



**Waukegan Port District • Waukegan Regional Airport
Waukegan Harbor**

15 March 2013

Illinois Department of Transportation - District 1
201 West Center Court
Schaumburg, IL 60196-1096

Attention: Mr. John Fortmann, P. E.
Acting Deputy Director of Highways,
Region One Engineer

Subject: Roadway Improvements for Extending Airport Facilities
IL Route 131 at Waukegan Regional Airport
Waukegan Port District
Waukegan, Illinois

Dear Mr. Fortmann:

The Waukegan Port District is in receipt of the Department's letter of 18 January 2013 on the subject matter. The letter is intended by the Department as a "Letter of Intent" to facilitate the completion of a project mutually satisfactory to both IDOT and the Waukegan Port District. We thank you for the letter and the time since to allow us to thoroughly review the draft, and to vet the proposal with Airport stakeholders that are impacted by the runway/roadway circumstances. The Waukegan Port District and its airport users are committed and are convinced that further collaboration with IDOT is vital to safeguarding the very future of Waukegan Regional Airport. Failure to develop a workable plan could hamper both road and air access, and the resulting effects could impede economic progress throughout Lake County.

Before presenting our comments, we do suggest that we change the nomenclature of the document. A "Letter of Intent" is a specific procedure in the FAA funding process, with predestined meanings. To avoid future misunderstandings, we suggest that this initial document be titled "Preliminary Memorandum of Understanding", or similar title.

As a general comment, the 18 January 2013 letter is thorough and comprehensive, and is detailed in areas that - in our view - still have high degrees of uncertainty, especially considering the breadth of the improvements needed and the level of detail now available to us. We believe that

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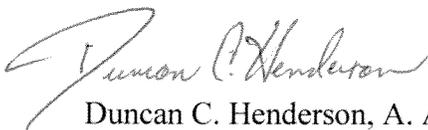
the following areas of the letter should be more general in their definition, until such time as the “Phase II project agreement” referred to is developed:

Estimated Project Costs – Each of us accepts that project costs will change during each stage of the project implementation process, but we believe that it is premature to commit to specific project costs in this initial understanding. Waukegan Port District will be relying on FAA Airport Improvement Program funds for this project. In this understanding, the Port District could agree to a general commitment to pay fifty percent of the total costs for items deemed eligible for FAA funding. During the collaboration process, it will be important that project elements be refined and shaped so that all costs assigned to the Port District are “FAA-eligible”. The FAA has specific rules regarding the eligibility of existing facilities that must be relocated by airport projects, and the Port District cannot agree to any specific cost until FAA-eligibility is determined by the FAA. Costs that are assignable to project elements that are solely an upgrade to either of our respective existing facilities should not be shared. The following paragraphs should be re-written considering these comments: 8, 9, 11, and 18.

Land Transfer Associated with Alternative Design Option - The 18 January 2013 letter discusses a process by which Waukegan Port District would transfer its land for an “Alternative Design Option”. As such an option may be contrary to the best interests of the Airport and its stakeholders, the Port District cannot commit to a process with such an automatic trigger. The Port District is fully committed to collaboration with the Department for a consensus on solving the roadway-runway intersection dilemma. However, the Waukegan Port District cannot be subject to a requirement that is contrary to present or intermediate needs of the Airport, and cannot take actions contrary to the grant obligations it has and will continue to have with the FAA and the Illinois Department of Transportation, Division of Aeronautics. Paragraph 17 should be re-written considering these comments.

The Waukegan Port District, and other parties as appropriate, is ready to discuss a revised memorandum of understanding document with the Department at a convenient time. Should you have any questions or need additional information, please contact me at 847.244.3133.

Very truly yours,



Duncan C. Henderson, A. A. E.
Executive Director

DCH:cep

cc: Terrence Schaddel, IDOT Aeronautics
Ronald Hudson