

**Minutes of Meeting  
SATS POLICY COMMITTEE  
July 18, 2013**

**ATTENDANCE****Policy Committee Voting Members**

<input checked="" type="checkbox"/>	Frank Squires, Chair	Springfield Mass Transit District
<input type="checkbox"/>	Willis Logan, Vice Chair	City of Springfield
<input checked="" type="checkbox"/>	Tom Gray	Village of Chatham
<input type="checkbox"/>	Brian McFadden	Sangamon County
<input checked="" type="checkbox"/>	Brad Mills	Springfield-Sangamon County Regional Planning Commission
<input checked="" type="checkbox"/>	Roger Driskell*	Illinois Dept. of Transportation (IDOT): Region 4, District 6

\* Represented by Sal Madonia

**Policy Committee Non-Voting Members**

<input type="checkbox"/>	Thomas Caldwell	IDOT: Urban Program Planning
<input type="checkbox"/>	JD Stevenson	Federal Highway Administration (FHWA): Illinois Div. Office
<input type="checkbox"/>		Federal Transit Administration

**Others**

Rebecca Gordon – Transportation for Illinois Coalition (TFIC)  
 Jennifer Morrison - Transportation for Illinois Coalition (TFIC)  
 Amy Uden – Regional Planning Commission  
 Dale Schultz – Regional Planning Commission  
 Jeff Fulgenzi – Regional Planning Commission  
 Norm Sims – Regional Planning Commission  
 Linda Wheeland – Regional Planning Commission  
 Brian Sheehan – Regional Planning Commission  
 Neha Soni – Regional Planning Commission

**I. CALL TO ORDER**

Chair Frank Squires called the meeting of the SATS Policy Committee to order at 12:04 PM.

**II. APPROVAL OF MINUTES**

Squires asked if there were any additions or corrections to the minutes of the June 13, 2013 SATS Policy Committee meeting. Tom Gray made a motion to approve the minutes as submitted. Sal Madonia seconded the motion and the vote to approve was unanimous.

**III. TECHNICAL COMMITTEE REPORT**

There was no report.

**IV. 2035 LONG RANGE TRANSPORTATION PLAN (LRTP)**

There was no report.

**V. FY 2013-2016 TRANSPORTATION IMPROVEMENT PROGRAM****A. Administrative Modification #8 (Springfield – Chatham Road Bridge)**

Linda Wheeland introduced Administrative Modification #8:

Wheeland explained that last month an administrative modification was processed based on a notification from IDOT that the Chatham Road bridge project funding status had been changed to Advanced Construction (AC). The notification however was in error and the Funding status was not changed to AC so another modification was processed to delete AC status from this project as follows:

### CHATHAM ROAD BRIDGE

Status of this project has changed from “Advanced Construction” to “Current Status” and the FY 2013-2016 Transportation Improvement Program has been modified to reflect this change as shown below.

Project/Jurisdiction/Class	Location	Action/Comments	Funding Source	Total Cost
3 Chatham Road Bridge (FAU 8006) Springfield Minor Arterial	<b>Termini:</b> Structure No. 084-3041 0.3 miles north of Wabash Avenue	ROW Acquisition, Utility Relocation, C & CE for Bridge Replacement	Springfield	589,000
	<b>Project#</b>		STP-Br	2,356,000
	<b>TIP#</b> 02-2011-05			
				<b>\$2,945,000</b>

#### B. Administrative Modification #9 (IDOT – IL 97 Safety Lighting)

Linda Wheeland introduced Administrative Modification #9:

### IL 97 Safety Lighting

Status of this project has changed to “Advanced Construction” and the FY 2013 Annual Element of the FY 2013-2016 Transportation Improvement Program has been modified to add AC to the federal funding source as shown below.

Project/Jurisdiction/Class	Description	Action/Comments	Funding Source	Total Cost
A17 AM 9 IL 97 State Other Principal Arterial	<b>Termini:</b> Moore Rd, Hazlett Ln, & Koke Mill Rd intersections	Safety lighting	HSIP (AC)	90,000
	<b>Project#</b> 72G04		State	10,000
	<b>TIP#</b> 04-2013-15			
				<b>\$100,000</b>

#### C. Administrative Modification #10 (Chatham – Plummer Boulevard Multi-Use Trail)

Linda Wheeland introduced Administrative Modification #10:

### Plummer Boulevard Multi-use Trail

Status of this project has changed to “Advanced Construction” and the FY 2013 Annual Element of the FY 2013-2016 Transportation Improvement Program has been modified to add AC to the federal funding source as shown below.

Project/Jurisdiction/Class	Description	Action/Comments	Map #	Funding Source	Total Cost
A18 AM10 Plummer Boulevard Multi- use Trail Chatham Trail	<b>Termini:</b> Park Avenue to Gordon Drive	PEI, PEII, Construction Engineering, Construction	A18	Chatham	87,605
	<b>Project#</b>			ITEP (AC)	350,400
	<b>TIP#</b> 01-2013-01				
					<b>\$438,005</b>

#### D. Amendment #25 (SMTD – CNG Station)

Frank Squires introduced Amendment #25:

**WHEREAS**, the Springfield Area Transportation Study (SATS), in cooperation with the Illinois Department of Transportation, has a comprehensive, cooperative, and continuing (3C) planning process for

transportation planning in compliance with Federal regulations for the urbanized area; and

**WHEREAS**, the Springfield Area Transportation Study approved the Transportation Improvement Program (TIP) for FY/2013-2016 on October 11, 2012; and

**WHEREAS**, the Springfield Mass Transit District is in the process of replacing a Compressed Natural Gas (CNG) fueling station located at the District; and

**WHEREAS**, the cost for this project has increased since first appearing in the Transportation Improvement Program for FY 2012 and the funding had been shown as 5309 and IDOT TDC only; and

**WHEREAS**, the Springfield Mass Transit District requests that the FY-2013 Annual Element of the FY/2013-2016 TIP be amended by adding the project listed below as Transit Priority 1 and changing the priority of the other SMTD projects accordingly; and

**Project Description and Funding:**

Project/Jurisdiction/Class	Description	Action/Comments	Funding Source	Total Cost
A25 CNG Station	<b>Description:</b> Replace CNG fueling station	This project was originally shown in FY 2012. Cost and funding source changes have since occurred.	IDOT TDC	
SMTD	<b>Project#:</b> Transit Priority 1		FTA 5307	592,000
Urban Transit	<b>TIP#:</b> 06-2012-09		FTA 5309	1,000,000
				<b>\$1,592,000</b>

**WHEREAS**, the funding used for this project will not affect any other project in the TIP; and

**NOW, THEREFORE, BE IT RESOLVED**, that the Technical Committee has voted to recommend approval of the Twenty-fifth Amendment to the FY/2013-2016 Transportation Improvement Program to the Policy Committee.

Tom Gray made a motion to approve Amendment #25. Brad Mills seconded the motion and the vote to approve was unanimous.

**VI. TECHNICAL ADVISOR UPDATES**

**A. Illinois Department of Transportation: Central Bureau of Urban Program Planning**

No report was given.

**B. Federal Highway Administration: Illinois Division Office**

No report was given.

**VII. AGENCY UPDATES**

**A. Springfield-Sangamon County Regional Planning Commission**

Norm Sims explained that everything he wanted to update the committee on would be explained in the TFIC presentation.

**B. Springfield Mass Transit District**

No report was given.

**C. City of Springfield**

No report was given.

**D. Sangamon County**

No report was given.

**E. Illinois Department of Transportation: Region 4, District 6**

Sal Madonia updated the committee on several projects, the first being the work at Clear Lake and Dirksen, where only the erection of overhead sign trusses remained. Regarding a project near the intersection of Veterans Parkway and Jefferson Street, Madonia stated curb and gutter work had been completed the previous week, and the paving operations had just started.

Another project, on the Veterans Parkway bridge over the ICC railroad near Interstate 72, recently had dip corrections completed on it, and on 6<sup>th</sup> Street Road south of Stevenson Drive, a resurfacing project had recently begun. The repaving of IL 4 from Chatham to Auburn had also recently started.

Norm Sims asked if IDOT was closer to full completion of the MacArthur Boulevard extension project funding reconciliation. Madonia explained that one of the biggest problems has been the unusually large number of funding sources from which the project money came, as well as that plans are out at the IDOT Central office to be finalized. Madonia added he would not likely know if the project had come in under or over budget until relevant work at the City of Springfield and the IDOT Central office was complete.

**F. Village of Chatham**

No report was given.

**VIII. PUBLIC COMMENTS**

No public comments were given.

**IX. UNFINISHED BUSINESS**

There was no unfinished business.

**X. NEW BUSINESS**

**A. Transportation for Illinois Coalition (TFIC) Presentation**

Two representatives from the TFIC, Jennifer Morrison and Rebecca Gordon, were on hand to give a presentation outlining a proposal to address the sustainability of funding for transportation projects within the State of Illinois. Morrison began by explaining that TFIC is a coalition of 65 organizations chaired by the Illinois Chamber of Commerce and the Illinois Labor Relations Board. Among the organizations that comprise the TFIC include transit districts, non-profits, and various industry associations.

With the ceasing of funding from the 2009 "Illinois Jobs Now!" capital program next year and the decline of user fees from a per-gallon retail gasoline tax, due to a combination of the tax not keeping up with inflation and the greater fuel efficiency of newer vehicles, revenues are expected to decline by a total of \$2 billion for transportation projects by FY 2018 to \$1.5 billion. This will result in a slow decline in revenues for local and highway road projects and a complete cessation of transit funding starting in FY 2017.

Because of this, TFIC met with communities throughout the state to get input regarding what various local areas

may need in terms of funding, with the end goal of determining funding sources for transportation that are sustainable, would not decline over time, and have potential for growth. Especially important would be sources of funding that could be used to help maintain existing infrastructure in addition to supporting infrastructure growth.

Morrison explained that the first page of Attachment #1 (see below) provides a brief summary of both the impacts of not having a new transportation funding program in place, as well as components of the funding proposal and the reasoning behind it. Page 2 of this attachment outlines the declines in funding for roads and transit that would occur over time between FY 2013 and FY 2018. One-third of roadway miles and one-tenth of bridges would be in poor condition without a new designated funding source.

Creating a sustainable funding source through a user fee would make it less politically palatable to pull it out of the transportation stream and into general funding. Thus, the idea became to put a 9.5 percentage tax on the wholesale price of fuel, which would replace the existing 19 cents per gallon retail gas tax. Based on an assumed wholesale price of \$2.70, the TFIC looked at how far this price would have to drop where the state would be losing money and determined that it would be at a rate of \$1.67 before that happened. Morrison said was very unlikely to happen long-term. The gasohol credit would also be eliminated due to the prevalence of pumps containing such fuel throughout the state.

Other potential funding sources identified include small increases to fees such as those of driver's licenses, vehicle registrations, certificates of title, as well as a much larger increase to electric car registration (from \$17.50 to \$222 per year), as they can cause just as much wear and tear on the roads as any car but do not have to pay the user fees of any gas tax.

Tom Gray asked Morrison how this bill may impact the 55/45 funding split between the Chicago area and downstate Illinois. It was clarified that no language in the bill would change this unofficial split. Morrison stated she felt that the higher gas prices (13¢ more per gallon for ethanol, 7¢ more per gallon for diesel) would create enough of a controversy in and of itself and in part contributed to there being no proposed change to that split.

Morrison explained how this new bill would impact local governments in Sangamon County, and determined that the county itself would be projected to get an additional \$900,000 per year, the City of Springfield \$1.3 million more and the Village of Chatham an additional \$130,000 per year. For all units of local government in Sangamon County, this increase would total \$3.35 million annually. These values assume the current 55/45 split.

Morrison explained the rationalization of giving 20 percent from highway user fees to transit and rail, and said that the elimination of the ethanol credit, which alone would funnel additional money into general revenues, would instead help directly funnel more money into various forms of transportation as a part of the proposed bill. Sims said that one of the complaints he had heard about this is that truck drivers would be helping subsidize transit users, but Sims explained that its taking vehicles off the road would help clear congestion. Gray asked if this reduction in traffic is enough to make the roads last longer, but Sims said it probably wouldn't, as he explained that road damage is disproportionately caused by trucks, not cars. Sims said this may be particularly problematic politically as the tax on wholesale diesel would end up subsidizing a competing mode for carrying freight on rail.

Sims stated that other MPOs are interested in this bill and are interested in taking a position on the bill. Sims explained that possibly the only hangup MPOs have had is regarding what the upstate/downstate split will be. He asked Morrison if she knew the Farm Bureau's opinion on the bill. Morrison explained that nearly all the significant opposition from the agricultural community has come from corn growers against the elimination of the gasohol credit, and the primary opposition to the bill has come from petroleum marketers, the Petroleum Council, and owners of gas stations near Illinois' borders with other states.

Sims said one of the things he felt was important was determining elasticity in the price of gasoline, referring to how the price of gasoline impacts demand for it. Sims cited increasing taxes on cigarettes as contributing to a

significant decrease in their purchase and thus a decrease in tax revenue from taxes on cigarettes. There is a concern that the same could happen regarding the price of gasoline. Sims asked why hybrid vehicles are not treated similarly to electric vehicles with regards to hybrids not having an increased vehicle registration fee. Morrison stated that the Secretary of State's office would have difficulty determining which vehicles are hybrids under the current tracking system, which lacks a regulatory incentive for doing so as is found in California. Morrison added that CNG would also be taxed under the TFIC proposal and would thus bring additional revenue to state transportation funding.

Morrison added that since the bill was unable to be prepared in time for the 2013 Spring session of the General Assembly, it would likely be pushed all the way to the Fall 2014 session (the first following the November 2014 general elections) as many representatives may shy away from showing support for the TFIC bill so close to an election cycle. With that said, Morrison explained that the TFIC may be able to start building support as well as close in on the final version of the bill in the upcoming fall session this year.

Morrison added that a key component of marketing this bill, due to the windfall that local units of government would receive, would be the education of communities near borders with other states to encourage residents to buy gas in Illinois so there is sufficient revenue to maintain roadways throughout the state.

Sims asked Morrison what she believes the economic impact of this bill may be, as he believed that the additional construction work that would result from such a bill would boost the economy due to the additional jobs that may result, as well as possibly reducing the need for income tax increases down the road. Morrison stated the TFIC had not looked in detail at that, but it may be the additional level of data analysis needed to help grow additional support for the bill. She stated that pushing the bill to the Fall 2014 session would likely give adequate time to make that happen.

**B. Next Meeting Date – Thursday, August 8, 2013 at 12:00 PM**

**XI. ADJOURNMENT**

There being no further business, Chair Squires called to adjourn. Brad Mills made a motion to adjourn. Tom Gray seconded the motion and the vote to adjourn was unanimous.

The regular meeting was adjourned at 12:37 PM.

Respectfully Submitted,

Brian Sheehan  
Recording Secretary




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**TRANSPORTATION FOR ILLINOIS COALITION (TFIC)**  
**A PROPOSAL TO PREVENT THE COLLAPSE OF CONSTRUCTION FUNDS**

A transportation funding crisis is looming. When the "Illinois Jobs Now" capital program approved in 2009 expires next year the funds available for transportation related construction is projected to decline by approximately \$2 billion, the number of projects are projected to decline by two-thirds and the number of constructions jobs will decline by well over half to fewer than 20,000 by FY 2018. Without new funds Illinois will have 5000 miles of state roads classified as in bad repair by then. This means 1 in every 3 miles of road and 1 in every 10 bridges will be unacceptable. Some CTA rail lines claim 30% designated as "slow zones" due to poor repair. METRA trains and PACE buses are aged and in need of replacement. Likewise, the state's commitment to CREATE is expired.

Traditional user fees are stagnant or declining while construction costs and needs for maintenance continue to grow. Because all revenues generated in 2009 were dedicated to retiring bonded indebtedness nothing is left from that program to sustain annual "pay as you go" maintenance and repair programs or to undertake additional projects from state source funding. There is no on-going transit bonding or stable state revenue stream for transit capital for on-going maintenance.

In order to maintain the state's commitment to infrastructure investment and support continued private sector economic growth the Transportation for Illinois Coalition proposes an \$800 million annual increase in user fees to be used solely for on-going maintenance of transportation networks. The TFIC proposal, as set forth in HB 3637 (sponsored by House Majority Leader Barbara Flynn Currie) and SB 2589 (sponsored by Senate Transportation Committee Chair Martin Sandoval), contains the following key provisions:

- Abolishes state motor fuel tax and replaces it with a new wholesale fuels tax, increases vehicle registration and title fees, eliminates ethanol tax credit.
- Replaces slow and no growth revenue sources with one more reflective of inflation & the economy.
- Creates a steady and reliable annual revenue stream of \$800 million for "pay as you go" programming that focuses on the maintenance of existing networks.
- Segregates transportation-related user fee revenues into protected funds and allocates 80% of these new revenues to roads and bridges, CREATE and airports and 20% to transit and rail.

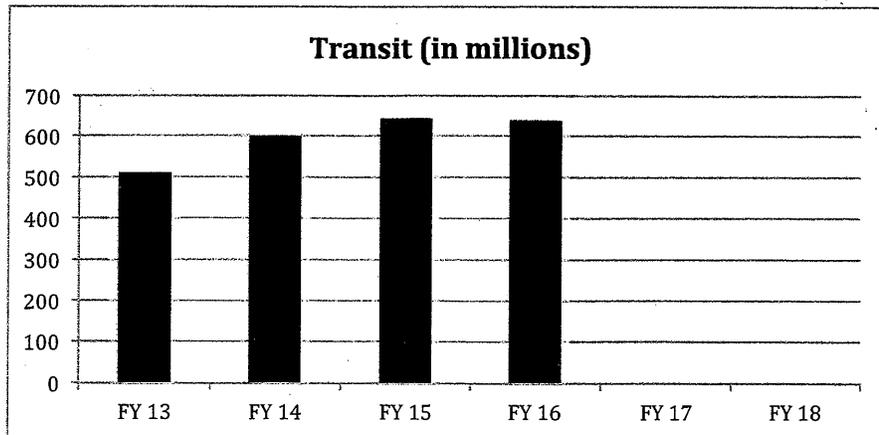
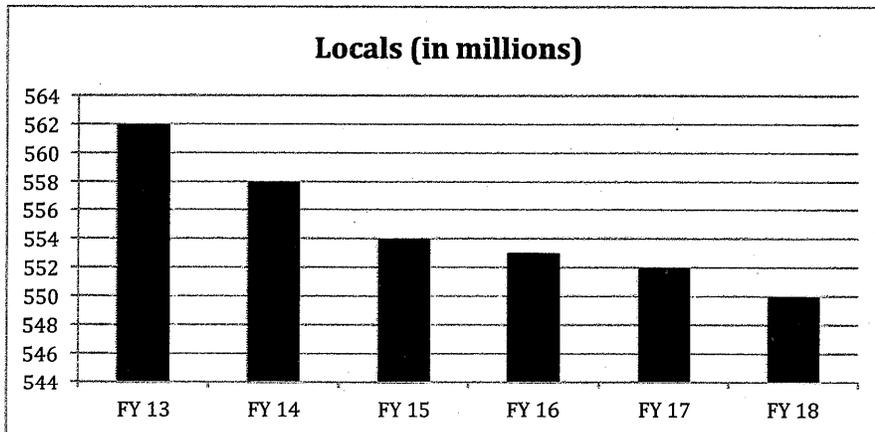
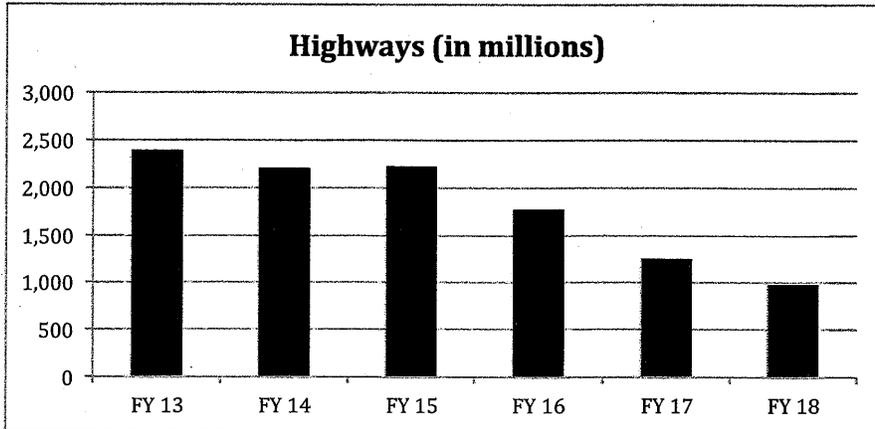
Illinois needs to embrace stable, steady, predictable and reliable revenue streams and infrastructure building programs. The boom and bust cycle is not in anyone's best interest.

6/5/13

**If nothing is done:**



	FY2013	FY2018
<b>Number of Projects</b>	929	335
<b>Amount of Spending</b>	\$3.475 billion	\$1.531 billion
<b>Jobs</b>	45,175	19,903



## Transportation Revenues

	Increase	New Revenue
New Wholesale Fuel Tax	9.5%	\$ 1,655,717,000
Elimination of the Gasahol credit	100%	\$ 179,422,500
Increase Drivers' License	\$ 10.00	\$ 16,800,000
Electric Car Registration from \$17.50 to \$222.00	\$ 204.50	\$ 102,250
Increase Vehicle Registrations	\$ 15.00	\$ 141,900,000
Increase Certificate of Titles	\$ 10.00	\$ 25,000,000
Eliminate Motor Fuel Tax (hold harmless @ FY 12)	\$ (0.19)	\$ (1,222,519,825)
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<b>Total First Full Year of Implementation</b>		<b>\$ 796,421,925</b>

**Wholesale Tax Rate - Keep both Ethanol Credit/Keep Biodiesel Tax Credit**

	Ethanol	Biodiesel	Totals
Wholesale Price	\$ 2.770	\$ 2.770	
Federal MFT	\$ 0.184	\$ 0.184	
State Sales Tax @6.25%	\$ 0.153	\$ 0.153	
State Motor Fuel Tax	\$ 0.190	\$ 0.215	
Environmental Fee	\$ 0.011	\$ 0.011	
Retailers Mark-up	\$ 0.100	\$ 0.100	
<b>Retail Cost of Fuel</b>	<b>\$ 3.408</b>	<b>\$ 3.433</b>	

	Gasoline	Biodiesel	
Wholesale Price	\$ 2.770	\$ 2.770	
Federal MFT	\$ 0.184	\$ 0.184	
Wholesale Sales Tax	\$ 0.281	\$ 0.281	
State Sales Tax	\$ 0.191	\$ 0.153	
Environmental Fee	\$ 0.011	\$ 0.011	
Retailers Mark-up	\$ 0.100	\$ 0.100	
<b>Retail Cost of Fuel</b>	<b>\$ 3.537</b>	<b>\$ 3.498</b>	

Wholesale Tax Revenue	\$ 1,318,961,000	\$ 336,756,000	<b>\$ 1,655,717,000</b>
Elimination of Gasahol Credit	\$ 179,422,500		
Difference in Retail Cost	\$ 0.13	\$ 0.07	
Wholesale Tax Rate	9.5%	9.5%	

**Notes:**

Assumes usage of 4.7 billion gasoline and 1.2 billion diesel

Based on average retail price of \$3.41

Prior to any local taxes