tax burden does not reflect use of the system. However, as many states have found — including Illinois for previous capital program funding — this source can be utilized as part of a funding package to supplement other alternatives.

Conclusion

Ultimately, to provide adequate revenue to enhance and expand the transportation system, new revenue sources must be implemented. Despite being one of the state's primary revenue sources for transportation funding, the MFT rate has not been increased since 1991, and revenues have been further undercut by declines in motor fuel purchases from rising vehicle fuel economy. GO TO 2040 recommends that the MFT rate be increased by 8 cents and indexed to an inflationary measure in the short term, while stating the MFT must be replaced in the long term to ensure adequate transportation revenues accrue to the region during the 2015-40 planning period and beyond.

In addition to advocating for this reform, CMAP is committed to implementing other policy changes to bring additional revenues to our state and region, such as congestion pricing and performance-based funding. CMAP has also explored potential sources for new revenues dedicated to freight improvements. As part of the planning process for the region's next long- range comprehensive plan, CMAP will continue to analyze and assess potential replacements for the MFT.



The Chicago Metropolitan Agency for Planning (CMAP) is the official regional planning organization for the northeastern Illinois counties of Cook, DuPage, Kane, Kendall, Lake, McHenry, and Will. CMAP developed and now guides the implementation of metropolitan Chicago's comprehensive regional plan, GO TO 2040, which was adopted unanimously by leaders from across the seven counties in fall 2010. To address anticipated population growth of more than 2 million new residents, GO TO 2040 is an innovative, policy-based plan that establishes coordinated strategies to help the region's 284 communities address transportation, housing, economic development, open space, the environment, and other quality-of-life issues. Among other honors, CMAP has received the American Planning Association's first-ever National Planning Excellence Award for a Planning Agency and the U.S. Environmental Protection Agency's Smart Growth Award.

See **www.cmap.illinois.gov** for more information.

FY15-0114

Chicago Metropolitan Agency for Planning

233 South Wacker Drive
Suite 800
Chicago, Illinois 60606

312 454 0400
www.cmap.illinois.gov

MEMORANDUM

To: Regional Coordinating Committee
CMAP Board
MPO Policy Committee

From: Dolores Dowdle
Deputy Executive Director, Finance and Administration

Date: June 3, 2015

Re: FY 2016 Unified Work Program (UWP)

The Unified Work Program (UWP) lists the planning projects the Chicago Metropolitan Agency for Planning (CMAP) and other agencies undertake each year to enhance transportation in northeastern Illinois and to fulfill federal planning regulations. The UWP time frame is consistent with the State of Illinois fiscal year, which starts July 1. The final UWP document includes the transportation planning activities to be carried out in the region, detailing each project's description, products, costs and source of funding.

On March 5, the UWP Committee approved a proposed FY 2016 Unified Work Program, totaling $21,155,358. This includes $16,757,725 in FHWA and FTA regional planning funds and $4,397,633 in local match funds. Attached is the summary of the allocation of funding and awarded projects.

ACTION REQUESTED: Recommend approval of the FY 2016 Unified Work Program

Executive Summary

Unified Work Program Executive Summary

The Fiscal Year 2016 (FY 2016) Unified Work Program (UWP) for transportation planning for northeastern Illinois programs a total expenditure of $21,155,358 in metropolitan planning funds from the Federal Transit Administration (FTA), the Federal Highway Administration (FHWA), state and local sources. The program is fiscally constrained, as the new budget totals are within the IDOT estimated funding marks. The FY 2016 UWP programs $16,757,725 in FHWA/FTA funds and $4,397,633 in state or local sources to provide for the necessary matching funds.

The UWP was developed through the UWP Committee of the Chicago Metropolitan Agency for Planning (CMAP). The eight voting members of the UWP committee are the City of Chicago, CTA, Metra, Pace, CMAP, RTA, the Council of Mayors and the counties. IDOT chairs the committee and votes in instances of a tie. Non-voting members include IEPA, FHWA and FTA. Member agencies of the UWP Committee traditionally receive UWP funding, but any other MPO Policy Committee member agency can submit proposals or sponsor submissions from other entities.

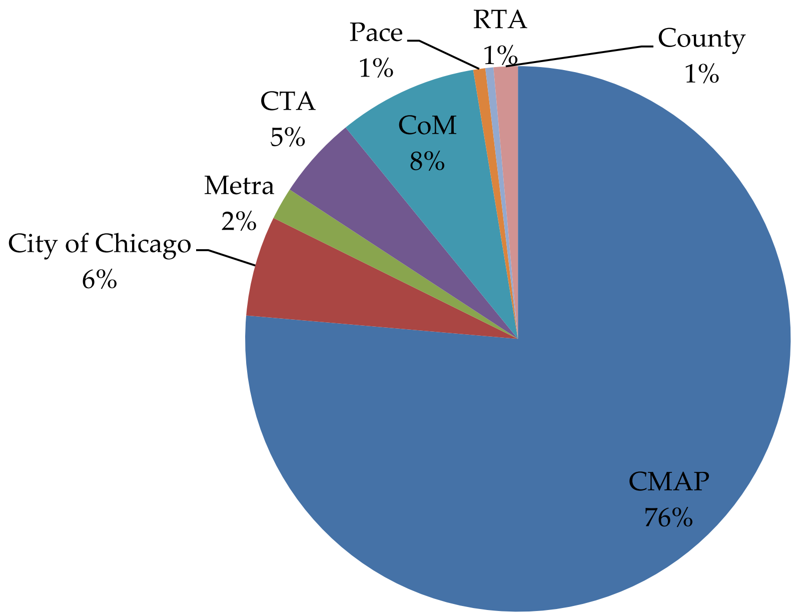
The FY 2016 UWP is a one-year program covering the State of Illinois fiscal year from July 1, 2015 through June 30, 2016. The UWP Committee developed the FY 2016 program based on the UWP funding mark for the metropolitan planning area. A final figure for the FY 2016 program will not be available until Congress has passed the reauthorization bill this spring. Project selection was guided using a two-tiered process. The initial tier funded core elements, which largely address the MPO requirements for meeting federal certification of the metropolitan transportation planning process. The second tier, a competitive selection process, programmed the remaining funds based upon a set of FY 2016 regional planning priorities developed by the UWP Committee in concert with the Transportation Committee, MPO Policy Committee and CMAP Board. The UWP Committee also utilizes a quantitative scoring process to evaluate project submissions in the competitive round.

The UWP is submitted to CMAP's Transportation Committee, which recommends approval of the UWP to the Regional Coordinating Committee and the MPO Policy Committee. The Regional Coordinating Committee recommends approval of the UWP to the CMAP Board. Approval by the MPO Policy Committee signifies official MPO endorsement of the UWP. FY 2016 UWP funds will be programmed to CMAP, CTA, the City of Chicago, Regional Council of Mayors, Metra, Pace, RTA and Kane County. The program continues to be focused on the implementation of three major pieces of legislation: the Clean Air Act Amendments of 1990; the Americans with Disabilities Act; and the Moving Ahead for Progress in the 21st Century Act (MAP-21).

Funding by Agency

Figure 1 shows the share of FY 2016 UWP funds programmed to each agency.

FIGURE 1: Share of FY 2016 UWP Funds by Agency



CMAP is receiving 76% of the FHWA PL and FTA section 5303 funds to implement the region's long range plan GO TO 2040, support local planning efforts, collect, analyze, and disseminate transportation data, support required MPO activities such as the TIP and Congestion Management Process, perform a range of transportation studies, provide technical assistance, and engage in coordinated regional outreach. CMAP, in coordination with RTA, will be administering the Community Planning Program and will allocate part of the funds to RTA depending on the project purpose.

The CTA, Metra, and Pace are receiving 5%, 2%, and 1% of the funds, respectively, for program development, participation in the regional planning process, and to perform studies and analytical work related to their systems. In the competitive round, CTA received funding for a study to Expand Brown Line Core Capacity.

The City of Chicago is receiving 6% of the funds for transportation planning and programming and assessing the south Lakefront and Museum Campus Access Alternatives and Feasibility.

The Regional Councils of Mayors are receiving 8% of the funds. The Council of Mayors Planning Liaison (PL) program is responsible for serving as a general liaison between CMAP and local elected officials. PLs also facilitate the local Surface Transportation Program (STP) process and monitor other transportation projects from various funding sources.

Kane County is funded for their County Long Range Transportation Planning program.

The Regional Transit Authority (RTA) is receiving 1% of the funds for the community planning program staff.

Summary of UWP Projects and Budgets by Recipient Agency

Agency	Project Title	FTA	FHWA	Local Match	Total
CMAP	MPO Activities	1,366,563	10,950,892	3,079,364	15,396,819
CMAP	Community Planning Program	480,000		120,000	600,000
CMAP Total		**1,846,563**	**10,950,892**	**3,199,364**	**15,996,819**
CTA	Program Development	400,000		100,000	500,000
CTA	Expand Brown Line Core Capacity	420,000		105,000	525,000
CTA Total		**820,000**		**205,000**	**1,025,000**
City of Chicago	Transportation and Programming	660,000		165,000	825,000
City of Chicago	South Lakefront and Museum Campus Access Alternatives and Feasibility Assessment	336,000		84,000	420,000
City of Chicago Total		**996,000**		**249,000**	**1,245,000**
Council of Mayors	Sub regional Transportation Planning, Programming and Management		1,384,270	554,269	1,938,539
Council of Mayors Total			**1,384,270**	**554,269**	**1,938,539**
Metra	Program Development	320,000		80,000	400,000
Metra Total		**320,000**		**80,000**	**400,000**
Pace	TIP Development and Modeling	60,000		15,000	75,000
Pace	Rideshare Services Program	60,000		15,000	75,000
Pace Total		**120,000**		**30,000**	**150,000**
RTA	Regional Transit Planning Staff	80,000		20,000	100,000
RTA Total		**80,000**		**20,000**	**100,000**
County of Kane	Long Range Transportation Planning	240,000		60,000	300,000
County Total		**240,000**		**60,000**	**300,000**
FY 2016 UWP Total		**4,422,563**	**12,335,162**	**4,397,633**	**21,155,358**

Brief Synopses of FY 2016 Recommended UWP Projects

MPO Activities	
Purpose: CMAP is responsible for the implementation of the region's long range plan GO TO 2040; supporting local planning efforts; collecting, analyzing and disseminating transportation data; supporting required MPO acitivites such as the TIP and Congestion Management Process; performing a range of transportation studies; providing technical assistance; and engaging in coordinated regional outreach. Some of the major areas to be addressed in this program include transportation financing and tax policy, the connections between transportation and economic development (with a focus on the freight industry), housing/job access, and legislative and policy analysis efforts. CMAP provides regional forecasts and planning evaluations for transportation, land use and environmental planning.	**$15,396,819**
Community Planning Program	
Purpose: CMAP will provide planning assistance to local governments to undertake planning activities that integrate transportation – particularly transit – with land use and housing. Projects will be selected through a competitive application process administered jointly by CMAP and the Regional Transportation Authority (RTA). CMAP will sub allocate to RTA for projects with a heavy transit focus.	**$600,000**
Chicago Metropolitan Agency for Planning (CMAP)	**Agency Total: $15,996,819**
Program Development	**$500,000**
Purpose: The program facilitates CTA's efforts to coordinate the provision of capital projects for customers in its service area to projects identified within the Chicago area regional five-year Transportation Improvement Program. Major tasks include: Develop CTA's capital programs for inclusion in the five-year regional TIP; Identify and analyze potential capital projects for funding eligibility; Prioritize capital projects for inclusion in the CTA's capital program and the constrained TIP; Monitor capital program of projects progress and adjust as needed for amending or for inclusion into the TIP.	
Expand Brown Line Core Capacity	
Purpose: The purpose of this project is to provide support for conceptual planning for a Brown Line Core Capacity project, including expansion of Kimball Yard, signal upgrades, and infrastructure realignments to improve travel time.	**$525,000**
Chicago Transit Authority (CTA)	**Agency Total: $1,025,000**
Transportation and Programming	**$825,000**
Purpose: The purpose of this project is to support regional objectives by providing for the strategic participation of the City of Chicago in the region's transportation planning process including the development of the RTP and the	

TIP, by identifying and developing potential transportation projects and policies and to provide technical analysis and other requested information to agencies, elected officials and the general public. Such policy, funding and planning assistance facilitates the full and effective participation of the City of Chicago in the regional planning process.

South Lakefront and Museum Campus Access Alternatives and Feasibility Assessment: City of Chicago will assess alternatives and feasibility for adding new access points and stations to the existing McCormick Place Busway, transforming it into the South Lakefront Busway. **$420,000**

City of Chicago	**Agency Total: $1,245,000**

Sub regional Transportation Planning, Programming and Management **$1,938,539**
Purpose: The purpose is to provide for strategic participation by local officials in the region's transportation process as required by MAP-21, the Regional Planning Act and future legislation and to support the Council of Mayors by providing STP, CMAQ, SRTS, BRR, HPP, ITEP and other program development and monitoring, general liaison services, technical assistance and communication assistance.

Council of Mayors	**Agency Total: $1,938,539**

Program Development **$400,000**
Purpose: This program helps facilitate Metra's efforts in capital transit planning and administration. Metra is responsible for developing the capital and operating programs necessary to maintain, enhance, and expand commuter rail service in northeastern Illinois. Metra participates in the MPO process accordingly. Core element activities done by Metra include: regional transportation planning efforts; transit planning; private providers coordination; planning with protected populations; safety and security planning; facilitation of communication between local and regional governmental entities.

Metra	**Agency Total: $400,000**

Rideshare Services Program **$75,000**
Purpose: The Pace Rideshare program supports individuals and employers in the Northeastern Illinois region in forming carpools and vanpools to reduce single occupancy vehicle trips, therby reducing traffic congestion and air pollution, as well as providing transportation to improve job accessibility. A critical component of the program involves strategic marketing that achieves critical mass to improve the matching potential of the participants.

TIP Development and Modeling
Purpose: Pace will develop a fiscally constrained Pace bus Capital Improvement Program for the Northeastern Illinois region which is consistent with and supportive of the five-year regional TIP. **$75,000**

Pace	**Agency Total: $150,000**

Regional Transit Planning Staff Support — **$100,000**

Purpose: This project includes staff time for regional transit planning and programming efforts conducted by RTA staff.

RTA	**Agency Total: $100,000**

County of Kane, Long Range Transportation Plan — **$300,000**

Purpose: The purpose is to update the socio-economic projections and modeling efforts for the Kane County's long range comprehensive planning efforts. The project will also include an extensive outreach effort.

County Projects (Kane)	**Agency Total: $300,000**

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Chicago Metropolitan
Agency for Planning

233 South Wacker Drive
Suite 800
Chicago, Illinois 60606

312 454 0400
www.cmap.illinois.gov

MEMORANDUM

To: Regional Coordinating Committee

From: CMAP Staff

Date: June 3, 2015

Re: Federal Transportation Reauthorization Updates

The current federal transportation authorization, Moving Ahead for Progress in the 21st Century (MAP-21), was scheduled to expire on May 31, 2015. A short-term patch extending the current regulation and authorizing surface transportation programs to continue through July 31 passed Congress and was signed into law by the President on May 29.

The CMAP Board adopted their **2015 Federal Agenda** on March 11, 2015. The Federal Agenda calls for the next transportation bill to provide sustainable transportation revenues, implement performance-based funding, streamline project reviews, create a robust freight program, and give MPOs tools to support the transportation system. CMAP staff traveled to D.C. in April to meet with our Congressional Delegation and Committee Staff to discuss our priorities and ways to incorporate them into MAP-21 reauthorization.

MAP-21 Reauthorization and Highway Trust Fund Revenue Needs

Congress must act to reauthorize or extend MAP-21 by July 31 to avoid a shutdown of federal highway and transit programs. Additionally, the Congressional Budget Office (CBO) estimates the Highway Trust Fund (HTF) will face insolvency sometime this August if additional revenues are not deposited into both the highway and mass transit accounts of the HTF. CBO estimates an extension of MAP-21 until the end of the fiscal year will require $3 billion in new revenues. An extension through the end of the calendar year will require approximately $8 billion in new revenue.

Table 1: Estimated Revenue Shortfall in the Highway Trust Fund if Spending Authority Was Extended to Certain Dates

Extend Spending Authority Until	Estimated Revenue Shortfall in the Highway Trust Fund[1]
September 30, 2015	$3 billion
December 31, 2015	$8 billion
May 31, 2021	$85 billion to $90 billion

1. Estimates incorporate the assumption that DOT needs a minimum cash balance of $5 billion to pay obligations in a timely manner.

Source: **Congressional Budget Office, May 28, 2015 letter to Rep. Sander Levin**

If the HTF does not have enough revenue to pay incoming bills, DOT would be required to implement a cash management system to slow down payments to state and local governments for ongoing construction work. To date, there has been no discussion of what revenue offsets will be used to raise the billions necessary for an extension or long-term bill beyond August.

The transportation authorization Committees in Congress will step-up their activities by holding additional hearings, releasing legislative text, and holding mark-ups of a long-term reauthorization bill this summer and fall. For example, the Chairman and Ranking Member of the Senate Environment and Public Works (EPW) Committee **announced** they will mark-up a bi-partisan six-year bill on June 24th. The revenue Committees have been slower and will likely move cautiously as they address the main obstacle to a new, long-term transportation bill: new revenue.

CBO estimates a six year bill funded at current spending levels will require nearly $85-$90 billion in new revenues just to support current spending levels. Congress has struggled with the imbalance in revenue coming into the HTF and the spending levels authorized in law since 2008. In the past eight years, Congress has supplemented the HTF with $65 billion in general funds. With more than 20 percent of funds coming into the HTF from the general fund over this period, Congress continues to move away from the user-fee approach that began in the first Federal-Aid Highway Act of 1956.

MAP-21 Reauthorization: New Federal Freight Program

MAP-21 laid the groundwork for a new national freight program. The law directed DOT to develop a national freight policy, identify a national priority network for investment, and create incentives for states to prepare their own freight plans. However, MAP-21 missed opportunities to make these early initiatives comprehensively address freight network challenges by limiting this preliminary work to highways and not dedicating funding to a federal freight program.

The House Transportation Committee, the Senate Commerce Committee, and the Senate EPW Committee have shown strong interest in building on this earlier work and creating a new stand-alone freight program that is funded through the HTF. Given the outsized role the CMAP region plays in the movement of freight, CMAP has joined other major MPOs in calling on Congress to dedicate $2 billion/year to a new freight program. Many of these major MPOs, including CMAP, have also joined the Coalition of America's Gateways and Trade Corridors (CAGTC), a national organization of state DOTs, MPOs, ports, and engineering firms that have come together to improve national freight policy. CMAP is represented on the Board of CAGTC.

The Senate Environment and Public Works (EPW) and House Transportation Committees have begun negotiations and drafting of the next transportation bill and each Committee has communicated a strong interest in funding a new freight program. The CMAP Board has made this new program a major component of its Federal Agenda, specifically CMAP Staff has promoted:

- **Dedicating Funding to the Freight Program**
  A freight program should be funded with contract authority at a level of at least $2 billion/year.

- **Multi-modal or Mode-neutral Funding Eligibility**
  A freight program should allow states, local communities, and regional planning organizations to fund projects that help move goods and people in the most efficient and safe way, regardless of whether they are road, rail, or port projects.

- **Major Metropolitan Area Focus**
  Major metropolitan areas play a critical role in managing goods movement. These regions, like the Chicago region are key transportation hubs where bottlenecks can impact the entire country. A freight program should provide a key role for Metropolitan Planning Organizations (MPOs) in prioritizing and selecting freight projects. This role should include eligibility to apply for new national competitive grants and should ensure MPOs are involved in the planning and programming of funds in these regions.

- **Formula Funding and Chicago Region**
  If a freight program includes a formula component, the metrics used to distribute those funds should recognize the outsized role Chicago plays in our national freight system. Chicago is the nation's freight network, where we transfer shipments between modes, have the physical capacity to handle large freight volumes, extensive warehousing and logistics centers, and the appropriate skilled workforce to coordinate and manage goods movement.

- **Competitive Grant Funding Program**
  A freight program should include a competitive grant program that is also funded with contract authority and include wide-eligibility for projects of all modes, not just highways. MPOs should be eligible applicants for these grant funds.

CMAP Staff will continue working with implementers and local governments in our region to promote this federal freight program through research, analysis, and outreach.

ACTION REQUESTED: Discussion

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Agenda Item No. 7.0

Chicago Metropolitan Agency for Planning

233 South Wacker Drive
Suite 800
Chicago, Illinois 60606

312 454 0400
www.cmap.illinois.gov

MEMORANDUM

To: Regional Coordinating Committee

From: CMAP Staff

Date: June 3, 2015

Re: Summary of proposed process for development of the next comprehensive regional plan

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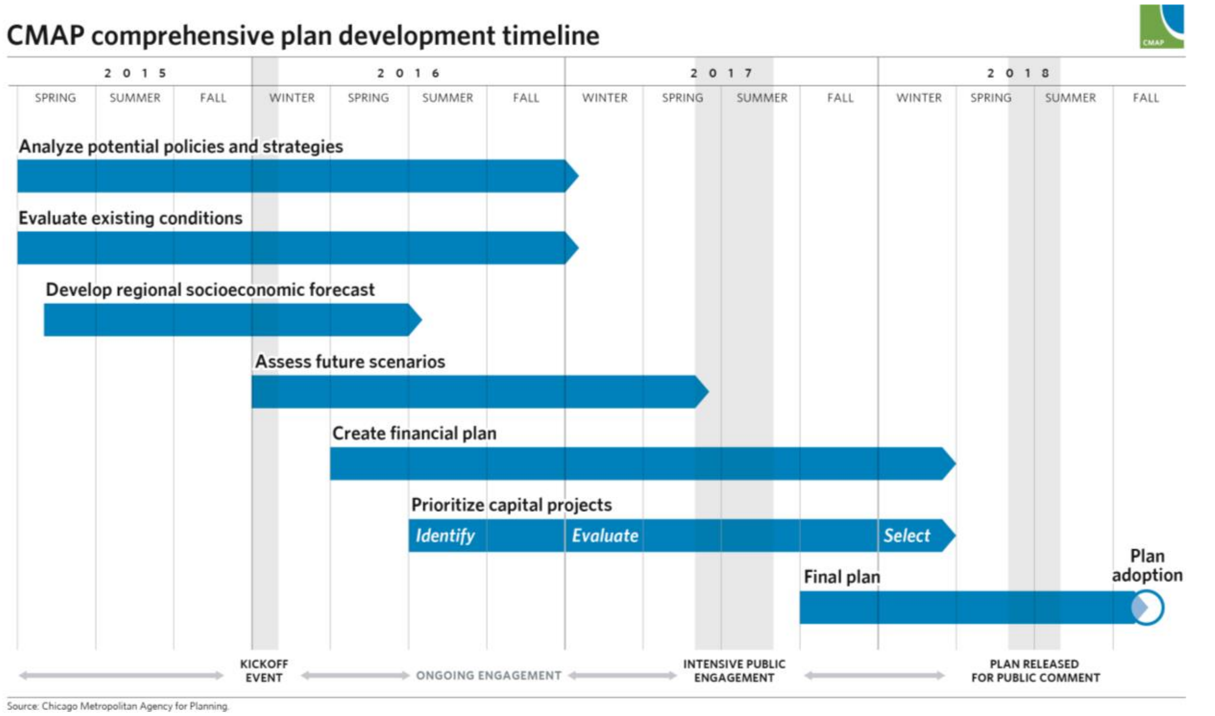
The Chicago Metropolitan Agency for Planning (CMAP) is embarking on development of its next comprehensive regional plan, which will be the successor of GO TO 2040. Development of the next plan will build upon that foundation and refine the major policy objectives of GO TO 2040 in a manner that is supportive of the agency's core land use and transportation responsibilities, as well as identify limited new policy directions that are complementary to CMAP's role. More specific policies and recommendations may address both the granularity in the current plan's policies as well as expand to geographically-oriented approaches for some policy areas.

This memo describes the overall timeline for plan development, provides an overview of plan development activities for the upcoming fiscal year, proposes a process for preparing background material for the plan in the form of strategy papers, and outlines topic areas for the strategy papers for committee discussion in FY 2016.

Proposed Comprehensive Plan Timeline

As with the agency's first effort, the next comprehensive plan will involve multiple overlapping phases of staff research and stakeholder and public input over the course of three years. The agency will begin engaging stakeholders in mid-2015 when committee members and external topical experts will be invited to participate in small single-topic resource groups that will help shape the plan's initial exploratory research and analysis. Broad engagement is anticipated to peak in mid-2017 when the public is asked to comment on a set of possible regional scenarios, and the public will also have an opportunity to provide feedback on the draft plan in summer 2018. Other public engagement avenues will be explored and defined during the course of the planning process. In October 2018, the plan will be considered for adoption by the CMAP Board and MPO Policy Committee.



Iterative Research and Engagement

During FY16 and throughout the planning process, CMAP working committees will be involved in reviewing and commenting on staff work related to development of the next plan. Other input opportunities will include smaller topic-specific resource groups, interviews with public and private stakeholders, and requests for data.

CMAP staff will conduct iterative research and engagement over the next year that will entail activities such as:

- Assessment of existing conditions and trends.
- Incorporation of appropriate information and recommendations from state, county, local, or other plans developed since GO TO 2040.
- Exploration of more focused approaches to GO TO 2040's policy recommendations.
- Analysis of a narrow list of new policy areas.
- Development of data, forecasting, and engagement methods.
- Identification of a preferred approach and strategies for scenario development.

The fruits of these efforts will start emerging in early 2016, when the agency will begin publishing a series of strategy papers and data-driven snapshot reports intended to stimulate further conversation with stakeholders and provide background material for the plan. Proposed strategy papers on transportation, land use, natural resources, and other topics will develop agency direction on new topics or explore refinements to existing plan recommendations. The snapshots will offer data-driven summaries of regional trends and current conditions in areas such as demographics, industry clusters, and the region's freight system. Altogether, these activities will yield work products that should gradually reveal the plan's content.

CMAP Committee Involvement

These activities and work products will rely on continual assistance from CMAP committees. Planned snapshots and strategy paper topics for FY16 are outlined below. These focus areas were developed by staff in FY15, after extensive research on peer MPOs, discussions with committees and key stakeholders, and evaluation of progress on GO TO 2040 recommendations.

- Planned snapshot reports for FY16
  - Regional economic clusters and trends
  - Infill and TOD trends
  - Demographic trends
  - Transportation network and trends
  - Freight system trends
- Planned strategy papers for FY16
  - Geographically-based regional planning strategies*
  - Green infrastructure co-benefits in parks and open space
  - Public health indicators and assessments*
  - Comparative assessment of tax policies and land use trends*
  - Reinvestment and infill strategies*
  - Climate adaptation and resilience*
  - Undeveloped, agricultural, and natural areas*
  - Inclusive growth*
  - Regional approaches to housing supply and affordability
  - Transportation system funding concepts
  - Emphasis areas for transportation
    - Asset Condition*
    - Highway Operations
    - Transit Modernization*

NOTE: Here and below, the asterisk (*) denotes a topic that cuts across multiple committee areas or is outside current committee expertise. In these cases, CMAP will form the smaller, topic-specific resource groups mentioned above. Also, additional snapshots and strategy papers may be developed in FY17.

ACTION REQUESTED: Discussion

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