Chicago Metropolitan Agency for Planning

233 South Wacker Drive
Suite 800
Chicago, Illinois 60606

312 454 0400
www.cmap.illinois.gov

MPO Policy Committee

Annotated Agenda
May 12, 2014 - 10:00 a.m.
Cook County Conference Room
233 S. Wacker Drive, Suite 800
Chicago, Illinois

1.0 Call to Order/Introductions **10:00 a.m.**

2.0 Agenda Changes and Announcements

3.0 Approval of Minutes— March 13, 2014

4.0 USDOT Certification

U.S. DOT conducted a Certification review of the Metropolitan Planning Process for the Northeastern Illinois Transportation Management Area during the fall of 2013. The review is to determine if the planning process meets the requirements of *23 CFR Part 450, Subpart C – Metropolitan Transportation Planning and Programming*. In addition, since northeastern Illinois is not in attainment of national ambient air quality standards, the review must certify that the planning process is adequate to ensure conformity of plans and programs with procedures contained in *40 CFR Part 51 – Air Quality: Transportation Plans and Programs*. Staff from the USDOT will report the findings of the review.
ACTION REQUESTED: Information

5.0 Smoothed Urbanized Area Boundaries

The Census Bureau designates a list of Urbanized Areas (UZAs) every 10 years, following the conclusion of each decennial census. The CMAP Board and MPO Policy Committee approved an expansion to CMAP's Metropolitan Planning Area (MPA) in March 2013. The expansion was the result of the 2010 Census designation of UZAs. A related requirement is smoothing of the urbanized area boundaries. IDOT District 1 has been working with stakeholders to smooth the boundaries, taking the new MPA into consideration. The Transportation Committee recommended approval of the smoothed boundary at their March 7th meeting.
ACTION REQUESTED: Approval

6.0 GO TO 2040 Update

Staff began the process of updating the GO TO 2040 plan, as required by federal law, in the summer of 2013. Over the last several months the Board and MPO Policy Committee have reviewed and provided input on updates of the plan indicators, implementation action tables, financial plan, and major capital projects. At this time, CMAP is on track to release the full draft plan update for public comment following the June meetings of the Board and MPO Policy

Committee. Staff have also asked for feedback from the working committees on the draft plan update summary during May meetings or via email by May 26.
ACTION REQUESTED: Information and Discussion

6.1 Financial Plan
Staff have worked with our transportation partners over the past month to refine revenue and expenditure forecasts for the plan update. This month, staff will present updated forecasts. Consistent with GO TO 2040, staff will also present recommendations regarding the allocation of expenditures to operate and maintain the region's transportation system at a safe and adequate level; to move the system toward a state of good repair and make systematic enhancements; and expand capacity of the system through the construction of major capital projects.

6.2 Major Capital Projects
As required by federal regulations, the GO TO 2040 update will include a fiscally constrained list of major capital projects. Previously staff has presented to the Transportation Committee the overall "universe" of capital projects to be considered in the planning process as well as an evaluation of the costs and benefits of the projects. This month staff will present a recommended list of major capital projects to fit within the plan update's fiscal constraint.

7.0 Other Business

8.0 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.

9.0 Closed Session – IOMA Section 2 (c)(11)

10.0 Next meeting – Thursday, June 12, 2014 at 10:00 am

11.0 Adjournment

<u>MPO Policy Committee Members:</u>

	Kay Batey		Kristi Lafleur		Rebekah Scheinfeld
	Frank Beal		Christopher J. Lauzen		Jeffery Schielke
	Forrest E. Claypool		Aaron Lawlor		Ann Schneider
	Tom Cuculich		Wes Lujan		John Shaw
	Elliott Hartstein		John McCarthy		Marisol Simon
	Tina Hill		Don Orseno		Larry Walsh
	R.A. Kwasneski		Leanne Redden		John Yonan

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MPO Policy Committee

Draft Minutes
March 13, 2014

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

MPO Policy Committee Members Present:

Kay Batey – Federal Highway Administration, Frank Beal – Chicago Metropolitan Agency for Planning, Lynette Ciavarella – Metra, Shelia Clements – Federal Transit Administration, Michael Connelly, Chicago Transit Authority, Tom Cuculich – DuPage County, Luann Hamilton – Chicago Department of Transportation, Elliott Hartstein – Chicago Metropolitan Agency for Planning, Joe Korpalski – McHenry County, Rich Kwasneski – Pace, John McCarthy – Private Providers, Leanne Redden – Regional Transportation Authority, Tom Rickert - Kane County, Secretary Ann Schneider - Illinois Department of Transportation, Paula Trigg – Lake County, Larry Walsh – Will County, Eugene Williams - Council of Mayors, John Yonan - Cook County, Rocco Zuccherro – Illinois Tollway

MPO Policy Committee Members Absent:

Wes Lujan – Class I Railroads, John Shaw – Kendall County

Staff Present:

Patricia Berry, Randy Blankenhorn, Jesse Elam, Craig Heither, Don Kopec, Jill Leary, Matt Maloney, Holly Ostdick, Ross Patronsky, Gordon Smith, Andrew Williams – Clark, Lindsay Hollander,

Others Present:

Kevin Bollinger - HMM, Len Cannata – West Central Municipal Conference, Brian Carlson – Illinois Department of Transportation, Bruce Carmitchel – Illinois Department of Transportation, Bola Delano – Illinois Department of Transportation, Glen Fulkerson – Federal Highway Administration, Tony Greep – Federal Transit Administration, Alicia Hanlon – Will County Executive's Office, Jessica Hecter-Hsu – Regional Transportation Authority, Jocelyn Hoffman – Cambridge Systematics, Charles Ingersoll - Illinois Department of Transportation, Jon-Paul Kohler – Federal Highway Administration, Jim Mitchell – Gewalt Hamilton Associates representing IDOT, Nick Palmer – Will County Executive's Office, Mark Pitstick – Regional Transportation Authority, David Seglin - Chicago Department of Transportation, Karen Shoup - Illinois Department of Transportation, Mike Toy – ETA, Guy Tridgell - Illinois Department of Transportation, Thomas Vander Woude – South Suburban Mayors and Managers Association, Mike

Walczak – North West Municipal Conference, David Werner – Federal Transit Administration

1.0 Call to Order and Introductions

Secretary Schneider called the meeting to order at 10:05 a.m.

2.0 Agenda Changes and Announcements

Secretary Schneider stated agenda item 8.0; Smooth Urbanized Area Boundaries would be tabled.

3.0 Approval of Minutes – January 9, 2014

A motion was made by Ms. Trigg and seconded by Mr. Rickert. With a vote of all ayes, the motion carried approving the minutes of January 9, 2014.

4.0 Agency Reports

4.1 Council of Mayors' Report

Mayor Eugene Williams reported that the Council of Mayors Executive Committee met on February 11. The region has spent more than $10 million of local STP in 2014; the suburban councils obligated $9.4 million of that. The Council of Mayors Executive Committee also considered and approved an additional $3 million in advanced funding. The committee was also updated on the region's 2014 CMAQ obligations which total over $11 million to date, with the suburban councils obligating around $1 million of that amount. The mayors discussed the update to the region's GO TO 2040 plan and members were also briefed on CMAP's Climate Adaptation Toolkit and CMAP's 2014 state legislative framework and agenda. The Council of Mayors Executive Committee is scheduled to meet next on Tuesday May 20, 2014.

4.2 CMAP Board Report

Ms. Redden reported that since the last MPO Policy Committee the CMAP board met in February and March. At the February meeting, the CMAP board approved the 2014 federal legislative agenda and after the meeting, there was a visioning workshop. At the March meeting of the CMAP board, many of the same agenda items on the agenda today were discussed. That includes, the GO TO 2040 update, GO TO 2040/TIP Conformity Analysis and TIP amendment, the Memorandum of Understanding between the MPO Policy Committee and the CMAP Board, and a legislative update.

4.3 CMAP Staff Report

Mr. Kopec gave an update on FTA's 5310 program, which the RTA administers. MAP-21 combined the Job Access and Reverse Commute Program and the New Freedom Program into a Section 5310 Enhanced Mobility of Seniors and Individuals with Disabilities Program. In accordance with the RTA's recently adopted Coordinated Public Transit Human Service Plan for northeastern Illinois, which the MPO Policy Committee approved last October, the RTA released a call for the continuation of existing operating and mobility management projects that previously received funding under the JARC/New Freedom programs. The proposed projects totaling $4.2 million are now available for public comment until March 30, 2014 and the RTA Board will consider adoption of the proposed projects at their April 19 meeting. In May, an open call for new projects to be funded with Section 5310 funds will be issued, for consideration by the RTA Board in October.

Mr. Kopec continued, noting that CMAP has recently had a presence in Washington DC. Executive Director Randy Blankenhorn first went to accept the Environmental Protection Agency's National Award for Smart Growth Achievements, citing our Policies, Programs and Plans. He also met with staff from our Senators, the House Transportation & Infrastructure Committee, Secretary Foxx's staff and staff from FHWA's Freight Office. Last week, Mayor Bennett of Palos Hills and Chair of the CMAP Board, testified before the House Transportation &Infrastructure Subcommittee on Highways and Transit. He spoke primarily about the CREATE Program and national freight policy. His testimony is available on our website in last Friday's weekly update. In addition, last week, Randy followed up with very productive meetings with virtually all of the region's representatives or their staff regarding reauthorization and the next steps in the process.

Since your last meeting the Governor's Transit Task Force met and heard reports from their Finance and Ethics subcommittees. Additionally, MPC presented its recommendations to the Task Force on improving governance, land use, and funding. The Task Force is expected to release its final report on March 27.

At each members places is a brochure, with an application for our Future Leaders in Planning (FLIP) youth program. We are currently taking applications for this very popular and successful program. Mr. Kopec encouraged all to reach out to high school age students with an interest in planning, and pass this opportunity along. It will be a worthwhile experience.

In response to a question from Mr. Cuculich, Mr. Kopec reported that the Regional Freight Leadership Task Force is still working on developing a report due to the CMAP Board in June 2014. Mr. Cuculich requested the report be presented to the MPO Policy Committee as well. Mr. Kopec agreed.

5.0 Semi-annual GO TO 2040/TIP Conformity Analysis & TIP Amendment

Ms. Berry reported that the semi-annual GO TO 2040/TIP Conformity Analysis and TIP Amendment was released for thirty day public comment and no comments were received. She also stated that the Transportation Committee recommends approval of the Conformity and the TIP Amendment. On a motion by Mr. Hartstein and seconded by Mr. Rickert with a vote of all ayes, the semi-annual GO TO 2040/TIP Conformity Analysis and TIP Amendment was approved.

6.0 CMAP Board / MPO Policy Committee Memorandum of Understanding

Mr. Kopec reported that the Memorandum of Understanding between the CMAP Board and MPO Policy Committee is to be reviewed every year. He stated the CMAP Board reaffirmed the Memorandum of Understanding (MOU) at their meeting on March 12 and asked the policy committee to reaffirm the MOU. Mr. Cuculich asked if it could be the CMAP Board would reconsider the issue of an alternate representative for the MPO Policy Committee on the CMAP Board. Mr. Hartstein and Mr. Beal stated they were unaware of the intent of not allowing an alternate and therefore could not address the issue. Mr. Blankenhorn stated that alternates are not permitted on the CMAP Board. Given this, Mr. Cuculich made a motion to table the agenda item until the next meeting. Mr. Kwasneski seconded the motion, with a vote of all ayes the motion to table the item carried. During the other business agenda item, Mr. Cuculich stated he was made aware that the MPO Policy Committee and CMAP Board have never operated without the MOU and he was assured by CMAP staff that the issue would be discussed. Given this, he made a motion to amend his motion to table the reaffirmation of the MOU with a motion to reaffirm the MOU. Mr. Kwasneski seconded the motion to amend and reaffirm the MOU and with a vote of all ayes, the motion was amended to reaffirm the MOU.

7.0 Concurrence with the selection of Designated Recipient(s) of Federal Transit Administration Section 5307/5340, Section 5337 and Section 5339 Funding

Ms. Berry stated that the Federal Transit Administration released new guidance in January 2014 regarding designated recipients for federal transit funds. Given this the designated recipient resolution had to be revised and she thanked the Regional Transportation Authority (RTA), Chicago Transit Authority (CTA), Metra, Pace, Illinois Department of Transportation (IDOT), and Federal Transit Administration (FTA) for working with CMAP to develop a resolution designating RTA, CTA, Metra, and Pace as designated recipients of 5307/5340 FTA funds. She noted that the Transportation Committee recommended this action and suggested that the agreement between the MPO, state and transit operators be updated. On a motion by Mr. Cuculich, seconded by Mr. Connelly, with a vote of all ayes, the motion to approve Resolution 14-01 designating RTA, CTA, Metra, and Pace as designated recipients of 5307/5340 FTA funds was approved.

8.0 Smoothed Urbanized Area Boundaries

This item was tabled.

9.0 State Legislative Update

Mr. Smith stated the CMAP Board voted to support five bills before the Illinois General Assembly. The first bill is HB 5786, which provides all counties in the state with the power to dissolve a local government under certain conditions. He stated only DuPage County currently has these powers. Those conditions are that the government is already primarily controlled or appointed by a county board or are a mosquito abatement district, a fire protection district, or a sanitary district. The second bill is HB 5664, which transitions the bus-on-should pilot program into a permanent program for both the IDOT and Tollway Systems. The next bills are HB 5629 and SB3047, which direct the Illinois Environmental Protection Agency (IEPA) to commission a study on water-loss issues, costs, and practices through Illinois in collaboration with various state, academic, local and region water management leaders, and other interested parties as deemed appropriate by IEPA. Finally, HB5907 authorizes the Illinois Finance Authority (IFA) to guarantee loans of up to $35,000 to small family farm operations, operators of community-supported agriculture, and beginning farmers.

The CMAP Board also voted to opposes three bills. Those bills are HB5999 which repeals the Illinois motor fuel tax; SB2790 which reduces the state sales tax on motor fuels and authorized $1 billion in new transportation bonds; and, HB 5373 which would require that all road fund monies be split with fifty percent going to IDOT District 1 and the other fifty percent to the other downstate districts beginning in FY 2015. CMAP strongly encourages performance-based funding as a transparent, credible and defensible approach to programming rather than any arbitrary formula.

Mr. Kwasneski said there was a lot of support for the bus on shoulder program. He thanked IDOT, CMAP and other supporters. Secretary Schneider concurred in the level of support and said all are looking to expand the service.

10.0 GO TO 2040 Update

Mr. Williams-Clark stated that CMAP is updating the GO TO 2040 plan with anticipation of release for public comment in June of 2014 and consideration for approval in October 2014. He said the plan update includes updates to indicators, the financial plan, major capital projects, and implementation action areas. The update process has assisted staff in beginning to think about the next long range plan, to be considered for adoption in 2018. Mr. Williams-Clark noted that there is interest in holding another MPO Policy Committee meeting before the committee's June meeting. Chairperson Schneider set a meeting for 10 a.m. on May 12, 2014.

Mr. Kopec added that the financial plan is one of the most critical issues that will be dealt with regarding the plan update. He stated CMAP staff began the process of updating the financial plan in July of 2013 and has worked with IDOT, the Tollway, several counties, representative municipalities, and the RTA. There have been several differences of opinion, particularly with the operational expenditures. CMAP staff is planning on meeting with IDOT staff on March 19, 2014 to discuss further. Ultimately, the reasonably expected revenues will be critical to developing a transportation component of the long range plan that not only maintains our current system, but also brings it up to a state of good repair and implements a select number of major capital capacity improvements. Without these reasonably expected revenues, this will not happen and the region certainly will not be in a position to attain a world-class transportation system. It is the role of this region to convince USDOT that they are reasonably expected and that the region is taking actions to see that they become reality.

10.1 Financial Plan

Ms. Hollander provided an overview of the financial plan information provided in the committee's materials. Mr. Kwasneski questioned how the reasonably expected revenue of performance based funding would work for transit. He continued by asking what the process is for getting support for reasonably expected revenues. Ms. Hollander stated that performance based programming solely relates to roadway funding in the financial plan and that we will need the support of the committees and regional stakeholders for reasonably expected revenues.

Ms. Redden shared concerns regarding the indicator goal of doubling transit ridership and the amount of funding available stating that given the funding available doubling transit ridership is not possible. It should be clarified that this is an aspirational goal.

Mr. Hartstein stated that we also need to create awareness and discuss efficiencies and cost savings that could occur, and not just focus on increasing revenues.

Secretary Schneider stated she appreciates the willingness to discuss the estimates further. The expenditure forecasts as they relate to aspirational goals are a concern for IDOT, as well. Mr. Rickert stated Kane County echoes the Secretary sentiment and that the counties have discussed this issue and have some of the same issues as IDOT.

10.2 Plan Indicators

Mr. Heither provided an overview of the plan indicators as provided in the committee's materials. Secretary Schneider asked if, when developing the transit access indicator, the last mile was taken into consideration. Ms. Redden stated that the indicator data is only considering fixed route and not capturing the last mile. Mr. Kwasneski stated it is important to consider even if it is not provided by a service board. Ms. Redden confirmed that the indicator does not consider car sharing or vanpools in response to a question from Mr. Zucchero. She continued to state her concern that there is not enough funding to double transit ridership. Mr. Rickert again stated his appreciation for CMAP staff working with the committee members on developing the indicators, associated data, and associated goals.

10.3 Major Capital Projects and Congestion Pricing Policy

Mr. Elam provided an overview of the congestion pricing policy on new capacity and the inclusion of pricing existing capacity as it is considered as reasonably expected revenue in the GO TO 2040 update financial plan. Mr. Kwasneski stated Pace would be concerned on how it would impact bus on shoulder.

In response to a question from Mr. Rickert, Mr. Elam confirmed that CMAP is considering pricing existing capacity. Mr. Rickert said pricing new capacity had a positive reception from some of the county boards. Mr. Zucchero noted that the Tollway sees congestion pricing as a traffic management tool. I-90 engineering was developed to provide the most flexibility with ways to manage traffic. Secretary Schneider asked staff to not lose sight of managed lanes and stated IDOT is considering them on I-55.

11.0 Other Business

As noted under agenda item 6.0, Mr. Cuculich asked to revisit concurring with the CMAP Board MOU for another year. Following a short discussion, the MOU was unanimously reaffirmed.

12.0 Public Comment

There was no public comment.

13.0 Next Meeting – Thursday, June 12, 2014 at 10:00 a.m.

Secretary Schneider has called a special meeting of the Policy Committee for Monday, May 12, 2014 at 10:00 a.m.

14.0 Adjournment

On a motion by Joseph Korpalski, seconded by Paula Trigg, the meeting adjourned at 11:45 a.m.

FHWA Urbanized Area Adjustments to District 1 / CMAP Region – Summary

March 4, 2014

Background

Per FHWA requirements, the Illinois Department of Transportation is required to submit an updated urbanized area boundary to the FHWA as part of the continual process of updating and maintaining the state's system of functionally classified roads and highways. The urbanized area boundary is typically updated every ten years after new urbanized area data is provided by the U.S. Census Bureau. Areas that are defined by the U.S. Census Bureau as urban **must** be incorporated into the new urbanized area boundary that is submitted to the FHWA for each urban area in the state.

The Illinois Department of Transportation is seeking cooperation with CMAP in approving the updated urbanized area for District 1 and the Chicago Metropolitan Planning Area as shown on the attached exhibit. The proposed new urban limit must be approved by the CMAP Transportation Committee and the CMAP Policy Committee at their upcoming committee meetings before proceeding to the IDOT Central Office and approval by the FHWA.

Proposed Changes

The District 1 / CMAP planning area is currently comprised of three urban areas - Chicago, Marengo and Harvard. These urban areas will be slightly expanded to incorporate areas that have been defined as urban by the U.S. Census, areas that are newly incorporated per recent municipal boundaries files, and adjusted to follow roads, streams or other recognizable features on aerial photography per the FHWA's 2013 guidance.

In addition, due to CMAP's metropolitan planning boundary expansion into southeastern DeKalb County, the towns of Plano and Sandwich which are currently defined as their own "small urban areas" will be consolidated into the Chicago urbanized area.

March Update – NEW

Based on conversations between the IDOT Central office and the FHWA, we are seeking CMAP's concurrence to modify the previously approved urban area boundary from CMAP's January's transportation committee meeting as follows:

1) Define Somonauk and Lake Holliday as a separate "small urban area" independent of the Chicago "urbanized area". The U.S. Census Bureau defines the area as a small urban cluster with an approximate population of 7,500.

2) Define Coal City, Braidwood, Wilmington and Godley as a separate, "small urban area" independent of the Chicago "urbanized area". The U.S. Census Bureau defines the area as a small urban cluster with an approximate population of 22,700.

   Discussion Point: Why can't these two "small urban areas" be incorporated into the Chicago urbanized area?
   Federal law requires that a Census defined "urbanized area" be located completely within a metropolitan planning area. In this case, CMAP's metropolitan planning area ends at the Will county line adjacent to Grundy County and along the DeKalb county line boarder with LaSalle County. *(Note: This addition to CMAP's metropolitan planning boundary is currently awaiting approval from the governor's office.)* In

order for these two areas to be incorporated into the Chicago urbanized area, the CMAP metropolitan planning boundary would need to be extended into both LaSalle County and Grundy County.

FHWA regulations do not require that Census defined "small urban areas" be located within a specific metropolitan planning area.

Implications for federal-aid funding within District 1 and the CMAP Metropolitan Planning Area.

It is anticipated that adjustments to the urban boundary will have a negligible effect on eligibility for federal aid funding. Roads that are currently classified as minor collectors (yellow on IDOT functional classification maps) would become eligible for federal aid funding if they are incorporated into one of the three urban areas within the District 1 / CMAP planning area. This represents a very small amount of additional roadway mileage within District 1.

Additional Resources

1) FHWA Frequently Asked Questions (FAQ) regarding urbanized area adjustments (attached)

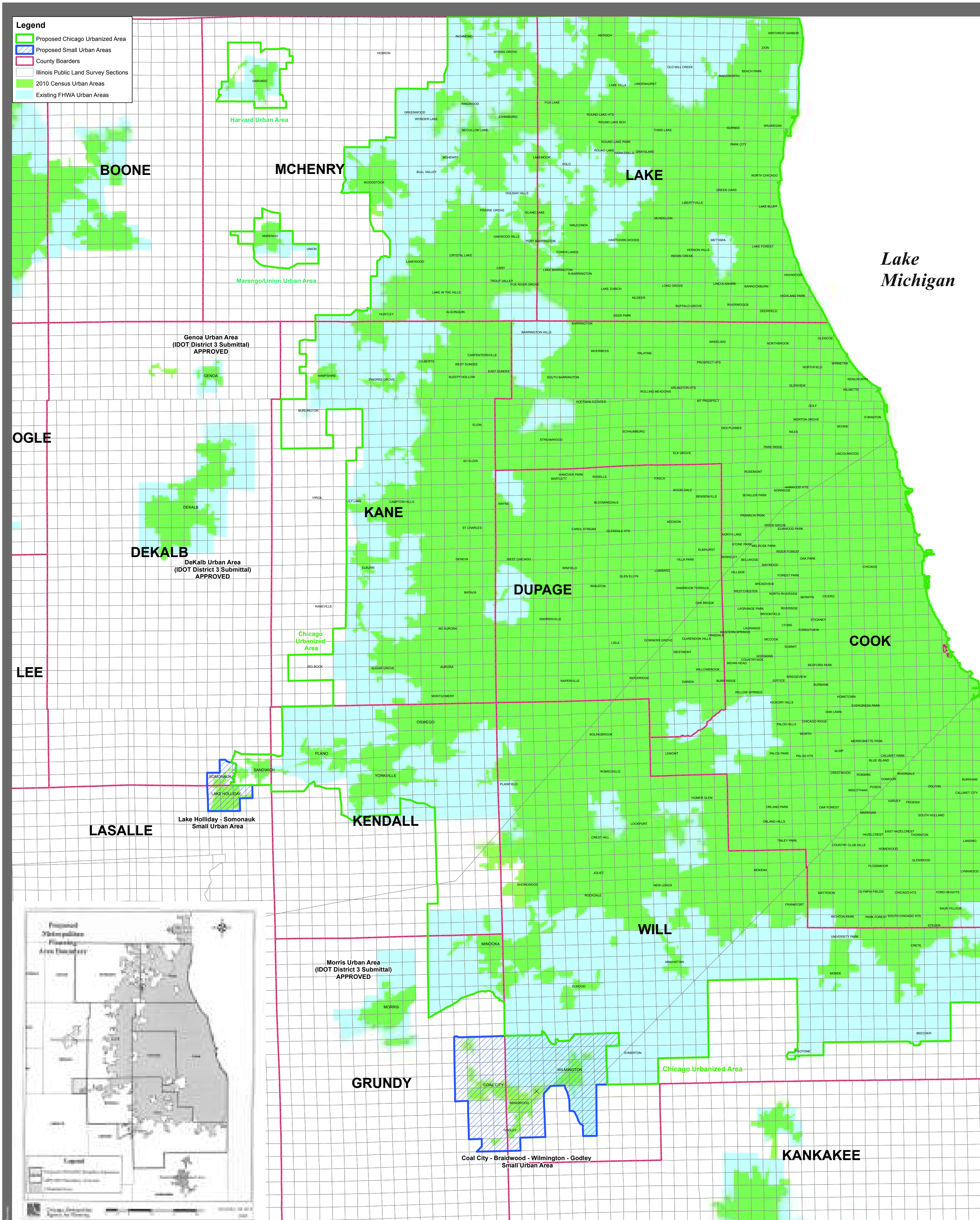
http://www.fhwa.dot.gov/planning/census_issues/urbanized_areas_and_mpo_tma/faq/page07.cfm

2) Highway Functional Classification Concepts, Criteria and Procedures (2013 Edition)

http://www.fhwa.dot.gov/planning/processes/statewide/related/highway_functional_classifications/index.cfm

Attachments:

1) Proposed District 1 / CMAP Urbanized Area Boundary Map – March 4.
2) FHWA Frequently Asked Questions (FAQ) regarding urbanized area adjustments.
3) CMAP Proposed Metropolitan Planning Boundary (12/7/2012).



2014 Adjusted Urban Area - District 1 & Northeastern Illinois

Last Updated: March 4, 2014

N

NOT TO SCALE

Map Center: -88.25795 41.81455

Date: 3/4/2014

Project: 3808.915

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Agency for Planning

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Suite 800
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MEMORANDUM

To: **MPO Policy Committee**

From: CMAP staff

Date: May 12, 2014

Re: GO TO 2040 Financial Plan Update

CMAP is required by federal law to prepare a detailed financial plan for transportation that compares the estimated revenue from existing and proposed funding sources with the estimated costs of constructing, maintaining, and operating the region's transportation system. To fulfill these requirements, CMAP is updating the GO TO 2040 financial plan as part of its quadrennial long-range plan update, including revenue and expenditure forecasts. Within the financial plan, expenditures are allocated to three major categories consistent with the original GO TO 2040 financial plan: operations and maintenance to a safe and adequate level, moving the system to a state of good repair and systematic enhancements, and major capital projects.

Long-range financial forecasting requires determining a base set of assumptions regarding revenues and expenditure trends, understanding the future implications of current policies, and developing a robust, accurate, and straightforward methodology that is appropriate for a planning-level forecast. For the financial plan update, CMAP relied heavily on consultations with transportation implementers to prepare revenue and expenditure forecasts.

The process began in July 2013, when CMAP had its first of several meetings and follow up communications with the Regional Transportation Authority (RTA) to discuss transit revenue and expenditure forecasting. In August 2013, a group of highway implementers representing the Illinois Department of Transportation (IDOT), the Illinois Tollway and several county highway departments met to determine unit cost and lifecycle assumptions for highway capital maintenance expenditures. Staff from several municipalities also reviewed the assumptions. CMAP staff has also consulted with staff from state and local highway departments regarding revenue and expenditure forecasting. Throughout the process, progress on the financial plan forecasts has been presented to the CMAP Transportation Committee. In response to feedback received from the Transportation Committee, CMAP presented the methodology used in the financial plan forecast to interested Transportation Committee members.

This memo describes the GO TO 2040 update's final forecasts for core revenues, as well as operating and "safe and adequate" capital expenditures, compares these forecasts to the original GO TO 2040 financial plan, and outlines the reasonably expected revenues necessary for the region to modernize and expand the system between now and 2040. Consistent with GO TO 2040, the update provides the fiscal constraint for transportation system investments. It does not provide an analysis of the costs associated with achieving the GO TO 2040 indicator targets. The specific methodologies used for projecting revenues, operating expenditures, and capital maintenance expenditures to a safe and adequate level for the GO TO 2040 update over the 2015-40 planning period are described beginning on page 13.

Core Revenues, Operating Expenditures, and Capital Maintenance Expenditures

As required by federal regulations, revenues and expenditures were forecast in year of expenditure dollars rather than real or constant dollars, meaning that inflationary increases are included in the forecasts. Table 1 summarizes the updated estimates for revenues and expenditures over the 26-year GO TO 2040 update planning period (2015-40).

Table 1. Summary of final forecast of core revenues, operating expenditures, and safe and adequate capital expenditures, 2015-40, in millions, year of expenditure dollars

Federal revenues	$53,521
State revenues	$111,912
Local revenues	$167,107
Total core revenues	**$332,540**
Highway operating expenditures	$84,087
Transit operating expenditures	$113,266
Safe and adequate capital maintenance for highway	$100,759
Safe and adequate capital maintenance for transit	$31,006
Total operating and safe and adequate expenditures	**$329,118**
Difference between core revenues and expenditures	**$3,422**

Source: Chicago Metropolitan Agency for Planning analysis.

Over the planning horizon of 2015-40, CMAP staff estimates that the core revenues forecasted to be available will minimally exceed expenditures for operating and maintaining the transportation system by approximately $3.4 billion. This meager surplus will only allow for modest investments to bring the system toward a state of good repair or provide for systematic enhancements and capacity expansions, over 26 years. GO TO 2040 prioritizes investments in maintaining the existing transportation system first, as well as improvements and enhancements to achieve the goal of a modern, world class transportation system. Pursuing major capital projects, while important, remain a lower priority than these other activities. **In order to fiscally constrain desired modernization and expansion activities within the long-range planning context, new sources of reasonably expected revenues should be advanced as major transportation policy priorities in the GO TO 2040 update.** A description of these reasonably expected revenues begins on page 5.

Core Revenues

Forecasts of core revenues include funding sources the region currently receives for transportation purposes and does not include any new sources. The forecasts assume that northeastern Illinois will continue to receive revenues from federal, state, and local sources for building, operating, and maintaining the current roadway and transit system. Table 2 summarizes the various sources of estimated revenues totaling $332.5 billion over the 26-year planning period.

Table 2. Final core revenue forecasts, 2015-40, in millions, year of expenditure dollars

Federal	Locally-programmed federal revenue	$11,011
	Federal transit revenue	$17,086
	State-programmed federal highway revenue	$25,424
State	Public Transportation Fund	$13,289
	State Motor Fuel Tax	$4,972
	Motor vehicle registration fees and other user fees	$26,737
	Tollway revenue	$51,255
	State bonding programs	$12,498
	Other state transit	$3,160
Local	RTA sales tax	$42,688
	Local allotment of state MFT	$7,298
	Collar County Transportation Empowerment Program	$5,267
	County option MFTs	$750
	Other local revenues	$61,183
	Real Estate Transfer Tax (portion for CTA)	$1,609
	Transit passenger fares	$42,082
	Other transit operating revenue	$6,230
	Total core revenues	**$332,540**

Source: Chicago Metropolitan Agency for Planning analysis.

Operating and Capital Maintenance Expenditures

Operating expenditures include the cost of administering, operating, and servicing debt for the region's roadway and transit system by state, county, township, municipal, and transit agencies. Forecasts for IDOT District 1, the Illinois Tollway, the RTA, and transit service boards were estimated from historical expenditures or were directly provided to CMAP by the implementing agencies. Local government operating forecasts were derived from U.S. Census of Governments data on highway operating expenses from 2007, the most recent year available.

Capital maintenance expenditures were estimated in consultation with highway and transit implementers. Because maintenance can be performed on a more aggressive or less aggressive basis, CMAP makes a distinction between expenditures for maintaining the transportation system at a safe and adequate level and expenditures that go beyond this level, including state of good repair projects, systematic enhancements, or expansion projects.

Similar to the original GO TO 2040 financial plan, expenditures were forecast assuming a safe and adequate level, which means performing sufficient maintenance to assure the safety of the system's users and the general public. Expenditures for maintaining the existing system to a safe and adequate level, like reconstruction projects, that are completed in tandem with major capital project expansions are included under this allocation. For example, if an existing roadway is rebuilt and has new lanes added, the reconstruction portion of those costs would be included in this category. Calculations of future maintenance costs at the safe and adequate level were based on actual current practice, meaning the typical cycles with which maintenance projects are performed today. While this results in a significant backlog of facilities that are in fair or poor condition at any given time, the resulting system condition remains safe and adequate. This category does not include funding to move the entire system to a state of good repair, but instead to attain a safe and adequate level of service. Table 3 provides an overview of operating and capital maintenance expenditure forecasts for the GO TO 2040 update.

Table 3. Final forecast of operating and capital maintenance expenditures to a safe and adequate level, 2015-40, in millions, year of expenditure dollars

Highway operations	$84,087
Transit operations	$113,266
Highway capital maintenance	$100,759
Transit capital maintenance	$31,006
Total expenditures	**$329,118**

Source: Chicago Metropolitan Agency for Planning analysis.

State of Good Repair, System Enhancements, and Major Capital Projects Expenditures

The region's core revenues provide sufficient resources for operations and safe and adequate capital maintenance. They barely allow the region's transportation system to move toward a state of good repair, provide for systematic enhancements, or fund major capital projects. Thus, the region must identify new or increased sources of funding for transportation.

Investing in **moving the existing transportation system toward a state of good repair** is a regional priority in GO TO 2040 and will remain a regional priority in the GO TO 2040 update. Performing maintenance at levels necessary to assure a state of good repair means that facilities not in good or better condition would be brought up to that level, and that maintenance would be scheduled such that no significant backlog would arise.

The capital maintenance estimates also do not provide for **systematic enhancements**, which include projects that improve system performance or expand its capacity but are not major capital projects. Examples of projects in this area may include:

- Arterial add-lanes projects
- Transit operational improvements
- Transit signal priority projects
- New or enhanced bus services (including bus rapid transit)
- Expansion of paratransit service
- Pedestrian or bicycle improvements
- Congestion pricing projects on existing facilities

- Interchange reconstructions that include operational improvements
- Signal interconnects
- Intelligent transportation systems
- Transportation demand management

As with safe and adequate costs, the costs of projects that move the system to a state of good repair or systematic enhancement projects that are on the existing system and completed in tandem with a major capital project are included under this allocation.

In addition, capital maintenance and operations does not include expenditures on **major capital projects**, which are large projects with a significant effect on the capacity of the region's transportation system, including extensions or additional lanes on the interstate system, new expressways, major new expressway-to-expressway interchanges, or similar changes to the public transit system. Arterial expansions and intersection improvements are not defined as major capital projects; neither are bus facilities, unless they involve adding a dedicated lane on an expressway.

Expenditures allocated to major capital projects only include the costs associated with expanding capacity, which also include future costs associated with operating or maintaining the additional capacity. To lower the public costs of major capital projects, implementers can include other project-specific financing sources. These could include value capture, congestion pricing on new expressway capacity, other transportation user fees, or potential cost efficiencies resulting from public-private partnerships. For projects where implementers have provided estimates from these innovative sources, total public costs of projects have been reduced.

Reasonably Expected Revenues

Revenues from existing transportation funding resources are forecast to be sufficient to operate and maintain the roadway and transit system at a safe and adequate level in northeastern Illinois over the 2015-40 long-range planning period. However, the expected funding will only provide modest investment to perform maintenance at a level that brings the system toward a state of good repair and for desired enhancements or expansions to the system. Fiscally constraining these activities within the long-range planning context will necessitate future policy changes to bring additional revenues to the region. Federal guidance permits the inclusion of these types of revenues, called "reasonably expected," to be generated during the planning period. GO TO 2040 makes several policy recommendations regarding reasonably expected revenues, including:

- Increase the state motor fuel tax by 8 cents and index the rate to an inflationary measure.
- Implement congestion pricing on a portion of the expressway system.
- Employ variable parking pricing.

GO TO 2040 also recommends the exploration of other "innovative" financing sources for implementing specific transportation projects. These could include value capture, congestion pricing on new expressway capacity, other user fees imposed by highway and transit implementers, or potential cost efficiencies resulting from public-private partnerships. GO TO 2040 does not assign any overall regional estimate for these types of revenues. Rather, GO TO

2040 assumes these types of strategies may be instituted on a project level to close a specific revenue gap or lower project costs. The GO TO 2040 update will make similar assumptions, but will further clarify what role these types of innovative strategies might play in funding specific major capital projects. Thus, these funding sources could serve to lower specific major capital project costs in the GO TO 2040 update. CMAP staff is currently engaged in conversations with regional transportation implementers to help clarify these issues.

While federal guidelines allow financial plans to include revenues that are "reasonably expected to be available" during the planning period, the inclusion of these revenues and the corresponding action required to implement them is necessary for the region to maintain and operate the transportation system, as well as make additional investments. Table 4 provides an overview of reasonably expected revenue forecasts for inclusion in the GO TO 2040 update. In addition to being incorporated into the financial plan, the options selected would be major policy recommendations of the GO TO 2040 update.

Table 4. Reasonably expected revenue forecasts, 2015-40, in millions, year of expenditure dollars

State motor fuel tax increase and long-term replacement	$17,300
Congestion pricing on the existing system	$11,700
Performance-based funding	$8,300
Variable parking pricing	$1,500
Total reasonably expected revenues	**$38,800**

Source: Chicago Metropolitan Agency for Planning analysis.

An Action Plan for Funding the Operation, Maintenance, Enhancement, and Expansion of Northeastern Illinois' Transportation System

Reasonably expected revenues will only be realized through actions by regional, state, and local policymakers to implement them on behalf of the region. Federal guidelines allow financial plans to include revenues that can be reasonably expected to be available during the planning period, but they also require that the financial plan identify strategies for ensuring the availability of new funding sources. The following section outlines policies that must be implemented to ensure the future viability of the region's transportation system. Table 5 identifies who would need to implement them, when they would be implemented, and what would be required legislatively.

Table 5. Action plan summary table

	Lead implementers	Timeline for implementation	Legislative requirements

State motor fuel tax increase and replacement	MFT increase: Illinois General Assembly and Governor Long-term replacement: U.S. Congress and the President; Illinois General Assembly and Governor	MFT increase: Legislation in 2015, implementation in 2016, inflationary increases throughout planning period Long-term replacement: Research and advocacy through the 2020s, legislation and implementation by 2025	MFT increase: State legislation required Long-term replacement: Federal and state legislation required
Congestion pricing on the existing system	U.S. Congress, President, IDOT, Illinois Tollway, potentially Illinois General Assembly and Governor	Research and advocacy over the next five years, legislation and implementation by 2021	Federal legislation required, state legislation could play a supportive role
Performance-based funding	IDOT	Research and analysis in 2014, implementation in 2015, continuation throughout planning period	None, policy could be implemented through administrative action
Variable parking pricing	Municipalities	Ordinances and implementation throughout planning period	None, policy could be implemented through local action

State motor fuel tax increase and long-term replacement

GO TO 2040 recommends that the state motor fuel tax (MFT) be increased by 8 cents and indexed to an inflationary measure. Although the rate has been increased nine times since its 1927 enactment, the state MFT has remained $0.19 per gallon since 1991. Since it is a per gallon tax, the revenues have failed to keep pace with construction costs. GO TO 2040 originally forecast that this enhancement would generate an additional $19.4 billion if it were implemented in 2012. However, no increase has been enacted. In addition, state MFT revenues have been declining annually since 2007, when revenues reached a high of $1.4 billion statewide. While this decline is partially a result of a reduction in vehicle miles traveled, the consumption of motor fuel has declined even faster, primarily as a result of rising vehicle fuel economy.

As motor fuel consumption continues to slow and vehicle fuel economy rises, GO TO 2040's original assumption of a rate increase and inflationary index will be insufficient to keep revenues growing with the cost of construction. The compound annual growth rate under GO TO 2040's assumption would be just 1.7 percent 2016-40, because of changes in vehicle fuel economy. A replacement for the MFT, assumed to begin in 2025 and accounting for growth in construction costs as well as overall growth in the transportation system, would provide annual revenue growth of roughly 3.7 percent for the remainder of the planning period.

If the state MFT rate increase and indexing were implemented in 2016, followed by the enactment of a replacement for both state and county MFT revenues in 2025 that includes revenues from the reasonably expected state MFT rate increase, an additional **$17.3 billion** would be generated.

Action plan. The region will need to build a coalition that includes transportation implementers, as well as other stakeholders such as business and community groups, to lead an effort to promote a motor fuel tax rate increase to the Illinois General Assembly and the Governor. Increasing transportation revenues through state motor fuel taxes have found support in other states across the country. For example, in 2013, both Massachusetts and Maryland indexed their motor fuel tax rates to inflation, with Maryland also indexing transit fares. Legislation filed in the Illinois General Assembly in May 2013 signals recent legislative interest in reforming the state's transportation funding system. Reforms proposed in House Bill 3637 include eliminating the state MFT and replacing with a motor fuel sales tax and raising numerous vehicle registration fees.

With regard to a long-term replacement for the MFT, to the extent that transportation funding will continue to be user-fee based, the policy change is foreseeable in the next decade. Implementation by 2025 will likely occur in tandem with similar policy changes in other states and at the federal level. Other state governments and metropolitan planning organizations across the country are considering replacements for the MFT. Replacements currently being considered in Illinois and elsewhere across the U.S. include a fee on vehicle miles traveled or road usage and a sales tax on wholesale motor fuel. Both Pennsylvania and Virginia enacted legislation in 2013 that would increase transportation revenues and replace their flat motor fuel tax with a sales tax on the wholesale price of motor fuel.

With regard to vehicle miles traveled fees, in July 2013, the Oregon legislature voted to establish a road usage fee program. In addition, a bill was introduced in the U.S. House of Representatives in December 2013 that would establish a program that would distribute $30 million in competitive grants to establish road usage pilot programs that collect and report miles driven, determine payment, provide enforcement, and ensure privacy.

Congestion pricing on the existing system

The implementation of congestion pricing, or "express toll lanes," will help manage traffic and give drivers the option to avoid congestion. Congestion pricing has existed in the U.S. since 1995, when the SR-91 Express Lanes opened in Orange County, California. Since, express toll lanes have opened in regions across the country, from I-394 and I-35W in Minneapolis, to I-95 in Miami, to SR 91 in California. There are currently more than 25 express toll lanes or high occupancy toll facilities operating or under construction in the United States.

GO TO 2040 originally assumed revenues from congestion pricing on a portion of existing expressways would begin to flow to the region in 2020. These revenues are separate from congestion pricing on the new capacity provided via major capital projects, which will be incorporated in the public costs of those projects. If this occurred beginning in 2021 and revenue grew at a rate of 3 percent annually, CMAP forecasts that **$11.7 billion** would be generated through congestion pricing on a selection of expressways equivalent to 25 percent of the region's existing expressway network.

Action plan. Since GO TO 2040 was adopted in 2010, CMAP has explored the benefits of implementing congestion pricing on five of the highway major capital projects recommended in GO TO 2040, as well as the existing expressway network. As part of its campaign to implement congestion pricing, CMAP has met with business, civic, government, and philanthropic organizations to discuss the policy's many benefits. CMAP's campaign has also received significant media attention, including both news and editorial coverage. To date, six councils of governments have passed resolutions in support of congestion pricing in the region, and business owners have also written public letters of support. Recent CMAP research has examined the revenue potential of congestion pricing the existing expressway network.

Previous surveys in the Chicago region suggest that the public would accept congestion pricing. In a 2008 Illinois Tollway survey of its existing users, 54 percent said they would pay an extra toll if it would ensure congestion-free travel. In that same survey, 58 percent of individuals given information about express lanes were in favor of the Tollway building them. A more recent survey (2012) for the northwest corridor indicated that 78 percent of individuals would pay a higher toll if it meant they would not experience congestion. In the same survey, 68 percent said they would pay a toll that guarantees a reliable travel time.

Implementation of congestion pricing on the existing expressway network will likely be phased in over a period of years. The first step of the process would not likely impact the existing system, but instead focus on a project that expands the system such as a new managed lane or new expressway facility.

Implementing congestion pricing on the existing expressway network requires legislative action at both the federal and state levels. While federal law allows the tolling of new Interstate facilities or reconstructed bridges and tunnels, it does not generally permit the tolling of facilities that are currently unpriced. Amending this federal law is a key part of the implementation process because higher levels of revenues can be generated from pricing non-tolled facilities than facilities that are already tolled. In addition, implementers such as the Illinois Department of Transportation (IDOT) and the Illinois Tollway may benefit from the enactment of state legislation that authorizes or encourages congestion pricing prior to implementation.

Policymakers at the state and federal levels may respond to a groundswell of support that is organized from the many stakeholders, policymakers, businesses, and residents that support the implementation of congestion pricing. Because it is primarily a traffic management strategy, CMAP is well-positioned to advocate for congestion pricing. CMAP will continue to organize existing support for congestion pricing and push for authorization at the state and federal level.

Performance-based funding

The State of Illinois allocates highway funds through an arbitrary formula called the "55/45 split." CMAP recommends that Illinois implement performance-based funding of highway and bridge projects in order to set priorities for investments in maintaining, modernizing, and expanding our transportation system. While CMAP does not advocate for the implementation of a different arbitrary formula, it is reasonable to assume that the implementation of performance-based funding would result in increased funding for the region, which has the vast majority of the state's population and economic activity.

A 5-percentage point increase in federal and state highway revenues toward northeastern Illinois would result in a net increase of **$8.3 billion** over the 2015-40 planning period, including both core and reasonably expected highway revenues.

Action plan. Performance-based funding is a top policy priority for CMAP. Over the past several years, staff has researched capital programming practices within the state and region, as well as best practices nationwide. This research has been published on-line as an interactive "microsite" and is also compiled into a single compendium. Following the direction of the CMAP Board and MPO Policy Committee, staff is currently working to develop performance measures and collect data for application to CMAP's programming and planning activities, particularly the Congestion Mitigation and Air Quality Improvement (CMAQ) program. In a memorandum approved in October 2012, the CMAP Board and MPO Policy Committee also called on the state to establish a technical advisory group to implement performance-based funding on the state level.

It is important to note that the research and analysis required to fully implement performance-based funding is underway as a result of federal requirements. IDOT's Technical Advisory Group, convened to help address the performance management requirements in MAP-21, has been meeting periodically since May 2012. While that effort is not designed to address the specifics of implementing performance-based funding, it will help to catalog and assess available performance data.

The financial plan assumes that performance-based funding will be implemented in 2015. While there is a need for additional data collection and research, performance-based funding could be implemented in the near term. Doing so would not require a statutory change, although a robust performance-based programming process could benefit from a more formal codification in law. Rather, IDOT could implement performance-based funding directly through its own administrative action. Further, IDOT largely takes this approach today in selecting projects across its eight downstate districts; the arbitrary "55/45 split" applies to District 1 only.

Variable parking pricing

Local governments with commercial areas experiencing high demand for parking could implement variable parking pricing. This strategy is used to balance parking supply and demand to help improve traffic flow and increase the availability of parking. GO TO 2040 originally assumed that additional local funds would be generated for transportation purposes through pricing an additional 1.7 percent of off-street parking spaces annually during the planning period. An average rate of $1 per day was used and the forecast assumed that half of the revenues generated would be used for transportation. Assuming that an additional 1 percent of off-street parking spaces were priced annually during the planning period and that the $1 average rate is indexed to inflation, $1.5 billion would be generated between 2015-40.

Action plan. This could be implemented at any time through the passage of ordinances, as local governments have broad powers to regulate parking. While some municipalities have priced parking, no additional priced spaces have been added, to CMAP's knowledge, since the adoption of GO TO 2040. However, CMAP has continued to dedicate resources toward implementing variable parking pricing. In April 2012, CMAP released a toolkit, Parking Strategies to Support Livable Communities. In addition, CMAP has been working with local governments to implement parking strategies, which may include pricing, through its Local Technical Assistance program, including projects in the Village of Hinsdale and in Chicago's Wicker Park-Bucktown neighborhood. This coming year, other projects will include parking strategies for Chicago's Loop, as well as for the City of Berwyn.

Regional cooperation will bring regional benefits

To move forward, the region must work collaboratively to protect our transportation system assets. The region's financial obstacles can become opportunities for bold, cooperative actions to enact policy changes. By acting in cooperation with one another, we can ensure the long-term sustainability of the region's transportation system, which is a major contributor to the economy and the livability of northeastern Illinois.

Funding Allocations for State of Good Repair, System Enhancements, and Major Capital Projects

After accounting for the $38.8 billion in reasonably expected revenues outlined previously, **$42.2 billion** remains to bring the region's transportation system toward a state of good repair, provide for enhancements, and expand the system via the construction of major capital projects. Given these reduced financial resources, it is paramount that the region set priorities with regard to how this funding is allocated. Table 6 summarizes the forecasted revenues and expenditure allocations over the 26-year GO TO 2040 update planning period.

Table 6. Summary of financial plan revenue forecasts and expenditure allocations, 2015-40, in millions (year of expenditure dollars)

Federal revenues	$53,521
State revenues	$111,912
Local revenues	$167,107
Subtotal core revenues	**$332,540**
State motor fuel tax increase and long-term replacement	$17,300
Congestion pricing on the existing system	$11,700
Performance-based funding	$8,300
Variable parking pricing	$1,500
Subtotal reasonably expected revenues	**$38,800**
Total revenues	**$371,340**
Highway operating expenditures	$84,087
Transit operating expenditures	$113,266
Safe and adequate capital maintenance for highway	$100,759
Safe and adequate capital maintenance for transit	$31,006
Subtotal operating and safe and adequate expenditures	**$329,118**
Subtotal moving the system toward a state of good repair/systematic enhancements	**$29,892**

Subtotal major capital projects	**$12,330**
Total expenditures	**$371,340**

Source: Chicago Metropolitan Agency for Planning analysis.

The priorities of GO TO 2040 are to maintain and make systematic improvements to the existing transportation system. The bulk of the region's transportation investments should be to maintain, improve, and modernize our infrastructure. Pursuing new major capital projects, while important, should remain a lower priority than these other activities. Achieving a world-class transportation system necessitates improving, modernizing, and increasing service on existing assets, rather than building new projects that would be difficult to finance, operate, and maintain over the long term with the region's limited financial resources.

ACTION REQUESTED: Discussion.

Plan Update Forecast Methodology

This section discusses the specific methodologies used for projecting revenues, operating expenditures, and capital maintenance expenditures to a safe and adequate level for the GO TO 2040 update over the 2015-40 planning period.

Core revenues

Locally-programmed federal revenue

Forecast: $11.0 billion	Forecast assumptions for GO TO 2040 update
Portion of annual federal apportionment that is sub-allocated to the Chicago region for programming. This includes the federal fund sources of CMAQ, Transportation Alternatives Program-Local, Surface Transportation Program - Local, Surface Transportation Program-Counties, and discretionary programs.	Revenues for 2015 were assumed to be 0.1percent greater than 2014 apportionments. This short-term growth rate was based on the difference between 2014 and 2013 apportionments (excluding discretionary). After 2015, a growth rate of 3.6 percent was assumed. This growth rate was based on the compound annual growth rate of locally-programmed federal apportionments combined with state-programmed federal highway apportionments between 2000-14.

Other federal transit revenue

Forecast: $17.1 billion	Forecast assumptions for GO TO 2040 update
Projection includes New Starts, bus and bus facilities, State of Good Repair, and Urban Formula programs.	Forecast was provided by the RTA. Revenues for 2015-18 are based on preliminary capital funding marks for 2014-2018 period. After 2018, revenues are forecast to grow at a rate of 2.4 percent.

State-programmed federal highway revenue

Forecast: $25.4 billion	Forecast assumptions for GO TO 2040 update
Portion of annual federal apportionment that is allocated to the State of Illinois for programming. This includes the federal fund sources of National Highway Performance Program, Surface Transportation Program-Urban, Highway Safety Improvement Program, Transportation Alternatives Program, Recreational Trails, and discretionary programs.	Forty-five percent of the statewide total annual apportionment was assumed to go to northeastern Illinois. Revenues for 2015 were assumed to be 0.1 percent greater than 2014 apportionments. This short-term growth rate was based on the difference between 2014 and 2013 apportionments (excluding discretionary). After 2015, a growth rate of 3.6 percent was assumed. This growth rate was based on the compound annual growth rate of locally-programmed federal apportionments combined with state-programmed federal highway funds between 2000-14.

State Public Transportation Fund

Forecast: $13.3 billion	Forecast assumptions for GO TO 2040 update
State funds equal to 30 percent of RTA sales tax and real estate transfer tax revenues.	Revenues from this matching fund equals 30 percent of forecasted RTA sales tax and real estate transfer tax estimates.

State Motor Fuel Tax

Forecast: $5.0 billion	Forecast assumptions for GO TO 2040 update
Portion of state MFT retained by IDOT for the Road Fund and State Construction Account. The current rate is 19 cents per gallon (21.5 cents per gallon of diesel).	Using a methodology to account for increasing vehicle fuel economy, revenues decreased annually, with an average annual decrease of 1.4 percent. CMAP forecasted annual vehicle miles traveled (AVMT) and average miles per gallon (MPG) to estimate revenue. To forecast AVMT, CMAP used actual statewide AVMT data for passenger vehicles and for all other vehicles for 1991-2012 to calculate linear trendlines for AVMT. Average annual percent change in AVMT 2012-40 was 0.9 percent for passenger vehicles and 1.2 percent for other vehicles. For MPG for non-passenger vehicles, the average of AVMT divided by gallons of diesel sold was used as a base, and an annual 1.0 percent improvement was assumed. For MPG estimates for passenger vehicles over the planning horizon, CMAP created estimates based on National Highway Traffic Safety Administration rules for Corporate Average Fuel Economy (CAFE) standards, estimated standards for 1978 through 2025 model years for cars and light trucks, and information about vehicle fleet from the Federal Highway Administration's (FHWA) 2009 National Household Travel Survey. After accounting for various statutory deductions, the region is assumed to receive 45 percent of these revenues for the purposes of funding highway construction and maintenance projects.

State motor vehicle registration fees and other user fees

Forecast: $26.7 billion	Forecast assumptions for GO TO 2040 update
Annual vehicle registration fees, certificate of title fees, and operator's license fees collected by the State, excluding those used to fund the state capital program. Most of this revenue is deposited into the Road Fund and State Construction Account.	Fee revenues to the Road Fund and State Construction Account were assumed to grow at 3.0%, which was the compound annual growth rate between 2000-13.

Tollway revenue

Forecast: $51.3 billion	Forecast assumptions for GO TO 2040 update
Toll revenues forecasted to be collected on the 286 mile system. The current toll rate structure went into effect in 2012, and includes commercial vehicle toll increases between 2015-17. Following 2017, the commercial rate will be adjusted annually for inflation.	Toll revenue projections were derived from estimates prepared for the Illinois Tollway by CDM Smith in April 2013. The projection assumed that the annual adjustment in commercial vehicle toll rates beginning in 2017 would be 2 percent annually. CMAP also included an assumption of a passenger vehicle toll rate adjustment in 2030. Other operational revenues, such as concessions and miscellaneous income, were forecast by CMAP to grow at a rate of 0.5 percent annually.

State bonding programs

Forecast: $12.5 billion	Forecast assumptions for GO TO 2040 update
State bonding programs are typically funded with a variety of revenue increases, including fee increases on sources like vehicle registration and certificate of title.	Assumes that the region will receive $540 million as part of the current state capital program in 2015. For future programs, it is assumed that two more will be awarded during the planning period, with the first being 16 percent more than Illinois Jobs Now!, and the second being 16 percent greater than the first plan.

Other state transit

Forecast: $3.2 billion	Forecast assumptions for GO TO 2040 update
The State has provided the RTA with debt service assistance for SCIP I and SCIP II bonds since 1992 with General Revenue Funds. The State has provided $8.5 million annually to support Pace ADA since 2010. The State also provides reduced fare reimbursements to the service boards.	Revenues for debt service assistance are assumed to be flat through 2019, followed by annual reductions in funding until the bonds are fully repaid in 2035. Reduced fare reimbursements from the State are forecast to grow at a rate of 1.5 percent annually. ADA support is forecast to remain flat for the duration of the planning period.

RTA sales tax

Forecast: $42.7 billion	Forecast assumptions for GO TO 2040 update
The RTA sales tax is equivalent to 1.25 percent of sales in Cook County and 0.75 percent of sales in DuPage, Kane, Lake, McHenry, and Will counties. The RTA receives two-thirds of the collar county revenues. The collar county 0.25 percent portion is listed under Collar County Transportation Empowerment Program.	Forecast was provided by the RTA. RTA sales tax revenues are assumed to grow 3 percent annually throughout the planning period.

Collar County Transportation Empowerment Program

Forecast: $5.3 billion	Forecast assumptions for GO TO 2040 update
One-third of collar county revenues generated from the RTA sales tax are returned to DuPage, Kane, Lake, McHenry, and Will Counties to be used for roads, transit, and public safety.	The revenues are assumed to be available for transportation purposes. Growth in revenues generated for the collar counties are based on projected population growth combined with inflationary assumptions. During the planning period, annual growth averages 3.4 percent.

Local allotment of state motor fuel tax

Forecast: $7.3 billion	Forecast assumptions for GO TO 2040 update
Counties, townships, and municipalities receive a disbursement of state MFT revenue. County share is based on motor vehicle registration fees received, township share is based on share of mileage of township roads, and municipal share is based on population.	State MFT revenue was forecasted using the methods explained above. County vehicle registrations and township road miles relative to the rest of the State are assumed to remain constant. Municipal population in the region relative to the rest of the State is forecast to increase according to historical trends at about 0.1 percentage points annually.

County Option motor fuel taxes (those used for transportation)

Forecast: $0.75 billion	Forecast assumptions for GO TO 2040 update
DuPage, Kane, and McHenry counties impose a 4 cent per gallon MFT. County departments of transportation use these revenues for maintaining county roads. Any other local government imposing an MFT for transportation purposes is included in other local revenues.	The methodology for forecasting revenue for each county was similar to the forecast for the state MFT. For MPG, estimated 2012 MPGs for each county were used as the base (17.5, 15.9, 22.0 respectively), rather than the statewide base of 21.0. Growth in AVMT was calculated using growth rates in AVMT for each county for each air quality conformity analysis year.

Other local revenues

Forecast: $61.2 billion	Forecast assumptions for GO TO 2040 update
These are local revenues, such as property tax revenue, sales tax revenue, and impact fees used for transportation, excluding county MFTs, the RTA sales tax, state funds, and federal funds. Local governments with jurisdiction over transportation include counties, townships, and municipalities.	Revenues were calculated for municipalities and townships using 2007 U.S. Census of Governments data, which includes all local governments in the region. County revenues were obtained from recent county budget documents. Revenues were adjusted to the current year using the change in the FHWA National Highway Construction Cost Index and the U.S. Census of Governments Illinois Local Government Payroll data for highway. To forecast to 2040, growth rates for CMAP population forecasts for each locality were added to an annual 2.5 percent inflationary adjustment. Average annual growth regionwide was 3.6 percent.

Chicago Real Estate Transfer Tax (RETT)

Forecast: $1.6 billion	Forecast assumptions for GO TO 2040 update
The $1.50 per $500 of value of the City of Chicago's RETT is transferred to the CTA.	Revenues were forecast to grow at a rate of 3.5 percent annually.

Transit passenger fares

Forecast: $42.1 billion	Forecast assumptions for GO TO 2040 update
This includes passenger fares for the CTA, Metra, Pace, and Pace ADA.	Forecast was provided by the RTA. Revenues were forecast to grow at a rate of 3.2 percent annually.

Other transit operating revenue

Forecast: $6.2 billion	Forecast assumptions for GO TO 2040 update
This included other revenues for the RTA, CTA, Metra, Pace, and Pace ADA such as advertising revenue, investment income, and Medicaid reimbursements.	These revenues are assumed grow at a rate of 2.7 percent annually, which was derived from growth rates forecast by each service board.

Expenditures for Operating and Capital Maintenance

Highway operations expenditures

Forecast: $84.1 billion	Forecast assumptions for GO TO 2040 update
Includes highway operations and administrative costs for IDOT District 1, Illinois Tollway, counties, townships, and municipalities. Also includes Tollway debt service and state debt service for Series A bonds.	IDOT District 1 expenditures were estimated using a linear trendline based on 2000-13 data. During the planning period, annual growth averaged 2.2 percent for IDOT District 1. Series A bond payments were forecast to grow 2.5 percent annually during the planning period, and it was assumed that 45 percent of these costs were attributable to the region. Illinois Tollway provided forecasts of operations expenditures, which include both operations on the existing system and operations for the Elgin O'Hare Western Access project. During the planning period, annual growth averaged 3.8 percent. Debt service payments include principle and interest on current debt and assume no future bond issuances. Local government highway operations expenditures were estimated from the local highway operations expenditures reported to the 2007 Census of Governments. Local expenditures were adjusted to the current year using the rate of change in the U.S. Census of Governments Illinois Local Government Payroll data for highway. CMAP used a 2 percent annual inflation factor to forecast local operating expenditures to 2040.

Transit operations expenditures

Forecast: $113.3 billion	Forecast assumptions for GO TO 2040 update
Includes operating and administrative costs for the RTA, CTA, Metra, Pace, and Pace ADA. As a counterpart to state revenues provided for this purpose, includes principal and interest payments on SCIP bonds. Also includes the portion attributable to interest payments for other RTA debt service obligations.	Operating expenditures were estimated using linear trendlines of 2007-15 actual and planned expenditure data, totaling $101.8 billion, with average annual growth of 2.7 percent. SCIP bond principal payments totaling $1.3 billion were included. The interest portion of debt service payments totaled $10.1 billion.

Highway capital expenditures

Forecast: $100.8 billion	Forecast assumptions for GO TO 2040 update
Capital maintenance costs for the interstate system, state highways, Illinois Tollway highways, and local roads.	Capital expenditures for the highway system are based on assumptions for unit costs and maintenance cycles. These assumptions are then applied to the inventory of highway assets in the region. CMAP staff met with a group of highway implementers representing state and county departments of transportation to determine unit cost and lifecycle assumptions. The assumptions were also reviewed by several municipal governments. Expenditures were inflated 3 percent annually.

Transit capital expenditures

Forecast: $31.0 billion	Forecast assumptions for GO TO 2040 update
Capital maintenance costs for the CTA, Metra, Pace, and Pace ADA.	In consultation with the RTA, transit capital costs were determined from the RTA's preliminary five-year capital budget for 2014-18. From that budget, an average annual capital expenditure was calculated. Expenditures were inflated 3 percent annually.

Agenda Item 6.2

Chicago Metropolitan Agency for Planning

233 South Wacker Drive
Suite 800
Chicago, Illinois 60606

312 454 0400
www.cmap.illinois.gov

MEMORANDUM

To: **MPO Policy Committee**

From: **CMAP Staff**

Date: May 12, 2014

Re: GO TO 2040 Plan Update – Proposed Major Capital Projects

A key element of the GO TO 2040 update is to establish a priority list of proposed major capital projects to fit within the plan's expected funding envelope or "fiscal constraint." As CMAP defines them, major capital projects are large projects with a significant effect on the capacity of the region's transportation system, including extensions or additional lanes on the interstate system, new expressways, major new expressway-to-expressway interchanges, or similar changes to the public transit system. These must be identified in GO TO 2040 to be eligible to receive federal transportation funds or obtain certain federal approvals. Staff has previously presented the overall "universe" of capital projects be considered in the planning process, as well as an evaluation of the costs and benefits of the projects, to the Transportation Committee.

This memo provides staff's recommendations on priority major capital projects that the region should pursue between now and 2040. The GO TO 2040 update includes the same list of projects under fiscal constraint as the original plan, minus the three already completed, plus two projects amended into the plan in 2013. Thus, the update continues the same priorities of GO TO 2040, although details have changed in some cases, including costs, financing, and project scope. The financial plan for the GO TO 2040 update indicates that funding will be available to construct these projects within the planning period. Nevertheless, rapid progress has been made on some projects and less on others, and several projects have near-term funding shortfalls. Funding and other implementation challenges are discussed where needed.

Expressway Additions: Express Toll Lanes

A major focus of GO TO 2040 is directing investment to improve the heavily used transportation infrastructure that serves existing communities in the region. Strategically adding capacity to existing expressways in the region is a key part of this approach. The expressway additions recommended for fiscal constraint in the GO TO 2040 update address capacity limitations and reliability on some of the most congested facilities in the region. At the same time, these projects also rehabilitate older infrastructure and tackle major safety and operational problems.

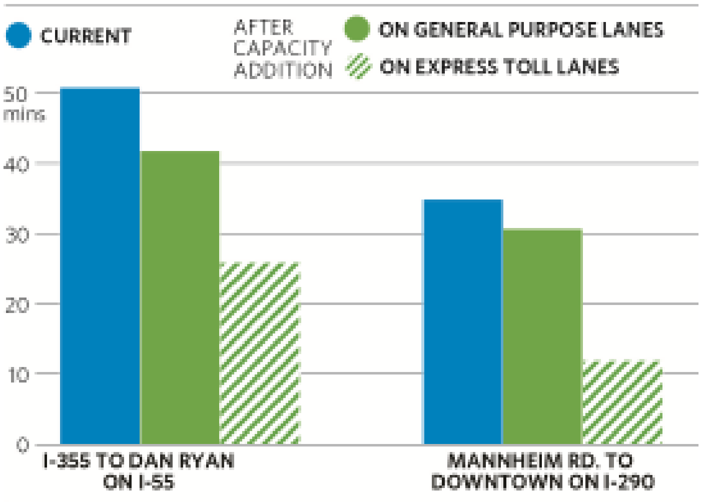
Once built, new capacity needs to be managed to prevent the loss of performance to congestion over time. The most effective way of managing highway capacity is to implement congestion pricing, so that the price to use the facility changes with demand. This allows traffic to flow freely even in peak periods and improves travel time reliability by giving operators a mechanism to respond to changes in travel demand. Except on very short or isolated segments, GO TO 2040 recommends constructing added lanes as express toll lanes.

I-55 Stevenson Express Toll Lanes

The southbound Stevenson Expressway from I-355 to the Dan Ryan Expressway ranks among the ten most congested expressway segments in the region. The reconstruction of the Stevenson in the 1990s left much of the expressway with wide inside shoulders with mostly full-depth pavement that can withstand regular use. Thus, there is a major opportunity to convert this shoulder cost-effectively to an express toll lane, which would cut travel times (Figure 1), improve reliability, and benefit transit services already using the corridor. Per unit cost, building an express toll lane on the Stevenson Expressway from I-355 to the Dan Ryan would have the highest economic impact and second highest congestion reduction of any of the projects CMAP studied.

For several years Pace has operated a successful program running express buses on the shoulder, but buses must merge with regular traffic at several narrow points and travel at limited speeds when on the shoulder. CMAP funded this project through a Congestion Mitigation and Air Quality Improvement grant. The express toll lane is envisioned to upgrade this service, allowing continuous travel in a lane with minimal congestion from I-355 to the Dan Ryan. The Stevenson is also a freight-rich corridor with access to intermodal facilities. For safety and operational reasons, multi-unit trucks would not be able to use the express toll lanes, however any new capacity on the expressway will improve travel times and reliability for all users, including trucks.

Figure 1. Travel time savings on a typical trip on the Stevenson and Eisenhower express toll lanes (AM peak)



Source: Chicago Metropolitan Agency for Planning analysis.

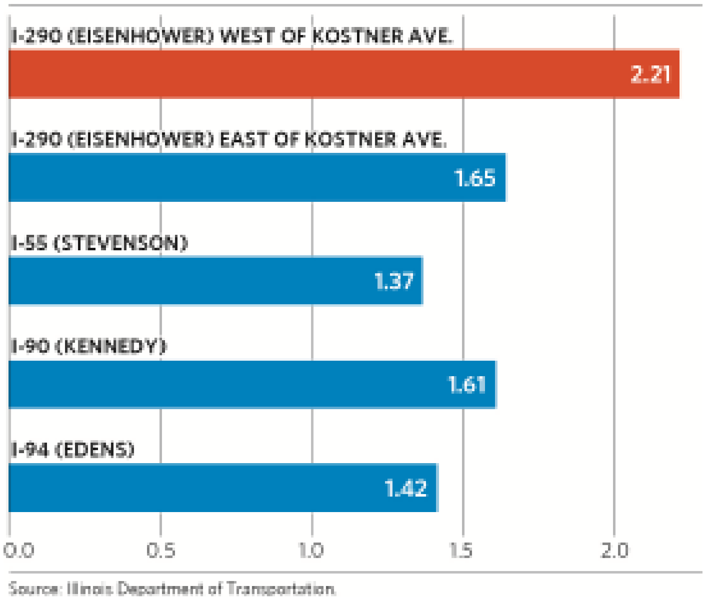
The blue bars represent current travel times on a typical morning commute for a 23-mile trip on I-55 and an 11-mile trip on I-290. The green bars indicate travel times with the construction of express toll lanes. CMAP estimated the tolls for these two trips to be roughly $2.75 and $3.50, respectively. This assumes the toll is set to keep traffic at 55 mph.

IDOT has begun Phase I Engineering for the project but has not allocated specific funding for further engineering and construction. CMAP's work on congestion pricing suggests that pricing could reduce the constrained cost of the new lane by nearly 20 percent, making it critical to implement pricing to help fund the project. Perhaps the most significant challenge with this project is the lower priority that IDOT has placed on it relative to its other projects.

I-290 Eisenhower Express Toll Lanes

The Eisenhower Expressway was one of the earliest expressways constructed in the Chicago region and has been the vanguard for a number of innovations, including the first use of ramp metering and the construction of rapid transit in the expressway median. The Eisenhower Expressway is generally in the top five most congested expressway segments in the region. It also suffers from major geometric deficiencies, including narrow shoulders, short weaving distances between ramps, and especially the left-hand exits at Austin and Harlem Avenues. Moreover, it has what is probably the most severe bottleneck in the region, where the number of lanes drops from four to three west of Central Avenue. As a result of these problems, the western portion of the expressway has a significantly higher crash rate than comparable expressways in the region (Figure 2).

Figure 2. Crash rates on select Chicago-area expressways, per million vehicles per mile



Adding an express toll lane to the Eisenhower will significantly improve speeds and travel time reliability on the facility. Reconstruction and modernization of the facility will help improve safety. IDOT is currently in Phase I Engineering for this project and has narrowed its study to four alternatives, all of which involve adding a lane to the Eisenhower. However, the Department has not allocated specific funding in the near term for further engineering and construction. CMAP's work on congestion pricing suggests that pricing could reduce the constrained cost of the new lane by about a quarter, making pricing a key part of funding the project.

While this project has significant engineering challenges relating to the availability of right-of-way and railroad coordination, perhaps its biggest obstacle is the potential for community impacts. The expressway is in a dense urban corridor. One important mitigation approach is the improvement of the pedestrian and transit station environment along the Blue Line, which the Chicago Transit Authority (CTA) has been considering in its Blue Line Forest Park Branch Feasibility/Vision Study.

Expressway Additions: Interchanges and Improvements

The projects proposed here either reconstruct and modernize older highway infrastructure or correct major deficiencies. While they provide some additional capacity, this is modest relative to the contribution that these projects make to achieving the overall goal of maintaining and improving the existing highway system. CMAP treats interchanges between expressways as major capital projects.

Circle Interchange

The Circle Interchange project will reconstruct and modernize an interchange that has not had a major rehabilitation since it was first built more than a half-century ago. While it is mostly a reconstruction project, new capacity will be added in the form of an additional lane on the east-north and north-west ramps, as well as three new flyovers. A new through-lane will also be added on I-90/94, correcting a deficiency that forces drivers to make lane changes when entering the interchange. The new ramp configurations and added lanes are expected to significantly reduce crashes for all users. The Circle Interchange is the busiest interchange in in the region, and is typically among the most congested interchanges in the country. For several years the FHWA has identified the Circle Interchange as the worst freight bottleneck in the U.S. Rehabilitation of the interchange will support the region's competitive position in freight, manufacturing, and other industries.

FHWA issued a Finding of No Significant Impact for the project in late 2013, allowing it to proceed to construction. Since the project is in a dense, urban area with older buildings, noise walls will be needed in certain areas as well as special attention to the potential for structural damage to adjacent buildings during construction. Particular attention is expected to be given to improving the pedestrian environment around the interchange and at the Halsted/UIC Blue Line station.

I-294/I-57 Interchange

The crossing of I-294 and I-57 is the only place in the region, and one of very few locations in the country, where two interstates cross but do not have an interchange. The Tri-State Tollway links the region's suburban communities in an arc from the south suburbs to Lake County, providing access to O'Hare International Airport and several commercial and industrial centers, as well as intermodal freight terminals. The I-294/I-57 interchange project will provide a full connection of these two interstates for improved accessibility to and from the south suburbs and for improved north-south regional travel. The Tollway included this project in its Move Illinois capital program. Construction of Phase 1, which is anticipated to provide the largest congestion reduction benefits, will be complete in 2014. It involves construction of new ramps to connect northbound I-57 to northbound I-294 and southbound I-294 to southbound I-57, as well as an entrance and exit ramp from I-294 to 147th Street. Phase Two is planned for completion in 2024 and will provide the remaining interchange connections.

I-190 Access and Capacity Improvements

The I-190 Access Improvements project consists of reconfiguring arterial access to I-190 and O'Hare International Airport to improve mobility and reduce collisions, as well as ultimately reconstructing and adding capacity to mainline I-190. Project planning is advancing; several elements have already been funded through IDOT, Chicago Department of Transportation (CDOT), and the Chicago Department of Aviation, using Passenger Facility Charge funds. O'Hare International Airport and its surrounding freight and manufacturing development are a significant economic engine for the region. But, the area experiences significant congestion and unreliable travel times. The I-190 project will improve access to the O'Hare area and reduce congestion in a high-traffic corridor.

Jane Addams Tollway (I-90)

As part of the Move Illinois program, the Illinois Tollway is reconstructing the Addams Tollway from Rockford to I-294, given that most of the roadway is more than a half-century old. A new lane will also be added in each direction to accommodate current and future traffic. The Addams experiences congestion within the Chicago region, although not to the same degree as the Stevenson and Eisenhower. As part of the project, the Tollway is making major strides in modernizing the Addams by including active traffic management technology that warns drivers of upcoming congestion and closes lanes well ahead of a stalled vehicle or wreck (Figure 3). This technology would also permit the use of variable speed limits (speed harmonization), which has been shown to reduce crashes and increase roadway capacity by stabilizing traffic flow.

Figure 3. Example of active traffic management from Washington State

Source: [Washington State Department of Transportation.]()

While the Tollway has studied the use of congestion pricing on the new lane, it has elected not to implement the policy on the Addams when the reconstruction and widening is complete in 2016. The ITS infrastructure will be in place to support a future decision to use congestion pricing, but converting to congestion pricing later may present a challenge for public acceptance. The Tollway is also working closely with Pace to operate a bus-on-shoulder program along the Addams, which is partly funded by CMAP through the Congestion Mitigation and Air Quality Improvement program.

Transit Improvements

Projects that rehabilitate transit lines to improve asset condition and that add service to accommodate greater ridership are major elements of GO TO 2040's focus on maintaining and modernizing existing infrastructure. These projects add capacity by making improvements to track, platforms, and stations for the purpose of increasing the number of riders that can move through the system. Some of these investments are part of the CREATE program or involve operational improvements that make the freight and passenger rail system work more efficiently. This enhances the region's economic competitiveness.

The transit improvement projects recommended in GO TO 2040 support existing communities and also create new opportunities for transit-supportive development. Considerable planning has been completed both for the stations and broader communities around these investments, although plans are not yet in place for all stations proposed as part of the major capital projects. Completing and implementing these plans is a priority. The plans should seek to foster livable communities and support the region's substantial investment in new and proposed transit infrastructure by promoting land use patterns that allow transit access.

CTA North Red/Purple Line Modernization
This project envisions a modernization of the 100-year old "El" lines serving the north side of Chicago and near north suburban communities. The Red and Purple Line modernization will provide significant reinvestment in existing communities and upgrade the CTA's most heavily used rail line. Dilapidated viaducts and crumbling infrastructure will be replaced or improved, building a new elevated structure and providing a quieter, more livable environment. The improved facility is also expected to experience significantly lower operating and maintenance costs once it is brought to a state of good repair. A Brown Line flyover at Clark Junction, which would decrease travel time for riders by allowing Brown Line trains to cross above the Red and Purple Line tracks, is also being considered for the project.

The CTA is analyzing traditional and innovative funding options. The project recently received authorization to apply for funding under the new Core Capacity Program of the Federal Transit Administration's New Starts transit funding program. The Core Capacity Program allows existing systems to apply for New Starts funds if they expand capacity by at least 10 percent in transit corridors that are currently at or above capacity. The project also has the potential to use innovative funding methods like value capture or obtain innovative financing through the federal Transportation Infrastructure Finance and Innovation Act (TIFIA) program, which provides low-cost loans to transportation projects. CMAP's financial plan assumes value capture will provide approximately five percent of the project's total cost.

West Loop Transportation Center Phase I Improvements
The West Loop Transportation Center is envisioned as a new transportation hub that would reconfigure Chicago Union Station and ultimately lead to greatly improved connections between rapid transit, bus, commuter rail, and intercity rail services, supporting the GO TO 2040 goal of seamless coordination between transit modes. The Union Station Stage 1 Master Plan determined that work on the project should take place in two key phases: Phase 1 improvements to existing facilities east of and within Union Station, and Phase 2 development of a new underground transitway in the West Loop.

In the GO TO 2040 plan update, only Phase 1 is included in the fiscally constrained project list. Phase 1 will increase capacity within the existing footprint of Chicago Union Station by creating new platforms and tracks and by repurposing currently inactive tracks and platforms formerly used for mail handling. It will also expand the passenger-carrying capacity of existing platforms used by commuter trains, reconfiguring the station's internal spaces to increase passenger capacity. Finally, the project will create the capability to through-route some intercity trains and improve traffic circulation around Union Station. CMAP has funded a portion of this work through the Congestion Mitigation and Air Quality Improvement Program.

Metra Rock Island Improvements

Metra's proposed improvements to the Rock Island District (RID) Line will enhance coordination between freight traffic and Metra trains as well as allow for eventual connection of the SouthWest Service (SWS) with LaSalle Street Station. This connection and other improvements will improve rail freight movement through the region, reduce congestion, and improve access at Union Station. Proposed improvements include adding a third track to the nine-mile double-track portion (between Gresham Junction and a point north of 16th Street Junction) of the RID Line. The proposed upgrade also includes the CREATE P1 Project, new bi-directional signals, centralized traffic control to integrate with existing RID operations, several new or rehabilitated bridges over city streets, and an expanded and modernized 47th Street Yard. CREATE Project P1 is a rail flyover expected to eliminate conflict between 78 Metra Rock Island trains and approximately 60 freight and Amtrak trains that presently cross at grade through the Englewood Interlocking each day. This portion of the RID project is fully funded and under construction.

Metra SouthWest Service Improvements

The SouthWest Service Improvements project will reduce congestion at Union Station and improve freight movements within and through the region. As part of the CREATE 75th Street Corridor Improvement Project, it will address the most congested rail chokepoint in the Chicago Terminal District. As part of this project, the SouthWest Service will be rerouted to terminate at LaSalle Street station, relieving congested operations at Union Station. The improvements also include constructing a two-mile segment beginning west of Belt Junction to carry trains over the parallel Norfolk Southern service along 74th Street to the Rock Island District Line tracks to provide improved reliability with fewer operating conflicts.

Metra UP North Improvements

The Union Pacific (UP) North Improvements will improve the operating capacity and reliability of the line between Ogilvie Transportation Center and Kenosha through installation of additional crossovers and track improvements. A new outlying coach yard will allow for more efficient servicing of equipment and accommodate expansion of service. Additional upgrades to existing stations will accommodate an expected increase in passengers in both the traditional commute and reverse commute direction. A new station at Peterson and Ridge Avenues is also proposed, and improvements to the existing Hubbard Woods Station are proposed to expand transportation options for these communities.

Metra UP West Improvements

The Union Pacific (UP) West Improvements will provide track, signal, safety, and infrastructure improvements to increase passenger service and coordinate with freight traffic. Specifically, a third track will be added to an existing double-track portion of the line east of Elmhurst. Also proposed is moving the current crossing with the Milwaukee District and North Central lines at Western Avenue to a new location one mile east. These improvements will enable the UP West to better serve as an alternative to the Burlington Northern Santa Fe (BNSF) line and also to operate more effectively in coordination with freight rail movements. In combination, these improvements would allow for an increase in service from 59 to 80 trains per day, nearly doubling estimated passenger miles traveled on the line. Part of the project involves upgrades to signal systems, crossovers, pedestrian safety improvements, and new triple track. Most of the pedestrian diversion construction was completed in summer 2011, and construction of signals and crossovers is currently proceeding.

New Projects and Extensions

The focus of GO TO 2040 is first on maintaining and modernizing the existing system, then strategically adding capacity to existing facilities, and only then building entirely new projects. GO TO 2040 recommends a small number of critically important new projects, discussed below.

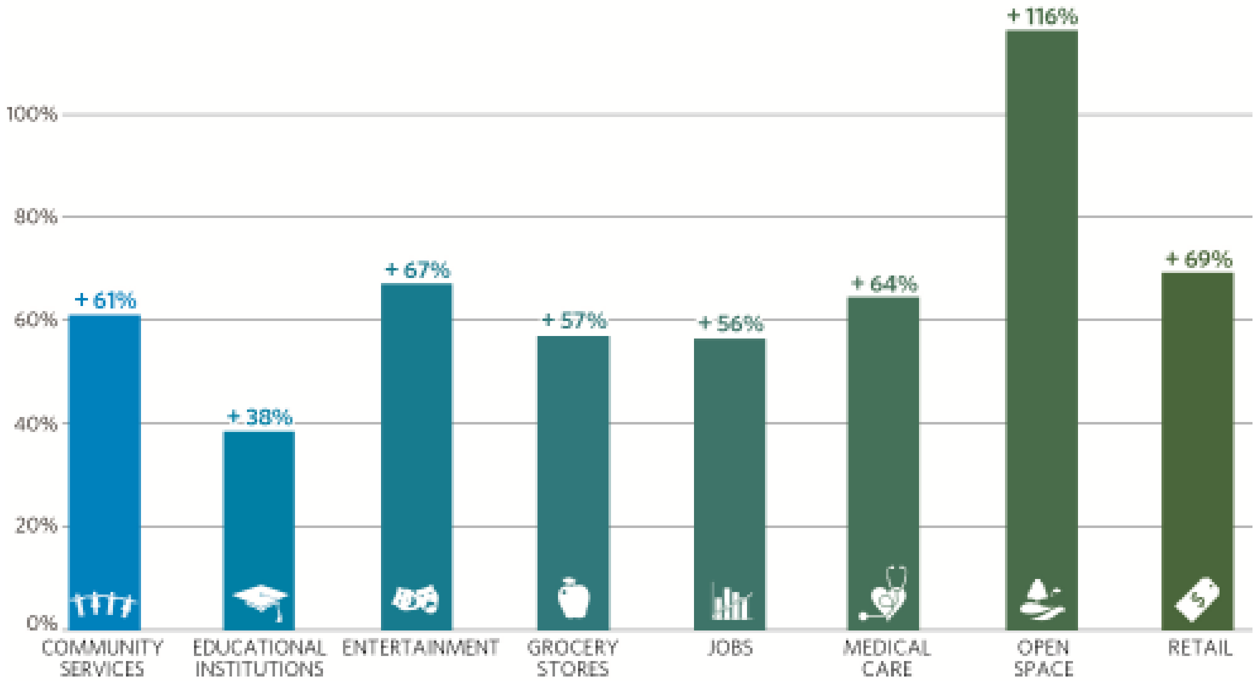
CTA Red Line South Extension

The CTA Red Line currently terminates at the 95th Street/Dan Ryan station, which through the 1990s and most of the 2000s was the busiest CTA station outside of downtown Chicago because of its numerous connecting bus lines. South of 95th Street, residents struggle with long commute times and multiple transit transfers required to reach work, school, medical appointments, and services. By extending the Red Line south to 130th Street, the area it serves would see improved access to jobs and services, reduced travel times by streamlining CTA and Pace bus-to-rail connections, and enhanced livability and economic impact in distressed neighborhoods.

The Red Line south extension would be approximately 5.3 miles in length and add new stations at 103rd Street, 111th Street, and Michigan Avenue (115th) before terminating at 130th Street. The investment would cut transit travel time from 130th Street to the Chicago Loop by 21 minutes or 34 percent. It would also dramatically increase access to a variety of services and amenities for residents of the greater Roseland area to be served by the project (Figure 4). This access would offer residents significantly more employment opportunities and contribute to an improved quality of life. Because of its proximity to an interchange with the Bishop Ford Expressway, the large (2,300-space) park-and-ride lot to be constructed at the 130th Street station will provide new commute options for southern Cook County as well.

While there is a large stock of affordable housing in the greater Roseland area, residents experience longer and more expensive commutes than the rest of the region. In particular, Roseland commuters drive to work alone at a rate 10 percentage points higher than the City of Chicago as a whole and spend a higher proportion of their income on transportation costs. By making transit use more viable, the Red Line Extension will improve overall affordability in the area it serves. Furthermore, the Red Line Extension has the potential to spur revitalization of the area around the proposed stations.

Figure 1. Increase in number of services and amenities that can be accessed within 60 minutes with the Red Line Extension



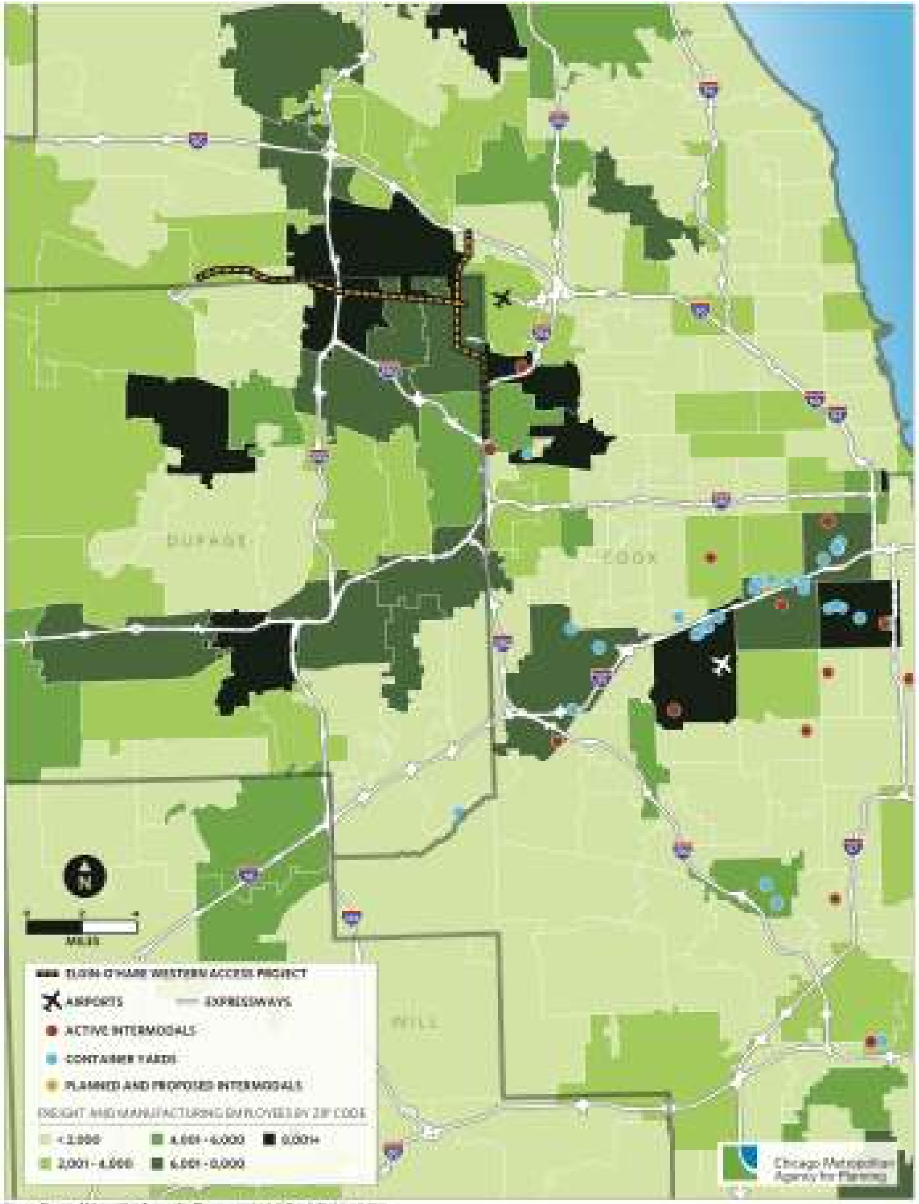
Source: Chicago Metropolitan Agency for Planning analysis, 2012.

Perhaps the biggest challenge for the Red Line Extension is the specific allocation of funding to this project relative to other investments. Current CTA efforts are focused on reconstruction of the existing system, and this is appropriate given GO TO 2040's emphasis on modernization. However, the project has significant local support and substantial planning efforts have been undertaken by stakeholders in the community to lay the local groundwork for the facility.

Elgin O'Hare Western Access

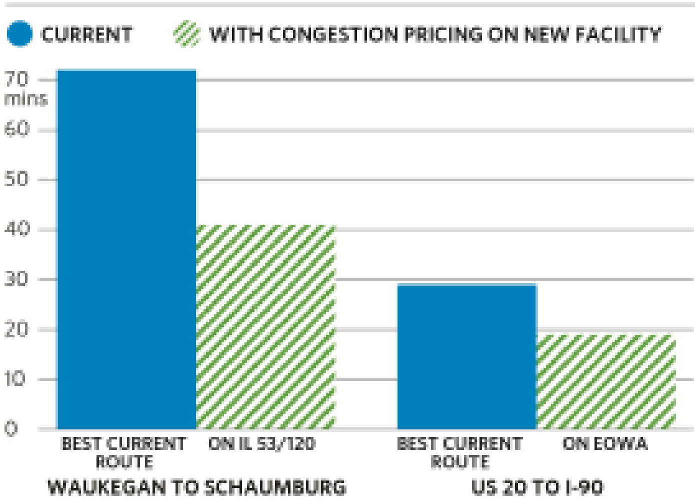
While the area around O'Hare International Airport owes its economic vitality to its unique convergence of air, road, and rail infrastructure, the same assets have also led to significant congestion problems for truck and passenger traffic. The Elgin O'Hare Western Access (EOWA) project will provide a new, limited-access facility to reduce congestion and improve access to the airport. The project includes three main components: reconstructing and widening the existing Elgin O'Hare Expressway, extending the expressway east to O'Hare International Airport, and adding an expressway around the western side of O'Hare from I-90 to I-294 (the western bypass). All three components will be tolled. The first two components are expected to be complete in 2018, while the western bypass is planned for 2025. Federal approval for the EOWA was given on January 24, 2013, and construction is now underway. Portions of the interchanges and grade separations required to support the project are being funded through CMAP's Congestion Mitigation and Air Quality Improvement Program.

Figure 2. The EOWA and CMAP region freight and manufacturing employment



The EOWA provides critical support to the most significant cluster of freight and manufacturing employment in the region (Figure 5). It would also eventually provide access to the planned western terminal of O'Hare. In addition, the EOWA provides meaningful travel time savings (Figure 6) and yields the highest increase in access to jobs by automobile of any of the projects considered. While the project does reserve right-of-way for future transit improvements, there are no specific commitments to providing this service. Planning for and implementing enhanced transit service that improves access to this regional employment center will be critical over the long term. Consideration should be given to implement congestion pricing on the EOWA as well.

Figure 3. Travel time savings on an example trip using IL53/120 and EOWA (AM peak)



Note: EOWB = Elgin O'Hare West Access.
Source: Chicago Metropolitan Agency for Planning analysis.

IL 53/120 Tollway

As development in central Lake County in recent decades has led to severe arterial traffic congestion, several attempts have been made to plan and build a north-south route through central Lake County. Those efforts were stalled by strong concerns over negative community and environmental impacts as well as funding challenges. In the past two years, the project has made significant progress via the Tollway's 53/120 Blue Ribbon Advisory Council (BRAC), which developed consensus among communities, environmental groups, and other key stakeholders to build a "21st Century modern boulevard" in the corridor. In line with BRAC recommendations, the project is envisioned as a limited-access, four-lane, 45-mph tolled facility that uses congestion pricing to help manage demand. It would utilize a context-sensitive design that protects Lake County's communities and environmental assets. The project would extend the existing, limited-access IL Route 53 from its terminus at Lake-Cook Road to join IL Route 120 to the north. Additionally, an extension of the limited-access portion of IL Route 120 is proposed. This project would offer significant travel time savings over travel on the arterial network (Figure 6).

Beyond the BRAC's effort, work is still needed to finalize the roadway design, plan for supportive land use, and develop a funding plan. As part of its Illinois 53/120 Feasibility Analysis, the Tollway has convened a Finance Committee comprised of local officials and stakeholders to develop a financing strategy for the facility. The Committee will evaluate both traditional and innovative revenue sources for the facility, including congestion pricing and value capture. The expectation is that toll revenue from the facility will be used to help fund its construction.

Of all the capital projects considered in the GO TO 2040 update, the IL 53/120 Tollway would have the highest congestion reduction benefits for both automobile and freight traffic. It would also have the largest economic impacts of any project. Although the environmental impacts from a conventional road design would also be high, work by the BRAC and furthered by CMAP in the corridor land use plan strongly suggests that the road can be designed to protect environmental assets and local community character. Planning for supportive land use will be critical to meet the mobility and livability goals of the project. In March 2014, CMAP, Lake County, and the Tollway initiated development of the Illinois Route 53/120 Corridor Land Use Plan. This multi-year effort will engage relevant municipalities, the environmental and economic development communities, and other stakeholders in a facilitated, open process to create a plan for land use, open space, local transportation, and economic development within a two-mile buffer of the proposed IL 53/120 right of way.

Illiana Expressway

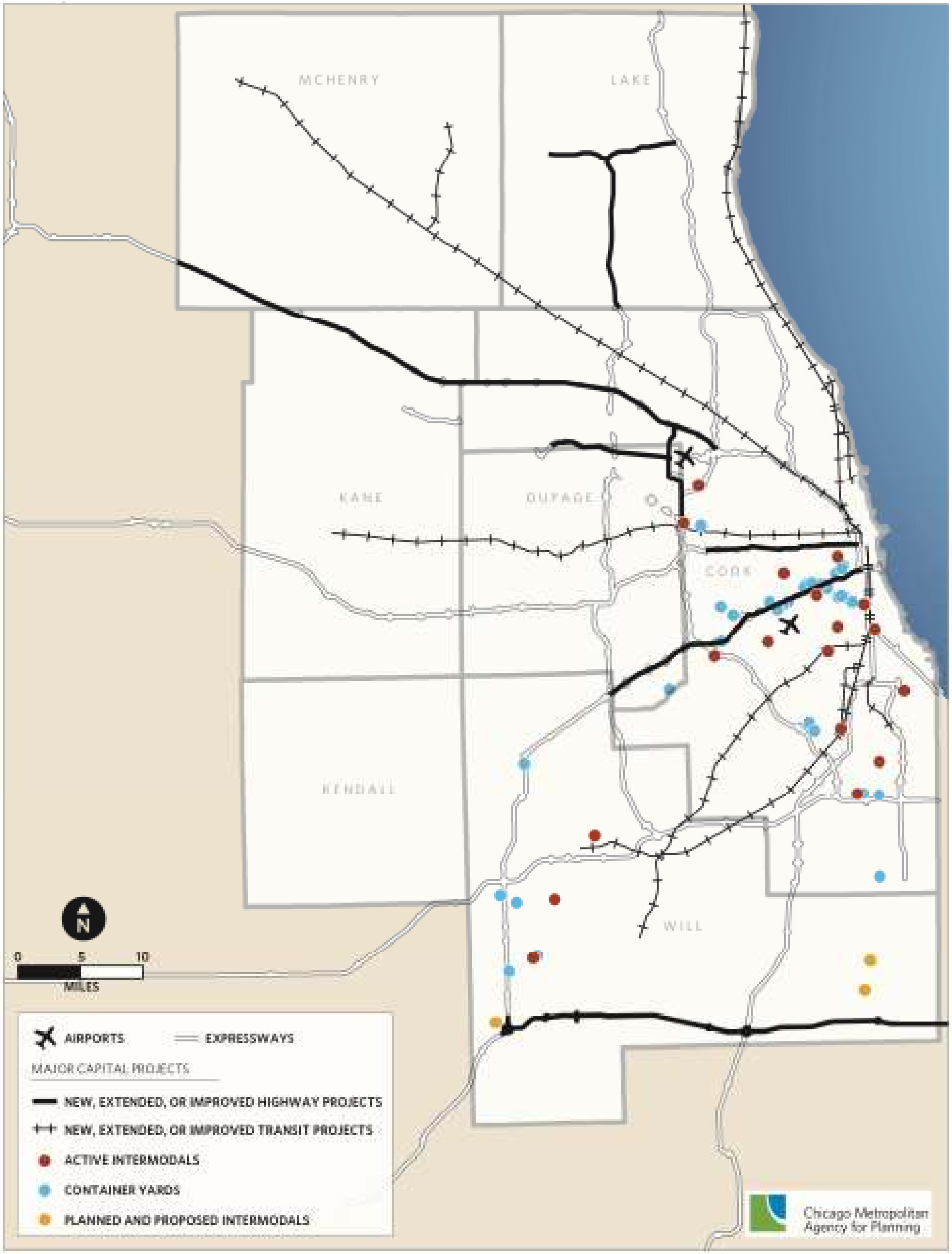
Metropolitan Chicago maintains a significant competitive advantage over other freight hubs in intermodal operations, which facilitate the transfer of goods between truck and rail freight. Well-chosen investments in transportation infrastructure will be critical to maintain that competitive position over the long term. The Illiana Expressway is designed to support the region's growing freight cluster.

The proposed 47-mile, four-lane Illiana Expressway is envisioned as a bypass of I-80 for long-distance truck freight, as well as an alternative for heavy truck travel that is currently utilizing local roadways in Will County. Over the last decade, three new intermodal facilities have been developed in the western portion of Will County, and several additional intermodal facilities are proposed (Figure 7). This growing concentration of intermodal activity in Will County has driven an increase in truck traffic on local roads that are not configured for heavy truck use. In fact, modeling suggests that about 50 percent of the traffic on the facility would be heavy trucks.

The Illiana is on an accelerated timetable. The Tier 2 Environmental Impact Statement for the project is nearing completion, with the expectation of beginning construction in 2015 and opening to traffic in 2018. IDOT is pursuing use of a public-private partnership (P3) for the Illiana Expressway. GO TO 2040 supports the use of P3s as an innovative and efficient public finance tool, and also states that these arrangements must be handled with a high degree of transparency and care. IDOT has indicated that it intends to pursue an availability payment P3 model for the Illiana Expressway, an approach that may transfer risk in achieving projected toll revenues to the public sector.

A significant implementation challenge for the project is planning for growth that meets the tenets of GO TO 2040. The alignment for the Illiana is well to the south of the urbanized area. GO TO 2040 supports reinvesting in existing communities, pursuing opportunities for more compact, walkable, and mixed-use development, and providing a range of housing options. Local planning to meet these goals should be seen as a key part of the overall project.

Figure 4. CMAP region intermodal and container facilities



Source: Chicago Metropolitan Agency for Planning analysis.

Metra UP Northwest Improvements and Extension

Two improvements are proposed on the UP Northwest line: infrastructure upgrades and a 1.6 mile extension to Johnsburg from McHenry. Infrastructure upgrades include improvements to the existing signal system and additional crossovers and other track improvements to increase operating capacity and reliability. Two additional stations will be added to the line at Prairie Grove on the McHenry branch and Ridgefield on the Woodstock branch. In addition, new yards are planned for the Woodstock and Johnsburg areas. These combined improvements, the extension, and new stations are estimated to considerably increase passenger miles traveled on the line. This project serves a substantial population of 2.8 million residents within 5 miles, and 1.6 million jobs. The full line travels through a major employment corridor in the Northwest suburbs, and the extension would increase access to jobs there and in downtown Chicago. Planning for transit-supportive development at new stations and for feeder bus service will increase access along the line.

Costs

The major capital projects in the GO TO 2040 update come to $12.33 billion in year-of-expenditure dollars with reconstruction costs of $8.50 billion for a total of $20.83 billion. In the original plan, $10.5 billion was budgeted for major capital projects, with an equal amount set aside for reconstruction costs, totaling $21.00 billion. Thus, the overall expenditure on these facilities is nearly the same. Project cost information is provided in Table 1.

Since the March 2014 memo to the Transportation Committee, additional contributions from value capture have been assumed for the Red/Purple Line Modernization and the IL 53/120 Tollway projects. Initial meetings of the IL 53/120 Finance Committee suggest that stakeholders look most favorably on value capture out of the available options to help close the funding gap on that project. After discussion with the Tollway, IL 53/120 is also assumed to be open to traffic earlier than in the previous memo.

Overall, the major capital projects are a very small part of meeting the region's travel needs. The financial plan prepared as part of the GO TO 2040 update indicated that approximately $371 billion (in year of expenditure dollars, or YOE$) in funding from existing or reasonably expected sources is likely to be expended on transportation capital and operating expenses between now and 2040.

Other Projects

Please note that while they are not itemized in this memo, numerous other projects continue to be priorities for GO TO 2040. These include bus rapid transit (BRT) projects such as the CTA's Ashland BRT, arterial rapid transit projects, elements of the CREATE program, and others. These projects are included, but not specifically listed, in the systematic enhancements budget of the financial plan. This overall approach is discussed in a previous memo. Similarly, the Metra Milwaukee District North Improvements project is considered a strategic enhancement and so can proceed at any time without being itemized in the financial plan. They should be eligible for federal funding and be allowed to proceed through the federal project development process.

Table 1. Costs of major capital projects recommended for fiscal constraint

Project	Project information				Costs for new capacity in YOE$b					Associated reconstruction costs, YOE$b
	Sponsor	Year	Capital cost, 2014$b	Percent of cost for new capacity	Capital cost, YOE$b	Operating costs to 2040, YOE$b	Total project cost, YOE$b	Cost offset by new project-specific revenue	**Constrained cost, YOE$b**	
Elgin O'Hare Western Access	Tollway	2020	2.15	99%	2.52	0.20	2.72	52%	1.11	0.03
I-90 Reconstruction and Widening	Tollway	2016	1.27	17%	0.23	0.07	0.30	0%	0.30	1.11
Illinois 53/120 Tollway	Tollway	2020	2.10	88%	2.78	0.08	2.87	30%	1.63	0.32
I-294/I-57 Interchange	Tollway	2024	0.35	75%	0.35	0.01	0.36	0%	0.36	0.12
I-55 Express Toll Lanes	IDOT	2020	0.40	80%	0.38	0.03	0.41	19%	0.33	0.10
I-290 Express Toll Lanes	IDOT	2020	1.60	20%	0.38	0.01	0.39	24%	0.30	1.53
Illiana Expressway	IDOT	2016	1.00	100%	1.06	0.46	1.52	53%	0.71	-
I-190 Access Improvements	IDOT	2020	0.38	20%	0.09	0.00	0.09	0%	0.09	0.36
Circle Interchange Reconstruction	IDOT	2015	0.41	20%	0.08	0.00	0.09	0%	0.09	0.34
Red Line Extension (South)	CTA	2020	1.70	82%	1.66	0.23	1.90	0%	1.90	0.37
Red/Purple Line Modernization	CTA	2020	4.20	64%	3.21	(0.06)	3.15	5%	2.99	1.81
UP Northwest Extension	Metra	2020	0.58	50%	0.35	0.19	0.54	0%	0.54	0.35
SouthWest Service Improvements	Metra	2020	1.03	25%	0.31	0.16	0.47	0%	0.47	0.92
UP North Improvements	Metra	2020	0.45	25%	0.13	0.07	0.21	0%	0.21	0.40
UP West Improvements	Metra	2020	0.52	25%	0.16	0.08	0.24	0%	0.24	0.47
Rock Island Improvements	Metra	2020	0.05	25%	0.02	0.01	0.02	0%	0.02	0.05
West Loop Trans. Center: Phase 1	CDOT	2020	0.84	75%	0.75	0.30	1.05	0%	1.05	0.25
Total for all projects									**12.33**	8.50

Action Requested: Discussion