

ANNUAL
PROGRESS
REPORT
FEBRUARY
2020

INVEST IN TRANSIT

The 2018-2023 Regional Transit
Strategic Plan for Chicago and
Northeastern Illinois

Chicago and Northeastern Illinois are built on transit and new investment is underway.

In January 2018, the Regional Transportation Authority (RTA) Board adopted *Invest in Transit*, the 2018-2023 Regional Transit Strategic Plan. The plan emphasizes the importance of transit in Northeastern Illinois and champions infrastructure investment for the Chicago Transit Authority (CTA), Metra, and Pace, referred to as the “Service Boards.” *Invest in Transit* makes the case that capital improvements are long overdue, citing the impending deterioration of the transit system. It also demonstrates that the RTA and the Service Boards are committed to directing any new resources to projects that will maximize public benefits for riders and the region’s economy.

Such unity among transit advocates across our region was a significant factor that prompted the General Assembly to pass and Governor Pritzker to sign Rebuild Illinois in June 2019. The first State of Illinois capital bill in more than a decade and the largest in Illinois history, this much-needed infusion of capital funds will provide the RTA system with \$2.6 billion over five years in state bond funding and an estimated \$227 million annually in gas tax revenue, referred to as “PAYGO” dollars. The new funding nearly doubles our region’s previous five-year transit capital program.

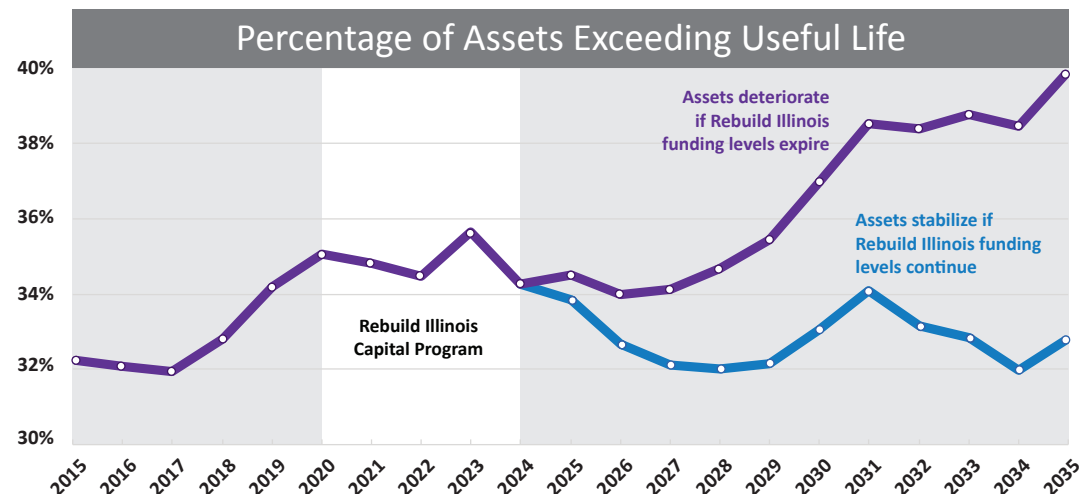
Even at \$8.3 billion for 2020-2024, the total funding falls well short of *Invest*

in Transit’s projected \$30 billion in capital needs over the next decade. But make no mistake: It is a significant step forward that puts CTA, Metra, and Pace infrastructure on a path toward sustainable improvement.

Published in early 2020, this annual update summarizes progress made throughout 2019 largely before the Rebuild Illinois funds started becoming available to the RTA and the Service Boards. The first physical improvements enabled by the new funds are expected in 2020, but the successes described here are important, as *Invest in Transit* continues to lay a foundation for transparent, high-impact investments.

FOCUS ON REBUILDING OUR TRANSIT ASSETS

Revitalization of the system will begin in 2020 with bold transit construction programs that include vehicle purchases, station improvements, and bridge renewals. Simultaneously, the transit agencies are laying the groundwork for continual investments that will be needed in the future by pursuing sustained state and federal funding.



Our vision is public transit
as the core of the region's
robust transportation
mobility network.

Public transportation is essential to our region's prosperity, as the extensive transit network provides nearly two million rides each day for work, school, appointments, and many other purposes. Those numbers are tempered by declining ridership over the past five years, which may have resulted in part from the lack of capital investment. Yet transit's share of work-related trips has in fact been rising,ⁱⁱⁱ which is likely a result of strong job growth in downtown Chicago. Transit complements the highway system and is key to attracting and retaining businesses, residents, and tourists.

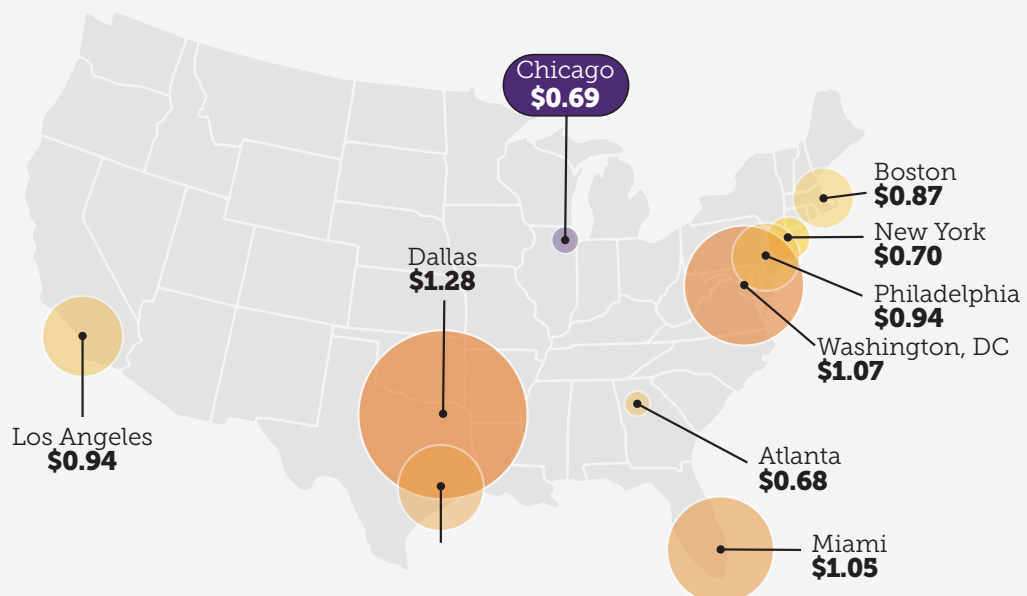
Technology developments have changed travel dynamics with new options to work, shop, and stay connected with friends without leaving home. Some people are increasing use of ride-hailing services instead of transit.ⁱ New developments on the region's fringe have continued to attract population and employment to areas without transit access.ⁱⁱ The region is also aging, and population is not growing.ⁱⁱⁱ *Invest in Transit* assessed several of these trends, and it is becoming clear that these and other factors have resulted in a five-year decline in the use of transit. This is not only reducing revenues but also jeopardizing the health of the region's residents, as decreased transit use correlates with increased traffic^{iv} and degraded air quality.^v

The Service Boards are recognizing the need to shift focus now in the face of significant change. Operating costs are carefully controlled each year, comparing favorably with peer cities.^{vi} In 2020, fares will be held steady, despite reductions in farebox revenue resulting from ridership declines. Yet cost controls alone will eventually become unsustainable, so all of the agencies have announced strategic initiatives to explore changes to transit operations in 2020 and beyond.

TRANSIT TRIPS PER CAPITA



OPERATING COST PER PASSENGER MILE



Progress in 2019

Advancement continued in 2019 toward the three goals identified in *Invest in Transit*.

1 DELIVER VALUE ON OUR INVESTMENT

During the first half of 2019, the RTA and the Service Boards focused on advocating for transit funding, a campaign that yielded significant results when Rebuild Illinois included the state's first-ever sustainable capital for transit through the new PAYGO dollars. To ensure that the funds are spent well and expeditiously, the transit agencies and the state have established a set of well-defined principles (see sidebar). These principles will guide how the funds are allocated during the RTA's annual budget process.

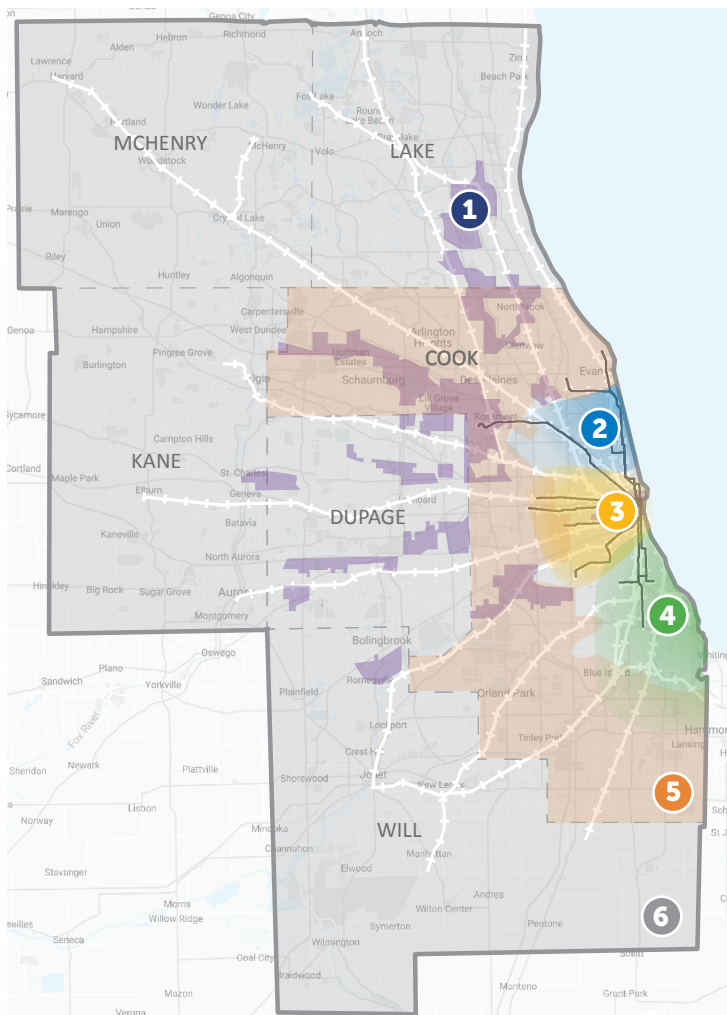
Capital expenditures in 2019 exceeded the spending levels of 2018 by more than 25 percent. Expenditure rates will need to increase even more with the new capital funding, which will be a significant focus of the transit agencies in 2020.

Five principles to allocate capital funding:

- Begin decreasing the region-wide backlog of deferred projects.
- Focus spending on projects that can be completed in a timely manner.
- Provide near-term programming and planning certainty.
- Allow for long-term adaptability and transparency of future transportation priorities.
- Continue conducting transparent, data-driven project selection through our annual budgeting process.

2 BUILD ON THE STRENGTHS OF OUR NETWORK

The transit agencies have been undertaking efforts to build on the strengths of our region's network in every strategic area identified by *Invest in Transit*.



- 1 Suburban Job Clusters.** Metra partnered with Lake County Partners to increase service on the Milwaukee District North Line in support of businesses nearby. The Illinois State Toll Highway Authority continues to partner with Pace to plan infrastructure for flex-lane bus priority with reconstruction of I-294, to improve transit access to job centers in the corridor.
- 2 Chicago North Side.** The City Transit Tax Increment Financing (TIF) program is enabling full funding of the transformative Red Purple Modernization project, with ground broken for the Clark Junction flyover in 2019.
- 3 Chicago Central Business District (CBD).** The City's new Ground Transportation Tax was used to fund investments in security cameras in 2019 and will be used to improve bus speeds through the CTA FastTracks program in 2020.
- 4 Chicago South Side.** Metra is leveraging Rebuild Illinois funds for the new Ashburn station on the Rock Island line. CTA completed the reconstruction of the 95th/Red Line terminal as a major new anchor for the community and region.
- 5 Suburban Cook County.** Cook County is developing a partnership with the transit agencies for a pilot to reduce fares and provide free transfers with Metra in South Cook County. Pace opened its Milwaukee Line, the first of the Pulse rapid transit services.
- 6 ADA Paratransit.** Pace launched improvements to their Interactive Voice Response System and added a feature to the online paratransit reservation system that lets customers track vehicle locations. More improvements are planned for 2020, including upgrades to Pace's operating software and new online Trip Booking features.

3 STAY COMPETITIVE

Transportation Network Companies (known as “TNCs”) such as Uber and Lyft continued to affect mobility and transit during 2019. And as outlined in *Invest in Transit*, the transit agencies and the region have moved forward to address both the challenges and opportunities related to on-demand mobility, as illustrated below.

The City of Chicago released TNC data¹, indicating that use of these services has increased significantly over the past few years while transit ridership decreased, creating concerns about downtown congestion.



TNC Ridership ↑



Transit Ridership ↓



Congestion Tax

The City enacted a Congestion Tax for TNC trips that will fund **\$20 million in CTA capital improvements.**

Meanwhile, TNCs have helped improve access to Metra. Over 3,500 trips were taken in 2019 on RTA’s funded pilots with private companies (also known as “micro-transit”), which connect people from several Metra lines to suburban employment complexes in Bannockburn and Oak Brook. Pace is also exploring new partnerships in 2020 to help serve the needs of the industrial workforce in hard-to-reach light manufacturing job centers and during overnight hours near O’Hare and Harvey.

3,500

Micro-transit Trips



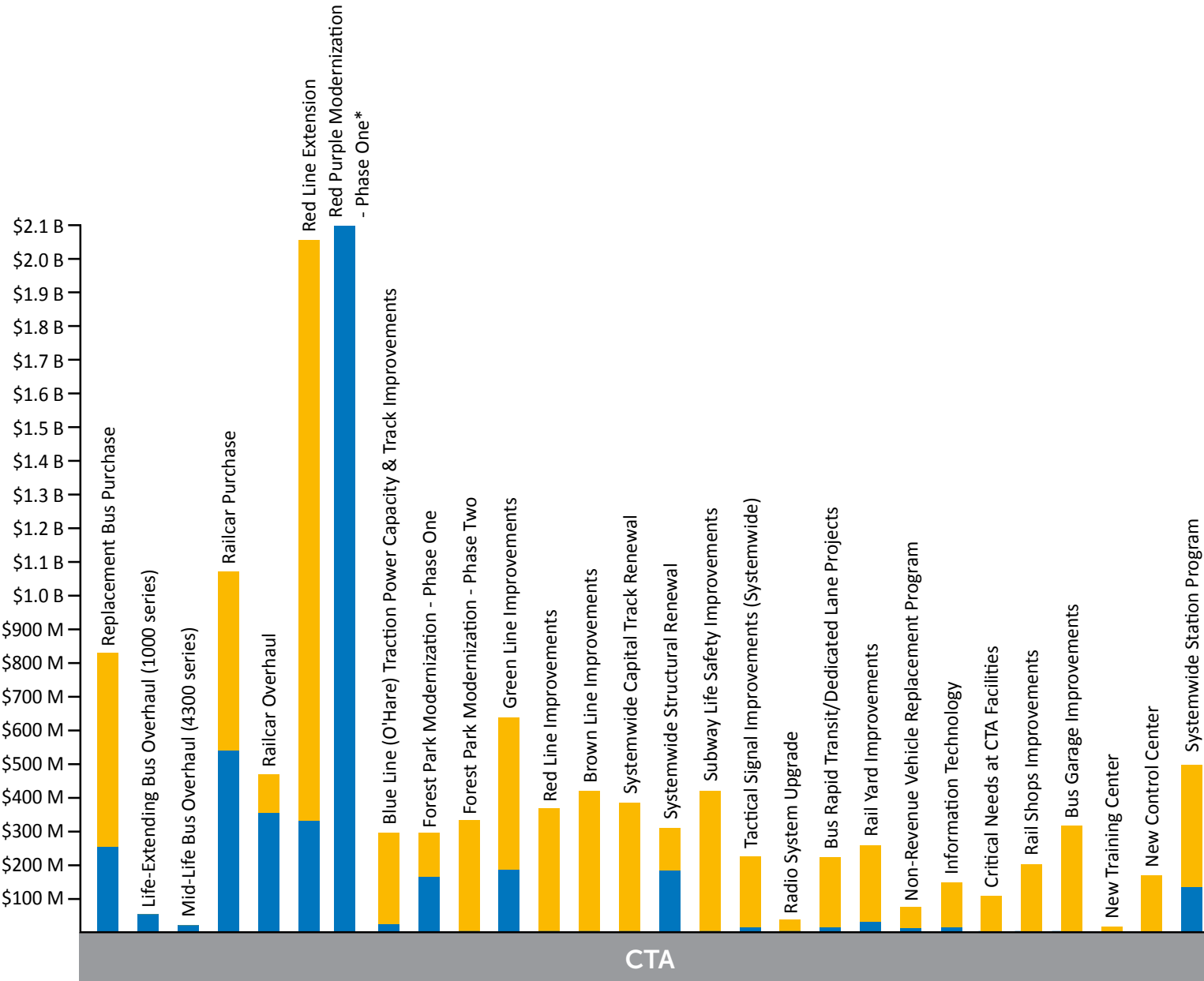
In 2020, the transit agencies will continue to support efforts to **maintain the integrity of core transit**, while also exploring ways to **leverage micro-transit** and other solutions in areas where transit is challenged.

Priority Projects Update

Through *Invest in Transit*, the transit agencies established a list of Priority Projects, which the Service Boards will advance over the next ten years as additional funding becomes available. These Priority Projects are a set of core capital initiatives largely focused on bringing the regional transit system nearer to a state of good repair as well as advancing limited expansions in growing markets.

CURRENT 5-YEAR FUNDING INCLUDING
NEW REBUILD ILLINOIS FUNDS

10-YEAR UNFUNDED NEED



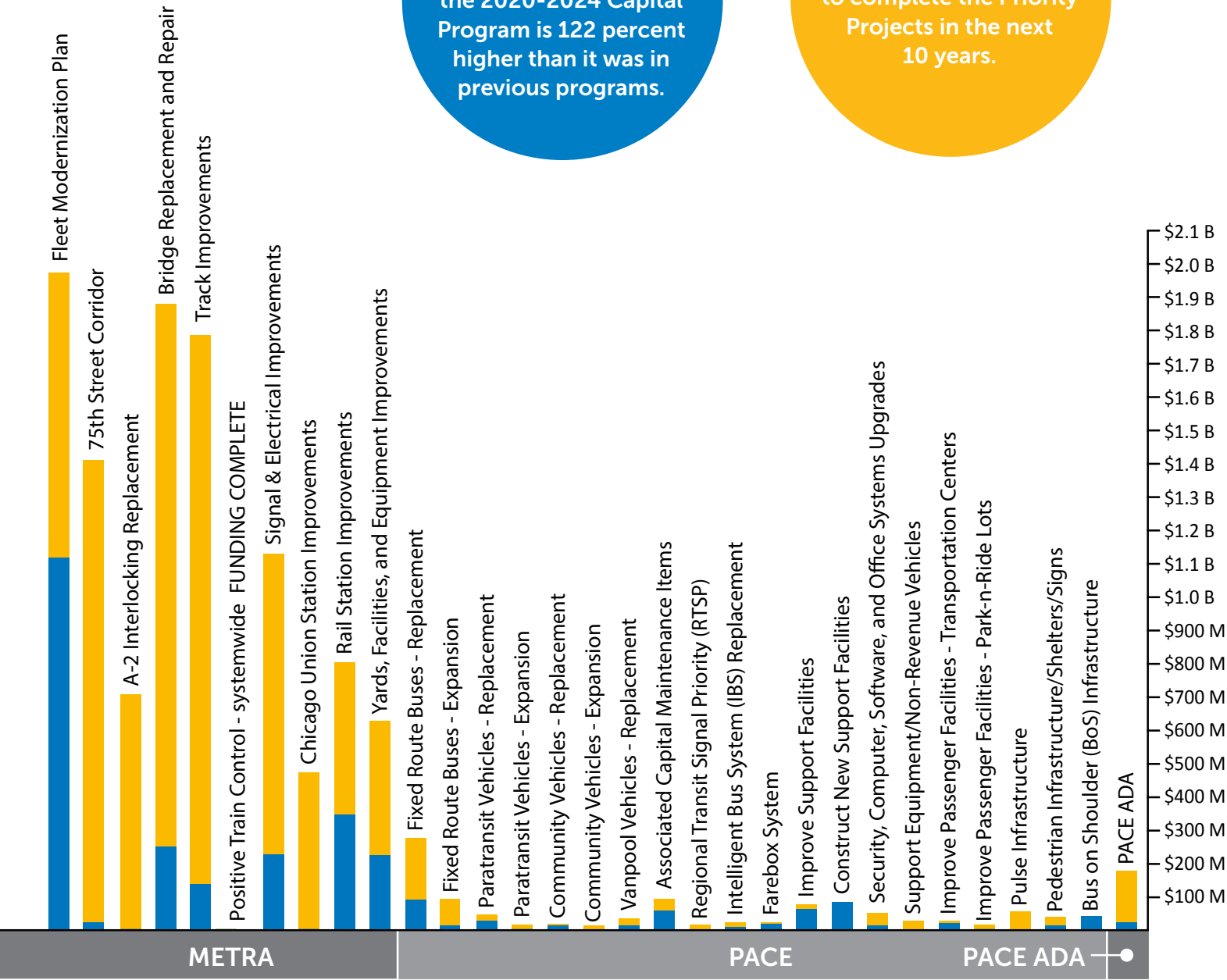
*RPM Phase Two will require approximately \$6 billion additional funding

Prior to the passage of Rebuild Illinois, the transit agencies’ five-year Capital Program funded \$2.75 billion toward the Priority Projects. But with the new funding now available through Rebuild Illinois, the 2020-2024 Capital Program has \$6.1 billion for these projects — an added \$3.4 billion, increasing their five-year funding by 122 percent.

The Priority Projects would upgrade the condition of trains and buses, enhance stations and stops, and improve bridges and track structure. However, even with this significant infusion of new Rebuild Illinois funding, a number of projects remain unfunded in the 2020-2024 Capital Program. An additional \$26 billion is needed to complete the Priority Projects over the next 10 years.

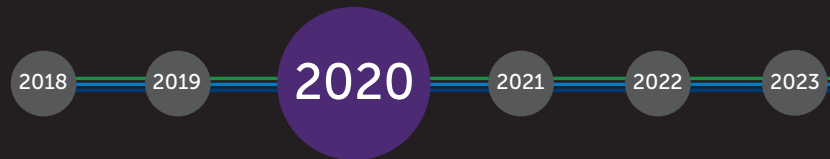
Thanks to Rebuild Illinois, funding dedicated to Priority Projects in the 2020-2024 Capital Program is 122 percent higher than it was in previous programs.

Still, an additional \$26 billion is needed to complete the Priority Projects in the next 10 years.



Transit capital investment makes sense for the transit system, the economy, and the region.

Now is the time to act.



In summary, Rebuild Illinois provides an important infusion of capital funding and the transit agencies will work hard in 2020 to:

- Focus on project delivery and construction to ensure that projects are completed.
- Work together on performance-based programming methods for future capital funding allocations.
- Dedicate effort to federal reauthorization to ensure federal funding is robust as well.
- Continue to understand and adapt to changing needs of riders.

Read *Invest in Transit* and related documents at StrategicPlan.RTACHicago.org

i. City of Chicago, *Transportation Network Providers and Congestion in the City of Chicago*, 2019.

ii. U.S. Census Bureau, Longitudinal-Employer Household Dynamics Program (LEHD) Origin-Destination Employment Statistics (2002-2017), Version 7.4, <https://lehd.ces.census.gov/data/loodes/LODES7/>.

iii. U.S. Census Bureau, "Summary Files" 2014 – 2018 American Community Survey 5-Year Estimates, https://www2.census.gov/programs-surveys/acs/summary_file/2018/data/.

iv. Ibid.

v. Alex Ruppenthal, *Chicago Gets 'F' Grade in 2018 Air Pollution Report*, WTTW News, April 20, 2018, <https://news.wttw.com/2018/04/20/chicago-gets-f-grade-2018-air-pollution-report>.

vi. Federal Transit Administration, National Transit Database, 2018 Report Year operating expense and passenger miles traveled, published December 2019.