

**To: Board of Directors**

**From: Leanne P. Redden, Executive Director**

**Date: September 3, 2020**

**Re: Ordinance approving the Framework for Transit Capital Investments**



**Regional  
Transportation  
Authority**

175 W. Jackson Blvd,  
Suite 1650  
Chicago, IL 60604  
312-913-3200  
[rtachicago.org](http://rtachicago.org)

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Staff is recommending approval of the [Framework for Transit Capital Investments](#) that was presented at the July Board meeting. Following a 45-day comment period, four comments were received and are available at the end of this memo. In response to those comments, staff have significantly strengthened the proposed ordinance — as described below under Next Steps — by recommending changes to the allocation of the 2025 state PAYGO funds and to the allocation of federal formula funds.

### **Background**

The RTA Board, in its December 2019 budget ordinance, commissioned a new Performance-Based Capital Allocation Process Committee to develop more rigorous communications and reporting around the regional transit capital program. The ordinance promised that “the RTA will work towards a regional agreement to program PAYGO, other state, federal, and RTA funding in a collaborative and transparent process. The goal of programming the funding will be based on a performance-based process that will adhere to the stated principles to ensure accountability.” This directive took on further urgency when the COVID-19 pandemic arrived.

The draft *Framework for Transit Capital Investments* was prepared by staff of the RTA in collaboration with counterparts at the CTA, Metra, and Pace in order to fulfill the December 2019 ordinance requirements, to build cohesion between numerous processes for planning and programming capital investments in public transportation, and to implement several new enhancements for clarifying the linkages between these activities. Staff began this work in January, not knowing what the future would hold. The pandemic has presented many challenges to the transit agencies throughout the year, but staff held to the original deadline knowing that having a solid investment framework is even more crucial so the RTA and Service Boards can continue to advocate in a unified manner for funding to support the region’s transit system.

The document was available for public comment from July 15 through August 28, 2020, at <https://www.rtachicago.org>. Attached to this memo are the four comments received, which are summarized as follows:

- The Village of Orland Park provided several comments suggesting that the RTA respond to the COVID-19 pandemic by leading new studies of the transit system to help meet the needs of commuters and businesses located in suburban job clusters and along corridors. The Village also suggested standardizing capital grant programs and offering assistance to communities with greater need, as well as putting greater focus on project implementation and construction.
- The Chicago Metropolitan Agency for Planning (CMAP) submitted a letter to acknowledge that the framework is a first step toward clarifying the transit capital program development process and to encourage the RTA to go further with a data-driven approach. CMAP also made specific suggestions about connecting programming to performance measures, shifting from fixed formulas in capital programming, and extending the framework's program-level transparency to the project level.
- A joint letter was co-signed by several organizations including the Active Transportation Alliance, Center for Neighborhood Technology, Chicagoland Chamber of Commerce, the Civic Committee of the Commercial Club of Chicago, Elevated Chicago, Environmental Law & Policy Center, Illinois Environmental Council, Metropolitan Planning Council, Respiratory Health Association and the Shared-Use Mobility Center. The letter expresses concern with the framework's support of existing processes and calls for bold investment strategies and recommendations. The letter highlights urgent challenges facing the region and asks the RTA to start over and create a transit investment strategy that will better meet the needs of riders, address revenue shortfalls, and make challenging decisions during this time.
- A second joint letter was co-signed by several entities including the Active Transportation Alliance, Center for Neighborhood Technology, Chicago Chapter of the Climate Reality Project, Environmental Law and Policy Center, Illinois Environmental Council, Metropolitan Planning Council, Natural Resources Defense Council, Respiratory Health Association, and Sierra Club, Illinois Chapter. This letter expressed disappointment in the lack of substantive changes to the current capital allocation formulas and project selection processes. It also called for a revised framework that is data-driven and helps the region mitigate and adapt to the impacts of climate change, improve public health, and reduce fuel consumption.

## Next Steps

Based on the comments received, RTA staff recommends RTA Board approval of the attached ordinance as follows:

- **Adopt the *Framework for Transit Capital Investments* as written.** The framework outlines important steps forward in capital programming transparency that are a critical part of the transit agencies' necessary evolution toward more performance-based programming. The framework's three major actions — improved clarity in the requirements and goals for the Five-Year Regional Capital Program; enhancements to the data being collected and reported externally by the RTA; and additional information products and updates to regularly describe project activities and results — need to occur in the near-term to influence the 2020 budget process, which must respond to the unprecedented challenges of COVID-19. This is also necessary to set the stage for future process improvements. By shaping the 2020 process as the pandemic's ongoing effects come into clearer focus, the framework will provide new insights to the RTA Board and stakeholders about how the region's capital program is (or is not) meeting the region's goals, which will guide future strategies and policies.
- **Program the 2025 PAYGO and federal formula capital funds in a regional set-aside allocated to RTA until such time as a new process for allocating these funds can be established.** In this recommendation, 2025 funds will not be programmed to the individual Service Boards but instead will be allocated as a regional set-aside. This is important so the funds would be allocated in the future when more holistic plans for recovery have been evaluated, discussed, and endorsed by the RTA Board. This recommendation will allow the Service Boards to continue their current robust capital construction programs with certainty in the near-term, while also acknowledging the need for change as is noted by the advocacy community.

Staff is recommending the approval of the attached ordinance accordingly.

Prepared by: Capital Programming & Planning

LPR/JL/JHH  
Attachments.

**From:** [Greg Summers](#)  
**To:** [communications](#)  
**Subject:** RTA Draft Framework for Transit Capital Investments Plan Comments  
**Date:** Tuesday, August 18, 2020 10:16:36 AM  
**Attachments:** [image001.png](#)

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Thank you for the opportunity to submit feedback on the RTA Draft Framework for Transit Capital Investments Plan, especially shifting priorities in light of COVID-19 impacts on the RTA operation. The following comments represent the Village of Orland Park's collective feedback and comments on the draft plan:

1. Based on the significant changes in travel behavior and use of office spaces due to COVID-19, RTA should study the future of transit systems, systems which are typically focused on the commute to downtown Chicago. The shift has already begun occurring, but we anticipate significant uptick in future office spaces relocating to suburbs such as Orland Park. This change may not require people to travel to downtown Chicago. In fact, a significant uptick in reverse commuting is probable. If this change is long-term, transit investments should be redirected to suburbs accordingly.
2. The application process for "Capital Programs" should be standardized to make the application process efficient and simpler.
3. Long corridor transit projects should be led and managed by the RTA with local municipalities as key stakeholders.
4. If performance criteria will only be used for capital investments, some communities may not get any transit funding. A certain level of "need based funding" should be available to communities that are unable to meet performance requirements, especially where those communities share a common transit line with other communities willing to invest in transit planning and infrastructure.
5. Too many resources are focused on planning projects and resources should be weighted more heavily towards implementation/construction.

Thank you again for the opportunity to provide feedback. We hope that these comments will assist in making your plan stronger and better meeting the needs of your constituents and municipalities that are a vital part of the RTA program.

**Greg E. Summers, AICP** | Assistant Village Manager  
Village of Orland Park  
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# Chicago Metropolitan Agency for Planning

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Chicago, IL 60607  
312-454-0400  
cmap.illinois.gov

August 28, 2020

Ms. Leanne Redden  
The Regional Transportation Authority  
175 W. Jackson Blvd, Suite 1650  
Chicago, IL 60604

Re: Draft Framework for Capital Investments

Dear Ms. Redden,

The Chicago Metropolitan Agency for Planning (CMAP) appreciates RTA's efforts to facilitate a transparent, equitable, and data-driven process for selecting and funding transit projects in Northeastern Illinois. The region faces a daunting state of good repair backlog and limited revenues for transit capital must be used for projects that further regional transportation goals. Establishing a regional Framework for Capital Investments (the Framework) offers the RTA and partners a unique opportunity to ensure that investment decisions for current and future sources of revenue are guided by alignment to the RTA's strategic goals, *Invest in Transit*, and *ON TO 2050*.

The Framework represents a first step to clarify the transit capital program development process and its relationship to regional planning. Its analysis of peer agencies' approaches to programming is helpful, as is the documentation of the existing RTA and service board process. CMAP believes the Framework could go further to articulate the specific ways that RTA will work with partners to implement a data-driven approach. Three areas specifically could benefit from additional attention: 1) connecting the programming process to performance measures and targets, 2) shifting away from fixed funding formulas, and 3) extending transparency to the project level.

### Connecting the programming process to performance measures and targets

Establishing performance measures and targets is a key step in a performance-based programming process. Yet while the service boards and CMAP must set targets for several federally-defined measures and report on their progress, the Framework does not draw a connection between the projects in the RTA program and outcomes on these measures. A broad stakeholder approach to setting targets is also a key part of performance-based programming. For instance, for the development of *Invest in Transit* and *ON TO 2050*, CMAP and the RTA worked closely to establish the performance measures used to evaluate regionally significant projects. A process like this would benefit the final Framework. CMAP welcomes the opportunity to collaborate in a similar manner to better articulate how performance measures and targets could be incorporated into the Framework. CMAP recommends the RTA:



**Strengthen alignment with the RTA’s core requirements and strategic goals.** On page 35, the Framework states that the Service Boards will provide an “indication” of which core requirements and strategic goals will be most impacted by each project. In the 2021 budget call materials, there is a checkbox corresponding to the core requirements and goals. This is a good first step. The Framework should make a commitment to refining this approach to, for example, establish a rating system that characterizes the degree to which a project advances the goals along with standardized guidance about how to rate projects.

**Show how the RTA program impacts performance targets.** The RTA should report how a proposed capital budget will impact the federal asset condition measures and potentially other measures to help guide board discussions on investment decisions.

**Commit to regular updates of a portfolio-level asset condition analysis.** The RTA has long been a leader in capital condition analysis. While federal requirements for Transit Asset Management place more responsibility on the service boards, there remains a clear role for the RTA in strategic asset management of the region’s complete transit portfolio. The Framework mentions this shift but should make clear the ongoing value of showing asset condition across the system relative to condition targets. CMAP and the RTA both benefit from the regional estimates that can be made using the “COST” asset condition planning tool; for instance, RTA prepared a COST-based forecast of transit maintenance costs for CMAP for the *ON TO 2050* financial plan. RTA should indicate how it plans to improve the tool over time and update the condition data it requires.

#### Shifting away from fixed formula funding

There is a clear imperative from *Invest in Transit*, *ON TO 2050*, and the Framework to further the use of performance-based programming to develop the region’s transit capital program. On page 6, the Framework states, “Northeastern Illinois requires a transparent, equitable, and data-driven process for allocating capital funds to ensure that public investments meet clear regional goals for the transit system” and *ON TO 2050* recommends that RTA and the service boards “[commit to a performance-based competitive approach for a portion of existing transit capital funding](#).” Shedding light on existing programming processes, as the Framework does, without outlining how the RTA proposes to further capital allocations based on performance does not meet the spirit of either of these calls. To implement these recommendations, CMAP again recommends the RTA:

**Commit to a performance-based competitive approach for a portion of existing transit capital funding.** The RTA should detail in the Framework how the strategic goals and established performance measures can be used to dedicate a portion of existing funds to a performance-based competitive allocation for program year 2025 and beyond. Having



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part of the program developed competitively while another portion is based on formula provides a base level of predictable funding for each service board while maximizing regional benefits.

## Transparency at the project level

CMAP supports the RTA's efforts to increase transparency of the roles, responsibilities and activities required in developing the regional capital program. These efforts should also extend to the project level. One element of this is tracking project implementation through RTA's project management oversight function, as described in the Framework. We believe another is to improve the connection between the transit improvements in the RTA program and the connections to roads, bridges, bicycle and pedestrian facilities already planned for the Chicago area. To achieve this, CMAP recommends the following amendments to the Framework:

**Provide better consistency between the region's Transportation Improvement Program (TIP) and the RTA's capital program.** The Framework recognizes the role of the region's TIP, stating on page 10 that the program "helps both the transportation community and the general public track the use of local, state, and federal transportation funds." The level of detail entered into the TIP varies from that in the RTA program and the service board programs, impairing transparency at the project level. Transit projects in the TIP are often aggregated and may lack geographic specificity. Addressing this long-standing issue will help ensure that the two programs match better in their particulars and will enable transportation partners and the public to easily follow a project's progress from planning, to selection of funding, to the obligation of funds. CMAP staff are available to provide assistance and information regarding consistency between the TIP and the RTA and service board programs.

Once again, CMAP commends the RTA on taking the first step at drafting a Framework for Capital Investments. CMAP is available for further collaboration and looks forward to contributing to the final draft of the Framework.

Sincerely,

Erin Aleman  
Executive Director

August 28, 2020

Chairman Kirk Dillard and Members of the Board  
Regional Transportation Authority  
175 W. Jackson Blvd., Suite 1650  
Chicago, IL 60604

Dear Chairman Dillard and Members of the RTA Board:

Our organizations have serious concerns with the *Draft RTA Framework for Transit Capital Investments*. The region's transit system needs bold investment strategies and recommendations from the RTA to guide how transit dollars are prioritized during this time of crisis. The Draft RTA Framework simply supports the status quo, without recommending any alternatives to current investment practices, capital project development processes, or static capital allocation formulas.

The historical challenges our region is facing – fiscal, social, health, economic and environmental – do not call for a status quo approach. We encourage you not to adopt this Draft Framework and instead challenge yourselves to produce alternative investment strategies that respond to the current crises and guide long-term capital investment in ways that prioritize economic growth, coordination, efficiency, climate resilience, and equity.

The COVID-19 crisis has highlighted the urgent environmental, economic and equity challenges we face. We need to ensure that every public dollar is decisively moving us in the direction of climate improvements by electrifying our fleets, reducing the use of fossil fuels and sharply reducing pollution. COVID-19 has also demonstrated the immense value our transit system provides to essential workers who keep our region functioning as they travel to jobs at hospitals, grocery stores, manufacturing plants, and other critical service locations. According to TransitCenter, people of color account for 60 percent of transit riders and two thirds of essential workers. Our region needs a prioritization framework that explicitly addresses equity and essential workers.

In the very near term, our region needs transit investment and capital allocation strategies that prioritize service around the needs of the riders who need it the most. All capital projects do not impact equity, economic growth, and the ability to provide essential services equally. The RTA needs to produce integrated and coordinated strategies that consider factors like these to help our vital transit system survive. The current fiscal crises also demand greater coordination among the transit agencies on project development – something difficult to achieve without an approach that incentivizes coordination.

The state's Rebuild Illinois capital funds for mass transit can serve as an incredibly valuable lever to promote economic growth. The Draft Framework does not include recommendations on how to re-prioritize capital projects to invest in ways that can promote needed inclusive economic growth and job creation.

We encourage you to re-examine all of your current investment strategies, including the allocation of annual and emergency federal funds such as from the CARES Act, which can be used to continue critical transit services in our region. This new review should offer true regional, transparent, data-driven

investment alternatives for the board to consider and adopt. These alternatives should be structured to deliver key outcomes we need, which include access to major destinations, equity, health, job growth and environmental improvement, both in the sense of keeping people safe during the pandemic as well as addressing long term pollution/climate change impacts.

Many people are traveling differently during the pandemic and these changes may result in a significant reshaping of our transit system in the future. More than one quarter of Chicago households and 13 percent of regional households do not have access to a car. We will also be faced with significant revenue shortfalls, which will further strain our system. The Chicago region will need new tools and strategies to make some challenging regional transit decisions. The Framework as presented includes neither. We request the RTA to start over and develop a true performance-based planning and investment framework. We stand ready to assist in reimagining a process for how our precious transit investments can be maximized for the benefit of a sustainable, equitable, and prosperous Chicago region.

Sincerely,

Active Transportation Alliance  
Center for Neighborhood Technology  
Chicagoland Chamber of Commerce  
Civic Committee of the Commercial Club of Chicago  
Elevated Chicago  
Environmental Law & Policy Center  
Illinois Environmental Council  
Metropolitan Planning Council  
Respiratory Health Association  
Shared-Use Mobility Center

**From:** [Matt Steffen](#)  
**To:** [communications](#)  
**Subject:** Draft Framework Comments  
**Date:** Friday, August 28, 2020 4:21:04 PM

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Chairman Kirk Dillard and Members of the Board  
Regional Transportation Authority  
175 W. Jackson Blvd, Suite 1650  
Chicago, IL 60604

Friday, August 28, 2020

Dear Chairman Dillard and Members of the RTA Board,

We, the undersigned, are writing with serious concerns regarding the Draft Framework for Capital Investments. As environmental, public health, transit, and active transportation professionals and advocates, we were disappointed to see no substantive changes to the current capital allocation formulas and project selection process. The Draft Framework makes no recommendation that performance-measures at the regional level be used to allocate capital dollars and instead reinforces the status quo at a time when transportation and mass transit are facing unprecedented challenges.

A new, revised Framework should consider capital investment strategies that are based on today's opportunities, technologies and challenges instead of relying on formulas which remain unchanged since the early 1980s. Specifically, the new Framework should consider how funding can help mitigate and adapt to climate change, improve public health, reduce fuel consumption and vehicle miles travelled, and make transit in our region more equitable. We urge you to consider ways funding can be targeted to achieve these goals.

Failing to design transit spending strategies to make progress on these issues is a major missed opportunity for our region. The transportation sector is the leading source of carbon pollution in the United States, and while public transit is one important solution to this problem, every public transportation project does not mitigate climate change, improve public health or reduce fuel consumption equally. RTA's capital investment strategy should estimate the impacts each project can make in these areas and strive to make the transit system itself a leader in using clean energy. As written, the Draft Framework does not include any discussion of how capital dollars can be used to accelerate adoption of electric vehicles, locomotives, and reduce the use of fossil fuels by the system.

In addition to the heat waves, floods, droughts, severe weather events and increased spread of infectious diseases that come with climate change, air pollution from

transportation threatens local air quality with alarming frequency. So far, our region has experienced 22 days in 2020 where air pollution levels were in violation of air quality health standards. Of course, these pollution events are occurring as a pandemic that attacks respiratory systems is spreading throughout our communities. Adjusting the Framework to consider pollution impacts of RTA projects has the potential to significantly improve air quality in our region.

As revenue becomes increasingly sparse, it is essential that it is spent wisely. Illinoisans are traveling much differently during the pandemic and many of these changes are expected to be lasting. Illinois, particularly the Chicago area, is experiencing the profound impacts of this crisis on public transportation systems. Public transit is vital for essential workers like medical professionals and grocery store workers to get to work. Biking and walking continue to be indispensable modes of transportation for many. The Framework for Capital Investment must take these realities into account and ensure that investments do not lead to increased use of single-occupancy vehicles, vehicle miles travelled and fuel consumption.

The pandemic has exacerbated racial and social inequities that were already in place in our state's transportation system. The 2018 Healthy Chicago Atlas estimated that 204,000 adults in Chicago had asthma, with the rate among African Americans 65% higher than among Whites, and 2017 data show African American children are taken to the emergency room for asthma at five times the rate of their White peers. A 2018 analysis by NRDC mapping Chicago's industrial corridors showed that environmental justice communities are vulnerable to high cumulative environmental pollution due to their proximity to rail yards and diesel trucks. Covid-19 has hit these communities particularly hard, in part due to this increased exposure to air pollution, but also because these communities are home to essential workers who have had to work and ride transit throughout the pandemic. Prioritizing equity when allocating resources will help ensure all transportation and transit investments made going forward reduce pollution burdens and improve transit options in these communities.

It must also be noted that the clean energy sector is one of the fastest growing sectors in Illinois. In 2019, clean energy jobs grew more than 5 times as fast as overall statewide employment, with more than 125,000 Illinoisans employed in the sector. The advanced transportation and clean fuels sector employs roughly 11,500 Illinoisans alone in the state. Our region has the workforce needed to build an advanced regional transportation system, and the RTA Framework can accelerate this growth by prioritizing clean technologies and transit.

The old formulas for determining transit investments based on assumptions and political arrangements of the past are no longer relevant. The Draft Framework should be revised to use transparent, data-driven methods to identify and prioritize new projects that mitigate

and adapt to climate change, protect public health, and consider equity, while fast-tracking existing projects that achieve these benefits.

Thank you for your consideration,

Active Transportation Alliance  
Center for Neighborhood Technology  
Chicago Chapter of the Climate Reality Project  
Environmental Law and Policy Center  
Jobs to Move America Illinois  
Illinois Environmental Council  
Metropolitan Planning Council  
Natural Resources Defense Council  
Respiratory Health Association  
Sierra Club, Illinois Chapter

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## ORDINANCE NO.

### ORDINANCE APPROVING THE FRAMEWORK FOR TRANSIT CAPITAL INVESTMENTS

**WHEREAS**, the Regional Transportation Authority (the “Authority” or the “RTA”) is Northeastern Illinois’ transit planning and financial oversight agency charged with implementing the public policy of the State to provide adequate, efficient, geographically equitable and coordinated public transportation throughout the metropolitan region;

**WHEREAS**, Section 2.01a of the Regional Transportation Authority Act (the “Act”) requires the RTA to adopt a Strategic Plan that identifies goals and processes related to capital investment, and the 2018-2023 Strategic Plan, *Invest in Transit*, was adopted by the RTA Board in January 2018.

**WHEREAS**, Section 2.01b of the Act requires the Regional Transportation Authority (the “Authority” or the “RTA”), to annually adopt the Five-Year Capital Program for the region;

**WHEREAS**, funding for the Five-Year Capital Program is based on an estimate of funds available for capital projects for 2021-2025 from all sources including federal-, state-, and Authority-funded programs and Service Board and non-Service Board agency-generated funds;

**WHEREAS**, on December 19, 2019, pursuant to ordinance 2019-65, the RTA Board commissioned a new performance-based capital allocation process to develop more rigorous communication and reporting around the regional capital program; the transparency and collaboration mandated by the Board was ordained to begin with programming of year 2025;

**WHEREAS**, the *Framework for Transit Capital Investments* was developed collaboratively by RTA and the Chicago Transit Authority (CTA), Metra and Pace (the “Service Boards”) to strengthen the relationship between *Invest in Transit* and the Five-Year Capital Program;

**WHEREAS**, consistent with Ordinance 2019-65, the draft of the *Framework for Transit Capital Investments* was made available for a 45-day public comment period from July 15 to August 28, 2020; four comments were received requesting additional action; and

**WHEREAS**, the COVID-19 pandemic is significantly impacting transit system operations, ridership, and funding which the RTA seeks to address by adopting capital investments policies that simultaneously provide capital funding stability to the Service Boards while also pursuing more transparency and clarity in capital investment decision making.

**NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF DIRECTORS OF THE REGIONAL TRANSPORTATION AUTHORITY that:**

- 1) The Authority hereby adopts the *Framework for Transit Capital Investments* substantially in the form attached hereto.
- 2) The amount of funding available to the Service Boards for programming as part of the 2021-2025 five-year capital program shall reflect federal formula funding and state PAYGO funding only for the period of 2021-2024.
- 3) All regional state PAYGO and federal formula funding for fiscal years 2025 and beyond, as well as any regional state funding or federal formula funding made available in addition to that currently available for 2021-2024 shall be regionally set-aside until such time as the new process for allocating these funds is established.