

Slow Zone

Transportation advocates push Springfield to hike taxes for highway and transit budgets, but no top pol has climbed aboard

by Joseph Ryan



Weeks before then-Gov. George Ryan introduced Illinois First, his hallmark road and transit package, the manager of a major transportation advocacy group penned a piece in Chicago newspapers asking for readers' support. "Our message is simple," wrote Steve Schlickman of the Business Leaders for Transportation coalition in early 1999. "Congestion and a crumbling transportation system in the Chicago region will only become worse and more costly if we do not act now."

These days, as executive director of the Regional Transportation Authority, Schlickman oversees the Chicago Transit Authority, Metra and Pace, which haul nearly a million people in northeastern Illinois daily.

His message hasn't changed. "The cities that stand out have a world class transit system, and Chicago's system is challenged to be world class,"

Schlickman said late last year as the RTA released bleak forecasts for an underfunded rail and bus system. Eight years after Illinois First was enacted, Schlickman and other transportation advocates are waging the same battle: trying to convince legislators to take a political risk by raising taxes to better

fund strapped highway and transit budgets.

Yet much has changed. Instead of coming from a top politician, pressure is coming from the ground level. The RTA is spending more than \$2 million on a media and lobbying campaign to make its case that more capital and operational funding is desperately needed. Road builders also are joining the fray to muster the needed political clout and push more highway expansion and repair work.

But the lack of an early top-level champion, such as the governor, is threatening to undermine the effort.

At the same time, the forecasts of dire ramifications for inaction are significantly darker this time around. The RTA predicts mass shutdowns if transit taxes aren't raised, which hasn't been done since the RTA was created a quarter century ago.

In the eyes of the transportation industry, Illinois First was a \$7 billion boon. Metra extended lines north, south and west. Pace refurbished its fleet and the CTA rebuilt several aging legs of its expansive rail system. On the highway front, the so-called "hillside strangler" on the Eisenhower Expressway was untied and thousands of miles of

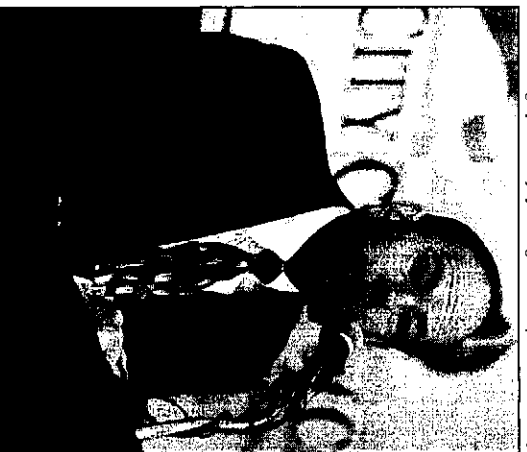
backlogged road repairs were finally completed. The aging Dan Ryan is still being rebuilt.

But that money is gone as the need grows. And the size and scope of this year's request dwarfs Ryan's formidable 1999 package. In all, the "ask" for expansion and maintenance funds from transit and road builders is shaping up to be about \$20 billion over five years, while the RTA also wants Chicago-area tax hikes to bring in about \$400 million yearly in operating funds.

Moreover, some lawmakers are considering changing the RTA's structure to give it more control. Road builders also are hoping to win a provision that would allow the state to consider hiring private companies to build, manage and set tolls on new highways, such as the O'Hare bypass or the south suburban Iliana Expressway.

On the capital side, the \$20 billion request would be split almost evenly between highway and transit maintenance and expansions.

Those requests include \$2.8 billion in required state matches to rope in \$7 billion in federal funding under a spending plan President George W. Bush signed in 2005. If those matches don't materialize



Jim Reilly, RTA chairman, addresses the October City Club luncheon in Chicago.

by next year, the state could be in danger of losing the federal dollars.

As with all big spending plans, this request could be severely cut or restructured as it confronts political and funding realities in the state legislature. Rep. Julie Hamos, an Evanston Democrat who champions transportation funding in the Illinois House, says the big dollars already are searing away support. "I don't know [that] we really have the ability or the stomach to do a \$20 billion program this time," she says. "It is a very big challenge in the midst of a lot of other very big financial needs."

A spokesman for Gov. Rod Blagojevich's office will only say that it's too early to know what kind of state support might be available.

The weight and scope of the proposal is great, proponents say, because the need is great.

Illinois Department of Transportation funding, which covers road expansion and repairs throughout the state, has been dropping fast since Illinois First expired. In 2003, the state spent \$613 million on repairs and upkeep, a figure that dropped to \$579 million last year. Construction funds fell from a high of \$1 billion in 2003 to just \$581 million last year, according to the Illinois comptroller's office.

In turn, the backlog of road repairs has grown to its pre-Illinois First high of 2,051 miles. The miles repaired by the state have plummeted from a high of 1,900 in 2001 to 820 in 2006.

"There is a real dearth in ongoing projects," says Doug Whitley, president of the Illinois State Chamber of Commerce and co-chair of the Transportation for Illinois Coalition with former AFL-CIO President Margaret Blackstare.

Whitley adds: "Transportation is the cornerstone of this state's economy and we must constantly reinvest in our infrastructure. Every five years you need a revenue increase just to keep your system level."

As highway funding tanks, the state isn't seriously considering grand projects in the next few years, such as the O'Hare bypass, the Route 53 extension into Lake County, the west suburban Prairie Parkway or the Illiana Expressway.

On the transit side, the RTA's main funding source — Chicago-area sales

taxes — has not kept pace with needs. The take from sales taxes has risen from about \$500 million in 1985 to just under \$800 million in 2006. Those figures are not adjusted for inflation.

At the same time, prices for fuel and paratransit — vans and minibuses used for the elderly and the disabled — have doubled since 2000 and costs for commercial insurance have climbed 58 percent since 2003. Security costs also have more than doubled since Sept. 11, 2001.

To cover the growing gap, the three transit agencies have dipped into expansion and maintenance cash. Last year, they ate up more than \$100 million in capital funds just to keep the system running.

For this year's budget, agency heads decided to leave it up to lawmakers to find a better solution. They approved budgets with a combined \$226 million shortfall, and said if the funding isn't forthcoming they will have to start raising fares and significantly cutting service in July.

"We either expand our system, or we start shrinking it," says RTA Chairman Jim Reilly, a former lawmaker himself and chief of staff to Govs. Jim Thompson and Jim Edgar.

Transit maintenance and expansion funds, meanwhile, were sufficient under Illinois First, but expiration of the program has blown a \$600 million annual hole in that budget. Capital funding was at a high of more than \$1 billion at the

beginning of the decade. It is now under \$500 million.

Transit leaders say \$600 million is needed each year just to maintain the system. They want at least another \$400 million annually for expansion projects.

Linking operating funds for the transit agencies to the major capital package is politically and practically important, Reilly says. It will make it easier to rope in downstate votes and sway Chicago-area lawmakers who are on the fence.

Also, Reilly argues the operational funding shortfall is too dire to ignore. "If you don't have funds to keep services at an adequate level, it becomes pointless to talk about expansion projects," he says.

Yet, while most politicians agree more transit and road expansion is needed, many recoil from raising taxes to fund such projects and operations. Covering the transit operation funding gap, for instance, likely would mean some type of sales or gas tax increase in the counties that ring Cook County.

Raising the collar counties' quarter percent rate for transit to Cook County's 1 percent rate would bring in about \$345 million yearly. A five-cent gas tax hike would raise \$175 million.

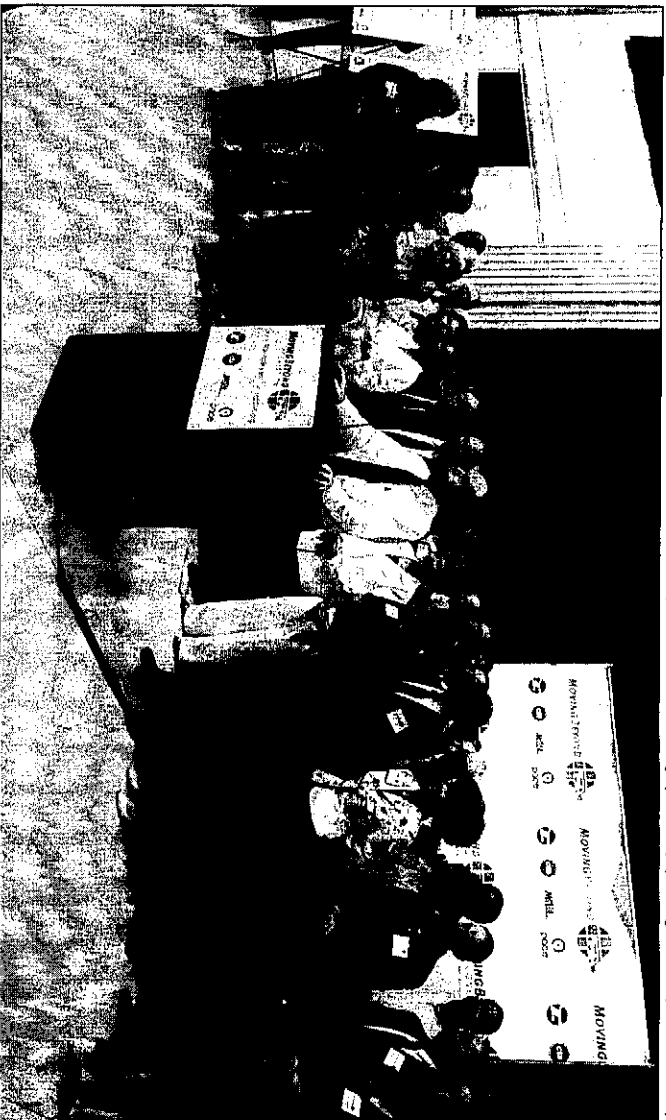
The transit agencies also are eyeing toll hikes on the 274-mile suburban system, a state first. For every penny increase, the agencies could get \$13 million.

Raising transit funds in the collar counties, whether through a gas tax, sales tax or tolls, has long been opposed by suburban leaders, but many are saying this year it may get their vote because of the great need.

"We are in dire circumstances," Hamos says. "The [RTA] funding formula is broken and shame on us for not paying attention to it for 23 years."

Funding options for a capital program are far more broad, ranging from "more of the same" proposals like raising vehicle registration fees, gas taxes and license plate fees to the unusual, such as a big gambling expansion. Lawmakers also will be asked to consider radical new funding measures, such as installing variable tolls on express lanes on the Kennedy, Eisenhower and Dan Ryan expressways.

Tolling previously free highways may



RTA Chairman Jim Reilly announced the launch of Moving Beyond Congestion in July at Union Station in Chicago.

seem absurd to many Chicago residents, but Metropolitan Planning Council Vice President Peter Skosey says it may be the lesser of two evils. "What takes more political courage, talking about tolling where the person using the product pays or talking about general taxes that everybody pays?" he asks. "There is always a political challenge when you think about raising revenue."

A dark horse in the money search is the \$24 billion the state could net from leasing the tollway system to a private company that would raise tolls for a profit over 50 to 75 years. Gov. Rod Blagojevich has ruled it out, but many lawmakers think it's a good idea.

"I think you have to start by keeping all options on the table," says Skosey. While the argument can be convincing and the threats dire, that won't ensure anyone in Springfield will listen or act.

Perhaps the most significant and damaging difference between this year's push and Ryan's 1999 proposal is the lack of a key political backer. "That is the model we are used to," Hannos says. "So we are looking for some leadership."

The big plan transportation advocates say everyone needs and wants is not making any top dog's top agenda. Senate President Emil Jones Jr. says his main mission is to increase education funding.

House Speaker Michael Madigan is more concerned with massive pension debt. And Gov. Rod Blagojevich has preferred to push for additional subsidized health care programs.

"The biggest problem is that politicians in Illinois today are looking at a giant herd of elephants running at them," Whitley says. "And there is a gate they all have to get through, and the question is, 'Are they all going to get through that gate?'"

Still, those hoping for a big capital and transit funding bill aren't giving up. "We will just keep hammering at the gate," Whitley says. "Business and labor groups are committed ... right down to knocking on every door."

Reilly says he has been in touch with the governor's office, which is looking at putting forward a sizable public works program this year. Still, if it turns out to be a re-gifting of last year's failed pitch — just \$2.8 billion to match federal funds — transportation advocates may balk.

"I don't really see that as advancing our cause or moving us forward at all," says Skosey.

If legislators fail to act this session, the message will get considerably louder.

Without additional operating funds, Pace may "implode," having to slash scores of routes by the end of the year.

Reilly says. The CTA's slow zones from disparat will worsen and threats of massive fare hikes will scare average riders. The CTA and Metra just raised fares last year. And by 2008, Metra will be forced to cut back services, probably pushing thousands of suburbanites onto the crowded tollways. Without the matching federal funds, projects like the CTA's Circle Line and North Suburban extensions or Metra's suburban-treasured STAR Line ringing the collar counties will "become academic," Reilly says.

Those pushing these proposals say they aren't solely fixating on the wins of the past, such as Illinois First, but are trying to learn from the losses. They painfully recall that infighting between Madigan and Edgar kept a major public works program at bay for half a decade.

"This is one of those sessions where it will either be the best in history or one of the great disasters in the state," Reilly says. "There is the potential for the four leaders to come together on this and other things, but there is also the potential for nothing to happen." □

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