



# **DRAFT Framework for Transit Capital Investments**



**Public Comment Period:  
July 15 to August 28, 2020**



**Regional  
Transportation  
Authority**

**RTAChicago.org**



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# Overview

The draft Framework for Transit Capital Investments was prepared by staff of the Regional Transportation Authority (RTA) in close collaboration with counterparts at the CTA, Metra, and Pace (known as the three Service Boards). Its purpose is 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, making them more transparent to those who do not typically follow the process.

This framework was not developed in a vacuum. Instead, it is a natural step in Northeastern Illinois' increasing emphasis on "performance-based programming." The foundation had been laid previously through *Invest in Transit* and other regional plans, as well as existing processes carried out annually by the RTA and the Service Boards. These existing processes already provide an opportunity for the public to engage, but all interested parties — including elected officials, civic and advocacy groups, riders, and the public — can benefit from greater transparency about how funding is allocated and projects selected.

This document describes how existing processes will be leveraged, along with major new activities that will focus on:

- 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.
- Additional information products and updates to regularly describe project activities and results.

These changes will feature frequent communication about the investment framework and greater promotion of opportunities for stakeholder engagement in regional capital program development. By unifying and illuminating current regional programming processes and establishing new complementary activities, the framework will shed light on and build consensus for the RTA capital programming process. The improvements also address input from leaders of civic organizations and advocacy groups who, while having a different perspective than the RTA, CTA, Metra, and Pace, share the four agencies' passion and commitment toward public transportation as an essential service for the region's residents and economy.

Sadly, the coronavirus pandemic has also informed this investment framework, which was developed as COVID-19 began to sweep across the world. All three Service Boards have now experienced significant ridership declines, and declining sales tax receipts will reduce transit funding for the remainder of 2020 and potentially beyond. In May, based on reduced collection

of fares and taxes, the RTA projected a loss of nearly \$1 billion for 2020 alone across CTA, Metra, and Pace.

The federal Coronavirus Aid, Relief, and Economic Security (CARES) Act that passed in late March is providing \$25 billion for transit nationwide, including \$1.4 billion for the RTA region. CARES funding can go toward reimbursement for operating costs to maintain service and address revenues lost due to the pandemic. In our region, CARES funding was allocated by a data-driven approach based on anticipated revenue shortages relative to the current 2020 regional budget based on ridership and public funding.

Due to COVID-19's many unknown impacts, which will likely continue affecting regional finances beyond this fiscal year, 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, no matter what the future holds.

The RTA released this draft investment framework for public comment on July 15, 2020. **Please visit [www.RTAChicago.org](http://www.RTAChicago.org) to comment.** Following a 45-day comment period through August 28, the programming process will be considered for adoption by the RTA Board at its September 2020 meeting. This new approach will significantly shape the RTA Budget and Capital Programming process for 2020 and beyond.

# The Need for a New Transit Investment Framework

The *Invest in Transit* regional transit strategic plan emphasizes the importance of transit in Northeastern Illinois and champions infrastructure investment for the three transit Service Boards. The plan states 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 ensuring that any new resources are directed 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 enactment of *Rebuild Illinois* in June 2019. The first State of Illinois capital bill in more than a decade and the largest in Illinois history, these much-needed 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. The last regional Capital Asset Condition Assessment investment analysis completed in 2016 determined that the RTA region faces a 10-year capital need of \$37.7 billion, including a State of Good Repair (SGR) backlog of \$19.4 billion (in 2015 dollars). The analysis found that 31 percent of all assets had exceeded their useful lives. In addition to these backlogged projects, the region's total need includes \$18.3 billion of normal reinvestment that constitutes a 10-year capital need of \$37.7 billion for all types of assets, ranging from guideway elements (e.g., track) to vehicles (e.g., trains and buses) and support equipment and systems.<sup>1</sup> RTA staff has conducted additional Strategic Asset Management (SAM) analysis of the *Rebuild Illinois* funding levels and found that — while the new funding will stabilize asset condition in the short-term — it will not make a long-term impact unless the current funding levels become permanent. Nonetheless, *Rebuild Illinois* is a significant step forward that puts CTA, Metra, and Pace infrastructure on a path toward sustainable improvement.

As seen in **Figure 1**, without new funding, the percent of regional assets exceeding useful life is projected to grow from 32.2 percent to 39 percent. Infusions of funding, such as *Rebuild Illinois* bonds currently anticipated for program years 2020-2024, provide capital funding levels that will allow the agencies to hold asset condition relatively steady in the short-term but do not prevent assets from continuing to age in the long-term (as represented with the orange line on **Figure 1**). However, if the current funding levels with *Rebuild Illinois* bonds are continued for five additional years through 2029 (as represented on the red trend line) or continued into the foreseeable future (as represented on the green trend line), regional asset condition could be

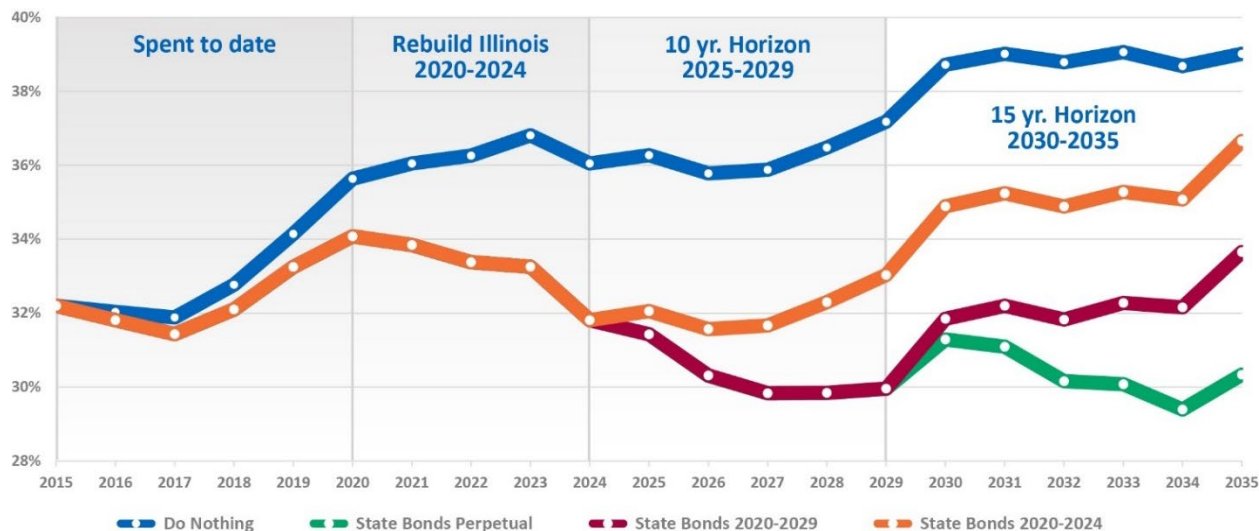
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<sup>1</sup> [Capital Asset Condition 2016 - Year 5 Assessment](#), RTA, December 2016.



held steady or even improved in the long term. Additional sustainable funding would help the agencies to make even greater long-term improvements to the region's transit assets.

**Figure 1. Percent Regional Assets Exceeding Useful Life**



## Prior Groundwork for Performance-Based Programming

Given the enormity of capital needs and the limitations of funding, 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. In 2019, shortly after the passage of *Rebuild Illinois*, the RTA began establishing a new process to address both the goals of existing regional plans and the need for a long-term regional consensus about allocating the new funds to CTA, Metra, and Pace.

The RTA and the Service Boards established five principles during the budget process conducted in 2019 to allocate the new funds in the 2020-2024 Regional Five-Year Capital Program:

- To begin decreasing the region-wide backlog of deferred capital replacement and maintenance projects.
- To focus spending on projects that can be completed in a timely manner.
- To provide near-term programming and planning certainty.
- To allow long-term adaptability for changes to future transportation priorities and capabilities.

- To use transparent data that informs the project selection process.

Focusing on these principles, the RTA, CTA, Metra, and Pace reached agreement on programming the *Rebuild Illinois* funds based on asset conditions as defined in the 2016 RTA Capital Asset Condition report. Serving as the baseline of our region's highest-priority needs, this extensive asset inventory was reflected in the PAYGO percentage allocation used in the 2020-2024 capital program for the first five years of *Rebuild Illinois* funding.

As the RTA was quickly implementing these initial process changes during the 2020 budget development process, several local civic and advocacy groups communicated (via letter and in comments at RTA Board meetings) their desire for a stronger performance-based approach to capital programming, particularly for greater transparency around *Rebuild Illinois* expenditures.

In response, 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 capital program. The [ordinance](#) promised that starting with funds programmed for the year 2025, "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 document seeks to fulfill the RTA Board's commitment by describing a new investment framework for capital programming. This investment framework has been developed collaboratively by the RTA and Service Boards through the Performance-Based Capital Allocation Process Committee. Elements of the framework have been incorporated into the RTA's budget call and, once adopted, the framework will officially apply to development of the 2021-2025 capital program.

# Roles and Responsibilities in Capital Programming

The RTA, the Service Boards, and other regional stakeholders all have a role in Capital Programming today, as described in the graphic below and in the section that follows. The process begins each Spring when staff at each of the Service Boards propose projects. The projects are vetted through Service Board leadership and are eventually submitted to the RTA as part of the regional budget and capital programming process.

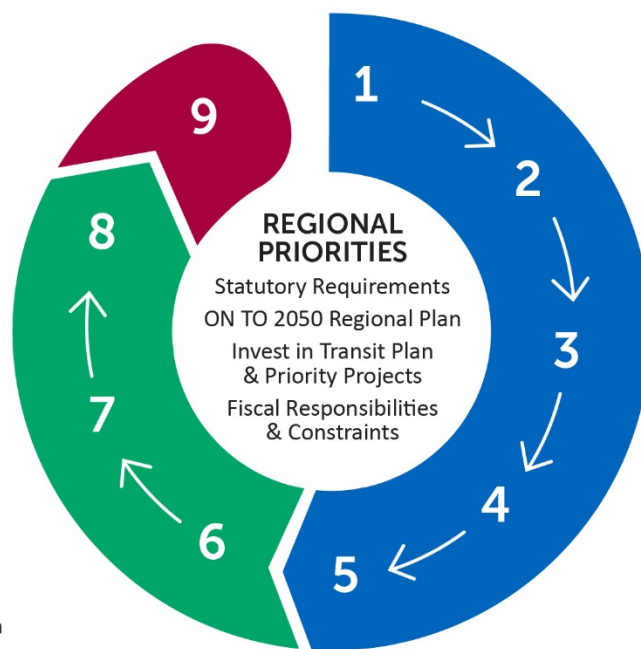
The RTA compiles all the Service Board projects into a combined regional program and presents it alongside the budget for RTA Board and public review. Late in the fall, after public hearings are completed and comments are addressed, the Service Boards and then the RTA adopt the Service Board capital programs and the regional Five-Year Capital program, respectively. Once the capital programs are approved, the agencies can proceed with implementation. The following sections of this document describe the RTA portions of the programming process and other capital activities in more detail. The steps of this process can be seen in **Figure 2**.



## Figure 2. How Projects are Prioritized for Investment Today

The RTA, CTA, Metra, and Pace work on an annual cycle to develop, program, and deliver capital projects to maintain and improve the Chicago region's transit system. All projects go through rigorous vetting, approval, and public review to ensure the best use of limited public funds.

- 1 In spring, each Service Board's staff propose projects for their capital program based on needs.
- 2 Next, staff organize lists into immediate and long-term priorities based on agreed upon criteria and funding.
- 3 Service Board leadership review lists to ensure the projects align with their Board and regional priorities.
- 4 In early Fall, each Service Board reviews the capital program as part of the budget and releases it for public comment. The Service Boards hold 21 public hearings across the region and incorporate comments before board approval.
- 5 In late fall, Service Board approved capital program are submitted to the RTA.
- 6 In November and December, RTA staff review Service Board programs for alignment with regional goals and fiscal constraints.
- 7 Service Board programs are combined into the Regional Capital Program, which is available for public comment at eight hearings and presented to each County Board.
- 8 In December, RTA Board adopts the Regional Capital Program.
- 9 After approval, the Service Boards begin implementing the projects in the Regional Capital Program. The RTA conducts ongoing program monitoring and administration, including quarterly amendments to the Regional Capital Program as needed.



### AGENCY EVALUATION CRITERIA

#### Metra projects are evaluated based on<sup>1</sup>:

##### Three criteria:

- Criticality
- Condition
- Service delivery

##### And four indicators:

- Safety risk
- Mandate
- Condition
- Accessibility

#### CTA projects are assessed based on<sup>2</sup>:

##### Primary factors:

- Safety & security
- Customer service
- Accessibility
- Operations & maintenance

##### And other key considerations:

- Risk avoidance
- Regulatory compliance
- Constructability & staging
- Opportunities for innovation
- Community impacts

#### Pace projects are reviewed based on Investment Prioritization Criteria<sup>3</sup>:

- Safety/security, mission critical or regulatory
- Ridership
- Recovery ratio
- Passenger benefits
- New, normal replacement, rehab, urgent
- Prior or programmed funding commitment

### AGENCY EXECUTIVE CONSIDERATIONS

#### Metra leaders consider<sup>1</sup>:

- Metra strategic goals
- Customer Service Objectives and Measures
- Asset Management Performance Measures
- Available Funding

#### CTA leaders consider<sup>2</sup>:

- New or changed project needs identified through decision support and/or ongoing project refinement
- Changes to expected funding sources
- Revised allocations by funding source and year

#### Pace leaders consider<sup>3</sup>:

- Funding type and availability/eligibility
- Operating impacts
- Available staff resources/timelines
- Dependencies on other projects
- Historical funding levels/trends

#### References

1. Metra. "Transit Asset Management Plan." Version 1, October 2018.
2. Chicago Transit Authority. "Transit Asset Management Plan." Version 1.1, October 2018.
3. Pace Suburban Bus. "Initial Transit Asset Management Plan." October 2018.

Source: Regional Transportation Authority



## Regional Planning Activities and Documents

Several regional plans already in place guide capital investment and are central to activities undertaken by the RTA during the program development process. These plans include CMAP's ON TO 2050 plan, *Invest in Transit*, and Strategic Asset Management work carried out by the RTA. The elements of performance-based capital programming have largely been provided in these documents.

### ***ON TO 2050 Comprehensive Regional Plan and Metropolitan Planning Organization (MPO) Activities***

The ON TO 2050 comprehensive regional plan was developed by the regional MPO, the Chicago Metropolitan Agency for Planning (CMAP), in collaboration with many regional partners, including the RTA and the Service Boards. CMAP also carried out extensive public and stakeholder outreach during the development process. ON TO 2050 includes several principles and goals for the regional transportation system that support transit and transit-supportive actions within the region. ON TO 2050 is a fiscally constrained plan that describes all the region's major transportation investments planned for the next 30 years, known as Regionally Significant Projects (RSPs). Several Service Board projects are included in the RSP list in ON TO 2050 and are advanced in both *Invest in Transit* Priority Projects and the Regional Five-Year Capital Program, when and if they are funded. CMAP provides opportunity for public comment when changes are made through the ON TO 2050 Plan.

CMAP also maintains the Transportation Improvement Program (TIP), which is the region's agenda of surface transportation projects. The TIP lists all federally funded projects and regionally significant, non-federally funded projects programmed for implementation in the next five years. The TIP is updated and amended regularly through the CMAP Transportation Committee. Amendments are posted on the committee minutes page for public comment one week prior to committee consideration. The TIP helps both the transportation community and the general public track the use of local, state, and federal transportation funds.

The RTA and Service Boards also leverage CMAP's committee structure, including the Transportation Committee, and public participation processes to share and vet several elements of the capital programming process. The cooperative efforts of the agencies is described in the CMAP [Public Participation Plan](#), but includes presentations by the RTA and related actions at CMAP committees regarding federal capital funding splits, sub-allocations, and capital programming processes.

### ***Invest in Transit Regional Transit Strategic Plan***

In January 2018, the RTA Board adopted *Invest in Transit*. The plan was developed with over 60 regional stakeholders and made available for public comment before adoption. The plan emphasizes the importance of transit in northeastern Illinois and champions infrastructure



investment for all the Service Boards. *Invest in Transit's* three goals are centered around preserving and expanding the value of the region's transit system. The plan makes the case that capital improvements are long overdue, citing the impending deterioration of the transit system. It also argues that funding certainty is crucial to plan for the region's transit future.

Through *Invest in Transit*, the transit agencies also established a list of Priority Projects, about \$30 billion in value, 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. The Priority Projects include both Regionally Significant Projects such as those listed in ON TO 2050 as well as ongoing capital investment activities such as new vehicle purchases.

### ***RTA Strategic Asset Management (SAM) Activities***

The RTA, as part of its financial oversight function, has historically worked to ensure that the Service Boards have sufficient funding to operate and maintain their physical assets. The RTA has facilitated regional funding campaigns, overseen the issuing of bonds to provide funding for capital investments, and monitored the delivery of major projects of each of the Service Boards in order to achieve this objective for many years. Despite these efforts, a lack of consistent, reliable capital funding has led to aging assets, unreliable service, and an enormous backlog of unmet capital funding needs.

The need for the RTA to conduct long-term planning for maintaining the region's transit assets was codified in the RTA Act.<sup>2</sup> In response to the pressure to evaluate and prioritize capital investments, the RTA initiated a capital asset condition assessment program in 2009 that was followed by development of a regional transit asset management (TAM) framework. The primary goal of that effort was to estimate the total capital needs for each of the Service Boards and develop a framework to prioritize capital projects based on a condition assessment of the current asset inventory. The initiative also included development the Capital Optimization Support Tool (COST), a customized version of the FTA [Term Lite](#) decision support tool, and a database of all of the transit assets of the Northeastern Illinois RTA system operated by the three Service Boards. Several Capital Asset Condition Assessment reports were published during this time that established a regional backlog estimate and other SGR statistics<sup>3</sup> helpful to the region's transit capital advocacy efforts.

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<sup>2</sup> [Regional Transportation Authority Act](#) (70 ILCS 3615/), last accessed May 7, 2020.

<sup>3</sup> Key examples include, asset condition distributions by asset category, percent of assets exceeding useful life, percent of assets in SGR, and backlog to replacement value ratio. Detailed descriptions and projections can be found in [Capital Asset Condition 2016 - Year 5 Assessment](#), RTA, December 2016.

The RTA's Capital Asset Condition Assessment activities were ended in 2017, following the issuance of the Federal Transit Administration's July 26, 2016 TAM Rule4 (49 CFR part 625). The RTA has transitioned its TAM activities into a Strategic Asset Management (SAM) framework to monitor the SGR of all assets of the region's system as a combined portfolio. The SAM function is ongoing and provides RTA with the tools to track mid- and long-term regional investment needs and to inform capital programming and planning processes for strategic investments. The most recent RTA SAM activities are published in the "Potential Impacts of State Funding on Transit State of Good Repair" white paper.

The white paper describes the RTA's refocused SAM efforts to date with a specific focus on the impact that capital funding levels projected in the 2020-2024 Five-Year Capital Program, including funds from *Rebuild Illinois*, could have on the region's asset condition. The White Paper also quantifies the need and benefits of continuing the funding levels of the bond program element of *Rebuild Illinois* beyond the current five-year term. The scenario analysis and its results that are expected to:

- Create data-driven evidence to guide advocacy efforts for seeking funding for transit capital programs, at both the state and federal levels.
- Showcase the value of capital investments on SGR to help improve/maintain bonding capability.
- Demonstrate the value of strategic analysis in achieving a collective benefit for all agencies.
- Help establish realistic regional goals related to capital programming activities and manage/meet expectations of the new capital funding bill.

In addition, the analysis shows how investment priorities are likely to change under varying funding levels in the future, and identify risks associated with asset conditions in the future.

In addition, the Service Boards are now required to maintain their own TAM programs, plans, and data sets for submission to the National Transit Database (NTD). Each of the agencies completed its TAM plan by October 2018 as required.

## RTA Budget and Five-Year Regional Capital Program

Capital programming is a core function of the RTA. Section 2.01b of the RTA Act requires that the RTA Board annually adopt a regional Five-Year Capital Program. By statute, the Five-Year Capital Program is guided by a Strategic Plan (*Invest in Transit*) developed by RTA and bounded

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<sup>4</sup>Federal Register, July 26, 2016, "[Transit Asset Management; National Transit Database](#)," by the Federal Transit Administration.

by the realities of the Annual Budget and Two-Year Financial Plan. The Program must be developed in consultation with the Service Boards and regional planning agencies, including CMAP and the Illinois Department of Transportation (IDOT).

The Act further stipulates that the Five-Year Capital Program can only be adopted by the RTA Board after three public hearings in Cook County and one public hearing in each of the other counties in the RTA region (DuPage, Kane, Lake, McHenry, and Will). Once the capital program is adopted, the expenditures of CTA, Metra, and Pace must be subjected to continual review so that the RTA may budget and ensure that funds available to the region are spent with maximum efficiency.<sup>5</sup>

### ***Agency Budget and Capital Development Processes***

Capital programming activities begin at each of the Service Boards. Annually, each Service Board develops a capital program independently based on its own agency asset needs and funding availability and submits it to RTA. Capital Programming is conducted internally at each agency and the results are summarized for public consumption in the agency budget documents. This section provides a summary of activities conducted at each agency.

#### ***CTA Capital Programming Process***

CTA maintains a rolling 5-Year Capital Improvement Program (CIP), which represents the CTA's capital investment priorities for the next five years based on anticipated available funding. The CTA President and Chief Financial Officer present CIP revisions based on information provided through CTA's decision support processes to the Chicago Transit Board for consideration and approval.

CIP development follows an annual update, review, and approval cycle in conjunction with the overall budget process. The typical timing of key steps in this process are summarized in **Figure 3** below.

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<sup>5</sup> [Regional Transportation Authority Act](#) (70 ILCS 3615/), last accessed May 27, 2020.

### Figure 3. CTA Capital Programming Timeline

April to June	Solicitation of new projects — CTA Finance requests project proposals and justifications from all CTA business units
July	Evaluation of project proposals and senior management review (see “Investment Decision Process Overview,” below)
August	Development of draft fiscally constrained capital program and budget document based on senior management guidance and preliminary funding marks from RTA
September	Final CIP developed after RTA issues funding marks for five-year program
October	Proposed CTA Capital and Operating Budgets released for public comment
November	Public Hearing and Board Consideration/Approval of CTA Budget
December	RTA Board Consideration/Approval of Regional Budgets
February	RTA and CTA submit the approved capital programs to CMAP for incorporation into the ON TO 2050 regional plan.

In addition to the above annual budget process, CTA’s capital program is continuously managed via processes such as:

- Monthly and/or quarterly meetings with departments to review progress, status, funding sufficiency, Disadvantaged Business Enterprise (DBE) participation, and other outstanding issues on active projects.
- Quarterly CIP updates presented to the Chicago Transit Board and RTA as necessary due to changes in project requirements or funding availability.
- Applying for, obtaining, and monitoring compliance of various capital grant funding sources.
- Ensuring all reporting requirements for grant-funded capital projects are met.

#### ***Capital Investment Decision Process and Prioritization***

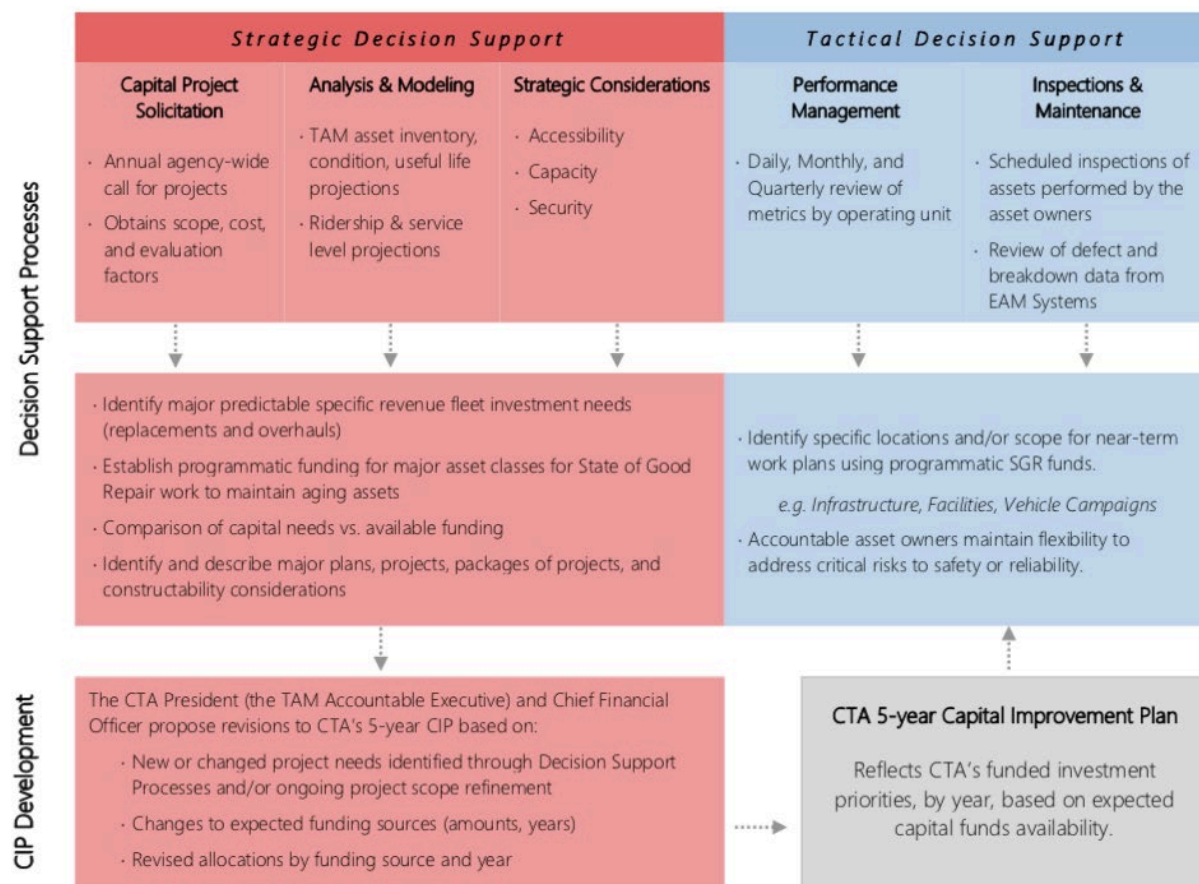
CTA estimates that the baseline funding needed to maintain the condition of its existing asset base is roughly \$1 billion per year. In addition, CTA estimates a current backlog of \$13 billion in overdue replacements. Historically, the amount of available capital funding has fallen short of the over \$2.3 billion annually required to reduce or eliminate the backlog. With the inclusion of new State of Illinois *Rebuild Illinois* funding, CTA’s average annual available capital funding has increased to approximately \$1.0 billion per year during the period FY2020-2024, which means



that trade-offs will nonetheless be required in the allocation of funding between various state-of-good-repair needs and among strategic goals.

CTA deploys several processes and tools to ensure that key decision-makers have meaningful information to guide when and where to invest scarce capital funding. These information and process flows are illustrated in **Figure 4**.

**Figure 4. CTA Capital Investment Decision Process**



CTA's Capital Finance department conducts an annual solicitation process to request new and revised capital project proposals from CTA departments. The solicitation is conducted and compiled using a database and standard forms, which facilitate consistent analysis and evaluation of funding requests across projects and departments. Capital requests are submitted using a standardized Request Form, and requestors also provide information to inform an evaluation rubric and a State of Good Repair (SOGR) questionnaire.

The Request Form collects high-level information about the capital need (e.g. asset category, location, estimated costs, departmental sponsorship) as well as descriptions of project objectives and other means of project justification. Requestors also have the option to attach supporting reference documentation, if desired.

The evaluation rubric reflects the factors identified in CTA's TAM Policy Statement for reference by project requestors. CTA's primary capital project evaluation factors are:

- Safety & Security
- Customer Service
- Accessibility
- Operations & Maintenance

With additional key considerations explicitly addressed, including:

- Risk avoidance/mitigation
- Regulatory compliance
- Constructability and staging (Programmatic Continuity)
- Opportunities for innovation
- Community Impacts

For projects that involve replacing or renewing existing assets, the SOGR questionnaire is used to collect TAM-specific information, such as an evaluation of age/condition against useful life benchmark, and whether the proposed project impacts accessibility or identifiable safety risks.

Going forward, the CTA Budget Book will provide additional summaries of the entire range of CTA's identified capital investment needs and how the approved CIP is derived from them.

### ***Transit Asset Management Plan***

In accordance with its reporting obligations to the Federal Transit Administration, CTA developed a Transit Asset Management Program (TAMP) that maintains asset inventory and condition information (including types, ages, locations, useful life benchmarks, etc.) and documentation of CTA's asset management policies and processes.

Information from the TAMP is used to estimate high-level State of Good Repair investment needs across the asset base and to provide additional context in evaluating projects identified in the Call for Projects. As described in CTA's 2020 Budget Recommendations, the total

investment backlog is estimated at roughly \$13 billion, with total 10-year investment needs of over \$23 billion, comprised of major renewal or replacement investments needed across all asset classes, including revenue vehicles, rail infrastructure, maintenance facilities, and stations.

### ***Strategic Considerations***

#### ***Fleet Management Plans***

CTA has developed FTA-compliant Bus and Rail Fleet Management Plans (FMPs) to guide major capital investments in the revenue vehicle fleet. The FMPs are essential inputs to the capital programming process because they:

- Estimate the required fleet size over the next 10 years based on projected ridership, service levels, and maintenance programs.
- Identify the target timeline and sizes of major vehicle purchases and retirements, e.g. the optimal number of vehicles that must be purchased, retired, or overhauled each year over the next 10 years.
- Identify constraints or deficiencies in maintenance and operating facilities that may hinder future operations.

#### ***Strategic Initiatives***

Capital investment is also informed by long-term strategic analyses. CTA has developed and is guided by several strategic investment plans, such as:

- The [All Stations Accessibility Program](#) (ASAP), a roadmap to achieve 100 percent ADA accessibility across the rail system.
- Core Capacity/Modernization studies to determine constraints on future rail ridership growth and identify mitigation projects and programs.
- System expansions and major improvements to rail and/or bus service.

Strategic Planning documents are available on the [CTA website](#).

#### ***Alignment with Regional Goals***

CTA's capital program exists within a regional context. Major projects are also considered with respect to their alignment with *Invest in Transit* and ON TO 2050.

*Invest in Transit* serves as a bridge between the five-year CIP and the long-range regional plan. *Invest in Transit* documents CTA's ten-year priority program of major projects, both funded and unfunded, which serve as a guide to projects to be considered for programming as new funding comes available. Going forward, CTA will also include its ten-year priority program of projects in its annual budget book.

### ***Funding Considerations and Fiscal Constraints***

The magnitude of CTA's capital investment needs — well over \$20 billion over the next 10 years, as identified by the above decision support processes — far exceeds available funding. The exact amounts of funding available each year from each funding source are also considered in project sequencing and incorporation into the final proposed 5-year CIP.

Different capital funding sources have different restrictions on how they may be used; grant funds awarded for specific projects are often non-fungible. As a result, the final CIP may sometimes fund and execute a lower-ranking project before a higher-ranking project based on funding availability.

Due to the need to always ensure service can operate safely and reliably in a scarce funding environment, CTA uses programmatic capital funding allocations in the CIP for the maintenance and renewal of certain asset classes. This approach helps to ensure that sufficient capital funding is available to address urgent targeted capital renewal needs as they arise.

### ***Metra Capital Programming Process***

#### ***Capital Funding and State of Good Repair (SGR)***

The RTA's 2016 Capital Asset Condition Assessment estimated the region's total capital reinvestment needs over a 10-year period \$37.67 billion, which included investment needs for CTA, Metra, and Pace. According to the RTA's analysis, Metra's share of this total 10-year reinvestment need is \$12 billion. Approximately 50 percent, or \$6.1 billion of Metra's 10-year reinvestment need is to address assets that are past their useful life (the SGR backlog). The remaining \$6 billion addresses the baseline, "normal" reinvestment needs expected over the 10-year period. Given this, Metra should be investing \$1.2 billion each year. However, Metra's annual capital program has been woefully short of funding and its SGR backlog continues to grow. Metra's top priority is addressing its SGR needs. The 2019 *Rebuild Illinois* state capital program is helping address those needs, but more funding will be needed in the long run to sustain operations.

#### ***Capital Programming***

Metra's capital programming process is guided by "[On Track to Excellence](#)," Metra's strategic plan adopted in its final version in 2017. The development of the Metra strategic plan was subject to multiple public open houses and a public release for comments. The plan contains Metra's Mission and Vision statements, as well as five strategic goals that drive Metra's activities:

- Prioritize safety and security awareness
- Invest in our workforce
- Deliver quality customer service



- Optimize our capital assets
- Ensure financial stability

Metra also ensures the that capital program is responsive to *Invest in Transit*, which includes Metra's 10-year list of high priority projects, and ON TO 2050, which contains many longer-term visions including improvements to Metra's existing lines as well as system expansion projects. Both documents were subject to rigorous public involvement. In addition, Metra is in regular contact with freight railroad partners, municipalities, governmental agencies (state/federal) and stakeholders throughout the Northeastern Illinois region ensuring consistency of its capital program with their needs and plans.

Metra's mission is to provide safe, reliable, efficient commuter service that enhances the economic and environmental health of Northeastern Illinois as part of the regional transportation network. This mission can only be achieved through a robust and aggressive capital program. While the availability of funding may vary from year to year, the projects included in the capital program are highly predictable and consistent. This is because most of the projects included in the capital program are designed to sustain the existing infrastructure and comply with Federal Railroad Administration regulations while maintaining and improving upon current performance levels.

The one-year and five-year capital program development cycle begins in January of each year. The entire process from the formation of projects to the inclusion in an approved capital program is an on-going process, beginning with the long-range vision. The actual process of putting Metra's capital program together requires the efforts and cooperation of virtually every department in the agency. Projects originate at the implementer level with subsequent review and analysis as they work their way through the capital programming process under a bottom-up approach. While not exhaustive, the following list exemplifies the aspects that are reviewed by implementers as justification for a project being considered for inclusion in the capital program:

- Consistency with Metra's Strategic Plan, *Invest in Transit*, and ON TO 2050
- Asset Condition
- Safety Considerations
- Federal, State, and Local Mandates and Regulations
- Cyclical improvements
- Environmental Conditions

- Reoccurring Problem Areas
- Obsolete Technology
- Passenger Comfort and Convenience
- Increased Demand for Facilities and Service
- Cost Benefit
- Local/State initiatives/plans and studies

Once projects are justified, the proposed capital projects are then reviewed for their potential readiness, workforce availability, and the status of similar-type projects. This analysis is conducted by reviewing the proposed project descriptions, budgets, and schedules against currently ongoing capital improvement projects. Additionally, proposed projects are reviewed for their ability to be implemented by analyzing them against the status of all the active projects in their category.

Projects that meet the above criteria are then subject to a further prioritization process. Presently, Metra uses three criteria equally weighted: Condition, Criticality and Service Delivery/Accessibility. The criticality weight is equally broken down by safety risk and SGR mandate and each criterion are assigned a score from highest (1) to lowest (5). Metra continues to refine the investment prioritization process, reviewing the criteria, definitions, and weights. The prioritization process provides a guide for determining which projects are considered for inclusion in the draft one- and five-year capital programs. Funding availability is also a critical component as projects must be matched to the available sources.

The draft capital program is first submitted to Metra's executive team for review and concurrence. The draft program is then presented to the Metra Board, who release it for public comment. The draft plan is also presented to Metra's Citizen Advisory Board and the County Boards of each of the six counties in Metra's service area for comment. The public can provide comments at each of these meetings, as well as at a public meeting held downtown at Metra's headquarters. Comments provided by the public are incorporated into the final capital program that is then adopted by Metra's Board. The capital program is also subject to the RTA's public hearing process before it can be officially adopted, thereby providing residents, elected officials, and civic organizations across the region several opportunities to influence Metra's capital program.

### ***Stakeholder Outreach***

The capital budget process has a statutorily mandated public outreach process that is followed by the RTA and Service Boards every year that includes public hearings and County Board presentations throughout the region, as mentioned above. In addition, Metra and staff continue to actively reach out to the public regarding our capital projects and priorities. Every





capital program amendment is posted on its website before every board meeting. Information about projects can be found on Metra's website, Facebook page and press releases. Throughout the year, Metra staff hold town hall meetings about projects or initiatives around the region.

Further, Metra routinely engages with municipal stakeholders across the region on planning studies involving station area improvements or service enhancements. Those planning studies are often funded by RTA or CMAP, competitively selected via a process that includes public involvement. Every year, staff presents its capital program to CMAP staff and information is posted on CMAP's website.

Metra's capital projects are included in the Transportation Improvement Program (TIP) that is administered by CMAP and subject to another round of public involvement. This CMAP-led public involvement process is independent of Metra and provides a different forum for the public to comment on Metra's capital projects. Metra is always seeking ways to continue to be transparent regarding its capital priorities.

### ***Pace Capital Programming Process***

#### ***Operational Needs***

First and foremost, Pace's capital investments that support the agency's operational needs are a vital component to ensuring that its top priority of safety can be met. Pace is currently experiencing a significant SGR backlog and ongoing capital reinvestment need, in excess of \$2.5 billion. Fortunately, *Rebuild Illinois* is providing much needed relief to help address this backlog. New and expanded maintenance facilities--along with other capital improvements that this program is funding--will go a long way to address SGR needs. Pace's Transit Asset Management plan includes asset inventory and condition information to help address SGR needs as well. However, this funding does not cover all of Pace's capital needs, and additional funding is needed in order to address the agency's expansion needs to tap into new growth markets and other opportunities for new service.

#### ***Strategic Vision Plan Guidance***

Pace projects are identified, investigated, and designed through capital, operations, service, and strategic planning processes for inclusion into the capital budget process. These may include projects that are developed through Pace staff-led planning activities and programs, as well as those that support *Invest in Transit*, ON TO 2050, the IDOT Long Range Transportation Plan, and county, municipal and civic organization sponsored transportation plans and studies.

Many of Pace's capital investments have been guided by the agency's Vision 2020 Plan, adopted in 2002, and will to be succeeded by a new strategic vision plan titled [Driving Innovation](#) in 2021. Examples of capital projects identified through these initiatives include those administered through Pace's Rapid Transit Program for planning, designing and

constructing Pulse lines and Expressway-based services, as well as those that advance improvements to technologies, vehicle fleets, trip booking, fare collection, customer information, and many others that benefit all of Pace's family of services. Other major capital projects such as those funded through the state capital program, *Rebuild Illinois*, are also referenced in Pace's Driving Innovation plan.

Pace regularly conducts robust external stakeholder outreach for all such planning efforts to achieve the agency's transparency goals, and actively investigates new opportunities for communicating emerging capital priorities to all affected stakeholders. Besides the annual budget process and hearings, this also includes measures such as: alerts to passenger subscriber lists, hardcopy planning meeting notices on Pace vehicles and at passenger facilities, social media posts, press releases, website alerts, solicitation of local stakeholder meetings, open house events, electronic and hardcopy newsletters, Board of Directors and committee meeting updates, requesting partner organization support in disseminating informational materials, and various forms of advertising in large-scale distribution printed and electronic media publications.

### ***Budget Call***

Pace's capital planning process begins with the RTA's Budget Call. Pace's Budget Planning and Analysis Department sends out budget call instructions and forms to senior staff and relevant department managers, who are required to return them with their capital requests by a predetermined deadline. Supplemental documents are required as support for certain capital requests, including fleet plans for vehicle requests. The Budget Planning and Analysis Department then collects, compiles, and catalogs all complete requests.

### ***Project Scoring***

Pace's Investment Prioritization method aligns with our Capital Project Scoring Criteria, and the process currently used to select projects during the annual budget cycle. As mentioned previously, this process is also recapped in Pace's Transit Asset Management Plan. The General Manager/Chief Operating Officer appoints an Evaluation Committee comprised of a cross-functional team of Pace staff to conduct the scoring.

Projects are categorized as maintenance, enhancement, or expansion and projects are reviewed in the context of their ability to address the SGR needs of the region and/or meet the strategic plans of Pace and the RTA, prioritizing operational and safety components of SGR and then factoring in strategic growth market opportunities.

Specific evaluation criteria that are used to rank the projects include:

- Safety
- Service reliability



- Service capacity
- Comfort and/or convenience
- Accessibility
- Impact on ridership
- Impact on recovery ratio
- Asset condition (Is the project new, normal replacement, rehabilitation, or urgent?)
- Is the project committed to by a previous funding source or programmed as a high-level agency commitment?
- Is the project necessary for safety/security, regulatory mandate, or mission critical?

Projects are placed in the following asset categories:

- Rolling Stock
- Support Facilities & Equipment
- Electrical/Signal/Communications
- Stations & Passenger Facilities
- Miscellaneous

In addition to the prioritization scores, funding sources must be factored in, which may restrict how money can be spent and must be matched appropriately to specific projects. Capital projects not selected for year-one may be included in years two through five, however, projects not selected must be resubmitted for consideration every year, and there are no implicit or explicit agreements that a project that does not make it into the plan one year will be prioritized the following year. All submissions are reevaluated and reprioritized every year.

### ***Year One Capital Budget***

Within each asset category reside individual asset class projects which are scored by pre-determined criteria and scoring ranges. Each of the evaluators' scores are averaged to produce an overall asset category score to assign a ranking within the year-one program. Recommended projects are tied to available funding as established by the RTA Marks which are adopted no later than the September 15 statutory funding deadline.

### ***Years Two through Five of Five-Year Capital Program***

Years two through five are approached as an overarching strategic framework for the future direction of potential projects outside of the annual program. The investment prioritization framework is goal-orientated and objective-based in the out-years because it is dependent on the RTA receiving the fully apportioned regional federal grant estimates along with each Service Board receiving potential discretionary funding. Each program year needs to balance to the RTA Five-Year Capital Program Funding projections (Marks).

Listed below is an overview of the current year two through year five prioritization process involving Decision Support Tool Steps:

- Define unconstrained needs
- Enter the RTA Marks
- Reduce quantities/remove projects (to balance to the RTA marks) based on:
  - Scoring
  - Funding type (restrictive by scope/capital eligibility)
  - Available Staff Resources/Project timelines (phasing)
  - Dependencies on other projects (sequencing)
  - Historical funding levels, trends, or forecasts

### ***Review by Senior Management, Pace Board, and Stakeholders***

Budget Planning and Analysis staff meet with Senior staff to present recommendations/information from the scoring process and to allow Senior staff to make informed decisions. Based on the feedback received from Senior staff, the proposed budgets are updated. Next, Senior staff and the Budget team introduce the draft Capital Program to the Pace Board Chairman and Directors for a review and comment period in late August/early September prior to public budget introduction at the September Board meeting.

A formal budget presentation occurs at the October Board meeting before Pace holds mandated public hearings throughout the six county Northeastern Illinois region. The budget information is made available at most public libraries, township, city, and village offices and on the Pace website. After consideration of input from the public process, the final proposed program is approved by the Pace Board in November. The proposed Capital Program is submitted to RTA in October followed by the final Capital Program in November. The RTA Board adopts the consolidated regional budget and Capital Program in December.

## ***Regional Budget and Five-Year Capital Program Development Process***

After the Service Boards have completed their capital programming activities, the programs are submitted to the RTA to develop the Regional Five-Year Capital Program. The Five-Year Capital Program development is undertaken through the RTA budget development process, which follows an annual calendar as follows:

**Spring: Budget Call Released.** The RTA develops a Budget Call document in the early spring of each year that describes environmental factors considered in the budget process for the year and articulates information required from the Service Boards to develop the regional Annual Budget, Two-Year Financial Plan, and Five-Year Capital Program.

**May: Budget Call Approved.** The RTA Board approves the Budget Call in May of each year describing these requirements, then sets preliminary and final funding projections for the agencies by September of each year by statutory requirement.

**Fall: Capital Programs Submitted.** The RTA receives a capital program submission from each Service Board for review in the fall. RTA staff then reviews and assembles the information received from the Service Boards and publishes it in summary form with the preliminary budget documents.

**Late Fall: Public Comment and Approval.** RTA conducts public hearings as required by the RTA Act and then presents the final budgets with the Executive Directors of each Service Board to the RTA Board for approval in late fall for adoption in December.

## ***Current Regional Five-Year Capital Program***

The [current capital program](#) for 2020-2024 totals \$8.307 billion, nearly double the 2019-2023 amount. It is summarized in an RTA document that combines the adopted 2020 operating budget, two-year financial plan, and five-year capital program. The five-year program describes the sources and uses of the capital program funds, including breakdowns by agency and investment type.

The capital program is funded through many federal, state, and local sources of funding that include:

- Federal Funds
  - 5307/5340 Urbanized Area
  - 5337 State of Good Repair
  - 5339 Bus and Bus Facilities



- New Starts
- Homeland Security
- Other discretionary funds
  - CMAQ
  - STP
  - Other
- State Funds
  - State bond funds
  - PAYGO funds
- Local Funds
  - RTA Bonds
  - RTA ICE Funds
  - Service Board Funds
  - Ground Tax Bond proceeds
  - Other Service Board bonds

Each of these funding sources has different requirements and eligibility restrictions that need to be considered by the RTA and Service Boards as projects are programmed. Staff at the agencies and RTA work together during the capital program development process to ensure that projects in the pipeline can be funded by specific funding sources at the specific time that they need to move forward.

The primary emphasis of the 2020-2024 capital program is to continue efforts toward bringing the system's assets into a state of good repair and for increasing capacity in markets with growing ridership, while using a combination of historical allocations and a performance-based approach to programming funds throughout the region based on capital need.

## **Ongoing RTA Capital Program Administration and Monitoring**

The RTA has several ongoing responsibilities throughout each calendar year to assist with capital program delivery. The RTA has been working to carry out these responsibilities effectively and has made several recent improvements, for example:



- The RTA has been working with IDOT to develop an efficient granting mechanism for the new *Rebuild Illinois* funds, and to ensure that all grant agreements include elements that can be used to monitor them.
- The RTA amends the Five-Year Capital Program quarterly to include new funds, updated projects and other changes to the program as initiated by the Service Boards.
- Staff reports capital funding and capital expenditures quarterly to the RTA Board.
- Staff also monitor progress of the program throughout the year. State bond-funded projects and large projects are subjected to the RTA [Project Management Oversight \(PMO\)](#) process, which tracks project progress and is presented twice annually to the RTA Board.

## Gap Analysis and Future Process Improvements

The region's long-term regional plans, the current RTA regional Five-Year Capital Program development processes, and the ongoing RTA capital administration work provide a substantial foundation for capital decision making. A new investment framework should not replace these activities and documents, but rather bring together many existing pieces and shed light on how decisions take each project from conception to completion. The regional program led by the RTA is needs-driven to support the operational realities faced by CTA, Metra, and Pace, allowing each Service Board enough flexibility to address its respective — and extensive — backlog of capital needs. But even given those practical circumstances, an opportunity exists in 2020 to increase transparency of the current programming process while also ensuring that the new framework creates an improved process for allocating *Rebuild Illinois* funds.

## Adding Cohesion to Current Processes

Among the existing processes described above, three in particular are central for the RTA to help get transit projects from conception to delivery:

1. Regional Plans (e.g., *Invest in Transit*, ON TO 2050, and RTA SAM work)
2. Five-Year RTA Budget and Five-Year Capital Program
3. Ongoing RTA Capital Program Administration and Monitoring

As shown in the graphic below, the new investment framework can create a cohesive process and greater transparency regarding project development and delivery. Specifically:

- Long-term regional plans provide a 20- to 30-year view of the projects that will eventually become part of the region's "universe of projects." Going forward, the RTA



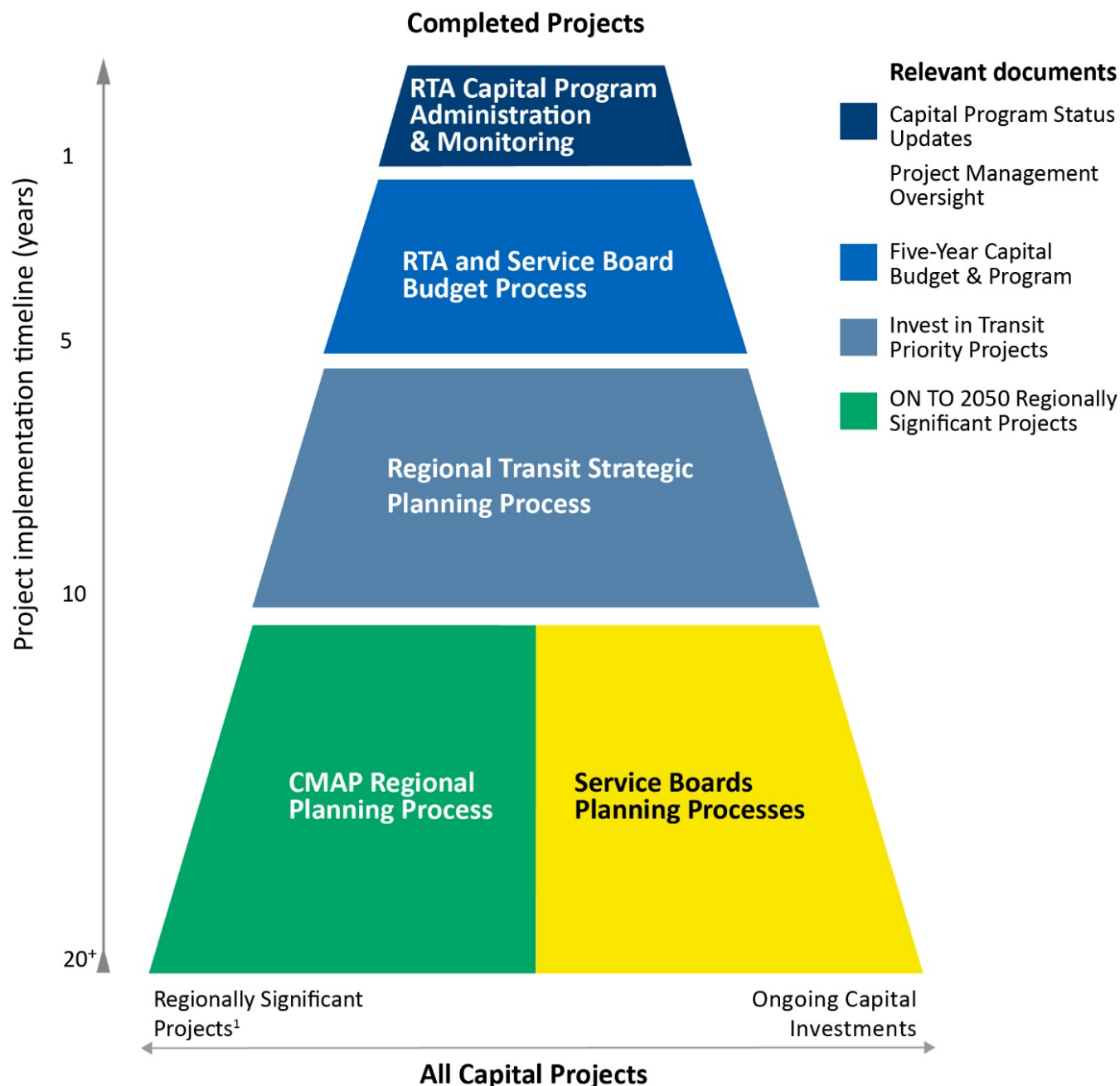
will more thoroughly show how ON TO 2050 Regionally Significant Projects and State of Good Repair projects are progressing, and how those plans inform the Regional Five-Year Capital Program. Similarly, *Invest in Transit* provides a mid-term view of 10 years for its Priority Projects. The RTA publishes annual status updates but can do more to track and communicate progress against Priority Projects and to show how they link between both the long-term plans and the near-term Five-Year Capital Program.

- The Regional Five-Year Capital Program provides a near-term view of projects that will be carried out soon. The RTA can do more to communicate about the progress of the capital program, and how the projects within it relate to regional plans.
- Finally, the RTA can continue to make improvements to its ongoing administration and monitoring activities, and to communicate more about the progress of the Service Boards in delivering their programs. The RTA has already begun to improve processes that help expedite project delivery.

A new investment framework can focus on improvements in each of these areas and is described in the remainder of this document. Building consensus around, and implementing, the new investment framework outlined in this document will help the Chicago region take a step toward more transparency in how decisions are made, and funds are invested.

As shown in **Figure 5**, the investment framework details how projects enter the region's universe of capital projects. All projects begin by being considered in the long-term regional planning process, which is on a 20-year or longer planning horizon. From there, depending on prioritization and funding availability, some projects move into the near-term budgeting process, are implemented by the Service Boards, and monitored through project management oversight and ongoing administration activities.

**Figure 5. Regional Processes that Move Projects from Planning to Completion**



1. ON TO 2050 defines RSP's as projects which costs at least \$100 million and changes capacity on transit services with some separate rights of way or shared right of way where transit has priority over other traffic or costs at least \$250 million and improves the state of good repair for a particular transit facility.

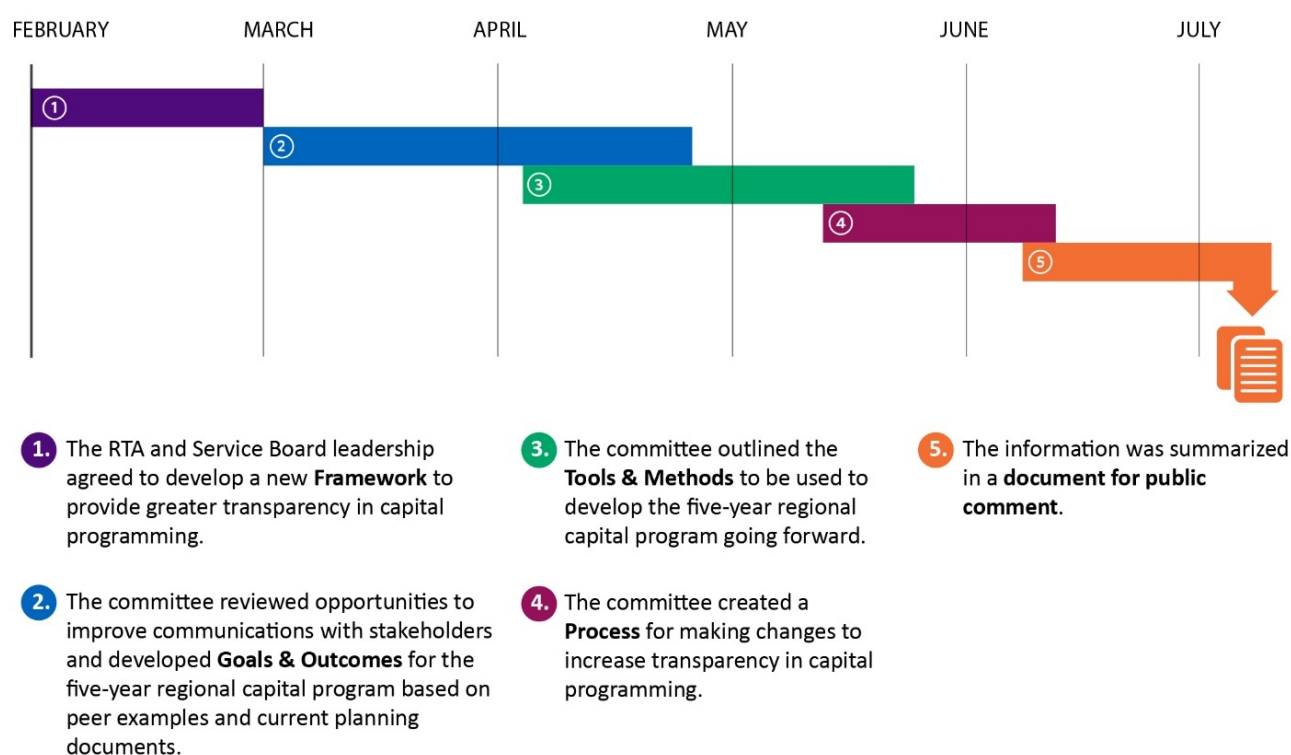
Source: Regional Transportation Authority

# Process for Developing the Investment Framework

## *Performance-Based Capital Allocation Process Committee*

Following the RTA Board's resolution in December 2019, RTA and Service Board leadership met in February 2020 to chart a path forward. The parties agreed to work together on ongoing administrative improvements, increased communications around regional programming activities, and the creation of a committee to develop the investment framework. The resulting Performance-Based Capital Allocation Process Committee of RTA, CTA, Metra, and Pace staff continues to study these topics and has drafted this investment framework.

**Figure 6. Investment Framework Development Process**



Source: Regional Transportation Authority

The committee met monthly in Spring 2020 with a clear objective and workplan. The work included a review of current processes and peer examples, as well as discussion of desired results, and a set of specific activities that can begin in 2020 as described in this document.

## Review of Communication Opportunities

The committee began its work by discussing opportunities for communicating to five core audiences that include the Illinois Legislature and elected officials; government partners; transit boards; civic and advocacy groups; riders and the public. The following chart shows these audiences' information needs relative to:

- The **goals** of the capital program as they relate to a regional vision and goals for transit, the funding required to achieve regional goals, and a vision for the outcomes likely to be achieved through a robust capital program.
- The **processes** related to capital programming, which includes the program delivery process, the opportunities to engage and provide input regarding projects, and evidence regarding the competency of the agencies involved in allocating and spending funds.
- The **outcomes** of the capital program, including construction related information as projects are underway, completion dates, as well as the final impact of the project on the transit system and the riding public.

**Figure 7. Investment Framework Communication Opportunities**

		Legislature & Elected Officials	Government Partners	Transit Boards	Civic & Advocacy Groups	Public & Riders
	<i>Purpose and content of communication</i>	<i>Articulate vision, needs, and why it's worthwhile.</i>	<i>Address state, regional, local goals and requirements.</i>	<i>Demonstrate responsible, efficient progress.</i>	<i>Educate, invite input, and help visualize outcomes.</i>	<i>Invite input, partner during change, show progress.</i>
<b>Goals</b>	Vision and goals	✓	✓	✓	✓	
	What is needed to achieve	✓	✓	✓	✓	
	Envisioned outcomes	✓	✓	✓	✓	
<b>Process</b>	Progress/delivery processes		✓	✓	✓	
	Invitation to engage		✓	✓	✓	✓
	Evidence of agency effectiveness		✓	✓	✓	
<b>Outcome</b>	Construction Info	✓	✓	✓	✓	✓
	Project Completion	✓	✓	✓	✓	✓
	Impact	✓	✓	✓	✓	✓

Source: Regional Transportation Authority

## ***Review of Peer Practices***

The committee reviewed a variety of capital programming documents and processes published by other agencies. The goal was to choose representative samples of different programming archetypes, and to evaluate how the documents went about providing information about the goals, processes, and outcomes of the capital programs. The representative plans reviewed included:

- The Washington Metropolitan Area Transit Authority (Metro) “[Keeping Metro Safe, Reliable & Affordable](#)” FY2019-FY2028 Strategic Plan and [10-Year Capital Needs Forecast](#) provide examples of a project-driven, comprehensive approach to capital programming at a single transit agency. Metro’s plans provide clear principles and goals for capital programming and extensive detail on the processes that they use to prioritize projects. The committee determined that Metro’s approach, while thorough, would not realistically scale to the size and variety of the regional program of three agencies as would be needed in the RTA region. Inspired by some of the combined data presentations used by Metro, the Performance-Based Capital Allocation Process Committee will be collecting and communicating more regional data in the new investment framework described later in this document.
- The Toronto Transit Commission (TTC) Capital Investment Plan for 2019-2033 “[Making Headway: Capital Investments to Keep Transit Moving](#)” provides an example of a goals-driven, thematic approach to capital programming at a single transit agency. TTC’s plan provides a compelling narrative about the importance of capital investment on transit services and customers in the Toronto region, and describes specific investments needed on each mode to achieve agency goals. The focus of the document is on the capital program benefits and likely outcomes and the process for capital programming is provided in an appendix. The committee noted that TTC’s approach likely could be scaled to accommodate three agencies in the RTA region, and such an approach could be guided by the goals already articulated in ON TO 2050 and *Invest in Transit*. Thus, the committee committed to creating enhanced communication and information products during the regional capital program development process.
- The Virginia Commonwealth Transportation Board (CTB) uses the data-driven “[Smart Scale](#)” process to allocate a focused set-aside of the agency’s funding to local highway and transit projects. The CTB has set focused goals for the program, uses a structured programming process, and provides ongoing updates about project status on a [website](#) for this purpose. The committee determined that the CTB approach, similar to the [approach used by CMAP](#) to allocate STP Shared Funds in the Chicago Region, lends itself to a programmatic set-aside but cannot be scaled to the entire capital program of three transit agencies in Northeastern Illinois. The committee did, however, see an



opportunity to leverage online dashboards to articulate capital program goals and status, and this action was accommodated in the new investment framework.

- The Minnesota Department of Transportation's [Greater Minnesota Transit Investment Plan 2017-2037](#) is a thematic plan that covers a wide variety of agencies and sub-regions of the state. The plan considers both operation and capital strategies and provides examples of how to apply performance measures across a wide variety of projects and modes. The committee found that the MinnDOT approach, while not directly analogous to capital programming in Chicago, provided a notable model for differentiating investment needs that exist across transit modes and communities.

The review of peer organizations provided a wide variety of approaches for the agencies to consider and discuss for applicability to the RTA region. Some ideas gleaned from review were incorporated into the new framework described in the next section.

## A New Investment Framework

The new investment framework developed by the working committee seeks to communicate the Goals, Process, and Outcomes of the capital program to the audiences of the RTA in a more transparent, engaging manner. The new investment framework also further integrates regional plans' goals into the solid regional capital program development process already in place, so that the linkages between these activities are clearer to those who do not typically follow the process. The result is three major changes:

- 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.
- Additional information products and updates to regularly describe project activities and results.

These changes have been integrated into the 2021 budget process (conducted in 2020) to inform the 2021-2025 Five-Year Capital Program and subsequent updates provided throughout 2021 to the RTA Board and key audiences as described above. These changes are described in more detail in the section that follows.

## Clarified Requirements and Goals

The new investment framework is driven by a set of focused core requirements and strategic goals drawn from *Invest in Transit*. The core requirements and goals will be used to guide and describe the regional capital program moving forward.



## Core Requirements

The core requirements are central to the activities of the Service Boards. They are noted in *Invest in Transit* and are non-negotiable elements of agency operations that transcend immediate areas of focus. The Service Boards expend capital dollars to meeting these requirements, and thus RTA is committed to continuing to achieve them through the regional capital programming process. These core requirements include:

- **Maintain and improve safety and reliability.** This core requirement is focused on infrastructure improvements that improve the safety of passengers and staff, as well as security of the system. Investment in this category might include new and enhanced camera and communication systems, improved lighting at stations and facilities, or technologies for improved incident response. Ensuring that aging assets are maintained and replaced when needed to maintain the continuity of safe and reliable operations throughout the existing regional transit system is of paramount of importance to regional and service board capital programming processes.
- **Achieve full accessibility.** The agencies have been working for years to achieve full accessibility of the transit system to all riders, including those with physical disabilities. Investment in this category might include station and facility reconstructions to fully meet accessibility needs, replacement of aged elevators, new and upgraded signage and wayfinding systems, improvements for accessing bus stops and stations, or technology innovations to provide improved access to people with disabilities.
- **Improve equity.** Some types of improvements improve access to transit and access to opportunities across the large and diverse RTA region. Investment in this category might include providing improvements to serve residents of low income and disinvested neighborhoods with reconstructed facilities or enabling new services to increase access to jobs and opportunities.
- **Meet regulatory requirements.** Meeting regulatory requirements that make Northeastern Illinois' transit system safer and more accessible is an ongoing programming need. Investment in this category might include new systems such as Metra's required \$400 million investment in Positive Train Control (PTC), new vehicle standards to meet crash or emission requirements, or technology to support security or reporting requirements.

## Strategic Goals

*Invest in Transit's* strategic goals also drive the new capital programming process. These strategic goals capture the RTA's and Service Boards' priorities:

- **Deliver value on our investment.** This goal focuses on fiscal responsibility and maximizing the region's investments in transit. Investment in this category might include



replacing vehicles and facilities which are beyond their useful life to bring the regional system into a State of Good Repair.

- **Build on the strengths of our network.** This goal focuses on improvements to the transit system in six high-priority markets: The Chicago Central Business District, Chicago North Side, Chicago South Side and Southland, Suburban Cook County, Suburban Employment Centers, and ADA Paratransit. Investment in this category might include new technology and infrastructure to increase service capacity where it is needed, improved facilities and technologies for more seamless connections between services, or investments to provide transit workers the tools and training necessary to maintain round-the-clock operations.
- **Stay competitive.** This goal focuses on the ability of the transit system to satisfactorily meet customer needs and attract riders to the services. Investment in this category might include facilities and technologies to improve bus speeds and reliability, advancements in Ventra payment and Mobility-as-a-Service initiatives, or technologies that enable improved bus and rail reliability.

These core requirements and strategic goals are already shared priorities developed by the agencies for *Invest in Transit*, so it is logical for the Chicago region to approach capital programming from the same perspective.

## Improved Data Collection

The RTA already collects a substantial amount of information from the Service Boards during the Budget and Five-Year Capital Program Development process outlined in previous sections. In 2020, RTA will be collecting more information from the Service Boards during the Budget Development process in order to report on more detail related to the capital program goals and outcomes as outlined above. The information requirements are shown in the [2021 Budget Call](#) approved by the RTA board in May 2020 and include the following new data requests:

- Estimated or actual project start date and estimate project completion date, which will be used to monitor project status.
- An indication from the submitting Service Board about which core requirements and strategic goals from the new investment framework are most impacted by the project. This information will be used to communicate the impact of the capital program and assess its alignment with the framework.
- An indication from the submitting Service Board about which regional or agency plan a specific project is included, again to communicate the impact of the capital program on regional goals for the transit system.

## Enhanced Information Products and Updates

The RTA is committed to several changes to informational products released with the annual budget and capital program in 2020. Specifically, the RTA will produce dedicated web and print communications that describe the capital program goals, processes, and outcomes in alignment with the new investment framework. These new communications will include:

- Posting capital program information on the RTA's website during the process, including the Budget Call and activities underway to assemble the regional budget and capital program.
- Producing a dedicated document that describes the capital program goals, process, and likely outcomes in more detail than summarized in the past.
- Producing a dedicated web tool to summarize and explore the draft and final Capital Program in a dashboard and/or map format.
- Enhancing promotion of opportunities for engagement from all stakeholders at appropriate points throughout the process.
- Providing supporting documentation that is received by the RTA from the Service Boards.
- Regularly updating the RTA Board of Directors through quarterly reports.

These documents will be provided alongside regular communication provided by the RTA during the annual budget development process and provided at regular public hearings that are held annually by the RTA.

In summary, the new capital program focus, data collection efforts, and information products will be used to meet the information needs of the audiences outlined earlier in this document. Transparent, frequent communication about the framework to those audiences will benefit the entire process and provide many opportunities for engagement in regional capital program development.

# Conclusion

This draft framework was prepared by RTA staff in close coordination with members of the Performance-Based Capital Allocation Process Committee. The RTA welcomes feedback from stakeholders. We all share the same objective: **to maximize benefits of the transit system and to preserve it as a resource for generations to come.** Public comments on this framework document will help inform the process both before and after it is implemented. Staff are grateful for the input and support of all parties, including external stakeholders whose passion for transit is key for the RTA's and the Service Boards' efforts to sustain this precious resource for current residents and generations to come. Capital planning and programming will be shaped by public comments on the draft framework, as well as by staff's ongoing efforts to grapple with the unfortunate challenges posed by COVID-19 and the happier challenges of *Rebuild Illinois*.