

# Adopted 2023 Operating Budget, Two-Year Financial Plan, and Five-Year Capital Program

Northeastern Illinois  
December 2022



This document contains the 2023 regional and Service Board operating budgets and capital programs, adopted by the RTA Board on December 15, 2022.

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# Regional transit begins 2023 prepared to meet funding challenges ahead

The Regional Transportation Authority (RTA) has a responsibility to fund, plan with, and both oversee and advocate for CTA, Metra, and Pace — known as the “Service Boards” — and to be candid with them and the public about financial challenges. Annually, all four transit agencies collaborate to develop the Operating Budget, Two-Year Financial Plan, and Five-Year Capital Program. Preparation of the 2023 budget coincides with development of the next Regional Transit Strategic Plan, *Transit is the Answer*, which was released for public comment in December and will be considered for adoption by the RTA Board of Directors in early 2023. That document outlines a strategic vision, financial plan, and specific items to act on and build advocacy around, that, if enacted, have the potential to transform our region’s transit system and ensure its future for generations to come.

In 2022, the Chicago region’s transit system welcomed back many riders and settled into a new normal after several years of disruption. By September, CTA, Metra, and Pace were providing more than 1 million rides per weekday, a high since the COVID-19 pandemic began in March 2020. These numbers are still significantly lower than the pre-pandemic period, which will be a factor in the operating funding challenges forecasted in the years ahead.

Federal relief dollars distributed by the RTA earlier in the pandemic will continue to support transit operations for the upcoming budget year, but they will not last forever. A shortfall of more than \$730 million per year is expected starting in 2026, a nearly 20 percent hole in the budget that would be devastating to our regional transit system and the riders it serves. The RTA is prepared with a strategic plan informed by a 10-year financial plan and a growing coalition of support behind ideas on how to close the gap, improve and adapt service, and ensure transit is viable for the next generation.

On the capital side, federal investment from the Bipartisan Infrastructure Law (Infrastructure Investment and Jobs Act or IIJA) is beginning to flow to the Chicago region and funds from the 2019 state law, Rebuild Illinois, are continuing to be programmed, allowing CTA, Metra, and Pace to make progress on the backlog of needs and work toward regional goals like accessibility, equity, and bringing our transit system into a state of good repair. The RTA and Service Boards have streamlined administrative processes and ramped up construction pipelines to deliver on this large-scale investment. In 2022, the RTA released a new map of capital projects to accompany the web-based listing of capital projects and downloadable datasets that have been made available on the RTA Mapping and Statistics website (RTAMS) since 2021.

This document describes a 2023 budget that includes \$3.583 billion in operating expenses for northeastern Illinois’ transit system, an increase of 6.0% over the adopted 2022 budget. This increase reflects nationwide trends in inflation, rising costs of goods and labor, and a labor shortage that is affecting transit agencies across the country. It also details the 2023-2027 Regional Capital Program of \$5.724 billion, which is 8.8% greater than the 2022-2026 Capital



Program, due to the increase in federal infrastructure funding. Riders will not experience any general fare increases in 2023; rather, each Service Board is innovating with new fare products to continue to entice more people to return to transit.

As we begin 2023, we know that public transit is an essential part of our region's future. While challenging conversations and difficult decisions lie ahead, the RTA is committed to a future with safe, reliable, accessible public transportation that connects people to opportunity, advances equity, and combats climate change.

## Federal relief continues to sustain transit, but will run out in coming years

When ridership fell at the beginning of the pandemic, the RTA and Service Boards, along with transit agencies from across the country, advocated for federal relief funding in order to sustain critical transit service. The federal government recognized that transit was an essential service and under administrations of both parties passed three pieces of legislation that included historic levels of operating support for transit agencies across the country. Since 2020, the RTA has allocated \$3.5 billion in federal relief dollars to CTA, Metra, and Pace to keep trains and buses running, and those dollars continue to fill a hole in each operator's budget. In 2023, the transit agencies expect to use \$674 million worth of federal relief dollars to replace lost revenue from rider fares.

**Table 1: Federal Relief Funding Utilization (in millions)**

|                         | Total Allocated  | Drawn for 2020-2022 | Budgeted for 2023-2025 | Remaining after 2025 |
|-------------------------|------------------|---------------------|------------------------|----------------------|
| CTA                     | \$2,209.2        | \$986.7             | \$1,206.3              | \$16.2               |
| Metra                   | \$1,076.2        | \$477.0             | \$599.2                | \$0.0                |
| Pace Suburban Service   | \$205.5          | \$161.5             | \$44.0                 | \$0.0                |
| ADA Paratransit         | \$20.7           | \$13.8              | ---                    | \$6.9                |
| RTA                     | \$28.8           | \$28.8              | ---                    | \$0.0                |
| <b>Total</b>            | <b>\$3,540.4</b> | <b>\$1,667.8</b>    | <b>\$1,849.5</b>       | <b>\$23.1</b>        |
| <b>Percent of Total</b> | ---              | <b>47.1%</b>        | <b>52.2%</b>           | <b>0.7%</b>          |

As part of the development of the next Regional Transit Strategic Plan, finance teams from the RTA, Service Boards, and the Chicago Metropolitan Agency for Planning (CMAP) have been working on a 10-Year Financial Plan that will inform the fiscal challenge ahead. This work forecasted that federal COVID relief will continue to sustain transit operations through most of 2025, but an annual budget shortfall of more than \$700 million is expected by 2026. This financial cliff accounts for nearly 20 percent of the regional transit budget and is a gap too large to be closed by traditional budget levers such as service cuts or fare increases.

As this budget shows, the cost of operating transit is increasing. In the near term, inflation is going to be a challenge, and labor is the dominant expense category, comprising about 70%



of current and similarly projected expenses. Attracting and retaining talent, which is a serious ongoing problem for the transit industry, requires competitive compensation and benefits.

In addition, the simple fact is that fewer people are riding the system than did in 2019. The pandemic accelerated changes to commute patterns that were emerging before and that are now expected to remain. The RTA does not expect ridership to return to 2019 levels any time through at least 2031. These issues are not unique to the Chicago region as many other transit systems nationwide are facing the same, if not worse, financial scenarios in years ahead.

## Shifting the value, and funding, of transit beyond ridership

While the financial issues ahead are concerning, we know that the value of transit extends far beyond the number of people riding buses and trains each day. Chicagoland's public transit system contributes to our region's economic, environmental, and social health in ways and at a scale nothing else can. America's second-largest public transit system is our region's strongest tool for combating climate change, enabling seamless connectivity for a new era of work and recreation, and linking disenfranchised and underserved neighborhoods to jobs, education, and prosperity.

The pandemic also provided a lesson about who relies on transit the most. The RTA COVID-19 Lapsed Rider Survey released in early 2021 found that those who continued to ride transit during the worst of the pandemic were most likely to be essential workers, people of color, or people experiencing low incomes, reinforcing the role transit plays in providing access to opportunity for all.

However, the way we fund transit in the Chicago region has been tied to ridership numbers and the fares riders pay in a way that limits the region's ability to invest in services that have a high societal benefit. The recovery ratio, a state statute that requires 50 percent of our region's transit system be funded through system generated revenue, is not in step with the true value of transit. The RTA currently has secured temporary recovery ratio relief, approved by the Governor through the end of 2023, but a longer-term solution is needed.

The Chicago region has one of the highest recovery ratios in the nation. Through the Regional Transit Strategic Plan process, the idea of developing a funding structure that is less reliant on rider fares, but instead focused on expanding access to opportunity, gained support as a priority goal. Seeking alternative funding would allow the transit agencies to focus on access over ridership and explore programs that are best for riders, even if they may not generate the most immediate revenue, such as reduced fares for low-income residents or different types of service in lower density areas.

As our transit system shifts this paradigm, more flexibility will be required from all. The RTA and partners have already started adapting in several ways including service modifications, capital projects, and new fare offerings such as the Metra \$100 monthly pass and the \$30 Regional Connect Pass that the agencies are piloting now. The forthcoming strategic plan offers even more adaptation and enhancements meant to improve the experience for all riders.

## Building a coalition around a new plan for our transit system

The scale, complexity, and existential nature of the challenges that our transit system is currently facing demanded a new, inclusive process to develop the next Regional Transit Strategic Plan. The actions needed are beyond the scope of any one agency, and the RTA



believes that it is only through coalition building — mutual learning and agenda setting — that we can rise to meet the moment. The RTA is committed to change, and the process we have followed over the past 18 months reflects that commitment.

A new vision for transit was created through this collaborative process: Safe, reliable, accessible public transportation that connects people to opportunity, advances equity, and combats climate change. Three core principles have guided the process of developing this plan and will be central to implementation: Equity, Committed to Change, and Stewardship.

With support of our partners at the Service Boards and a coalition of state and regional leaders, the plan will advance an Agenda of Advocacy and Action that includes:

- Secure increased funding for transit operations.
- Develop a funding structure that is less reliant on rider fares, but instead focused on expanding access to opportunity.
- Build a coalition around the value transit brings to the Chicago region.
- Support communities' efforts to improve the area around their transit stations and stops and pursue equitable transit-oriented development.
- Engage with communities in an inclusive and transparent way about how transit dollars are spent in the Chicago region.
- Secure increased funding for transit infrastructure.
- Partner with roadway agencies to build more transit-friendly streets and advance bus rapid transit.
- Make the transit system safer and more secure for everyone.
- Use new funding as a catalyst to create a fully accessible transit system.
- Provide more accurate, real-time travel information for riders.
- Make paying for transit more seamless and more affordable.
- Accelerate the transition to a near-zero emission regional transit system and prioritize communities burdened by poor air quality.
- Assess the regional capital program in a new way including considerations for racial equity and mobility justice.
- Adapt bus and rail service to meet the changing needs of riders.

Additionally, the plan will recommend 12 new evaluation themes for evaluating capital projects as they are added to the regional program that will be operationalized and applied in 2023 for the 2024 capital program:

- Access to key destinations
- Racial equity and mobility justice
- Economic development
- Reliability improvement
- Capacity needs
- Safety
- State of good repair
- Climate impact
- Customer experience



- Accessibility for people with disabilities
- Meet regulatory requirements
- Impact on operating costs

The public hearing on the 2023 budget will coincide with the hearing for the Regional Transit Strategic Plan, giving the public an opportunity to weigh in on two major projects that will shape the future of transit in the short and longer term. We encourage people to stay involved and join us in our work to support transit in the next few years. We will need every one of you along the way.

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*“In 2023, the RTA and Service Boards will take a serious look at the future, both the challenges we face and improvements necessary to strengthen the system. With a coalition of support, our region’s public transit system will continue to thrive and provide reliable, accessible, and equitable mobility options for all.”*

– Leanne Redden, RTA Executive Director

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# Regional Operations

This section summarizes the adopted 2023 Regional Operating Budget and Two-Year Financial Plan, which comprises each Service Board's operating budget and the RTA Agency budget. This first section of the document contains high-level summaries of the regional budget. More complete details may be found in the CTA, Metra, Pace Suburban Service, ADA Paratransit, and RTA Agency sections that follow it. The adopted budgets will be presented by the leadership and staff of the RTA, CTA, Metra, and Pace at the RTA Board meeting on November 17, 2022. Following the public comment period — which will include an RTA virtual public hearing on December 7, 2022 — the RTA Board will consider adoption of the regional operating budget and capital program at its meeting on December 15, 2022.

## Regional Operating Budget

The onset of the COVID-19 pandemic in March 2020 had an immediate, profound, and lingering effect on the regional operating budget. Thankfully, the federal government provided more than \$3.5 billion of relief funding, which CTA, Metra, and Pace continue to utilize to offset revenue losses and maintain critical transit service for those who need it the most. While RTA sales tax collections recovered quickly in 2021 and have shown continued strength in 2022, the Service Boards' fare revenue remains severely depressed due to the slow but steady return of riders to public transit.

Inflation began to rise in the second half of 2021 and has remained high throughout 2022, increasing the costs of goods and services across sectors, including the provision of transit services. The Service Boards' adopted 2023 operating budgets reflect this, containing significant operating expense increases due to service restorations and added security, exacerbated by inflationary increases in labor, fuel, and other expenses. The adopted regional operating budget stands at \$3.583 billion, 11% higher than the estimated 2022 regional expenses, and about 6% above the adopted 2022 regional budget. Supporting the projected Service Board expense levels through 2025 is expected to require the use of essentially all remaining federal relief funding, with 2026 expected to be the first budget year unsupported by existing federal relief. While no general fare increases are contained in the adopted budgets, some price adjustments and new pass options will be introduced to encourage more riders to return to the transit system.

Unless otherwise noted, most growth rates in this document are calculated by comparing 2023 Budget figures to 2022 Estimate figures, which the Service Board finance teams have reforecast based on the most recent financial results, ridership, and operating trends of the current year. Such a comparison generally provides a more useful and meaningful view than comparing the (2023) budget to the prior year (2022) budget.

### Ridership

In 2022, RTA system ridership has continued a slow but steady recovery from the COVID-19 pandemic. Total ridership surpassed 50% of pre-COVID levels over the summer and is forecast to finish the year at 283.4 million. As shown in Table 2, ridership for 2023 is budgeted to continue recovering, to 316.3 million, an increase of 11.6% from 2022 but still just 56% of the pre-COVID 2019 level of 562 million rides. Each Service Board is projecting



ridership increases in their 2023 budgets, ranging from a 41% gain at Metra to a 2% gain at Pace Suburban Service. Compared to pre-COVID ridership results, Metra’s budget assumes ridership at 47% of 2019 levels, Pace at 51%, CTA at 58%, and ADA Paratransit at 95%.

**Table 2: Regional Ridership Forecast**

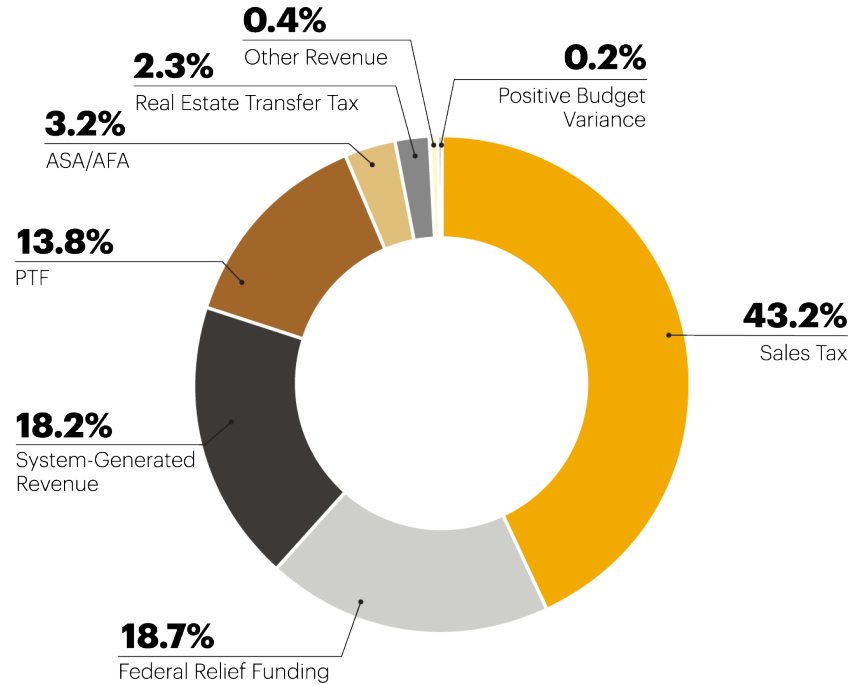
| Ridership (in millions) | 2022 Estimate | 2023 Budget  | Growth        |
|-------------------------|---------------|--------------|---------------|
| CTA                     | 240.7         | 263.0        | +9.3%         |
| Metra                   | 24.6          | 34.8         | +41.4%        |
| Pace Suburban Service   | 14.2          | 14.5         | +1.8%         |
| ADA Paratransit         | 3.8           | 4.1          | +6.8%         |
| <b>System</b>           | <b>283.4</b>  | <b>316.3</b> | <b>+11.6%</b> |

**System-Generated Revenue**

The Service Boards’ 2023 budgets anticipate \$655.6 million of system-generated revenue, an increase of \$76.9 million, or 13.3%, over the 2022 estimate. System-generated revenue consists primarily of passenger fares as well as ancillary revenue from sources such as the lease of space, advertising, and investment income. It also includes the State reduced fare reimbursement (RFR) funding, which partially compensates the Service Boards for mandated free and reduced fare programs. While no general fare increases are planned for 2023, several fare-related actions are discussed later in the individual Service Board sections.

As shown in Figure 1, system-generated revenue accounts for only 18% of the \$3.599 billion of total revenue estimated to be available for 2023 operations, with the balance coming from public funding sources and federal COVID-19 relief funding, discussed next.

**Figure 1. 2023 Revenues: \$3.599 Billion**



## Public Funding

Overall public funding for the 2023 budget is projected at \$2.261 billion, an increase of \$17.3 million or 0.8% from the 2022 estimate. About 43% of the region's revenue for operations is budgeted to come from the regional sales tax imposed at 1.25% in Cook County and 0.5% in the collar counties. RTA sales tax receipts are expected to finish 2022 at \$1.517 billion, an increase of 3.3% from 2021. Sales tax is assumed to grow by 2.4% in 2023, to \$1.553 billion, followed by growth of 2.9% and 3.8% in 2024 and 2025, respectively, finishing the planning period at \$1.659 billion. The existing State surcharge of 1.5% on RTA sales tax collections is assumed to remain in place, reducing RTA and Service Board funding by more than \$20 million per year.

The majority of State funding received by the RTA is based on a 30% match of RTA sales tax and Real Estate Transfer Tax (RETT) receipts. The match funding comes from the State's Public Transportation Fund (PTF), which is expected to provide \$494.9 million for 2023 operations. Real Estate Transfer Tax (RETT) receipts are also expected to increase by 2.4% in 2023 to \$81.8 million, in line with the sales tax growth assumption. State Financial Assistance (ASA/AFA) for state funded reimbursement of debt service on RTA Strategic Capital Improvement Program (SCIP) bonds is budgeted at \$115.2 million for 2023, a decrease of \$15 million from 2022 as RTA's oldest SCIP bonds begin to mature. Other miscellaneous revenue sources, including State funding support of \$8.4 million for Pace ADA Paratransit service, comprise less than 1% of total revenue.

## Federal Relief Funding and Positive Budget Variance

A total of \$3.540 billion of federal CARES Act, CRRSAA, and ARP Act COVID-19 relief funding has been provided to the RTA region. The Service Boards and RTA estimate that \$1.665 billion or 47% of the federal relief funding will be drawn down by the close of 2022. The adopted Metra 2023 budget and two-year plan estimates that Metra's relief funding will exhaust during the third quarter of 2025, requiring \$54 million of additional funding or budget balancing actions (BBA) for that budget year. The adopted CTA and Pace Suburban Service budgets and plans utilize essentially all remaining relief funding allocations by the end of 2025. For Pace, this includes the programming of \$134 million of positive budget variance (PBV) associated with 2020 and 2021 relief funding drawdowns which have been held in reserve. Relief funding and PBV account for 19% of the total 2023 revenue for operations.

To summarize, the adopted Service Board 2023 budgets and 2024-2025 plans project that existing federal relief funding will begin to exhaust in late 2025, with only a small amount remaining as 2026 begins. However, many variables will impact and continue to shift this forecast as we move forward, including ridership recovery, sales tax performance, and Service Board expense performance relative to budget.

The combined amount of federal relief funding, PBV, and BBA utilized to balance the adopted Service Board 2025 Plans totals \$665 million, consistent with the \$730 million 2026 budget gap estimated by the Ten-Year Financial Plan effort within the draft RTA strategic plan, Transit is the Answer. If additional operating funding sources are not identified soon, unspecified and significant budget balancing actions will be required by the Service Boards to bring operating expenses back into balance with projected revenue.

## Service Levels and Expenses

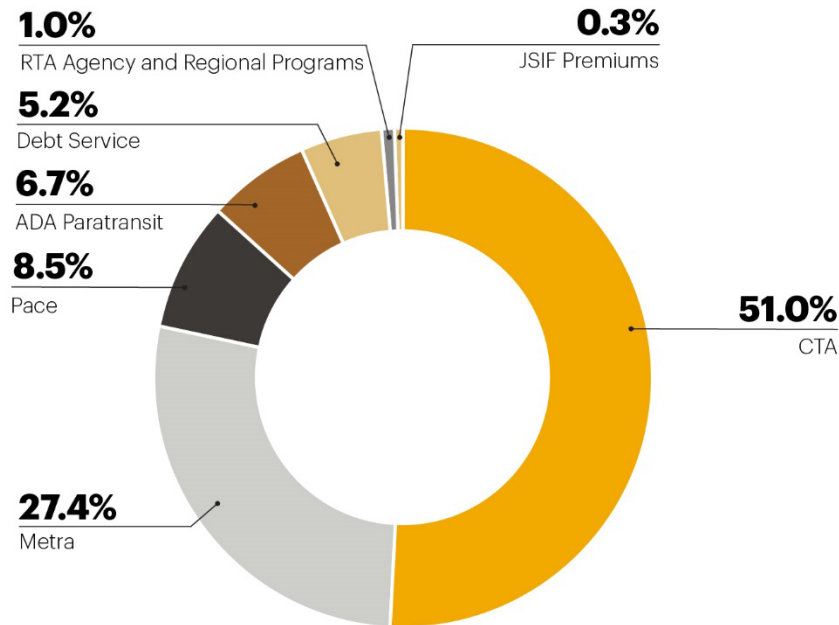
As shown in Figure 2, Service Board operating expenses comprise about 93% of the 2023 Regional Budget, largely driven by planned service levels. CTA's adopted budget continues to assume essentially full service, while the adopted Metra budget incorporates the return of pre-pandemic service levels in 2023. The adopted Pace Suburban Service budget makes permanent 89 of the route suspensions and reductions implemented in May 2020, subject to the public hearing process, while also adding new service offerings.

Each of the Service Boards anticipates very significant 2023 operating expense growth relative to their 2022 estimates, exacerbated by ongoing inflation effects. CTA projects a 14.3% increase in expenses, driven primarily by labor, fuel, and additional security costs. Metra operating costs are expected to increase by 14.0% due to the restoration of service



and higher administrative expenses. Pace anticipates 9.8% expense growth driven by the addition of new service including the Dempster Avenue Pulse ART route and more TNC pilot projects, as well as the relocation of some capital-related expenses into the operating budget. ADA Paratransit expenses are projected to increase by 7.0% due to continuing ridership recovery and contractual price increases including new minimum wage requirements for drivers.

**Figure 2. 2023 Expenses: \$3.583 Billion**



RTA Agency and Regional Programs expenses are budgeted at \$36.9 million, a decrease of more than 20% from the 2022 estimate, due to a temporary reduction of grant-funded programs. The 2023 RTA Agency net expense, or funding requirement, is budgeted to increase by 3.0% from 2022, to \$36.3 million. The RTA Agency budget represents 1.0% of RTA system expenses.

Other regional expenses, which include debt service on bonds issued for Service Board capital funding and Joint Self Insurance Fund (JSIF) premiums, comprise the remaining 5.5% of regional expenses. The projected 2023 RTA debt service level of \$185.9 million includes principal and interest expense on existing long-term bonds and on a new \$130 million RTA bond issuance planned for 2023.

When RTA and regional expenses are combined with Service Board operating expenses, total 2023 expenses for the RTA system are projected at \$3.583 billion, an increase of 11.3% over the 2022 estimate. However, on a budget-to-budget basis, Service Board and RTA operating expense growth rates are significantly lower, at a combined 6.0%. With inflation expected to abate, operating expenses are subsequently projected to increase by 4.5% and 2.8% in 2024 and 2025, respectively, reaching \$3.848 billion by the end of the planning period.

### Net Result and Recovery Ratios

As shown in Table 3, the regional operating budget and financial plan is balanced in 2023, 2024, and 2025, with a net result of zero achieved by the utilization of federal relief funding and PBV, shown in green, and by potential budget balancing actions in 2025 only, shown in red. By including \$674 million of federal relief funding in system-generated revenue, as authorized by the RTA Board, the 2023 CTA, Metra, and Pace operating budgets meet or exceed their individual RTA-specified recovery ratios of 42%, 39%, and 17%, respectively.

The ADA Paratransit budget also meets the required recovery ratio of 7.5%, after authorized expense exclusions.

The resulting RTA regional recovery ratio for 2023 is budgeted at 45.8%, as allowed by the temporary State recovery ratio relief currently in place. After the 2023 budget year, the temporary relief lapses and the 50% requirement returns. Even with federal relief funding included in the calculation, the RTA system is expected to fall short of the 50% statutory requirement in 2024 and 2025, indicating that an extension of the temporary relief, or permanent recovery ratio relief, is needed. For purposes of considering the two-year financial plan for adoption, tentative and unspecified regional-level revenue credits of \$101 million and \$122 million have been included for 2024 and 2025, respectively, solely to elevate the recovery ratio to the 50% requirement.

An additional recovery ratio calculation which excludes all federal relief funding has been added for information only, in red, near the bottom of Table 3. This ratio, which continues to apply the revenue and expense adjustments currently allowed by the RTA Act, gives a more transparent view of the recovery ratio which may be achievable in the post-COVID revenue environment at budgeted service levels. The ratio ranges from 24% to 26% across the budget and two-year financial plan period.

**Table 3: Statement of Regional Revenues and Expenses (in thousands)**

|  | <b>2021<br/>Actual</b> | <b>2022<br/>Estimate</b> | <b>2023<br/>Budget</b> | <b>2024<br/>Plan</b> | <b>2025<br/>Plan</b> |
|--|------------------------|--------------------------|------------------------|----------------------|----------------------|
| <b>Revenues</b>                        |                        |                          |                        |                      |                      |
| <b><u>System-Generated Revenue</u></b> |                        |                          |                        |                      |                      |
| CTA                                    | 329,659                | 375,094                  | 393,576                | 418,640              | 445,514              |
| Metra                                  | 133,018                | 162,918                  | 216,018                | 265,118              | 302,118              |
| Pace                                   | 32,333                 | 31,941                   | 33,405                 | 34,347               | 35,035               |
| ADA Paratransit                        | 6,801                  | 8,672                    | 12,561                 | 12,982               | 13,431               |
| <b>Total System-Generated Revenue</b>  | <b>\$501,811</b>       | <b>\$578,625</b>         | <b>\$655,560</b>       | <b>\$731,087</b>     | <b>\$796,099</b>     |
| <b><u>Public Funding</u></b>           |                        |                          |                        |                      |                      |
| RTA Sales Tax                          | 1,468,807              | 1,517,075                | 1,553,484              | 1,598,536            | 1,659,280            |
| Public Transportation Fund (PTF)       | 437,268                | 486,962                  | 494,942                | 512,110              | 531,570              |
| Real Estate Transfer Tax (RETT)        | 71,118                 | 79,866                   | 81,783                 | 84,155               | 87,353               |
| State Financial Assistance (ASA/AFA)   | 130,300                | 130,300                  | 115,189                | 117,615              | 103,358              |
| State Funding for ADA Paratransit      | 8,395                  | 8,395                    | 8,395                  | 8,395                | 8,395                |
| Federal Discretionary Funding          | 6,625                  | 8,058                    | 4,821                  | 3,969                | 3,969                |
| JSIF Reserves                          | 2,500                  | -                        | -                      | -                    | -                    |
| ICE Carryforward <sup>1</sup>          | 1,392                  | -                        | -                      | -                    | 15,811               |
| Other RTA Revenue <sup>2</sup>         | 7,011                  | 12,790                   | 2,101                  | 12,919               | 2,137                |
| <b>Total Public Funding</b>            | <b>\$2,133,415</b>     | <b>\$2,243,447</b>       | <b>\$2,260,715</b>     | <b>\$2,337,697</b>   | <b>\$2,411,872</b>   |



|  | 2021<br>Actual     | 2022<br>Estimate   | 2023<br>Budget     | 2024<br>Plan       | 2025<br>Plan       |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b><u>Federal Relief Funding, PBV, and BBA</u></b>     |                    |                    |                    |                    |                    |
| Federal Relief Funding <sup>3</sup>                    | 564,889            | 409,095            | 674,295            | 629,632            | 545,513            |
| Prior-Year Positive Budget Variance (PBV) <sup>3</sup> | -                  | -                  | 7,990              | 60,489             | 65,723             |
| Budget Balancing Actions <sup>3</sup>                  | -                  | -                  | -                  | -                  | 54,274             |
| <b>Total Relief Funding, PBV, and BBA</b>              | <b>\$564,889</b>   | <b>\$409,095</b>   | <b>\$682,285</b>   | <b>\$690,121</b>   | <b>\$665,510</b>   |
| <b>Total Revenues</b>                                  | <b>\$3,200,115</b> | <b>\$3,231,166</b> | <b>\$3,598,560</b> | <b>\$3,758,906</b> | <b>\$3,873,481</b> |
| <b><u>Service Board Expenses</u></b>                   |                    |                    |                    |                    |                    |
| CTA  | 1,585,216          | 1,599,003          | 1,827,550          | 1,903,485          | 1,973,355          |
| Metra  | 730,500            | 860,000            | 980,000            | 1,020,000          | 1,055,000          |
| Pace   | 223,243            | 276,404            | 303,426            | 317,371            | 331,623            |
| ADA Paratransit  | 186,267            | 222,886            | 238,500            | 251,173            | 265,994            |
| <b>Total Service Board Expenses</b>                    | <b>\$2,725,226</b> | <b>\$2,958,293</b> | <b>\$3,349,476</b> | <b>\$3,492,029</b> | <b>\$3,625,971</b> |
| <b><u>Region/Agency Expenses</u></b>                   |                    |                    |                    |                    |                    |
| Debt Service   | 278,925            | 203,210            | 185,932            | 190,834            | 171,740            |
| RTA Agency and Regional Programs                       | 38,384             | 46,501             | 36,868             | 48,774             | 39,113             |
| Joint Self-Insurance Fund (JSIF)                       | 9,500              | 9,975              | 10,474             | 10,997             | 11,547             |
| <b>Total Region/Agency Expenses</b>                    | <b>\$326,808</b>   | <b>\$259,687</b>   | <b>\$233,273</b>   | <b>\$250,606</b>   | <b>\$222,400</b>   |
| <b>Total Expenses</b>                                  | <b>\$3,052,034</b> | <b>\$3,217,980</b> | <b>\$3,582,750</b> | <b>\$3,742,637</b> | <b>\$3,848,371</b> |



|  | <b>2021<br/>Actual</b> | <b>2022<br/>Estimate</b> | <b>2023<br/>Budget</b> | <b>2024<br/>Plan</b> | <b>2025<br/>Plan</b> |
|--|------------------------|--------------------------|------------------------|----------------------|----------------------|
| ICE funding not used for operations - transfer to capital <sup>4</sup> | (7,773)                | (8,029)                  | -                      | -                    | (8,222)              |
| ICE funding retained by RTA for future distribution                    | -                      | -                        | (15,811)               | (16,269)             | (16,887)             |
| Other transfers <sup>5</sup>   | (13,567)               | -                        | -                      | -                    | -                    |
| <b>Net Result</b>  | <b>\$126,740</b>       | <b>\$5,157</b>           | <b>\$0</b>             | <b>\$0</b>           | <b>\$0</b>           |
| <b>Regional Recovery Ratio (Statutory)</b>                             | <b>40.3%</b>           | <b>39.5%</b>             | <b>45.8%</b>           | <b>50.0%</b>         | <b>50.0%</b>         |
| <b>Recovery Ratio Excluding Relief Funding (for info only)</b>         | <b>22.5%</b>           | <b>24.3%</b>             | <b>23.7%</b>           | <b>25.4%</b>         | <b>26.4%</b>         |

<sup>1</sup> In 2021, Pace (from 2019) due to delay of Milwaukee Ave ART launch. In 2025, RTA release of total estimated 2023 ICE funding.

<sup>2</sup> Includes income from financial transactions and investments, sales tax interest, and revenues from RTA programs and projects.

<sup>3</sup> Authorized for inclusion as operating revenue for recovery ratio purposes by RTA Ordinances 2020-20, 2021-08, and 2021-52.

<sup>4</sup> As authorized by RTA Ordinance 2021-52, ICE amounts not required for operating funding may be redesignated for capital projects.

<sup>5</sup> Includes transfers to RTA reserves (2021).

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## Primary RTA Public Funding Sources

**RTA Sales Tax Part I:** The original RTA sales tax, levied at 1.0% in Cook County and 0.25% in the collar counties of DuPage, Kane, Lake, McHenry, and Will. 85% of Sales Tax I receipts are distributed to the Service Boards according to a statutory formula. The remaining 15% of Sales Tax I is initially retained by the RTA to fund regional and agency expenses before being allocated at the direction of the RTA Board.

**RTA Sales Tax Part II:** Authorized by the 2008 funding reform, an additional sales tax of 0.25% in all six counties of the RTA region. Sales Tax II is distributed to the Service Boards according to a statutory formula after deducting funds for ADA Paratransit, Pace Suburban Community Mobility (SCMF), and RTA Innovation, Coordination, and Enhancement (ICE). After these deductions, CTA receives 48%, Metra 39%, and Pace 13%.

**Real Estate Transfer Tax (RETT):** The 2008 funding reform also increased the City of Chicago RETT by \$1.50 per \$500 of property transferred and dedicated this additional tax revenue to directly fund CTA operating expenses.

**Public Transportation Fund (PTF) Part I:** PTF Part I is State-provided funding comprised of a 25% match of Sales Tax I receipts. 100% of PTF I is retained by the RTA and combined with 15% of Sales Tax I to form the basis for funding to be allocated at the direction of the RTA Board.

**Public Transportation Fund (PTF) Part II:** PTF Part II, authorized by the 2008 funding reform, is State-provided funding equal to a 5% match of Sales Tax I receipts and a 30% match of Sales Tax II receipts and RETT receipts. After allocating 5/6 of the PTF on RETT receipts to CTA, the remaining PTF II is distributed to the Service Boards by the same statutory formula used to allocate Sales Tax II.

**State Financial Assistance:** State-provided assistance to reimburse the RTA's debt service on Strategic Capital Improvement Program (SCIP) bonds. It consists of two components: Additional State Assistance (ASA) and Additional Financial Assistance (AFA).

**State Reduced Fare Reimbursement:** State-provided reimbursement to the Service Boards, via the RTA, to partially offset the cost of providing reduced fare and free ride programs mandated by law, including those for seniors and disabled persons.

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# CTA Operating Budget

CTA’s adopted operating budget reflects a continued effort to deliver full service while striving to achieve the goals outlined in CTA’s action plan, *Meeting the Moment: Transforming CTA’s Post-Pandemic Future*. No fare increases are adopted in 2023, and CTA has maintained the discounts on passes implemented in 2021. Overall operating expense levels are expected to increase by 14% from the 2022 estimate, driven by higher labor, fuel, and security costs. At the resulting expense levels, an operating budget gap of \$390 million for 2023 will be closed with federal relief funds.

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“CTA will continue to aggressively confront these challenges—always with an eye towards providing reliable and equitable service throughout the region. We also ask for the continued partnership and advocacy of all of our stakeholders during this transformative time for our industry. Appropriate staffing levels and sufficient funding will be key to resolving operational issues, continuing investment in equity, and providing our customers with the best travel experience possible.”

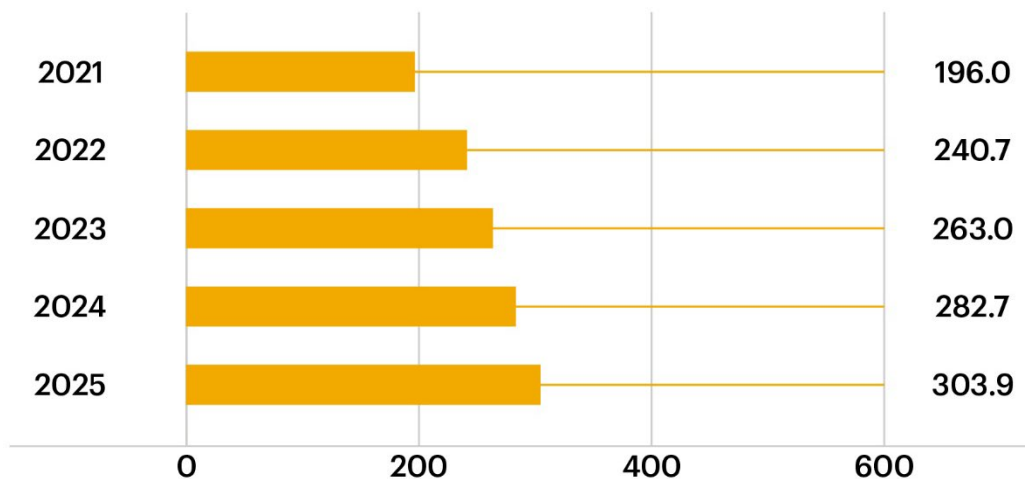
Dorval R. Carter Jr., CTA President

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## Ridership

Transit ridership locally and nationally continues to lag pre-pandemic levels. With a significant increase in remote work reducing commuting frequency, there has been a definitive shift in why and when people ride public transit. CTA’s total 2022 ridership is projected to end the year at 240.7 million, or about 53% of 2019 ridership. The 2023 budget anticipates ridership growth of 9.0% from the 2022 estimate to 263.0 million rides, or about 58% of pre-COVID levels. Further recovery is anticipated for 2024 and 2025, with ridership projected to reach 67% of pre-COVID levels for both bus and rail by the end of the planning period.

Figure 3. CTA Ridership (millions)



## Fares

No fare increases are included in the 2023 budget. The fare changes implemented in 2021 have been instrumental in driving ridership growth and strengthening fare revenues. CTA and Pace will consolidate the 1-Day, 3-Day, 7-Day, and 30-Day passes as shared passes, eliminating the previous \$5 premium. As a result, CTA’s average 2023 fare is projected to decrease by 3 cents from the 2022 estimate to \$1.20. Minor fluctuations in average fare are



to be expected across the planning period as ridership and ticket mix (i.e., pass and multi-day products versus single rides) vary. CTA's average fare accounts for ridership of all fare types, including a significant number of free and reduced fare rides.

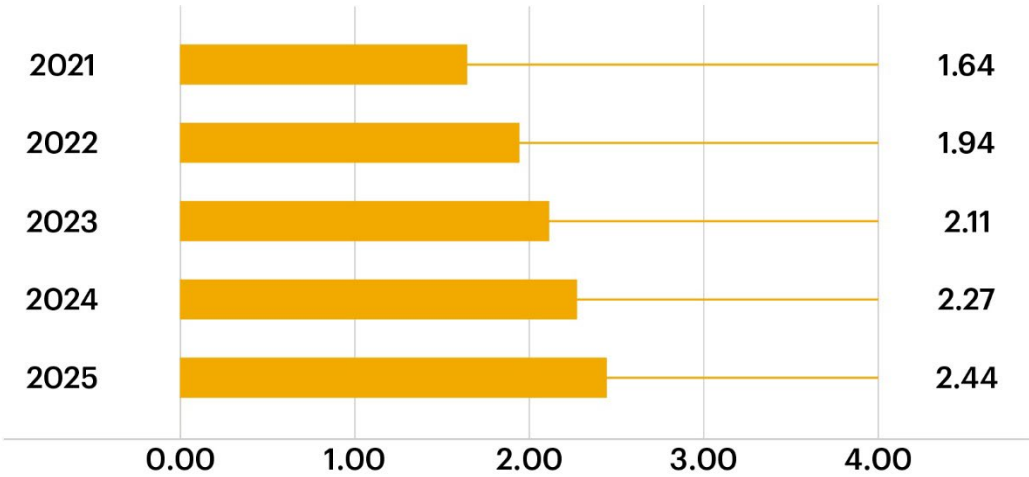
**Figure 4. CTA Average Fare**



**Service Levels**

CTA proposes to continue operating as much service as possible to meet customer demand amid shifting travel patterns. Vehicle revenue miles, a measure of the total distance vehicles travel while in revenue service, are budgeted at 99% of pre-pandemic levels in 2023 through 2025. Service effectiveness, as measured by passenger trips per vehicle revenue mile, is projected to increase by almost 9% in 2023 due to the anticipated ridership growth.

**Figure 5. CTA Passenger Trips per Vehicle Revenue Mile**



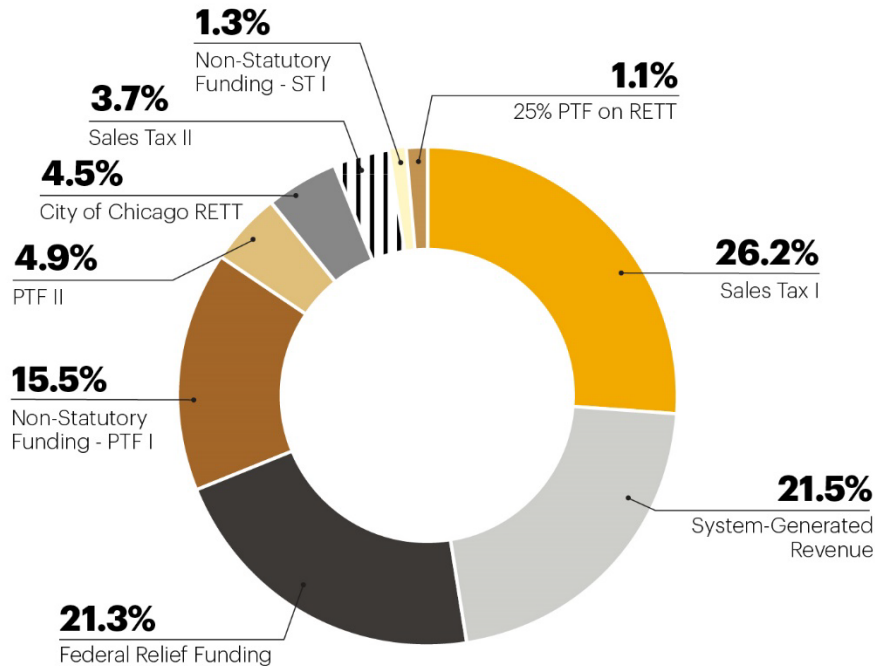
**System-Generated Revenue**

Total system-generated revenue is projected to increase by 4.9% in 2023 to \$393.6 million, driven by higher farebox revenue. Passenger fare revenue is budgeted to grow by 6.8%, consistent with increasing ridership and the lower average fare. CTA's share of the State reduced fare reimbursement remains at \$14.6 million in 2023 and the planning years. CTA's Other Revenue category is expected to decline by 2.6% in 2023 to \$63.4 million, which is a direct result of a lower non-capital grant award.



System-generated revenue comprises about 22% of CTA's total revenue for operations, with the balance provided by public funding sources and federal relief funding.

**Figure 6. CTA 2023 Revenues: \$1.828 Billion**



### Public Funding

Due to improving sales tax performance, total public funding for CTA operations in 2023 is projected at \$1.044 billion, 1.7% higher than the 2022 estimate. CTA's funding assumptions for 2023 through 2025 match the RTA Board adopted marks for sales tax, PTF, and RTA non-statutory funding. These amounts include Chicago RETT receipts projected at \$81.8 million to \$87.4 million.

In a process change approved by the RTA Board in September, ICE funding will be temporarily retained by the RTA beginning in 2023, until final amounts can be determined. Actual ICE funding amounts, once known, will be allocated and adopted for usage in the future i.e., 2023 ICE funds will be programmed in the 2025 operating budget or capital program.

### Federal Relief Funding

CTA was allocated a total of \$2.209 billion of combined CARES Act, CRRSAA, ARP Act, and ARP Act Discretionary federal relief funding to help offset fare revenue and RTA funding losses due to the COVID-19 pandemic. To balance expenses and meet its required recovery ratio, CTA's 2023 operating budget relies on \$390 million of federal relief funding with the remainder projected to last through the 2025 budget year and into early 2026, after which new funding sources will be needed to support projected expense levels.

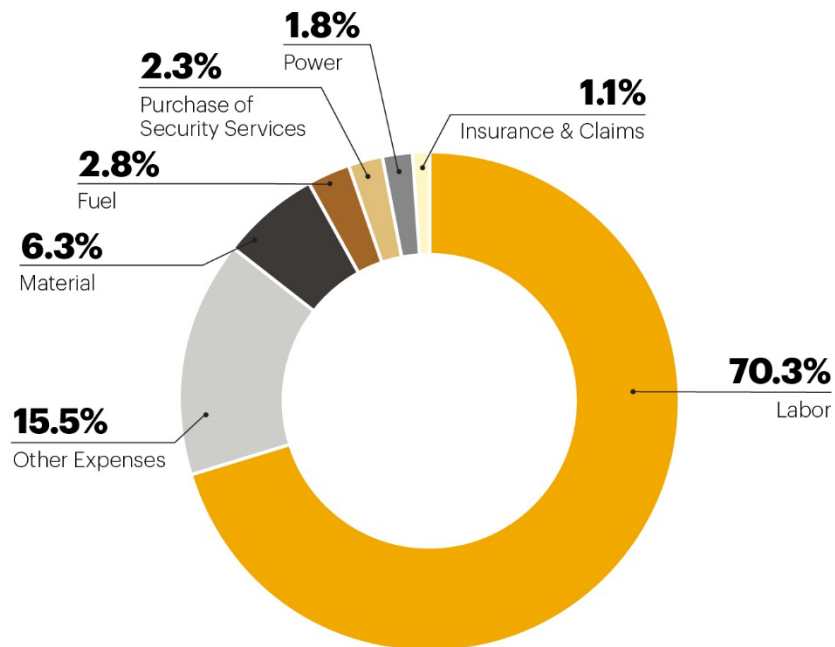
As authorized by the RTA Board, federal relief funding requisitioned to address ongoing revenue losses may continue to be included in operating revenue for the purpose of meeting required recovery ratios.

## Expenses

CTA's 2023 expense level is \$1.828 billion, an increase of \$228.5 million or 14.3% from the 2022 estimate. Higher labor, fuel, and security expenses represent approximately 82% of the increase from the 2022 estimate to the 2023 budget. Labor, CTA's largest expense category, is budgeted to increase by 13.0% to \$1.284 billion, assumes there are no significant changes to service levels, and includes approved contractual wage increases. Security expenses are budgeted 77% higher than the 2022 estimate, reflecting a full year of the contracted security services added in 2022 as well as expected wage increases. Total CTA expenses are forecast to grow by 4.2% and 3.7% in 2024 and 2025, respectively, reaching \$1.973 billion by the end of the planning period.

The 2023-2027 capital program includes a adopted CTA bond issuance of \$372 million, and CTA has provided estimated financing parameters as required by the Budget Call. CTA's 2023 capital program contains approximately \$197 million of annual debt service expense, while \$108.6 million of existing debt service resides in the 2023 operating budget.

Figure 7. CTA 2023 Expenses: \$1.828 Billion



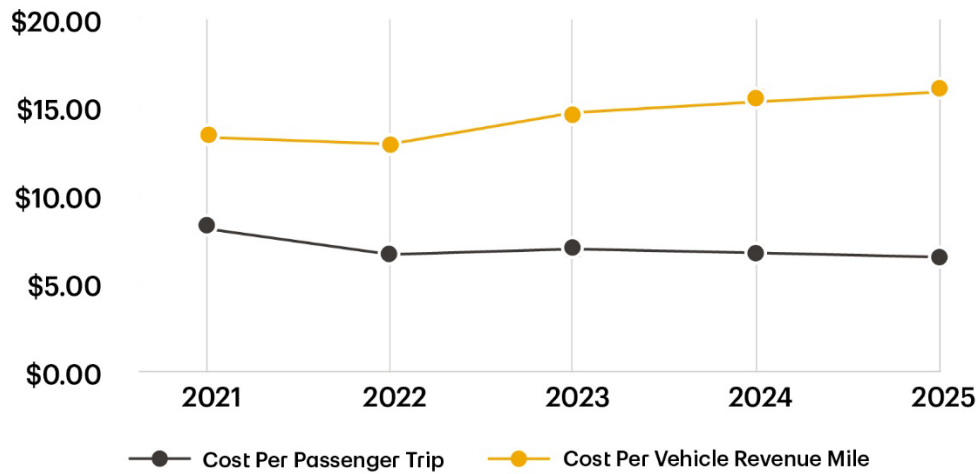
Fuel expense of \$51.7 million represents 2.8% of CTA's total expense, and is budgeted at \$3.14 per gallon, \$1.10 higher than the 2022 estimate. While CTA continued its practice of fixed price purchasing for 2023, locking in 75 percent of expected consumption in advance, the significant increase in CTA fuel expenses next year reflects the past year's steady climb in diesel market pricing due to geopolitical factors, constrained supply, and high global demand. CTA has locked in 50 percent and 40 percent of projected fuel consumption for 2024 and 2025, respectively. The planning period assumes flat fuel consumption levels.

**Figure 8. CTA Fuel Price Per Gallon**



Cost efficiency is shown in the next chart by cost per vehicle revenue mile in orange, which is projected to grow at an average annual rate of 4.5% across the five-year period as expenses increase with inflation while service levels remain essentially flat. Cost effectiveness, represented by cost per passenger trip, peaked at \$8.09 in 2021 due to low ridership and then improves steadily with the assumed ridership recovery, reaching \$6.49 by 2025.

**Figure 9. CTA Cost Efficiency and Effectiveness**



**Net Result and Recovery Ratio**

As shown in Table 4, CTA’s operating budget is balanced in 2023 through 2025 by including nearly all of the remainder of CTA’s available relief funding, shown in green. Revenues equal expenditures, producing a net result of zero. CTA’s 2023 recovery ratio of 50.1%, calculated by dividing total operating revenue by total operating expenditures, with approved adjustments, exceeds the RTA Board adopted requirement of 42.0%. CTA has properly included federal COVID relief funding as a revenue credit for the purpose of meeting the required recovery ratio, as authorized by the RTA Board.



**Table 4. CTA 2023 Budget and 2024-2025 Financial Plan (in thousands)**

|  | <b>2021<br/>Actual</b> | <b>2022<br/>Estimate</b> | <b>2023<br/>Budget</b> | <b>2024<br/>Plan</b> | <b>2025<br/>Plan</b> |
|--|------------------------|--------------------------|------------------------|----------------------|----------------------|
| <b>Revenues</b>  |                        |                          |                        |                      |                      |
| <b><u>System-Generated Revenue</u></b>                         |                        |                          |                        |                      |                      |
| Passenger Revenue  | 242,864                | 295,374                  | 315,552                | 339,218              | 364,660              |
| State Reduced Fare Reimbursement                               | 14,606                 | 14,606                   | 14,606                 | 14,606               | 14,606               |
| Other Revenue  | 72,188                 | 65,114                   | 63,418                 | 64,816               | 66,249               |
| <b>Total System-Generated Revenue</b>                          | <b>329,659</b>         | <b>375,094</b>           | <b>393,576</b>         | <b>418,640</b>       | <b>445,514</b>       |
| <b><u>Public Funding</u></b>                                   |                        |                          |                        |                      |                      |
| Sales Tax I  | 437,632                | 464,578                  | 478,429                | 492,303              | 511,011              |
| Sales Tax II   | 86,901                 | 67,701                   | 67,338                 | 66,438               | 66,256               |
| PTF II   | 78,046                 | 87,120                   | 88,686                 | 91,773               | 95,260               |
| 25% PTF on RETT  | 17,198                 | 19,954                   | 20,416                 | 21,039               | 21,838               |
| Non-Statutory Funding - PTF I                                  | 252,325                | 279,798                  | 283,968                | 293,880              | 305,048              |
| Non-Statutory Funding - ST I                                   | -                      | 19,784                   | 23,400                 | 23,834               | 28,587               |
| Innovation, Coordination, and Enhancement Funding <sup>1</sup> | 7,175                  | 7,411                    | -                      | -                    | 7,589                |
| City of Chicago RETT   | 71,118                 | 79,866                   | 81,783                 | 84,155               | 87,353               |
| <b>Total Public Funding</b>                                    | <b>950,394</b>         | <b>1,026,213</b>         | <b>1,044,020</b>       | <b>1,073,423</b>     | <b>1,122,942</b>     |
| <b><u>Federal Relief Funding</u></b>                           |                        |                          |                        |                      |                      |
| Federal Relief Funding <sup>2</sup>                            | 305,164                | 197,696                  | 389,954                | 411,423              | 404,898              |
| <b>Total Federal Relief Funding</b>                            | <b>305,164</b>         | <b>197,696</b>           | <b>389,954</b>         | <b>411,423</b>       | <b>404,898</b>       |

|  |                    |                    |                    |                    |                    |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>Total Revenues</b>  | <b>1,585,217</b>   | <b>1,599,003</b>   | <b>1,827,551</b>   | <b>1,903,486</b>   | <b>1,973,355</b>   |
| <b><u>Expenses</u></b>   |                    |                    |                    |                    |                    |
| Labor  | 1,155,509          | 1,136,357          | 1,284,453          | 1,329,409          | 1,375,938          |
| Material   | 90,499             | 106,450            | 114,673            | 119,260            | 124,031            |
| Fuel   | 30,779             | 30,133             | 51,736             | 53,004             | 51,577             |
| Power  | 25,105             | 22,079             | 32,517             | 38,890             | 46,568             |
| Insurance & Claims   | 31,680             | 31,680             | 20,200             | 21,008             | 21,848             |
| Purchase of Security Services  | 15,680             | 23,200             | 41,150             | 42,796             | 44,508             |
| Other Expenses   | 235,964            | 249,105            | 282,821            | 299,118            | 308,884            |
| <b>Total Expenses</b>  | <b>\$1,585,216</b> | <b>\$1,599,003</b> | <b>\$1,827,550</b> | <b>\$1,903,485</b> | <b>\$1,973,355</b> |
| ICE funding not used for operations - transfer to capital <sup>1</sup> | -                  | -                  | -                  | -                  | -                  |
| <b>Net Result</b>  | <b>\$0</b>         | <b>\$0</b>         | <b>\$0</b>         | <b>\$0</b>         | <b>\$0</b>         |
| <b>Recovery Ratio</b>  | <b>47.1%</b>       | <b>42.7%</b>       | <b>50.1%</b>       | <b>50.7%</b>       | <b>50.1%</b>       |

<sup>1</sup> ICE amounts not required for operating funding may be utilized for approved capital projects. Paused for two years beginning in 2023 in accordance with RTA Ordinance 2022-47.

<sup>2</sup> Authorized for inclusion as revenue for recovery ratio purposes by RTA Ordinances 2020-20, 2021-08, and 2021-52. Federal Relief Funds to include CARES Act, CRRSAA, ARP Act and ARP. Discretionary based on revenue replacement.



# Metra Operating Budget

Metra’s operating budget anticipates that service levels will be restored to near pre-COVID levels in 2023 to encourage ridership by returning passengers, while also adapting to changing travel patterns. Metra’s budget and two-year financial plan relies on existing federal relief funding to maintain balance in 2023 and 2024, but projects that \$54.3 million of additional funding or budget balancing actions will be required in 2025 when federal relief funding is expected to exhaust. Metra’s fare structure for 2023 includes an extension of the \$100 “Super Saver” monthly pass introduced in 2022.

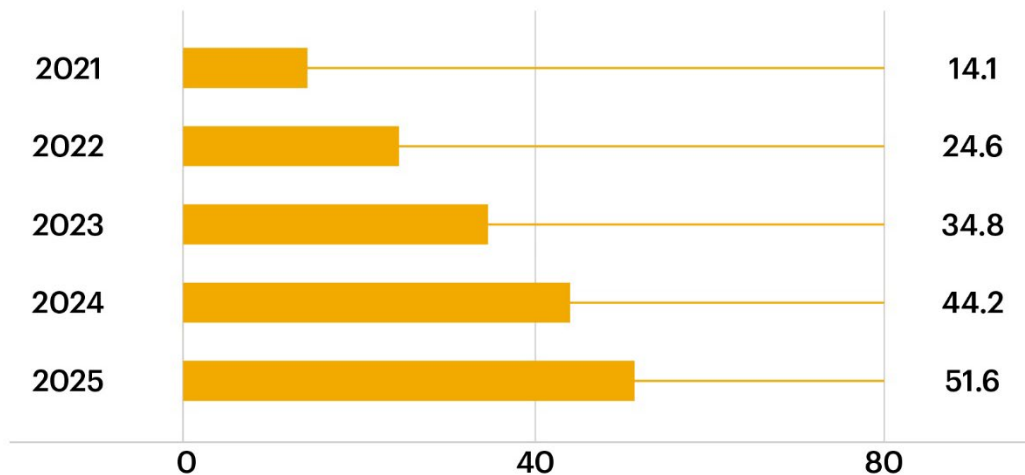
“Though we still don’t know what our new normal will look like, or when it will arrive, we have some ideas. We know it will require different kinds of service. We know it will require new kinds of fares. And we know it will require us to be nimble, flexible, and creative to respond to our riders’ evolving needs. It’s part of our commitment to being My Metra to you.”

Jim Derwinski, Metra CEO/Executive Director

## Ridership

Commuter rail ridership recovered steadily throughout 2022, and Metra expects to provide approximately 25 million passenger trips for the year. The 2023 budget assumes further ridership growth of 41.4% from 2022, to 34.8 million trips, or about 47% of pre-COVID levels. Metra expects slow and steady ridership recovery over the two-year financial planning period, to 60% of pre-COVID levels in 2024 and 70% in 2025.

Figure 10. Metra Ridership (millions)



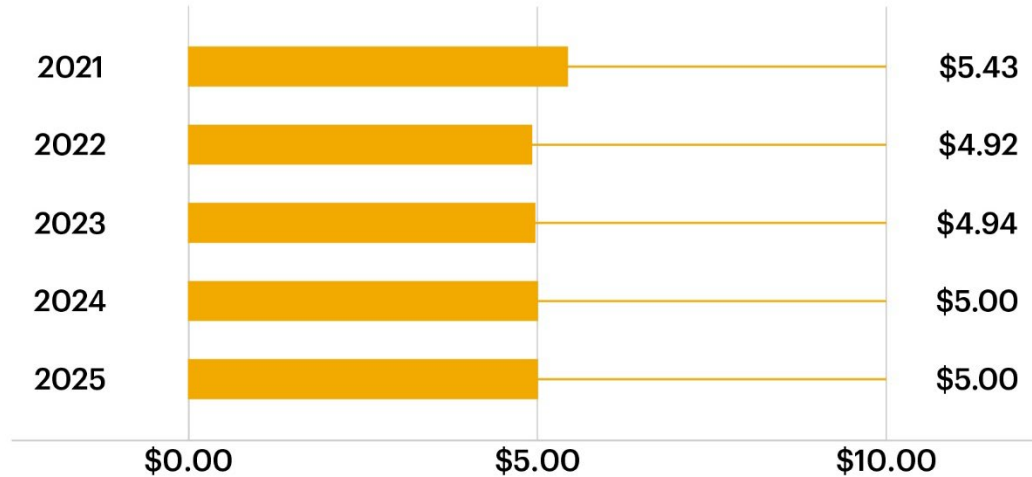
## Fares

No general fare increases are included in the 2023 budget, which incorporates an extension of Metra’s \$100 “Super Saver” monthly pass pilot which was introduced in 2022. The zone-based monthly pass pricing could return in 2024, contributing to a modest increase in the overall average passenger fare to \$5.00.





**Figure 11. Metra Average Fare**

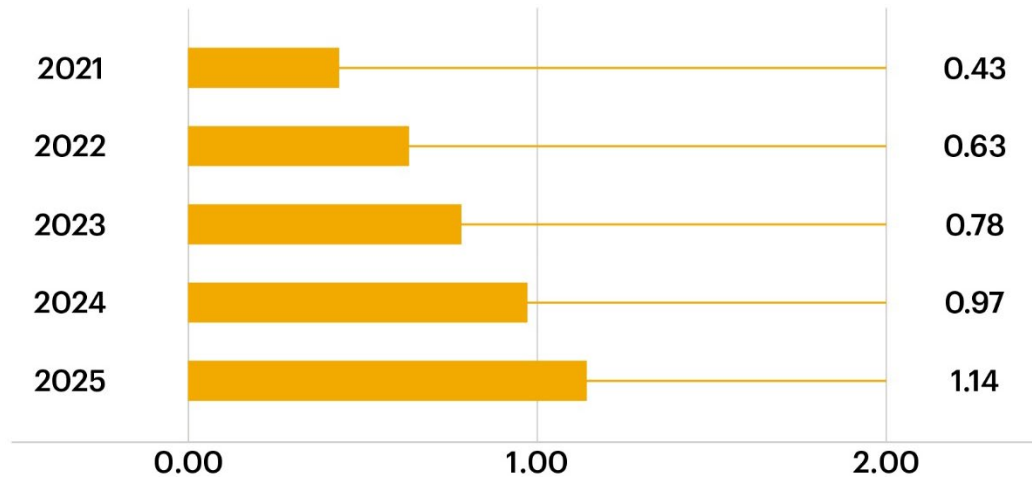


**Service Levels**

Following an initial 50% schedule reduction at the onset of the pandemic in 2020, Metra has gradually restored service over the course of the last two years. Metra’s 2023 budget reflects ongoing schedule restorations on all 11 lines, returning overall service to approximately pre-COVID levels. Metra’s budget reflects the strategy that fully re-established train schedules are necessary to encourage customers to begin riding again, with renewed emphasis on off-peak service.

Service effectiveness, as measured by passenger trips per vehicle revenue mile, declined sharply as ridership bottomed out in 2021. Reflecting steadily recovering ridership in 2023 through 2025, effectiveness is projected to increase through the planning period but remain well below the pre-COVID level of about 1.7 trips per vehicle revenue mile.

**Figure 12. Metra Passenger Trips Per Vehicle Revenue Mile**



**System-Generated Revenue**

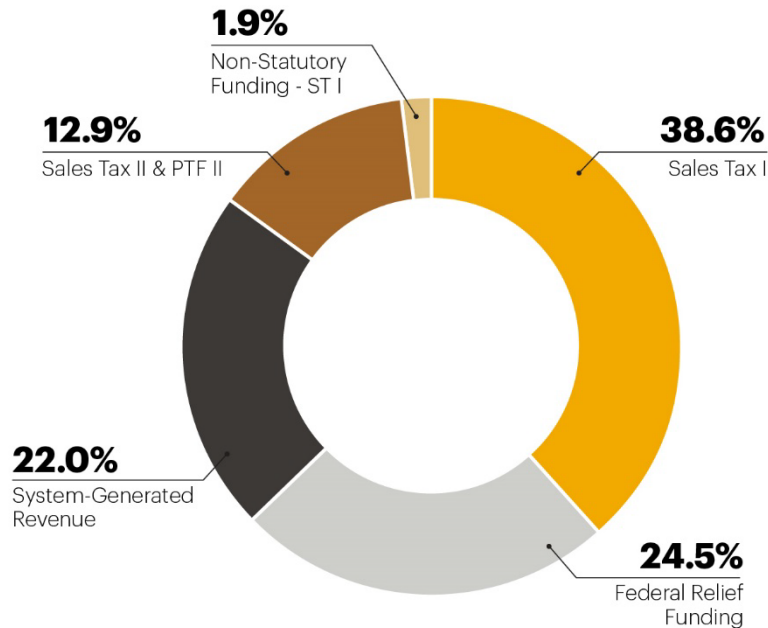
Metra anticipates that total system-generated revenues will increase by 32.6% from the 2022 estimate, to \$216.0 million. Fare revenue of \$171.9 million is budgeted to increase in line with ridership. Metra’s \$1.6 million share of the State reduced fare reimbursement and other revenue of \$42.5 million round out the system-generated revenue. Other revenue includes lease of space, advertising income, and fees for track usage by other railroads. After increasing by about 6% in 2023, other revenue is assumed to remain flat in 2024 and 2025,



while fare revenue is expected to further increase with ridership recovery. Total system-generated revenue is projected to reach \$302.1 million in 2025, or about 73% of pre-COVID levels.

System-generated revenues comprise about 22% of Metra’s total revenue for operations, with the balance provided by public funding sources and federal relief funding.

**Figure 13. Metra 2023 Revenues: \$980.0 Million**



### Public Funding

Metra’s funding assumptions for 2023 through 2025 match the RTA Board adopted marks for sales tax, PTF, and RTA non-statutory funding. Total 2023 RTA funding is projected at \$523.6 million, a 0.9% increase from 2022 as growth in Sales Tax I and PTF II is expected to be partially offset by lower Sales Tax II and the temporary absence of ICE funding.

In a process change approved by the RTA Board in September, ICE funding will be temporarily retained by the RTA beginning in 2023, until final amounts can be determined. Actual ICE funding amounts, once known, will be allocated and adopted for usage in the future i.e., 2023 ICE funds will be programmed in the 2025 operating budget or capital program.

### Federal Relief Funding and Additional Funding Need

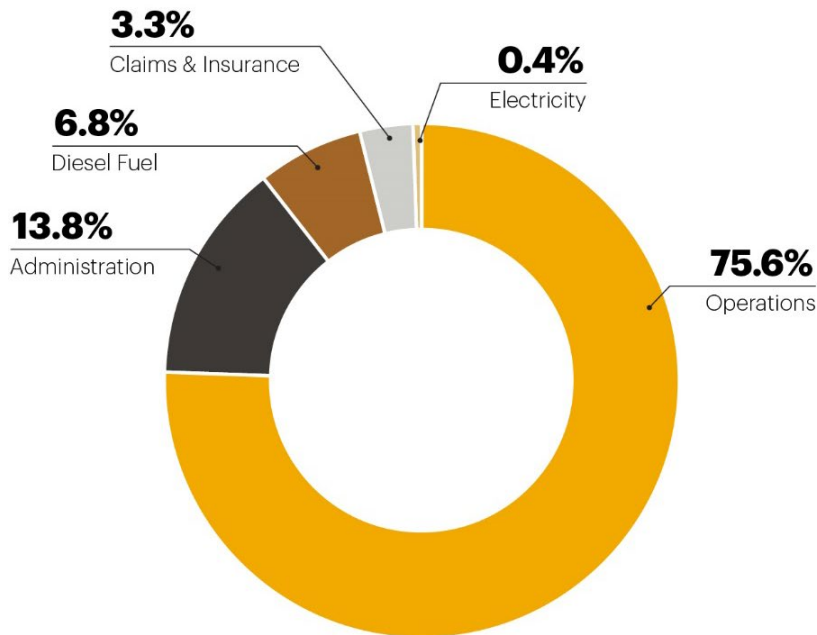
Metra was allocated a total of \$1.076 billion of combined CARES Act, CRRSAA, and ARP Act federal relief funding to help offset fare revenue and RTA funding losses caused by the COVID-19 pandemic. To balance expenses and meet its required recovery ratio, Metra’s 2023 operating budget relies on \$240 million of federal relief funding, with the remaining relief funding projected to last until sometime during the third quarter of 2025. At that point, new funding sources will be needed to support projected expense levels, which Metra has reflected by including \$54.3 million of additional funding need or budget balancing actions in 2025 as a component of the adopted financial plan.

As authorized by the RTA Board, federal relief funding requisitioned to address ongoing revenue losses may continue to be included in operating revenue for the purpose of meeting required recovery ratios.

## Expenses

Metra has budgeted operating expenses of \$980.0 million for 2023, an increase of 14.0% from the 2022 Estimate, but a lesser increase of 8.9%, or \$80 million, from the amended 2022 budget. Metra's 2023 expense increases are being driven by the planned restoration of service to pre-COVID levels, exacerbated by inflationary and contractual cost increases. Projected expenses in 2023 include headcount additions related to training new employees amid the planned transfer of Union Pacific (UP) line operations to Metra. As a result, Operations, Metra's largest expense category which comprises both Transportation and Maintenance expense, is budgeted to increase by 17.4% in 2023, to \$741 million. Total Metra expenses are forecast to grow at lower rates of 4.1% and 3.4% in 2024 and 2025, respectively, reaching \$1.055 billion by the end of the planning period.

Figure 14. Metra 2023 Expenses: \$980.0 Million



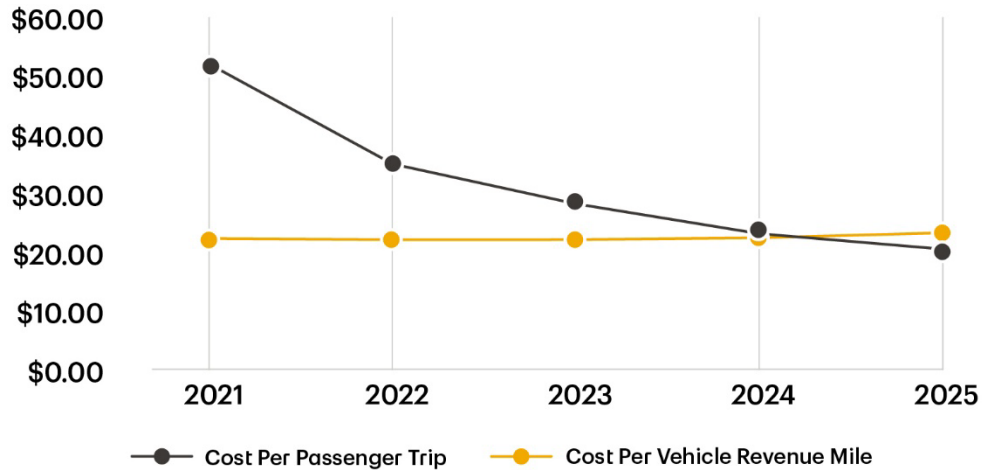
Diesel fuel for 2023 is budgeted at \$66.3 million, up 3.9% from the 2022 estimate, and representing about 7% of total operating expenses. Due to service restorations, fuel consumption is forecast to increase by 7.6% from the 2022 estimate, but improved fuel efficiency is expected as the locomotive fleet continues to be rehabbed and modernized. Although fuel expenses increased sharply in 2022 due to higher spot rates, Metra has entered into a fixed price, fixed quantity agreement for approximately 50% of its expected 2023 fuel usage, resulting in a 9 cent decrease in average price, to \$2.59 per gallon. For 2024 and 2025, Metra's projected fuel expenses are \$69.2 million and \$71.4 million, with inflationary price increases assumed.

**Figure 15. Metra Fuel Price Per Gallon**



In the next chart, cost efficiency, depicted in orange by cost per vehicle revenue mile, is projected to increase by an average of 1.1% across the five-year period. Cost effectiveness, shown in black as cost per passenger trip, is expected to improve to \$28.15 in 2023, after spiking to more than \$50 as ridership bottomed out in 2021. Cost effectiveness is projected to improve further in 2024 and 2025 due to the ongoing restoration of service and projected continued ridership recovery.

**Figure 16. Metra Cost Efficiency and Effectiveness**



**Net Result and Recovery Ratio**

As shown in Table 5, Metra’s operating budget and two-year plan is balanced with existing federal relief funding, shown in green, but acknowledges the need for \$54.3 million of additional funding or other budget balancing actions, shown in red, after the relief funding exhausts in 2025. Revenues equal expenses, producing a net result of zero after accounting for the transfer of ICE funding to the capital program in 2025. Metra does not plan to transfer any fare revenue to the capital program throughout the planning period.

Metra’s 2023 through 2025 recovery ratios, calculated by dividing total operating revenue by total operating expenditures, with approved adjustments, exceed the RTA Board adopted requirement of 39%. Metra has properly included federal COVID relief funding as a revenue credit for the purpose of meeting the required recovery ratio, as authorized by the RTA Board.



**Table 5. Metra 2023 Budget and 2024-2025 Financial Plan (in thousands)**

|   | <b>2021<br/>Actual</b> | <b>2022<br/>Estimate</b> | <b>2023<br/>Budget</b> | <b>2024<br/>Plan</b> | <b>2025<br/>Plan</b> |
|---|------------------------|--------------------------|------------------------|----------------------|----------------------|
| <b>Revenues</b>   |                        |                          |                        |                      |                      |
| <b><u>System-Generated Revenue</u></b>                            |                        |                          |                        |                      |                      |
| Passenger Revenue   | 76,400                 | 121,300                  | 171,900                | 221,000              | 258,000              |
| State Reduced Fare Reimbursement                                  | 1,618                  | 1,618                    | 1,618                  | 1,618                | 1,618                |
| Other Revenue   | 55,000                 | 40,000                   | 42,500                 | 42,500               | 42,500               |
| <b>Total System-Generated Revenue</b>                             | <b>133,018</b>         | <b>162,918</b>           | <b>216,018</b>         | <b>265,118</b>       | <b>302,118</b>       |
| <b><u>Public Funding</u></b>                                      |                        |                          |                        |                      |                      |
| Sales Tax I   | 368,211                | 371,134                  | 377,805                | 388,761              | 403,534              |
| Sales Tax II  | 70,607                 | 55,007                   | 54,712                 | 53,981               | 53,833               |
| PTF II  | 63,412                 | 70,785                   | 72,057                 | 74,565               | 77,399               |
| Non-Statutory Funding - PTF I                                     | -                      | -                        | -                      | -                    | -                    |
| Non-Statutory Funding - ST I                                      | -                      | 16,074                   | 19,012                 | 19,365               | 23,227               |
| Innovation, Coordination, and Enhancement Funding <sup>1</sup>    | 5,830                  | 6,022                    | -                      | -                    | 6,166                |
| Joint Self Insurance Fund (JSIF) Reserve                          | 2,500                  | -                        | -                      | -                    | -                    |
| <b>Total Public Funding</b>                                       | <b>510,560</b>         | <b>519,022</b>           | <b>523,587</b>         | <b>536,673</b>       | <b>564,159</b>       |
| <b><u>Federal Relief Funding and Budget Balancing Actions</u></b> |                        |                          |                        |                      |                      |
| Federal Relief Funding <sup>2</sup>                               | 115,900                | 184,082                  | 240,395                | 218,209              | 140,615              |
| Additional Funding Need or Budget Balancing Actions <sup>2</sup>  | -                      | -                        | -                      | -                    | 54,274               |
| <b>Total Federal Relief Funding and BBA</b>                       | <b>115,900</b>         | <b>184,082</b>           | <b>240,395</b>         | <b>218,209</b>       | <b>194,889</b>       |
| <b>Total Revenues</b>   | <b>\$759,479</b>       | <b>\$866,022</b>         | <b>\$980,000</b>       | <b>\$1,020,000</b>   | <b>\$1,061,166</b>   |
| <b><u>Expenses</u></b>  |                        |                          |                        |                      |                      |
| Transportation  | 232,500                | 265,900                  | 312,200                | 324,000              | 335,200              |
| Maintenance of Way  | 169,400                | 190,900                  | 206,700                | 215,400              | 223,000              |



|  | <b>2021<br/>Actual</b> | <b>2022<br/>Estimate</b> | <b>2023<br/>Budget</b> | <b>2024<br/>Plan</b> | <b>2025<br/>Plan</b> |
|--|------------------------|--------------------------|------------------------|----------------------|----------------------|
| Maintenance of Equipment   | 175,100                | 192,100                  | 222,200                | 231,600              | 239,900              |
| Claims & Insurance   | 19,100                 | 38,900                   | 32,700                 | 34,200               | 35,200               |
| Administration   | 86,400                 | 104,300                  | 135,600                | 141,200              | 145,800              |
| Diesel Fuel  | 44,300                 | 63,800                   | 66,300                 | 69,200               | 71,400               |
| Electricity  | 3,700                  | 4,100                    | 4,300                  | 4,400                | 4,500                |
| <b>Total Expenses</b>  | <b>\$730,500</b>       | <b>\$860,000</b>         | <b>\$980,000</b>       | <b>\$1,020,000</b>   | <b>\$1,055,000</b>   |
| ICE funding not used for operations - transfer to capital <sup>1</sup> | (5,830)                | (6,022)                  | -                      | -                    | (6,166)              |
| Farebox capital program  | -                      | -                        | -                      | -                    | -                    |
| <b>Net Result</b>  | <b>\$23,149</b>        | <b>\$0</b>               | <b>\$0</b>             | <b>\$0</b>           | <b>\$0</b>           |
| <b>Recovery Ratio</b>  | <b>36.7%</b>           | <b>43.5%</b>             | <b>50.0%</b>           | <b>50.9%</b>         | <b>50.6%</b>         |

<sup>1</sup> ICE amounts not required for operating funding may be utilized for approved capital projects. Paused for two years beginning in 2023 in accordance with RTA Ordinance 2022-47.

<sup>2</sup> Authorized for inclusion as revenue for recovery ratio purposes by RTA Ordinances 2020-20, 2021-08, and 2021-52. Federal Relief Funds to include CARES Act, CRRSAA, ARP Act and ARP. Discretionary based on revenue replacement.



# Pace Operating Budget

Pace's 2023 operating budget proposes to make permanent most of the route suspensions and reductions implemented at the onset of the COVID-19 pandemic, while also adding new service including the start-up of Pace's second Pulse arterial rapid transit (ART) route, along Dempster Avenue. To stimulate the ongoing ridership recovery, Pace will introduce new pass options and reduce the price of existing passes and transfers. Overall operating expense levels are expected to increase by almost 10% due to the impact of inflation, particularly on labor costs. At the resulting expense levels, maintaining balance is expected to require an additional \$52 million of federal relief funding drawdowns.

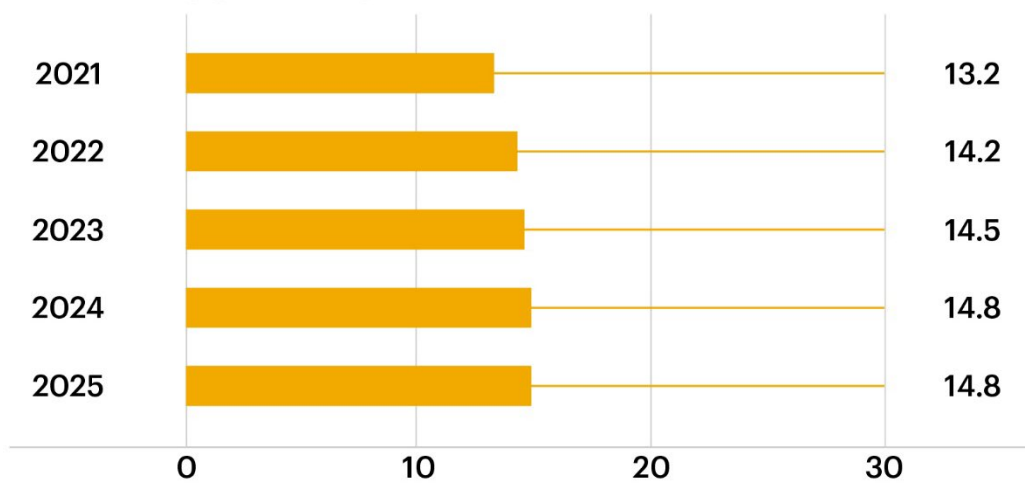
"Our Agency will continue to move towards operating a zero-emission fleet by 2040 with the delivery of our first 20 electric buses. We will focus on new and innovative service and technology, including the launch of new rideshare pilots and the implementation of a Mobility as a Service app which will provide our riders with a more user-friendly way to travel throughout the region."

Richard Kwasneski, Pace Board Chairman

## Ridership

Pace ridership is estimated to finish 2022 at 14.2 million, an 8% increase over 2021. Combined ridership for the three Suburban Service modes is budgeted to increase by an additional 1.8% in 2023 to 14.5 million, or about 51% of pre-pandemic 2019 levels. Pace's Fixed-Route, Demand-Response, and Vanpool modes each anticipate ridership gains in 2023 and slow but steady ridership recovery is projected to continue in 2024 and 2025.

Figure 17. Pace Ridership (millions)

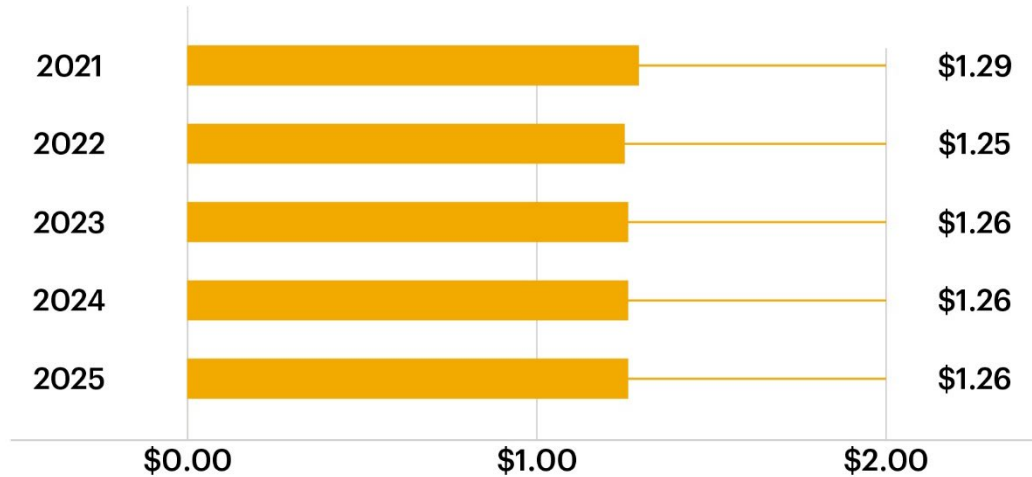


## Fares

Pace's 2023 Suburban Service budget does not incorporate any general fare increases but does propose significant fare and pass pricing adjustments to encourage more ridership. The existing Pace-to-Pace transfer fee of 30 cents will be eliminated, and the transfer fee to premium routes will be reduced to \$2.50 from \$2.80. In addition, Pace and CTA will introduce new 1-Day and 3-Day shared passes for \$5.00 and \$15.00, respectively, and the price of the existing 7-Day shared pass will be reduced to \$20 from \$25. Pace's average fare across all fare and pass types is projected to remain steady at \$1.26 across the budget and planning period.



**Figure 18. Pace Average Fare**

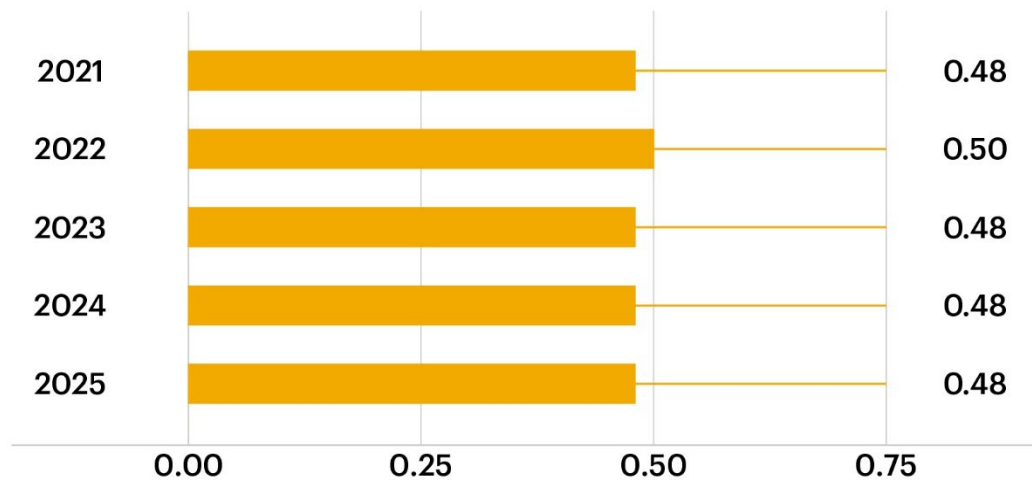


**Service Levels**

In response to COVID-19-related ridership declines, Pace suspended or significantly reduced service on almost 100 bus routes in May 2020. While some of those routes were restored in 2021 and 2022, Pace’s 2023 budget proposes to make permanent 69 of the route suspensions and 20 of the routes with reduced service. The affected routes, many of which are Metra feeder services, are listed in the appendix of Pace’s 2023 budget book. On the other hand, Pace’s budget includes the launch of Pace’s second Pulse arterial rapid transit route on Dempster Avenue, increased Demand-Response service, and additional transportation network company (TNC) demonstration projects. Still, total Pace service levels, as measured by projected 2023 vehicle revenue miles, are forecast at 81% of pre-COVID levels.

Service effectiveness, as measured by passenger trips per vehicle revenue mile (VRM), is projected to remain steady across the budget and planning period as ridership and service levels are forecast to grow at approximately the same rate.

**Figure 19. Pace Passenger Trips Per Vehicle Revenue Mile**



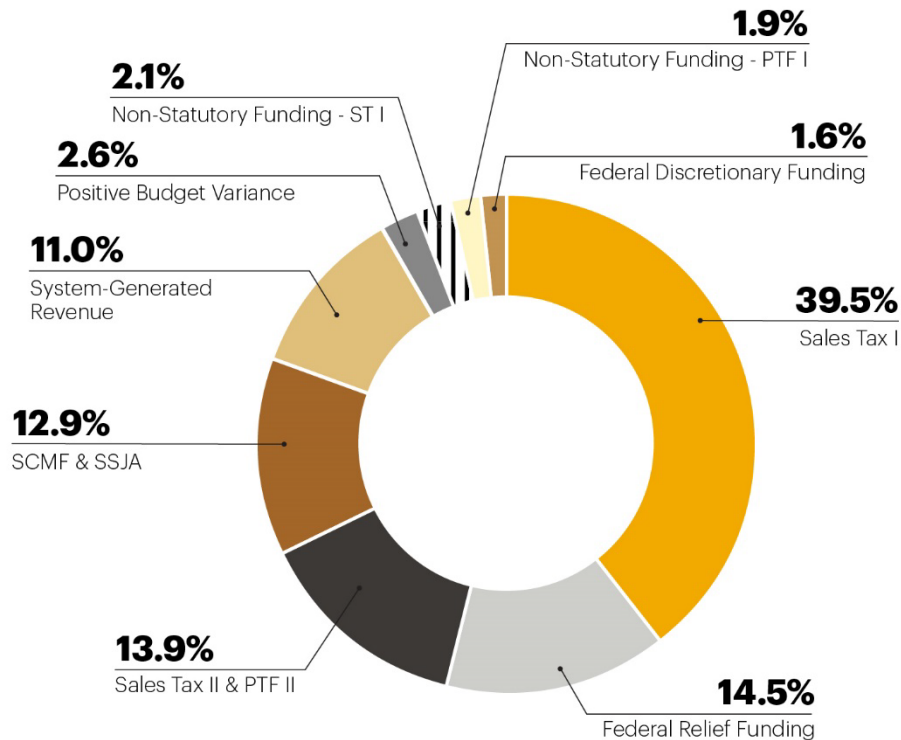


## System-Generated Revenue

Pace projects that total 2023 system-generated revenue will increase by 4.6% to \$33.4 million, driven by projected ridership and ancillary revenue increases. Pace expects passenger fare revenue to increase by 2.7% to \$18.2 million in 2023, consistent with forecast ridership growth associated with new service offerings. Pace's \$1.3 million share of the State reduced fare reimbursement and other revenue of \$13.8 million round out the system-generated revenue. This ancillary revenue includes investment income, advertising income, and local government contributions for specific Pace services.

System-generated revenue comprises about 11% of Pace's total revenue for operations, with the balance provided by public funding sources, federal relief funding, and prior-year positive budget variance (PBV).

**Figure 20. Pace 2023 Revenues: \$303.4 Million**



## Public Funding

Despite improving RTA sales tax performance, Pace's total 2023 public funding is projected to decrease by 0.5% from the 2022 estimate, to \$218.1 million, due to lower federal discretionary funding and a change to the Innovation, Coordination, and Enhancement (ICE) funding process. In addition to statutory and non-statutory sales tax and PTF components, Pace's public funding total includes \$4.8 million of projected funding for Federal Discretionary Fund programs.

Pace's public funding assumptions match the RTA Board adopted marks for sales tax, PTF, Suburban Community Mobility Funds, South Suburban Job Access Funds, and RTA non-statutory funding. In a process change approved by the RTA Board in September, ICE funding will be temporarily retained by the RTA beginning in 2023, until final amounts can be determined. Actual ICE funding amounts, once known, will be allocated and adopted for usage in the future i.e., 2023 ICE funds will be programmed in the 2025 operating budget or capital program.

## Federal Relief Funding and Positive Budget Variance

The RTA Board allocated a total of \$205.5 million of federal CARES Act, CRRSAA, and ARP Act funding to Pace Suburban Service to offset fare revenue and public funding losses due to the COVID-19 pandemic. Pace's budget projects that, at adopted RTA funding levels, this federal relief funding will last through the 2025 budget year, after which new funding sources will be needed to support projected expense levels.

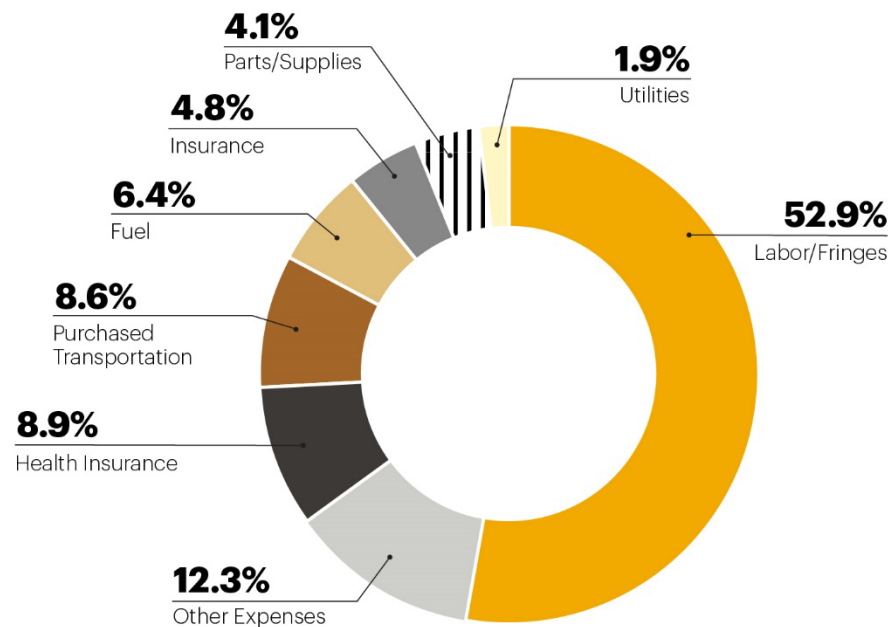
Pace has reflected a combination of \$43.9 million of federal relief funding and \$8.0 million of prior-year positive budget variance (PBV) to balance the projected 2023 budget. Use of additional PBV of \$126.2 million is adopted to balance the 2024 and 2025 expense levels. The totality of these PBV amounts is associated with federal relief funding which was drawn down by Pace in 2020 and 2021, has been held in reserve, and is now being programmed.

As authorized by the RTA Board, federal relief funding requisitioned to address ongoing revenue losses may continue to be included in operating revenue for the purpose of meeting required recovery ratios.

## Operating Expenses

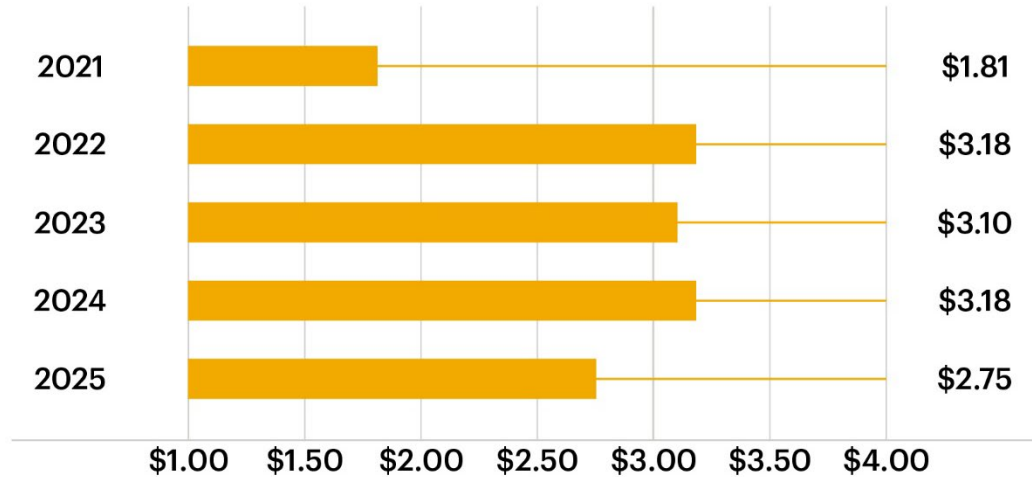
Pace projects that 2023 operating expenditures will increase from the 2022 estimate by 9.8%, to \$303.4 million. Labor and Fringe, Pace's largest expense category, is expected to increase by 8.4% to \$160.6 million, driven by new service offerings and the anticipated filling of vacant staff positions. Parts/Supplies and Utilities are also budgeted to increase significantly in 2023 as inflation continues. Due to the addition of traditionally capital-funded efforts such as software implementation and Pulse ART engineering and design, Pace's Other expense category is budgeted to increase by 51% to \$37.4 million, comprising more than 12% of total operating expenses.

Figure 21. Pace 2023 Expenses: \$303.4 Million



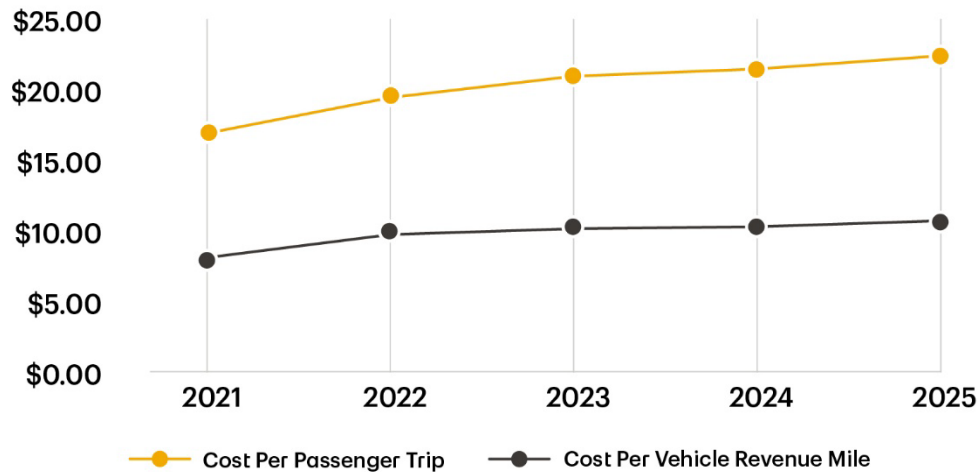
Pace's fuel expense is projected to grow by 5.7% in 2023 to \$19.4 million. Fuel consumption is expected to increase by 8.7% due to service additions, while the overall fuel price including both diesel and compressed natural gas (CNG) is assumed at \$3.10 per gallon, down 8 cents from the 2022 estimate, but up more than \$1 per gallon from actual 2021 prices.

**Figure 22. Pace Fuel Price Per Gallon**



Cost efficiency is shown in the next chart by cost per vehicle revenue mile, which grows at an average rate of 7.2% per year across the five-year period. Cost effectiveness is shown as cost per passenger trip, which grows at a similar rate and rises above \$20 in 2023 as service and capital-related costs increase while ridership is assumed to recover more slowly.

**Figure 23. Pace Cost Efficiency and Effectiveness**



**Net Result and Recovery Ratio**

As shown in Table 6, Pace’s operating budget is balanced in 2023 through 2025 by including the remainder of Pace’s available relief funding and the use of prior-year positive budget variance associated with the 2020 and 2021 relief funding drawdowns. Revenues equal expenditures, producing a net result of zero after accounting for the anticipated transfer of ICE funding to the capital program in 2025.

Pace’s 2023 through 2025 recovery ratios, calculated by dividing total operating revenue by total operating expenditures, with approved adjustments, exactly meet the RTA Board adopted requirement of 17.0%, achieved by including federal relief funding as a revenue credit, as authorized by the RTA Board.



**Table 6. Pace 2023 Budget and 2024-2025 Financial Plan (in thousands)**

|  | <b>2021<br/>Actual</b> | <b>2022<br/>Estimate</b> | <b>2023<br/>Budget</b> | <b>2024<br/>Plan</b> | <b>2025<br/>Plan</b> |
|--|------------------------|--------------------------|------------------------|----------------------|----------------------|
| <b>Revenues</b>  |                        |                          |                        |                      |                      |
| <b><u>System-Generated Revenue</u></b>                         |                        |                          |                        |                      |                      |
| Passenger Revenue  | 17,002                 | 17,760                   | 18,248                 | 18,601               | 18,642               |
| State Reduced Fare Reimbursement                               | 1,346                  | 1,346                    | 1,346                  | 1,346                | 1,346                |
| Other Revenue  | 13,985                 | 12,835                   | 13,811                 | 14,400               | 15,047               |
| <b>Total System-Generated Revenue</b>                          | <b>32,333</b>          | <b>31,941</b>            | <b>33,405</b>          | <b>34,347</b>        | <b>35,035</b>        |
| <b><u>Public Funding</u></b>                                   |                        |                          |                        |                      |                      |
| Sales Tax I  | 116,945                | 117,709                  | 119,754                | 123,226              | 127,909              |
| Sales Tax II   | 23,536                 | 18,336                   | 18,237                 | 17,994               | 17,944               |
| PTF II   | 21,137                 | 23,595                   | 24,019                 | 24,855               | 25,800               |
| Suburban Community Mobility Fund                               | 29,897                 | 30,880                   | 31,621                 | 32,538               | 33,775               |
| South Suburban Job Access Fund                                 | 7,500                  | 7,500                    | 7,500                  | 7,500                | 7,500                |
| Non-Statutory Funding - PTF I                                  | 5,149                  | 5,710                    | 5,795                  | 5,998                | 6,225                |
| Non-Statutory Funding - ST I                                   | -                      | 5,358                    | 6,337                  | 6,455                | 7,742                |
| Innovation, Coordination, and Enhancement Funding <sup>1</sup> | 1,943                  | 2,007                    | -                      | -                    | 2,055                |
| ICE Carryover (2019) <sup>2</sup>                              | 1,392                  | -                        | -                      | -                    | -                    |
| Federal Discretionary Fund Programs                            | 6,625                  | 8,058                    | 4,821                  | 3,969                | 3,969                |
| <b>Total Public Funding</b>                                    | <b>214,125</b>         | <b>219,153</b>           | <b>218,085</b>         | <b>222,535</b>       | <b>232,920</b>       |
| <b><u>Federal Relief Funding and PBV</u></b>                   |                        |                          |                        |                      |                      |
| Federal Relief Funding <sup>3</sup>                            | 107,455                | 27,317                   | 43,946                 | -                    | -                    |
| Prior Year PBV (from 2020 and 2021 relief funding drawdowns)   | -                      | -                        | 7,990                  | 60,489               | 65,723               |
| <b>Total Federal Relief Funding and PBV</b>                    | <b>107,455</b>         | <b>27,317</b>            | <b>51,936</b>          | <b>60,489</b>        | <b>65,723</b>        |
| <b>Total Revenue</b>   | <b>\$353,913</b>       | <b>\$278,411</b>         | <b>\$303,426</b>       | <b>\$317,371</b>     | <b>\$333,678</b>     |



|  | <b>2021<br/>Actual</b> | <b>2022<br/>Estimate</b> | <b>2023<br/>Budget</b> | <b>2024<br/>Plan</b> | <b>2025<br/>Plan</b> |
|--|------------------------|--------------------------|------------------------|----------------------|----------------------|
| <b>Expenses</b>  |                        |                          |                        |                      |                      |
| Labor/Fringes  | 134,191                | 148,113                  | 160,621                | 167,698              | 175,319              |
| Health Insurance   | 23,594                 | 25,231                   | 27,060                 | 29,063               | 31,242               |
| Parts/Supplies   | 8,730                  | 11,470                   | 12,356                 | 13,183               | 14,040               |
| Purchased Transportation   | 18,223                 | 25,629                   | 26,128                 | 27,548               | 29,033               |
| Fuel   | 10,521                 | 18,391                   | 19,437                 | 20,726               | 20,737               |
| Utilities  | 3,834                  | 4,806                    | 5,795                  | 6,121                | 6,456                |
| Insurance  | 9,571                  | 17,943                   | 14,626                 | 14,823               | 15,798               |
| Other Expenses   | 14,579                 | 24,821                   | 37,403                 | 38,209               | 38,998               |
| <b>Total Expenses</b>  | <b>\$223,243</b>       | <b>\$276,404</b>         | <b>\$303,426</b>       | <b>\$317,371</b>     | <b>\$331,623</b>     |
| ICE funding not used for operations - transfer to capital <sup>1</sup> | (1,943)                | (2,007)                  | -                      | -                    | (2,055)              |
| <b>Net Result</b>  | <b>\$128,726</b>       | <b>\$0</b>               | <b>\$0</b>             | <b>\$0</b>           | <b>\$0</b>           |
| <b>Recovery Ratio</b>  | <b>19.9%</b>           | <b>17.0%</b>             | <b>17.0%</b>           | <b>17.0%</b>         | <b>17.0%</b>         |

<sup>1</sup> ICE amounts not required for operating funding may be utilized for approved capital projects. Paused for two years beginning in 2023 in accordance with RTA Ordinance 2022-47.

<sup>2</sup> Carried forward due to delayed start-up of Milwaukee Ave Pulse service.

<sup>3</sup> Authorized for inclusion as revenue for recovery ratio purposes by RTA Ordinances 2020-20, 2021-08, and 2021-52.

## Pace ADA Paratransit Operating Budget

ADA Paratransit ridership has recovered more quickly from the devastating impacts of the COVID-19 pandemic than the other RTA service modes. At the same time, ADA Paratransit contractor expenses have increased significantly due in part to new minimum wage requirements, resulting in a cost per ride projection which is still well above pre-COVID levels. To mitigate the impact of higher expenses, Pace has continued to place emphasis on the lower cost Taxi Access Program (TAP) to divert some demand away from the more expensive traditional ADA Paratransit service.

Although \$13.8 million of CRRSAA funding was drawn down for 2021 to supplement ADA Paratransit funding levels, only Sales Tax II and State funding are utilized to balance the adopted 2023 budget and 2024-2025 planning period. Approximately \$7 million of federal relief funding remains available for ADA Paratransit use when needed.

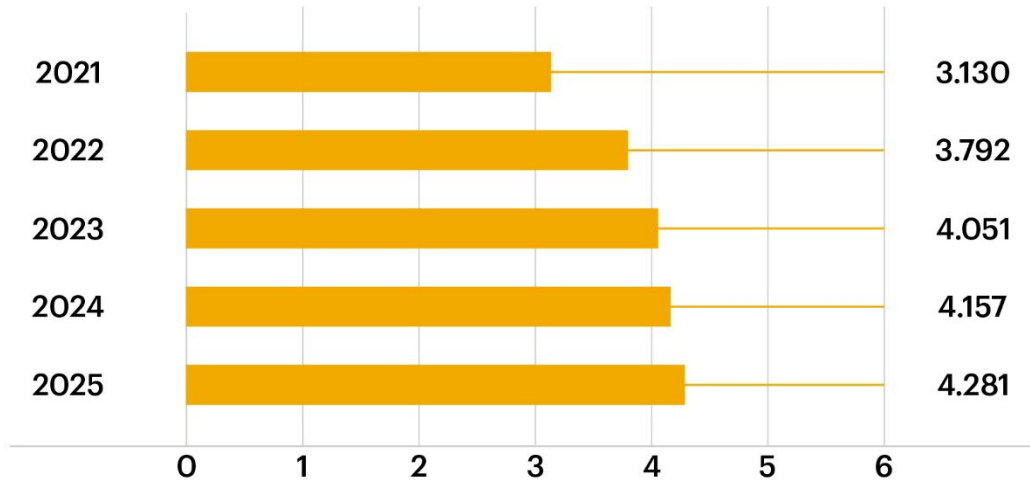
### Ridership

ADA Paratransit ridership, including companions, is projected to finish 2022 at 3.8 million, or around 90% of pre-COVID levels. Pace's budget assumes that ridership will grow by an additional 6.8% in 2023 to over 4 million, or about 95% of pre-COVID annual ridership. Total



ridership is projected to increase at 3% per year in 2024 and 2025, reaching 4.3 million or 100% of pre-COVID levels by the end of the planning period.

**Figure 24. Pace ADA Paratransit Ridership (millions)**



Within the overall ADA Paratransit ridership, TAP ridership is forecast at just over 1 million in 2023, representing 25% of all ADA Paratransit rides. Pace continues to emphasize TAP as a cost-effective alternative to traditional ADA Paratransit service for eligible customers. TAP ridership is assumed to reach 1.1 million annual rides by the end of the planning period, more than 4 times the pre-COVID TAP ridership level.

**Fares**

No general ADA Paratransit fare increase has been included in the 2023 budget, so the base ADA Paratransit fare will remain at \$3.25. However, Pace has adopted to reinstate the TAP fare in 2023 at a lower level of \$2.00, versus the \$3.00 TAP fare in place before COVID. TAP fares were waived during the height of the pandemic and will remain so through the end of 2022. Fares for Pace’s ongoing DuPage Uber Access Program are also adopted to be set at \$2.00 after being waived since that pilot started in January 2022. These adjustments push the projected average fare for all ADA Paratransit rides up to around \$2.61 across the budget and planning period, still somewhat below the pre-COVID level of \$2.79.

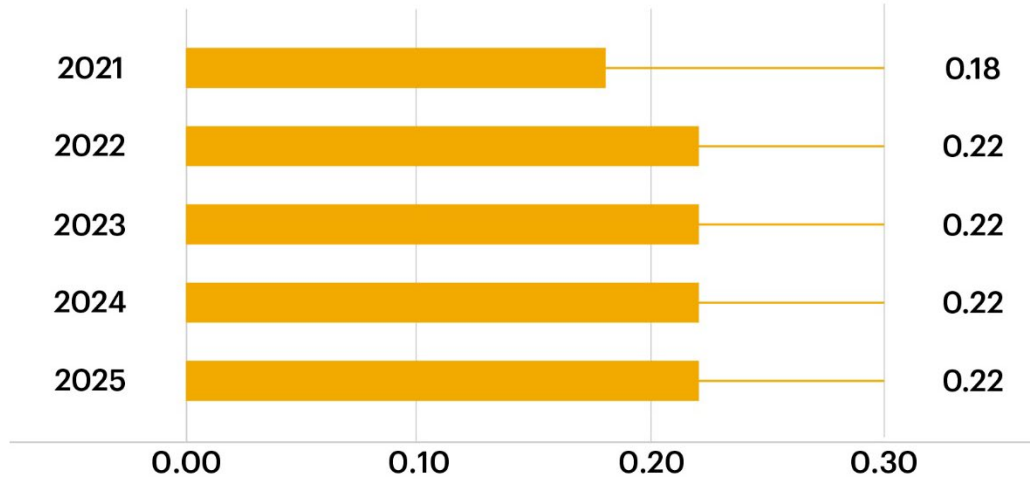
**Figure 25. Pace ADA Paratransit Average Fare**



**Service Levels**

ADA Paratransit service levels are driven by customer demand. Pace projects that ADA Paratransit vehicle revenue miles will increase by 6.1% in 2023, consistent with the projected ridership increase. As a result, service effectiveness, as measured by passenger trips per VRM, is expected to remain steady across the three-year planning period.

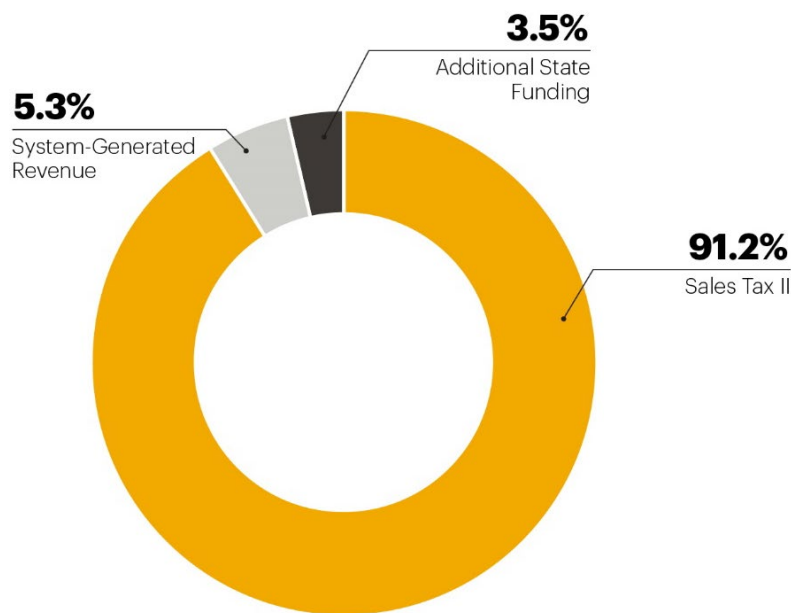
**Figure 26. Pace ADA Paratransit Passenger Trips Per Vehicle Revenue Mile**



**System-Generated Revenue**

Pace projects that 2023 ADA Paratransit system-generated revenues will increase by almost 45% to \$12.6 million. In addition to the reinstatement of TAP fare revenue, ancillary revenue is forecast to almost double due to the reimbursement for certification trips as RTA Assessment centers have reopened. System-generated revenue comprises only about 5% of Pace’s total revenue for ADA Paratransit operations, with the balance provided by public funding sources.

**Figure 27. Pace ADA Paratransit 2023 Revenues: \$238.5 Million**



## Public Funding

In 2011, the RTA Act was amended to require that ADA Paratransit operations be fully funded by the RTA each year. In the 2023 budget, Pace projects an ADA Paratransit funding need of \$225.9 million which will be satisfied by allocated Sales Tax II funds of \$217.5 million and continued State funding of \$8.4 million. Due to the ongoing impacts of COVID-19 on ridership and cost efficiency, there is again considerable uncertainty in the 2023 funding requirement.

If additional ADA Paratransit funding becomes needed during the budget year, previously allocated CRRSAA funding, ADA Paratransit reserve funds, or an additional sales tax allocation could be utilized, subject to the approval of the RTA Board. Pace's two-year financial plan indicates that adopted RTA funding levels should be sufficient for 2024 and 2025, albeit with the same general uncertainty with respect to ridership and expense levels.

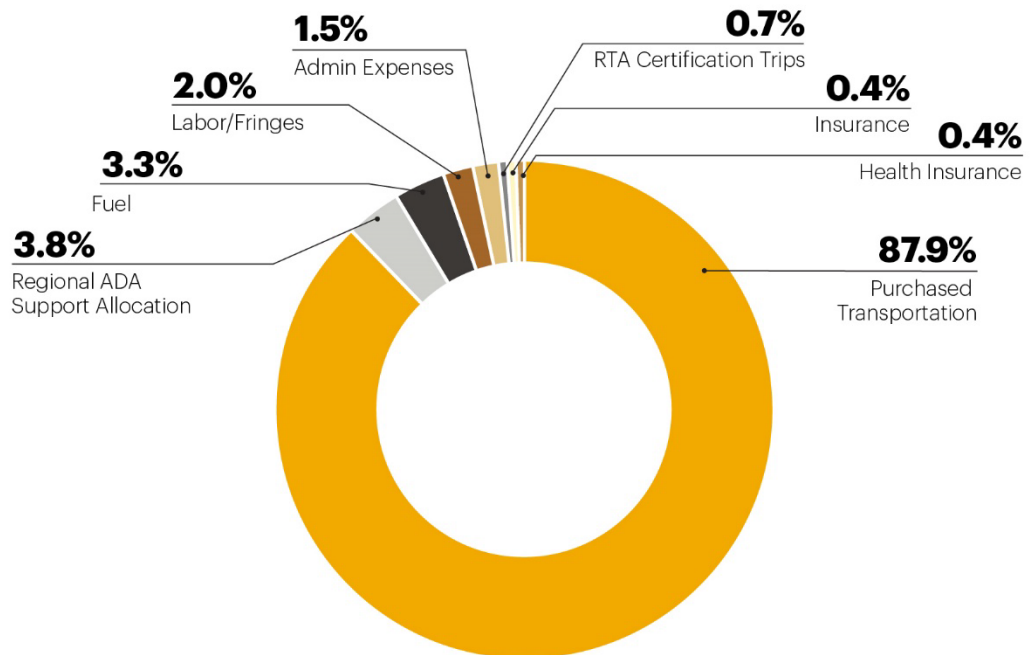
## Federal Relief Funding

In March 2021, Pace was allocated \$20.0 million of CRRSAA funding to support ADA Paratransit operations during the ongoing recovery. Pace subsequently utilized \$13.8 million of this funding to achieve balance in the actual 2021 ADA Paratransit results. In May 2022, the RTA Board re-allocated to ADA Paratransit \$0.7 million of unused CARES Act funding returned by Southeastern Wisconsin. Since Pace's projected funding requirements for 2023 through 2025 are currently fully met by adopted RTA sales tax and State funding amounts, Pace will have approximately \$7 million of federal relief available for future ADA Paratransit funding contingencies.

## Expenses

Pace projects that 2023 operating expenditures for ADA Paratransit will increase by \$15.6 million, or 7.0%, to \$238.5 million, balanced with expected revenue, followed by expense increases of 5.3% and 5.9% in 2024 and 2025, respectively. Purchased transportation, which accounts for more than 85% of total ADA Paratransit expenses, is budgeted to increase by 7.7% in 2023, in line with the projected ridership increase. The regional ADA support allocation, which accounts for work done by other Pace departments in support of ADA Paratransit, is projected at \$9.0 million, an increase of 5.1% from 2022.

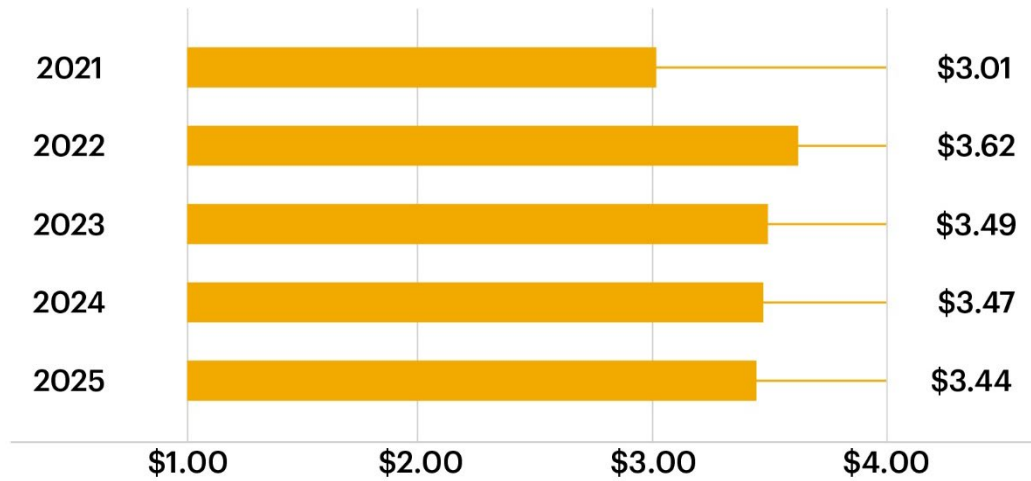
Figure 28. Pace ADA Paratransit 2023 Expenses: \$238.5 Million





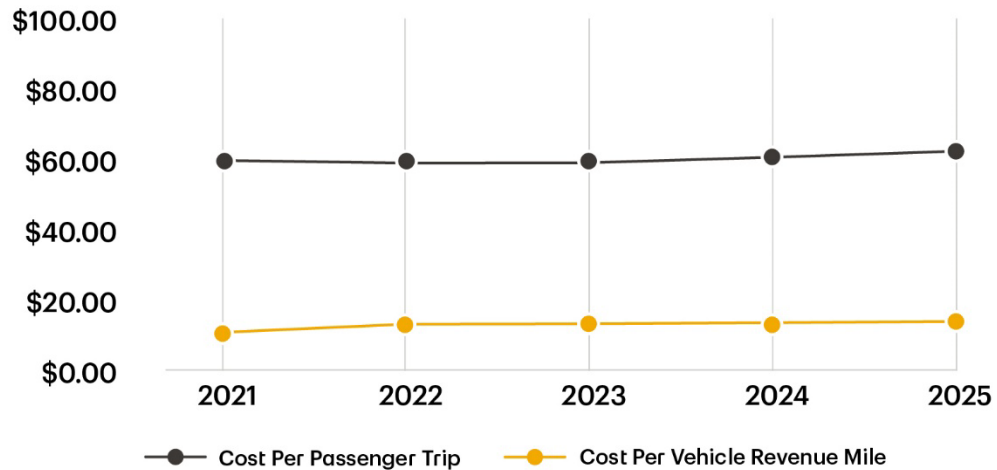
Fuel expense of \$7.9 million comprises about 3% of total ADA Paratransit expenses. Fuel price is assumed at \$3.49 per gallon in the 2023 budget, about 13 cents lower than the 2022 estimate, but almost 50 cents higher than the actual 2021 fuel price.

**Figure 29. Pace ADA Paratransit Fuel Price Per Gallon**



Cost efficiency is shown in the next chart by cost per vehicle revenue mile in orange, which grows at an annual rate of 6.5% across the five-year period due primarily to contractual price increases. Cost effectiveness, shown as cost per passenger trip in black, jumped to over \$70 in 2020 as Pace implemented single rides due to COVID safety measures. With some of those lost efficiencies now regained, cost per trip is budgeted to improve to \$58.87 in 2023, still about 37% above the pre-COVID average of \$43 per trip.

**Figure 30. Pace ADA Paratransit Cost Efficiency and Effectiveness**



**Net Result and Recovery Ratio**

As shown in Table 7, the Regional ADA Paratransit operating budget is balanced in 2023 through 2025, with revenues equal to expenditures, producing a net result of zero in each year. Pace is currently estimating a \$2.2 million surplus for 2022, which could potentially be added to the RTA’s ADA Paratransit Reserve at year-end.

Pace’s 2023 recovery ratio, calculated by dividing total operating revenue by total operating expenditures, with approved adjustments, meets the RTA requirement of 7.5%. The ADA



Paratransit budgeted recovery ratio is allowed to be less than the statutory requirement of 10% through 2023 under the relief granted by P.A. 102-0678. Pace had to include tentative revenue credits of \$1 million in the 2024 and 2025 recovery ratio calculation in order to achieve the returning statutory requirement of 10%, pending an extension of the temporary relief or modification of the current recovery ratio requirement.

**Table 7. Pace Regional ADA Paratransit 2023 Budget and 2024-2025 Financial Plan (in thousands)**

|  | 2021<br>Actual   | 2022<br>Estimate | 2023<br>Budget   | 2024<br>Plan     | 2025<br>Plan     |
|--|------------------|------------------|------------------|------------------|------------------|
| <b>Revenues</b>                        |                  |                  |                  |                  |                  |
| <b><u>System-Generated Revenue</u></b> |                  |                  |                  |                  |                  |
| Passenger Revenue                      | 6,754            | 7,608            | 10,560           | 10,876           | 11,203           |
| Other Revenue <sup>1</sup>             | 47               | 1,064            | 2,001            | 2,106            | 2,228            |
| <b>Total System-Generated Revenue</b>  | <b>6,801</b>     | <b>8,672</b>     | <b>12,561</b>    | <b>12,982</b>    | <b>13,431</b>    |
| <b><u>Public Funding</u></b>           |                  |                  |                  |                  |                  |
| Sales Tax II                           | 157,285          | 208,037          | 217,544          | 229,797          | 244,168          |
| Additional State Funding               | 8,395            | 8,395            | 8,395            | 8,395            | 8,395            |
| <b>Total Public Funding</b>            | <b>165,680</b>   | <b>216,432</b>   | <b>225,939</b>   | <b>238,191</b>   | <b>252,563</b>   |
| <b><u>Federal Relief Funding</u></b>   |                  |                  |                  |                  |                  |
| Federal Relief Funding <sup>2</sup>    | 13,786           | -                | -                | -                | -                |
| <b>Total Federal Relief Funding</b>    | <b>13,786</b>    | <b>-</b>         | <b>-</b>         | <b>-</b>         | <b>-</b>         |
| <b>Total Revenues</b>                  | <b>\$186,267</b> | <b>\$225,104</b> | <b>\$238,500</b> | <b>\$251,173</b> | <b>\$265,994</b> |

|  | 2021<br>Actual   | 2022<br>Estimate | 2023<br>Budget   | 2024<br>Plan     | 2025<br>Plan     |
|--|------------------|------------------|------------------|------------------|------------------|
| <b>Expenses</b>                              |                  |                  |                  |                  |                  |
| Labor/Fringes                                | 3,958            | 4,555            | 4,678            | 4,818            | 4,963            |
| Health Insurance                             | 861              | 991              | 1,047            | 1,124            | 1,208            |
| Admin Expenses                               | 2,414            | 3,359            | 3,602            | 3,666            | 3,754            |
| Fuel   | 5,774            | 8,615            | 7,862            | 8,045            | 8,202            |
| Insurance                                    | 648              | 1,333            | 1,023            | 1,047            | 1,073            |
| RTA Certification Trips                      | -                | 839              | 1,698            | 1,794            | 1,907            |
| Purchased Transportation                     | 165,001          | 194,602          | 209,562          | 221,379          | 235,309          |
| Regional ADA Support Allocation <sup>3</sup> | 7,611            | 8,592            | 9,028            | 9,300            | 9,578            |
| <b>Total Expenses</b>                        | <b>\$186,267</b> | <b>\$222,886</b> | <b>\$238,500</b> | <b>\$251,173</b> | <b>\$265,994</b> |
| <b>Net Result</b>                            | <b>\$0</b>       | <b>\$2,218</b>   | <b>\$0</b>       | <b>\$0</b>       | <b>\$0</b>       |
| <b>Recovery Ratio</b>                        | <b>10.6%</b>     | <b>8.8%</b>      | <b>7.5%</b>      | <b>10.0%</b>     | <b>10.0%</b>     |

<sup>1</sup> Includes investment income and reimbursements for RTA certification trips.

<sup>2</sup> Authorized to be included as operating revenue for recovery ratio purposes by RTA Ordinance 2021-08.

<sup>3</sup> Accounts for work done by other Pace departments in support of ADA Paratransit activities.

## RTA Agency Operating Budget

In response to reduced RTA sales tax levels caused by the COVID-19 pandemic, the 2020 RTA Agency budget funding level was reduced by 10%, from \$35.2 million to \$31.7 million, to reflect cost savings of \$3.5 million, and this reduced funding level was maintained through 2021. Due to improving sales tax performance, 2022 Agency budget funding was restored to the pre-pandemic level of \$35.2 million to support COVID recovery initiatives including the development of a new strategic plan.

For 2023, funding for the RTA Agency budget has been increased to just 3% above the pre-COVID funding level, or \$36.3 million, which accounts for less than 2% of the 2023 regional total funding for transit operations. Agency funding for the 2024-2025 Plan years tentatively assumes 3% annual growth.

### Background

The RTA is the oversight, funding, and regional planning agency for the three Service Boards: CTA bus and rail, Metra Commuter Rail, and Pace Suburban Service, as well as Regional ADA Paratransit.

The RTA's primary source of operating funding is a regional sales tax which is matched by the State of Illinois via the Public Transportation Fund (PTF). Most of the RTA sales tax collections and PTF pass directly through the RTA to CTA, Metra, and Pace according to pre-determined, statutory formulas. The remainder of the sales tax and PTF is distributed at the



direction of the RTA Board. A portion of this funding covers the RTA agency administrative costs, regional services and programs, and regional debt service expense.

The 2023 Agency operating budget was developed in two parts to continue the RTA's support of regional programs and services. First is the RTA Agency Administration Budget, which includes the core agency expenses for staff, facilities, information technology, office services, and professional services to support the funding, planning, and oversight mission of the RTA.

Second is the RTA Regional Programs Budget, which includes Regional Services provided directly to the public by the RTA such as ADA Certification, Mobility Management Services, Travel Information, Customer Service, and the Reduced Fare and Transit Benefit Programs. The Regional Programs Budget also includes all the RTA's grant-funded projects, RTA-funded regional studies and initiatives, and regional capital programs.

### **RTA Agency Administration Budget**

In 2023, total Agency Administration operating expenses of \$17.7 million are \$0.9 million or 5.6% higher than the 2022 estimate due to increased Information Technology (IT), labor, pension, and other fringe benefit expenses. The 2023 Administration Budget accounts for 47.9% of RTA Agency expenses and is 44.7% below the 2023 administrative expense cap of \$31.9 million set by the RTA Act. Administration expenses are expected to increase by 3% in 2024 and 2025.

### **RTA Regional Programs Budget**

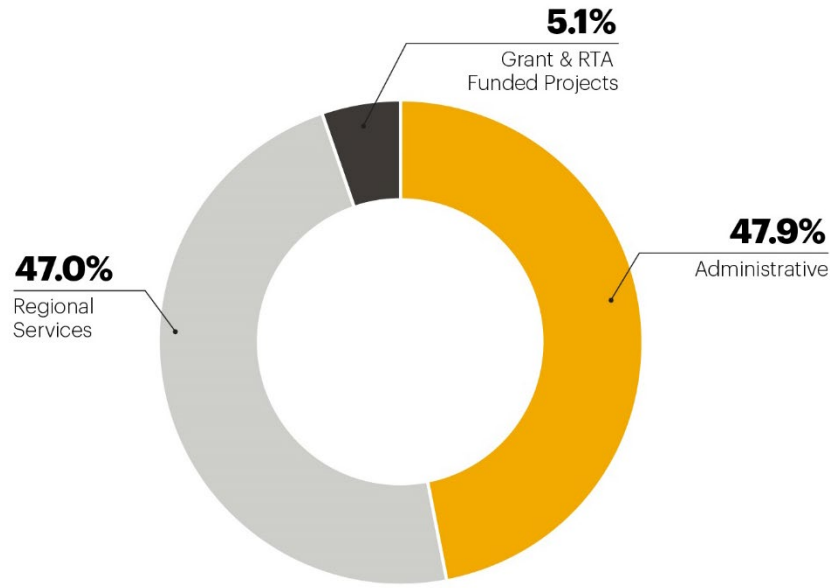
In 2023, total Regional Programs revenue of \$0.6 million is comprised of Regional Services Operating Revenue generated mostly from the Transit Benefit Program. There are no projected federal grants in 2023 for 5310 projects since a Call for Projects is conducted every other year.

Total Regional Programs expenses of \$19.2 million, the sum of Regional Services Operating Expense and RTA Funded Project Expenses, comprise the remaining 52.1% of total RTA Agency expenses. The Regional Services expense of \$17.3 million is 6.0% higher than the 2022 estimate due to higher Purchased Service expenses for the ADA Certification Program, Travel Information Center, and Transit Benefit Program. Regional Programs expenses of \$1.9 million include RTA funded initiatives, such as strategic plan implementation, community planning projects, aerial photography, RTA Maps and Statistics, and Access to Transit.

The overall RTA Agency operating expense of \$36.9 million is projected to be \$9.6 million lower than the 2022 estimate, because there are no programmed 5310 federally funded and other RTA Grant-Funded Program expenses in the 2023 budget. The overall Agency operating expense level, not including future 5310 projects, is budgeted to increase by 3% in 2024 and 2025.



**Figure 31. 2023 RTA Agency Expenses: \$36.9 Million**

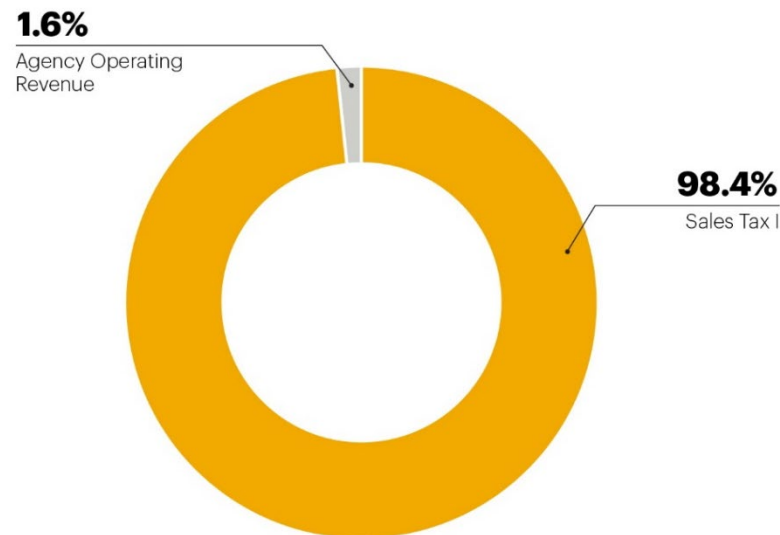


**Sales Tax and Federal Relief Funding**

The RTA Agency was allocated \$28.8 million, or 2.0%, of the \$1.438 billion total federal CARES Act funding awarded to the RTA region. CARES Act drawdowns in 2020 and 2021 supported eligible Agency budget expenses and other RTA expenses such as interest on short-term borrowing and Joint Self-Insurance Fund (JSIF) premiums. RTA’s CARES Act allocation was fully exhausted by the end of 2021.

Sales tax levels for 2023 and beyond appear more than sufficient to meet anticipated Agency budget funding requirements, so no need currently exists for additional relief funding for the RTA Agency. As shown in Table 8, the combination of operating revenue of \$0.6 million and sales tax of \$36.3 million comprise total Agency revenue for 2023, and together balance the overall RTA Agency operating budget expenses of \$36.9 million. Sales tax receipts comprise 98.4% of total 2023 Agency revenues.

**Figure 32. 2023 RTA Agency Revenues: \$36.9 Million**



**Table 8. RTA Agency 2023 Budget and 2024-2025 Financial Plan (in thousands)**

|   | <b>2021<br/>Actual</b> | <b>2022<br/>Estimate</b> | <b>2023<br/>Budget</b> | <b>2024<br/>Plan</b> | <b>2025<br/>Plan</b> |
|---|------------------------|--------------------------|------------------------|----------------------|----------------------|
| <b>Revenues</b>                                     |                        |                          |                        |                      |                      |
| <b><u>Operating Revenue</u></b>                     |                        |                          |                        |                      |                      |
| Administrative<br>Operating Revenue                 | 12                     | -                        | -                      | -                    | -                    |
| Regional Services<br>Operating Revenue              | 185                    | 240                      | 601                    | 619                  | 637                  |
| <b>Total Operating<br/>Revenue</b>                  | <b>\$197</b>           | <b>\$240</b>             | <b>\$601</b>           | <b>\$619</b>         | <b>\$637</b>         |
| <b><u>Public Funding</u></b>                        |                        |                          |                        |                      |                      |
| Federal Grants <sup>1</sup>                         | 6,500                  | 11,050                   | -                      | 10,800               | -                    |
| Sales Tax I   | 31,686                 | 35,211                   | 36,267                 | 37,355               | 38,476               |
| <b>Total Public Funding</b>                         | <b>\$38,186</b>        | <b>\$46,261</b>          | <b>\$36,267</b>        | <b>\$48,155</b>      | <b>\$38,476</b>      |
| <b>Total Revenues</b>                               | <b>\$38,384</b>        | <b>\$46,501</b>          | <b>\$36,868</b>        | <b>\$48,774</b>      | <b>\$39,115</b>      |
| <b><u>Expenses</u></b>                              |                        |                          |                        |                      |                      |
| Administrative<br>Operating Expenses <sup>2</sup>   | 16,563                 | 16,735                   | 17,669                 | 18,199               | 18,745               |
| Regional Services<br>Operating Expense <sup>2</sup> | 14,391                 | 16,356                   | 17,336                 | 17,856               | 18,068               |
| Program and Project<br>Expenses <sup>1</sup>        | 7,430                  | 13,410                   | 1,863                  | 12,719               | 2,300                |
| <b>Total Expenses</b>                               | <b>\$38,384</b>        | <b>\$46,501</b>          | <b>\$36,868</b>        | <b>\$48,774</b>      | <b>\$39,113</b>      |
| <b>Net Result</b>                                   | <b>\$0</b>             | <b>\$0</b>               | <b>\$0</b>             | <b>\$0</b>           | <b>\$0</b>           |

<sup>1</sup> Federally funded 5310 projects are programmed every other year, which is reflected in the upcoming budget and financial plan columns accordingly in the federal grant revenue and regional program and project expenses amounts.

<sup>2</sup> 2021 and 2022 include additional amounts that were set aside for pension contributions, IT infrastructure, and strategic planning items.

# Regional Capital Program

Capital programming is a core function of the RTA. Section 2.01b of the RTA Act ([70 ILCS 3615/](#)) requires the RTA Board to annually adopt a Five-Year Regional Capital Program that is guided by a strategic plan (*Invest in Transit*) and is fiscally constrained by the annual budget and two-year financial plan. Once the capital program is adopted, the expenditures of CTA, Metra, and Pace are subjected to continual review, so that the RTA may budget and ensure that funds available to the region are spent with maximum efficiency. The purpose of this document is to fulfill the RTA's statutory requirements and, equally importantly, to provide insights into the strategic benefits of transit capital investment underway in the region.

For the last several years, the RTA and the Service Boards have been working together to articulate and advance a regional transit capital strategy that includes obtaining increased funding to meet the region's needs and delivering projects to the riding public. *Invest in Transit* emphasizes the importance of transit in northeastern Illinois and the related infrastructure investment by the three Service Boards, CTA, Metra, and Pace. It includes a vision, goals, and priority projects that the RTA and the Service Boards are committed to advancing with additional capital funding. The priority project lists, which were first adopted in *Invest in Transit* and are annually updated during the budgeting process, help to articulate the large capital needs of the region, as well as what priorities the Service Boards are planning to advance in the coming years. Articulating these needs and priorities has been a key to securing additional capital dollars for the region. Some of the key new funds are the following:

- The Rebuild Illinois bond program, which provided the region with \$2.6 billion in bond funding. With most Rebuild Illinois bond funds already programmed, the region has begun to see results on several key projects.
  1. CTA is well on its way towards rehabbing the 5000-series rail cars, and work has begun on the first phase of the Blue Line Congress Branch rehabilitation.
  2. Metra is funding a fleet of new rail cars, which are proceeding through the design phase and are expected to arrive starting in 2024. Metra is also designing key rail station rehabs along the Metra Electric line, which are expected to be completed in the coming years.
  3. Pace has completed a new garage in Plainfield to serve the I-55 express bus service. Pace has also built a new bus station at the Joliet Gateway Center.
- Another funding source made available by the state is PAYGO, which is an estimated \$227 million in ongoing annual gas tax revenue allocated to fund capital projects. PAYGO projects are primarily focused on addressing state of good repair and other maintenance needs of the regional transit network. An additional \$1.135 billion in PAYGO funds have been programmed in the 2023-2027 Capital Program. Some of the successes of PAYGO funding to date include:
  1. CTA has funded key state of good repair maintenance projects for buses, rail cars, elevated track and structure, and facilities.
  2. Metra has advanced important state of good repair projects including locomotive and rail car rehab, yard improvements, platform and shelter improvements, and the purchase of non-revenue right of way equipment.



3. Pace has focused on improving customer amenities at bus stops, including shelters and benches, as well as on deploying real-time bus tracker signage.
- In 2021, the Infrastructure Investment and Jobs Act (IIJA) increased Federal Formula funding to the region by approximately 40%, representing an increase of over \$200 million per year. In addition, IIJA provides significant discretionary opportunities, including the All Stations Accessibility Program (ASAP), the Low and No Emission Bus and Bus Facilities Program, and the Rebuilding American Infrastructure with Sustainability and Equity (RAISE) program. The region intends to compete for many of the new opportunities and has already been awarded funding under two of the programs.
    1. Jointly Metra and Pace were successfully awarded a RAISE grant for the Harvey Intermodal Transportation project. These newly awarded discretionary funds are programmed in the 2022 Capital Program.
    2. CTA saw an additional \$165 million in Core Capacity funding, for the Red and Purple Modernization Program, from the FTA Expedited Project Delivery Pilot Program, in 2022, that was not expected to be available until 2023 and 2024. These expedited funds will allow CTA to accelerate the completion of this project.

The RTA and Service Boards have also continued to streamline administrative processes and ramp up construction pipelines to deliver on this large-scale investment. Several improvements have been made to the efficiency, effectiveness, and transparency of the capital program process. In 2022, the RTA released a new map of capital projects to accompany the web-based listing of capital projects and downloadable datasets that have been made available on RTAMS since 2021. While these activities enhance capital program delivery, there is always room for improvement. For this reason, the process for developing the next Regional Transit Strategic Plan included opportunities for the public and stakeholders to weigh in on capital priorities of the strategic plan and the RTA in late 2021 and throughout 2022. This feedback highlighted a need to provide better understanding of project benefits and additional transparency to the project selection process with a greater emphasis on climate impact and the customer experience.

## New Strategic Plan – Capital Program

As part of the development of the new strategic plan, RTA also formed a working group to discuss improvements to the capital project programming process. The goals of the group included:

- To incorporate the transparent prioritization process and criteria required by state legislation (Public Act 102-0573, Section 2.39).
- To incorporate the recommended goals, strategies, and performance measures developed by the Stakeholder Working Groups for the Strategic Plan and apply them to capital project selection and advancement. To better connect capital programming to other regional planning processes and show which projects are next in line for Service Boards to advance when funding is available.

### New Capital Project Evaluation Process

In response to State legislation and feedback from stakeholders, the working group outlined a new evaluation process for capital projects entering the five-year capital program. The team developed a series of 15 metrics for projects to be evaluated on. These metrics address the 12 evaluation themes that were either provided in state statute, suggested by the Service Boards, or recommended by members of the other strategic plan stakeholder working groups. The draft evaluation themes and metrics are presented in the table below. Pending approval of the strategic plan by the RTA Board in early 2023, RTA expects that the 2024-2028 Capital Program will be evaluated using this new methodology and that these evaluations will replace the strategic goals and core requirements from *Invest in Transit* that





are currently used to evaluate projects. The evaluation themes and metrics are shown in Table 9.

**Table 9. Evaluation Themes and Metrics**

| <b>Evaluation Themes</b>                   | <b>Source</b>             | <b>Proposed Metrics</b>   |
|--|---------------------------|---|
| Access to key destinations                 | Legislation               | Access to key destinations  |
| Racial equity and mobility justice         | Legislation               | Equity based on residential geography                                 |
| Economic development                       | Legislation               | Economic impact   |
| Reliability improvement                    | Legislation               | Impact to service speed/reliability                                   |
| Capacity needs                             | Legislation               | Capacity benefit and need   |
| Safety                                     | Legislation               | Impact on customer and/or employee safety & impact on system security |
| State of good repair                       | Legislation               | Asset condition & vehicle useful life                                 |
| Climate impact                             | Working groups            | Ridership/mode shift impacts & Agency operating impacts               |
| Customer experience                        | Working groups            | Benefits to riders  |
| Accessibility for people with disabilities | Service Board evaluations | Impact on accessibility for people with disabilities                  |
| Meet regulatory requirements               | Service Board evaluations | Is project is required to comply with regulatory requirements         |
| Impact on operating costs                  | Service Board evaluations | Impact on operating costs   |

## Performance-Based Programming for Capital Investment

RTA and the Service Boards have also continued to partner to make funding allocations more transparent. A Performance-Based Capital Allocation method was approved at the July 2021 Board meeting, which is used to apportion state PAYGO funds and federal formula funds beginning with 2025 allocations. Funding in 2023 and 2024 is based on historic allocation methods. The goal in implementing performance-based allocations is to use a data driven approach to distribute funds based on three key principles.

The first principle is to address Capital Reinvestment need. To that end the method uses the 20-year State of Good Repair metric to determine the baseline allocation of funds. This measure estimates the amount of funding each Service Board would need to reach a state of good repair of all assets within 20 years. The proportion of need makes up the initial funding split.

The 20-year state of good repair need is determined by a Strategic Asset Management working group, which includes both Service Board and RTA staff. The group is tasked with regularly updating the needs assessment with new data to reflect investments that have been made.



In 2022, the need-based allocation, which applies to 2027, was updated. There was a difference in the regional allocation, which impacted Metra and Pace. Both the original allocation percentages which apply to 2025 and 2026 funds and the updated 2027 allocation percentages are shown in Figure 33. The Strategic Asset Management working group produced a document, *Update to 20-Year Needs Assessment*, which details these changes and can be found in the RTA Board Memo on the 2023-2027 preparatory marks.

**Figure 33. 20-year State of Good Repair Needs-based Allocation Percentages by Service Board and Year**

|       | 2025 & 2026 | 2027  |
|-------|-------------|-------|
| CTA   | 59.7%       | 59.7% |
| Metra | 32.8%       | 33.2% |
| Pace  | 7.5%        | 7.1%  |

The second principle is to incentivize faster completion of projects. Fifty percent of PAYGO and federal formula funds are allocated based on the 20-year State of Good Repair Needs percentages and then are incremented based on two measures, average age of funds (which has a goal to be under 2.5 years old) and percent of funds spent (with a goal of spending at least 20% of available funds annually); both metrics are built on a three-year average. Service Boards that meet the performance measures have no change to their available funding. If a measure is not met, funds are incrementally set aside for future reallocation. Figure 34 shows the average age of funds calculation, and Figure 35 shows the percent of funds spent calculation.

**Figure 34. Average Age of Funds: Funds withheld when 3-year average is greater than 2.5 years**

|       | 2019 | 2020 | 2021 | 3-year Average |
|-------|------|------|------|----------------|
| CTA   | 2.14 | 0.95 | 1.20 | 1.43           |
| Metra | 2.57 | 1.73 | 1.66 | 1.99           |
| Pace  | 2.91 | 1.68 | 1.51 | 2.03           |

**Figure 35. Percent of Funds Spent: Funds withheld when 3-year average is less than 20%**

|                           | 2019   | 2020   | 2021   | 3-year Average |
|---------------------------|--------|--------|--------|----------------|
| CTA With Debt Payments    | 48.50% | 19.42% | 18.84% | 28.92%         |
| CTA Without Debt Payments | 36.56% | 10.47% | 11.45% | 19.49%         |
| Metra                     | 27.70% | 15.06% | 14.55% | 19.10%         |
| Pace                      | 19.20% | 22.43% | 10.44% | 17.36%         |

For 2027, based on the aforementioned performance criteria, either \$3.4 million or \$5.5 million would have been withheld in the 2023-2027 five-year Capital Program due to slower spend rates for all of the Service Boards. If CTA debt service payments are not included in the percent of funds spent, CTA would have a withholding of approximately \$2.1 million in 2027. If debt service payments are included, CTA would not have a withholding in 2027. Metra has a withholding of \$2.1 million and Pace a withholding of \$1.3 million. Figure 36 details the 2027 withholdings.

**Figure 36. 2027 Proposed Capital Withholdings**

|   | Withholding Amount |
|---|--------------------|
| CTA including Debt Service Payments     | \$0                |
| CTA not including Debt Service Payments | \$2,109,742        |
| Metra                                   | \$2,062,390        |
| Pace                                    | \$1,297,774        |
| <b>Regional Total</b>                   | <b>\$5,469,906</b> |

Pursuant to a stipulation in the RTA ordinance, since an allocation methodology has not been established for withheld funds, these dollars will not be set aside at this time and instead the Service Boards have included these funds as part of their capital programs, similar to how the calculated set-asides for 2025 and 2026 were handled. Discussions for determining how to redistribute withheld funds will continue in 2023 following the adoption of the 2023 Regional Transit Strategic Plan.

A final part of the performance-based capital allocation is to advance policy priorities by programming projects that meet the core requirements from Invest in Transit of achieving full accessibility and improving equity. The Service Boards must program at least 20% of the 2025, 2026, and 2027 federal formula and PAYGO funds to projects that meet one or both of those core requirements. The projects meeting these requirements are outlined throughout the capital section.

# Goals and Requirements for the Five-Year Regional Capital Program

The 2023-2027 Capital Program continues to focus on the core requirements, strategic goals, and priority projects established in *Invest in Transit*. These provide three lenses for analyzing the capital program and understanding how it is accomplishing strategic objectives of the agencies.

This is the final year that these methods will be used to evaluate the capital program. The 12 new themes described in earlier sections will be used starting with the 2024-2028 capital program developed in 2023, pending approval of the new strategic plan.

## Strategic Goals

*Invest in Transit's* strategic goals capture the RTA's and Service Boards' shared priorities. The strategic goals, and what they mean for capital programming, are as follows:

**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 that 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 around-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.

By continuing to incorporate the *Invest in Transit* strategic goals to describe the regional capital program and the individual Service Boards' capital program sections, the RTA and the Service Boards demonstrate how the current program of capital investments will assist in achieving the strategic priorities of the region.

## 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 meet these requirements, and thus RTA is committed to addressing them through the regional capital programming process. These core requirements and their implications for the capital program 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 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 investments improve access to transit and access to opportunities across the large and diverse RTA region. This 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 the 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.

As stated above, the core requirements selected as a focus for the performance-based programming measures are achieve full accessibility and improve equity.

### **Priority Projects**

Finally, the 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. This list is updated each year during the capital programming process.

In describing the capital program through the lens of priority projects, the RTA and the Service Boards provide transparency around how many projects and how much funding is needed to advance each of these specific priorities.

### **Summary**

The core requirements, strategic goals, and priority projects defined in *Invest in Transit* are shared priorities for the transit agencies that can be applied to understand the current capital program. The RTA intends to change the core requirements and strategic goals to the 12 adopted evaluation criteria in the 2024-2028 Capital Program as described above.

# 2023-2027 Regional Capital Program and 2023 Regional Capital Program

## 2023-2027 Capital Funding by Source

The 2023-2027 Regional Capital Program includes \$5.724 billion in funding. After accounting for CTA debt-service payments, the region has \$4.712 billion for capital projects in the five-year program. Table 10 shows the breakdown of funding sources by Service Board in the program.

**Table 10. 2023-2027 Regional Capital Program Funding (in thousands)**

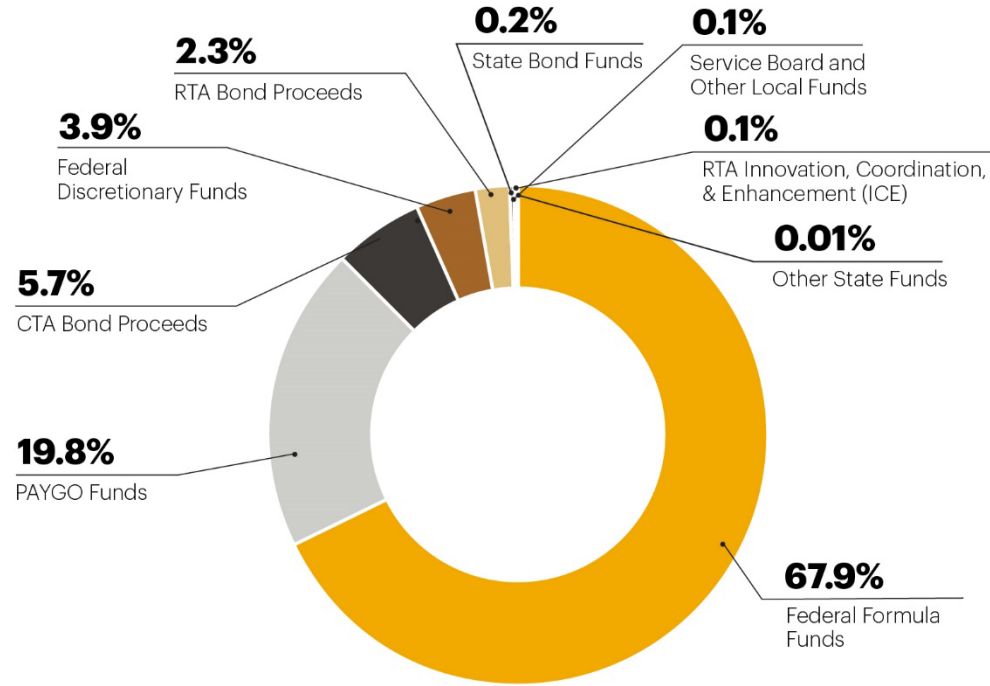
|   | CTA                | Metra              | Pace             | RTA      | Total              | % of Total    |
|---|--------------------|--------------------|------------------|----------|--------------------|---------------|
| <b>Funding Sources</b>                            |                    |                    |                  |          |                    |               |
| Federal Formula Funds                             | 2,293,213          | 1,301,270          | 289,688          | -        | 3,884,171          | 67.9%         |
| Federal Discretionary Funds                       | 145,049            | 59,824             | 17,118           | -        | 221,991            | 3.9%          |
| PAYGO Funds                                       | 690,307            | 371,826            | 72,867           | -        | 1,135,000          | 19.8%         |
| RTA Innovation, Coordination, & Enhancement (ICE) | -                  | 6,166              | 2,055            | -        | 8,221              | 0.1%          |
| Service Board and Other Local Funds               | 525                | 5,000              | -                | -        | 5,525              | 0.1%          |
| State Bond Funds                                  | -                  | 12,000             | -                | -        | 12,000             | 0.2%          |
| Other State Funds                                 | -                  | 500                | -                | -        | 500                | 0.01%         |
| <b>Sub-Total Non-Bond Funds</b>                   | <b>\$3,129,094</b> | <b>\$1,756,586</b> | <b>\$381,728</b> | <b>-</b> | <b>\$5,267,408</b> | <b>92.0%</b>  |
| RTA Bond Proceeds                                 | -                  | 130,000            | -                | -        | 130,000            | 2.3%          |
| CTA Bond Proceeds                                 | 326,380            | -                  | -                | -        | 326,380            | 5.7%          |
| <b>Sub-Total Bond Funds</b>                       | <b>\$326,380</b>   | <b>\$130,000</b>   | <b>-</b>         | <b>-</b> | <b>\$456,380</b>   | <b>8.0%</b>   |
| <b>Total Capital Funding</b>                      | <b>\$3,455,474</b> | <b>\$1,886,586</b> | <b>\$381,728</b> | <b>-</b> | <b>\$5,723,788</b> | <b>100.0%</b> |
| Debt Service/Financing Costs                      | (1,011,657)        | -                  | -                | -        | (1,011,657)        |               |
| <b>Total Capital Funding Available</b>            | <b>\$2,443,817</b> | <b>\$1,886,586</b> | <b>\$381,728</b> | <b>-</b> | <b>\$4,712,131</b> |               |



The \$5.724 billion in funding is 8.8% greater than the 2022-2026 Capital Program, due in large part to an increase in federal formula funds from IIJA. In the 2023-2027 Capital Program federal formula and federal discretionary funds are separated. The distinction is shown because of the increasing importance of discretionary funds in IIJA. Another important change in the overall program is that CTA has programmed 56% less bonds than in the 2022-2026 Capital Program, pointing to the importance of the additional available federal funds. Another important aspect of the 2023-2027 plan is the \$1.135 billion in state PAYGO funds, which make up the majority of the state's share of the plan. Between the PAYGO funds and the increased federal funds, the capital program has approximately 50% more funds available than before these sources were included. The state also included bond funds as part of the Rebuild Illinois program; these funds were fully programmed and granted in 2020 and 2021. This means that the state contribution to the program will remain lower until the next state capital program is announced. Therefore, as the Rebuild Illinois bond funding is drawn down, the RTA will continue to work with the state to develop additional state capital funding sources, to supplement PAYGO dollars and to provide reliable funds to maintain the region's transit system.

The 2023-2027 Capital Program includes a funding mix of federal, state, RTA, and local sources. Funding is divided as follows: 67.9% federal formula funds, 3.9% federal discretionary funds, 19.8% state PAYGO funds, 5.7% CTA bond funds, 2.3% RTA bond funds, and 0.5% other RTA and local funding sources. Figure 37 shows the detailed funding source split of the entire 2023-2027 Capital Program.

**Figure 37. 2023-2027 Capital Funding: \$5.724 Billion**



## 2023 Annual Capital Program Funding

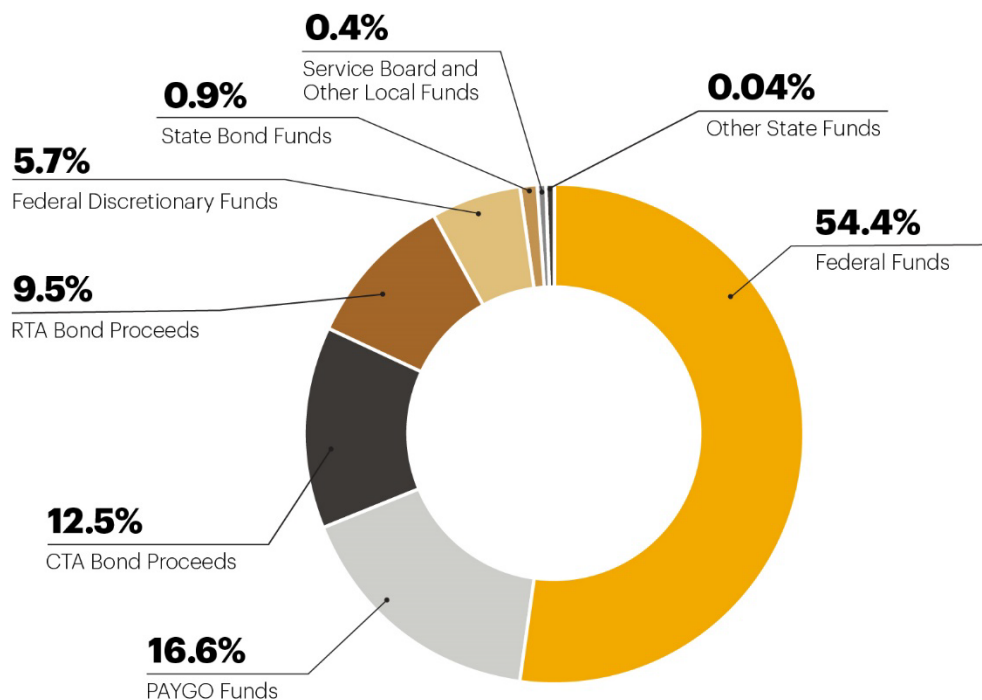
For 2023, the total regional capital funds are \$1.366 billion. After deducting \$197.1 million of CTA debt service payments on previously issued bonds, an estimated amount of \$1.169 billion is available for the year. These funds come from the following sources: 54.4% federal formula, 5.7% federal discretionary, 16.6% state PAYGO, 12.5% CTA bonds, 9.5% RTA Bonds, and 1.3% other RTA and local sources. 2023 RTA bonds are planned to be issued in the amount of \$130 million for Metra. The funds were allocated to Metra as part of the 2020 agreement to distribute Rebuild Illinois funds. CTA plans to issue bonds to continue advancing the Red Line Extension project. Overall, less regional bonding is needed thanks to additional federal funds from IIJA and annual state PAYGO funds from the motor fuel tax. Table 11 and Figure 38 show the detailed split of funds by Service Board and funding source for 2023.

**Table 11. 2023 Annual Regional Capital Program Funding (in thousands)**

|   | CTA              | Metra            | Pace            | RTA      | Total              | % of Total    |
|---|------------------|------------------|-----------------|----------|--------------------|---------------|
| <b>Funding Sources</b>                            |                  |                  |                 |          |                    |               |
| Federal Funds                                     | 430,864          | 252,495          | 59,550          | -        | 742,909            | 54.4%         |
| Federal Discretionary Funds                       | 45,114           | 30,800           | 1,464           | -        | 77,378             | 5.7%          |
| PAYGO Funds                                       | 141,875          | 73,775           | 11,350          | -        | 227,000            | 16.6%         |
| RTA Innovation, Coordination, & Enhancement (ICE) | -                | -                | -               | -        | -                  | 0.0%          |
| Service Board and Other Local Funds               | 105              | 5,000            | -               | -        | 5,105              | 0.4%          |
| State Bond Funds                                  | -                | 12,000           | -               | -        | 12,000             | 0.9%          |
| Other State Funds                                 | -                | 500              | -               | -        | 500                | 0.04%         |
| <b>Sub-Total Non-Bond Funds</b>                   | <b>\$617,958</b> | <b>\$374,570</b> | <b>\$72,364</b> | <b>-</b> | <b>\$1,064,892</b> | <b>77.9%</b>  |
| RTA Bond Proceeds                                 | -                | 130,000          | -               | -        | 130,000            | 9.5%          |
| CTA Bond Proceeds                                 | 171,380          | -                | -               | -        | 171,380            | 12.5%         |
| <b>Sub-Total Bond Funds</b>                       | <b>\$171,380</b> | <b>\$130,000</b> | <b>-</b>        | <b>-</b> | <b>\$301,380</b>   | <b>22.1%</b>  |
| <b>Total Capital Funding</b>                      | <b>\$789,337</b> | <b>\$504,570</b> | <b>\$72,364</b> | <b>-</b> | <b>\$1,366,272</b> | <b>100.0%</b> |



**Figure 38. 2023 Capital Funding: \$1.366 Billion**



With the majority of Rebuild Illinois bond funds programmed, the state share of the 2023 program is reduced from what it was in previous years to 17.5%. RTA continues to work with the state to implement and construct the projects in the Rebuild Illinois bond fund program, as well as to explore other sustainable capital revenue sources at the state and federal level.

### Capital Funding by Priority Project

The following section presents the 2023-2027 Capital Program through the lens of priority projects identified by the Service Boards through *Invest in Transit* and subsequent annual updates. All current priority projects, as identified by the Service Boards, are included in the analysis, whether or not they will receive funding in the five-year capital program. In addition, there are administrative categories for activities required to execute the capital projects, as well as a category for projects that do not fall into any of the priority projects, called uncategorized projects. These categories of projects (administrative and uncategorized) are shown in the summary tables and are included in the 10-year need, but they are not included in the count of priority projects. The 10-year regional capital funding need is \$36.6 billion. Notably, the current 2023-2027 Capital Program only funds 15.6% of the total 10-year need, which is greater than the 14.5% funded in the 2022-2026 capital plan, but well short of what is needed. If similar funding levels were to continue over the next 10 years, only 31.3% of the 10-year need would be funded. This shows the great need to increase capital funding to maintain and build upon the regional transit system.

[Appendix A](#) shows all the priority projects, the funding level in the 2023-2027 Capital Program, and the 10-year funding need.

The Service Boards have identified 76 priority projects in the 2023-2027 Capital Program. Nine have been fully funded, an increase of five from the previous year. Twenty projects do not receive any funding, and the remainder are partially funded. This demonstrates that additional funding is necessary to meet the needs of the region's transit system and riders. While the 2023-2027 Capital Program continues to include new funding sources, more is needed. The regional estimate is that more than \$3.5 billion is required annually to maintain and expand the system to meet the needs of the region.

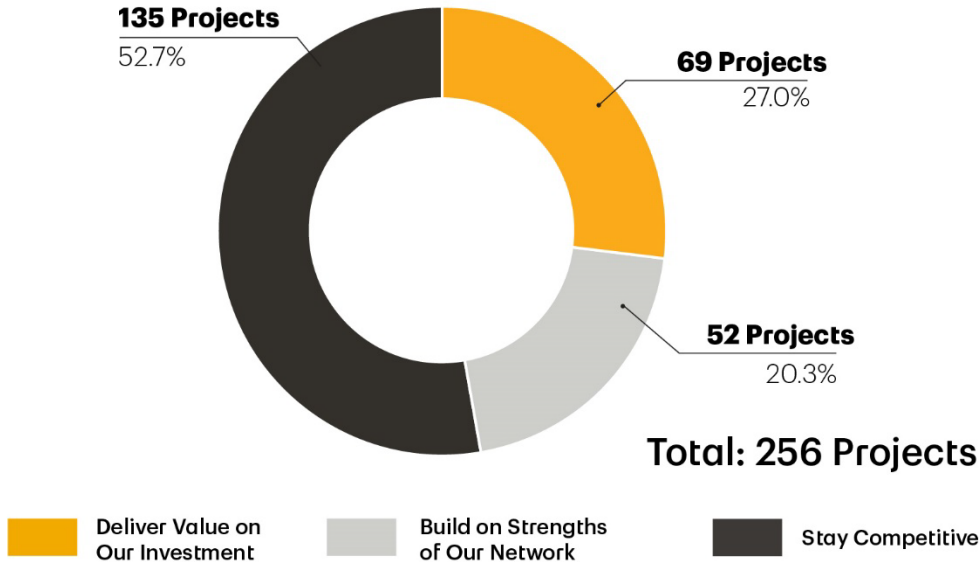
With that in mind, the RTA further analyzed the projects using two different lenses: strategic goals and core requirements. Details of these measures are in the Capital Program section above. The core requirements and strategic goals selected for each project can be found in the Service Board sections of this document.

**Strategic Goals**

The three strategic goals of *Invest in Transit* are to deliver value on our investment, build on the strengths of our network, and stay competitive. Each project contained in the 2023-2027 Capital Program has been assigned, by the Service Boards, to one of the three goals to demonstrate how this capital spending will assist in achieving the intended strategic investments of the region.

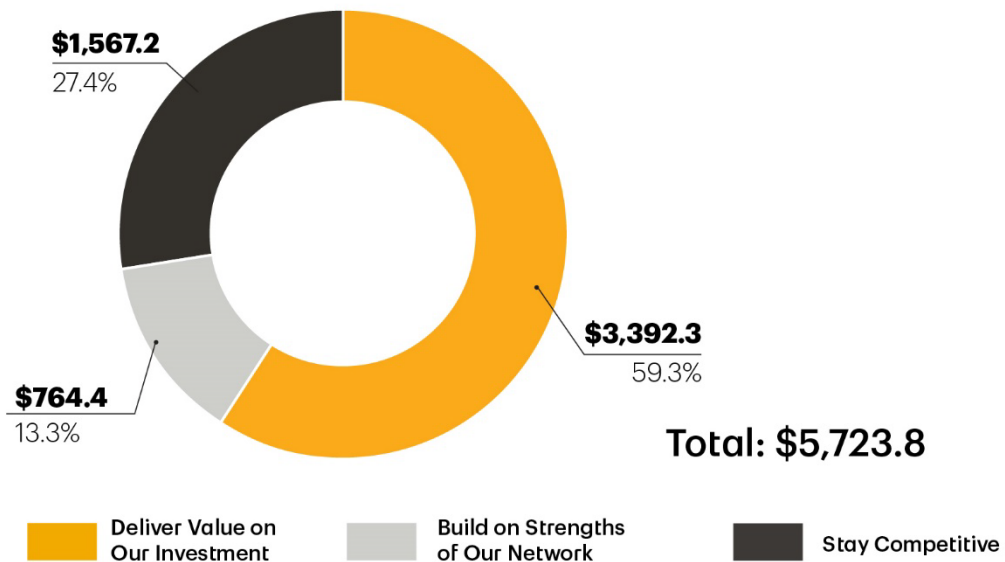
There are 256 projects in the 2023-2027 Capital Program. By number of projects, 53% (135 projects) are assigned to stay competitive, while 27% (69 projects) have the goal of deliver value on our investment, and 20% (52 projects) build on the strengths of our network, as shown in Figure 39.

**Figure 39. Number of Service Board Capital Projects Advancing Each Strategic Goal**



Viewing by funding of the strategic goal shows that 60% of funds (\$3.392 billion) deliver value on investment, 28% (\$1.567 billion) of funds have a goal of staying competitive, and 13% (\$764 million) of funds are assigned to building on the strengths of our network, as shown in Figure 40.

**Figure 40. Amount of Service Board Capital Funding Advancing Each Strategic Goal (in millions)**



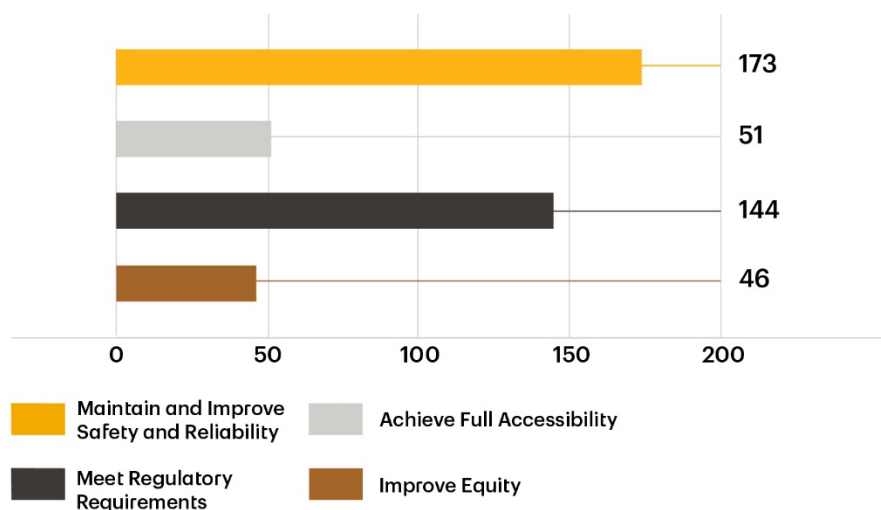
Overall, the distribution of strategic goals by project shows that the Service Boards are choosing projects that help maintain the system. Due to the lack of funding, it is more difficult to fund projects with a goal of building on strengths of our network and staying competitive, which might include enhancements or expansions.

**Core Requirements**

The four core requirements identified in *Invest in Transit* are maintain and improve safety and reliability, achieve full accessibility, improve equity, and meet regulatory requirements. Each project has been categorized by the Service Boards as satisfying one or two core requirements.

The requirement most often identified is maintain and improve safety and reliability, with 173 projects fulfilling that requirement. 144 projects are expected to help meet regulatory requirements, 46 projects improve equity, and 51 projects achieve full accessibility, as shown in **Error! Reference source not found.**

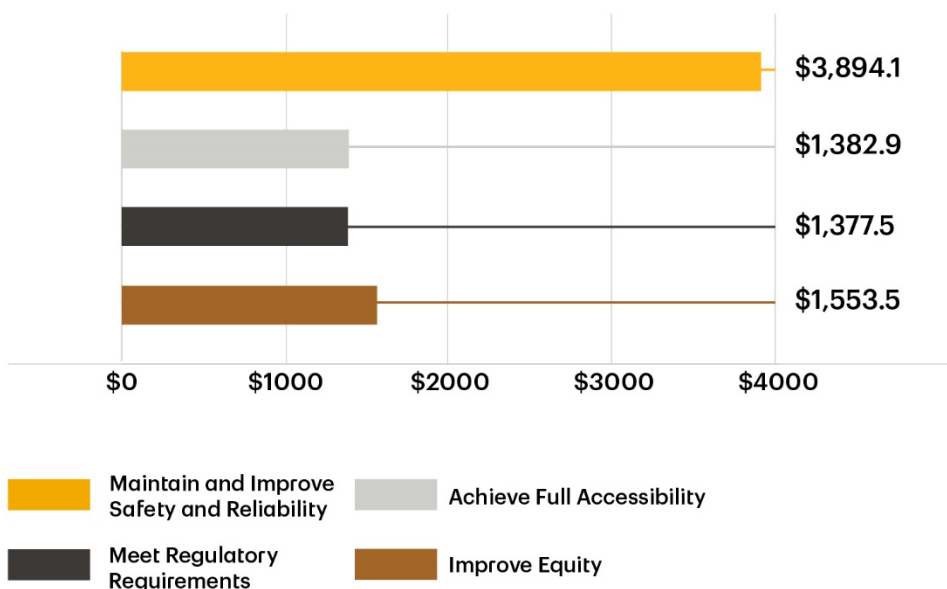
**Figure 41. Number of Service Board Projects Addressing Each Core Requirement**



NOTE: Question is asked as multi-response, Service Boards may select up to two core requirements per project.

As seen in Figure 42, the majority of funding available over the next five years is intended to be invested in maintaining and improving the safety and reliability of the current system at \$3.894 billion. Equity projects also play a major role in the program with \$1.554 billion. Achieve full accessibility has \$1.383 billion in projects, and meet regulatory requirements has \$1.378 billion in projects.

**Figure 42. Amount of Service Board Funding Addressing Each Core Requirement (in millions)**



NOTE: Question is asked as multi-response, Service Boards may select up to two core requirements per project.

For 2025 and beyond, each Service Board needs to ensure that at least 20% of their program fulfills the core requirements of improving equity or achieving full accessibility. Regionwide, 38% of funding (\$430.4 million) is programmed to projects that improve equity and accessibility in 2025, 41% of funding (\$449.6 million) is allocated in 2026, and 38% of funding (\$395.6 million) in 2027. Details on accessibility and equity projects can be found in the Service Board sections of this document.

What is clear when analyzing available funding by priority projects, strategic goals, and core requirements is that the region needs more funds to move from just maintaining the system to improving the offerings and competing better in the evolving transportation environment.

## Long-Term Funding Need

Overall, the 2023-2027 Capital Program is primarily focused on addressing the region’s state of good repair needs and advancing projects identified in *Invest in Transit*.

The RTA continues to lead [Strategic Asset Management \(SAM\)](#) activities for the region to consider the impacts of capital funding and the asset condition outlook beyond the timeframe covered in the capital program. The RTA is currently working with the Service Boards to update the data and models used to estimate the impact of capital funding on the region. Meanwhile, capital funding continues to be insufficient to meet regional needs.



In addition, the RTA is developing a strategic plan that is planned for adoption in 2023 that includes the region's next steps in advocating for additional funding to meet the significant needs of the region.

RTA will continue with its work analyzing capital need and advocating for additional capital funding to better meet the region's significant capital requirements.

## CTA Capital Program

CTA's five-year Capital Program has \$3.455 billion available for capital expenditures in 2023-2027, with a 10-year need of more than \$23.8 billion. CTA's capital projects are largely focused on moving the system toward a state of good repair with spending both on rehabbing assets, where possible, and replacing as necessary. Sixteen percent of CTA's program is for rehabbing buses and rail cars, while another 16% is for purchasing new rail cars and buses. Significantly, \$134 million is programmed to purchase new electric articulated buses, which will help provide a green transit future for the region. CTA is also dedicating about 10% of the program toward station work, which includes projects in the All Stations Accessibility Program (ASAP), accounting for \$110 million of the spending. Another component of CTA's Capital Program is debt-service. CTA has funded many of their capital projects by issuing debt. Some of CTA's debt is repaid using federal capital funding; 29% of CTA's Capital Program is assigned to paying principal and interest on this debt. The RTA continues to advocate for new funding sources so that CTA is not as reliant on debt backed by federal formula funds, especially at the present time when the cost of borrowing is increasing.

**Key Projects:** The report will highlight some projects funded in the 2023-2027 Capital Program that meet some of the regional priorities:

**Equity:**

- **Red Line Extension:** The \$3.6 billion Red Line Extension will reduce commute times for Far South Side residents, improve mobility for transit-dependent populations, provide viable linkages between affordable housing, jobs, services, and educational opportunities, and foster economic development in the project area. The program provides \$340 million in funding for the project.
- **Bus Slow Zones Elimination Program:** This project will implement a coordinated program of bus priority treatments and targeted solutions for specific problem areas, to improve speed and reliability on major bus corridors including Chicago Avenue, 79th Street, and Western Avenue. The program provides \$15 million for the project.

**Accessibility:**

- **All Stations Accessibility Program:** CTA established the All Stations Accessibility Program (ASAP) to chart a clear path to achieve a 100% vertically accessible rail system within 20 years. The program provides \$110 million for various locations around the region.
- **Reconstruct Western Station (Brown Line):** This station was built prior to the enactment of the Americans with Disabilities Act (ADA) in 1990, and many areas of the station are out of compliance. Renovation and reconstruction to meet the current guidelines within the station and street right-of-way are included. The project is funded at \$13 million in the program.

**Sustainable Transportation:**

- **Articulated Electric Buses and Charging Equipment:** The purchase of battery-powered, zero-emission, all-electric public transit buses and charging infrastructure will allow CTA to



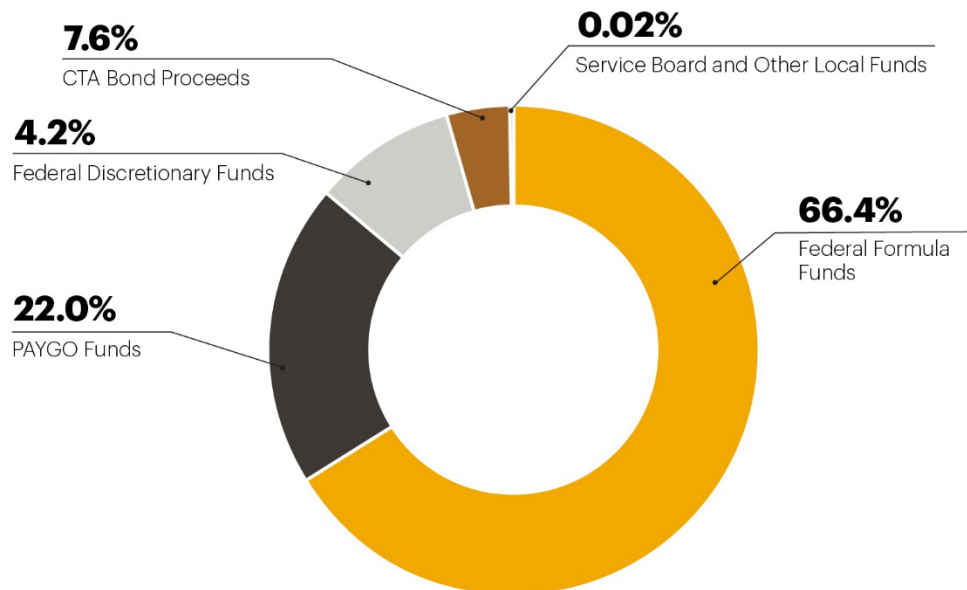
provide cleaner transit for the Chicago area. The project is funded with \$144 million in the plan.

- Bus Garage Electrification – Chicago Garage: Chicago Garage Electrification and Electric Bus Purchase will continue the bus conversion and garage modernizations to implement a fully zero-emission electric fleet within a historically disadvantaged community. There is \$115 million in funding in this program.

### Capital Funding by Source

In CTA’s \$3.455 billion capital program, funding comes from five sources: federal formula funds (66.4%), federal discretionary funds (4.2%); PAYGO funds (20.0%); CTA bond proceeds (9.4%); and other funds (0.02%), shown in Figure 43. CTA’s Capital Program has shifted more towards federal funds as all the Rebuild Illinois bond funds have been programmed. The newer funding sources, state PAYGO, as well as the additional dollars from the increased federal funding represent nearly 40% of CTA’s program and illustrate the successful effort the region has made in finding new funding sources for capital projects.

**Figure 43. CTA 2023-2027 Capital Program Funding: \$3.455 Billion**



### Capital Funding by Priority Project

CTA has identified 43 priority projects (excluding administrative projects) that are important to maintaining and improving the system. Priority projects such as Red and Purple Modernization, bus and rail car overhauls and purchases, and the Blue Line Forest Park Branch Modernization are focused on maintaining the current system. A limited selection of projects is designed to enhance and expand the system, while improving equity in the region, including the Red Line Extension to 130<sup>th</sup> Street and the Bus Slow Zone Removal/Dedicated Lane projects. Finally, CTA is moving towards electrifying the bus network. Priority projects such as Replacement Buses (4000 Series) - Electric Buses, Bus Garage Improvements, and Maintenance Facilities Rehabilitation all include aspects of the costly electrification process.

CTA’s 2023-2027 Capital Program funds activities in 26 of the 43 priority projects, as shown in Table 12. Five of CTA’s priority projects are fully funded and 15 have no funding in the 2023-2027 program. This leaves important priority projects like the replacement of 1000 series buses with electric buses, later phases of the Blue Line Forest Park Branch and system structural renewal completely unfunded in the 2023-2027 Capital Program. Without funding for these projects, CTA will continue to make smaller repairs to the existing system to

keep it in operation, but the lack of funding may negatively affect the system's performance. For example, more buses may be out of service or trains may run at slower speeds. CTA's large 10-year need shows that more funding is needed to keep the system rolling and to move towards greener operations.

**Table 12. CTA Priority Projects (in thousands)**

| <b>Priority Project</b>   | <b>Estimated 10-Year Need for Priority Project</b> | <b>Total 5-Year Funding Programmed</b> |
|---|--|--|
| Red Purple Modernization  | \$5,956,152  | -                                      |
| Red Line Extension  | \$3,541,709  | \$339,481                              |
| Railcar Purchase  | \$1,008,520  | \$227,877                              |
| Green Line Improvements   | \$674,708  | \$7,504                                |
| Blue Line Forest Park Modernization - Phase 2                   | \$653,077  | -                                      |
| Signal Replacement (Systemwide)                                 | \$619,339  | -                                      |
| Subway Life Safety Improvements                                 | \$604,309  | \$18,000                               |
| Blue Line Forest Park Modernization - Phase 3                   | \$598,030  | -                                      |
| Blue Line Forest Park Modernization - Phase 4                   | \$597,030  | -                                      |
| Station ASAP  | \$473,900  | \$107,316                              |
| Replacement Buses 1000 Series - 430 Electric Buses              | \$459,358  | -                                      |
| Brown Line Improvements   | \$436,384  | -                                      |
| Systemwide Track Renewal  | \$396,612  | \$46,157                               |
| Red Line Improvements   | \$396,400  | -                                      |
| Elevated Track and Structure Systemwide                         | \$380,000  | \$190,000                              |
| Perform Bus Maintenance Activities                              | \$360,000  | \$180,000                              |
| Systemwide Structural Renewal                                   | \$336,200  | -                                      |
| Rail Car Maintenance Activities                                 | \$300,000  | \$60,000                               |
| Electric Bus Infrastructure Program                             | \$291,100  | \$126,600                              |
| Replacement Buses (4000 Series) - Electric Buses                | \$287,703  | \$143,987                              |
| Replacement Buses (1000 Series) - 600 Clean Diesel              | \$274,459  | \$198,793                              |
| Rail Yard Improvements  | \$259,324  | \$3,950                                |
| Rail Shops Improvements   | \$255,900  | \$71,300                               |
| Bus Garage Improvements   | \$248,090  | -                                      |
| Blue Line (O'Hare) Traction Power Capacity & Track Improvements | \$217,940  | -                                      |



| <b>Priority Project</b>                                   | <b>Estimated 10-Year Need<br/>for Priority Project</b> | <b>Total 5-Year<br/>Funding<br/>Programmed</b> |
|---|--|--|
| BRT/Bus Slow Zone Removal/<br>TSP/Dedicated Lane projects | \$231,240  | \$15,200                                       |
| Railcar Overhauls   | \$216,028  | \$216,028                                      |
| Maintenance Facilities Rehabilitation                     | \$200,000  | \$60,000                                       |
| Station Communication Infrastructure                      | \$158,800  | \$22,000                                       |
| Tactical Traction Power<br>Improvements (Systemwide)      | \$155,739  | \$2,126  |
| CTA OFPS - Equipment (Lease) -<br>VENTRA                  | \$150,000  | \$30,000                                       |
| Systemwide Station Program                                | \$140,877  | \$29,200                                       |
| Replacement Bus Purchase<br>(4300 series)                 | \$140,000  | -  |
| Blue Line Forest Park<br>Modernization - Phase 1          | \$131,245  | -  |
| Information Technology                                    | \$124,100  | \$59,934                                       |
| Critical Needs at CTA Facilities                          | \$118,534  | \$10,000                                       |
| Non-Revenue Vehicle Replacement<br>Program                | \$81,742   | \$30,275                                       |
| Mid-Life Bus Overhaul (7900 series)                       | \$80,489   | \$80,489                                       |
| Radio System Upgrade                                      | \$35,000   | -  |
| Tactical Signal Improvements                              | \$21,630   | -  |
| Life-Extending Bus Overhaul 430<br>(1000 series)          | \$19,568   | \$19,541                                       |
| New Control and Training Center                           | Fully Funded   | -  |
| Mid-Life Bus Overhaul (4300 series)                       | Fully Funded   | -  |
| <b>Admin and Uncategorized Projects</b>                   |  |  |
| Bond Repayment, Interest Cost<br>& Finance Cost           | \$1,874,474  | \$1,011,657                                    |
| Program Management  | \$66,064   | \$33,032                                       |
| Administration - CTA                                      | \$55,000   | \$42,403                                       |
| Program Development                                       | \$6,250  | \$2,625  |
| Uncategorized Projects - CTA                              | \$160,000  | \$70,000                                       |
| <b>Total 10-Year Needs</b>                                | <b>\$23,793,025</b>                                    | <b>\$3,455,474</b>                             |

In addition to CTA's priority projects, there are four administrative projects, with a total need of \$2.2 billion. One CTA administrative requirement – bond repayment, interest, and finance cost – must be fully funded, as debt service payments are required, and represent the largest





of CTA’s funded projects in the 2023-2027 plan (\$1.012 billion). Using federal funds for debt repayment limits CTA’s ability to execute new projects with these federal dollars.

CTA has included bond issuances totaling \$326 million in the 2023-2027 Capital Program. In 2023, CTA plans to issue \$172 million in bonds with an additional \$155 million in borrowing planned for 2024-2027. These bonds are planned to be supported by sales tax receipts.

Data will be further analyzed by looking at core requirements and strategic goals; Table 13 shows information for each of CTA’s projects and [Appendix A](#) contains the detailed descriptions for each project.

**Table 13. CTA Priority Project Summary (in thousands)**

| Priority Project                              | Estimated 10-Year Need for Priority Project | Individual Capital Project Title                           | Total 5-Year Funding Programmed | Strategic Goals                 |                                   | Core Requirements |   |                            |                             |
|---|---|--|---------------------------------|---------------------------------|-----------------------------------|-------------------|---|----------------------------|-----------------------------|
|   |   |  |                                 | Deliver Value on Our Investment | Build on Strengths of Our Network | Stay Competitive  | Maintain and Improve Safety and Reliability | Achieve Full Accessibility | Meet Regulatory Requirement |
| Red Purple Modernization                      | \$5,956,152                                 | Red Purple Modernization                                   | -                               | •                               |                                   |                   | •   | •                          |                             |
| Red Line Extension                            | \$3,541,709                                 | Red Line Extension - Planning, Preliminary Engineering     | \$339,481                       | •                               |                                   |                   | •   | •                          |                             |
| Railcar Purchase                              | \$1,008,520                                 | Purchase Rail Cars - 7000 Series (Base Order 400)          | \$97,715                        |                                 | •                                 |                   |   | •                          |                             |
|   |   | Rail Cars - 7000 Series Options                            | \$130,162                       |                                 | •                                 |                   |   | •                          |                             |
| Green Line Improvements                       | \$674,708                                   | Infrastructure Lake Street Line Track & Structure Rehab    | \$7,504                         |                                 |                                   | •                 |   | •                          |                             |
| Blue Line Forest Park Modernization - Phase 2 | \$653,077                                   | Blue Line Forest Park Modernization - Phase 2              | -                               | •                               |                                   |                   | •   | •                          |                             |
| Signal Replacement (Systemwide)               | \$619,339                                   | Signal Replacement (Systemwide)                            | -                               |                                 |                                   | •                 |   |                            | •                           |
| Subway Life Safety Improvements               | \$604,309                                   | Subway Life Safety   | \$18,000                        |                                 |                                   | •                 |   | •                          | •                           |
| Blue Line Forest Park Modernization - Phase 3 | \$598,030                                   | Blue Line Forest Park Modernization - Phase 3              | -                               | •                               |                                   |                   | •   | •                          |                             |
| Blue Line Forest Park Modernization - Phase 4 | \$597,030                                   | Blue Line Forest Park Modernization - Phase 4              | -                               | •                               |                                   |                   | •   | •                          |                             |
| Station ASAP                                  | \$473,900                                   | Rehab Rail Stations - ASAP (Belmont) Station Construction) | \$27,000                        |                                 |                                   | •                 | •   |                            | •                           |



| Priority Project                                   | Estimated 10-Year Need for Priority Project | Individual Capital Project Title   | Total 5-Year Funding Programmed | Strategic Goals                 |                                   | Core Requirements |   |                            |                             |                |
|--|---|--|---------------------------------|---------------------------------|-----------------------------------|-------------------|---|----------------------------|-----------------------------|----------------|
|  |   |  |                                 | Deliver Value on Our Investment | Build on Strengths of Our Network | Stay Competitive  | Maintain and Improve Safety and Reliability | Achieve Full Accessibility | Meet Regulatory Requirement | Improve Equity |
|  |   | Rehab Rail Stations - ASAP (ELEVATOR REPLACEMENT)  | \$8,917                         |                                 |                                   | •                 | •   | •                          |                             |                |
|  |   | Rehab Rail Stations - ASAP (ESCALATOR REPLACEMENT)   | \$15,000                        |                                 |                                   | •                 | •   | •                          |                             |                |
|  |   | Rehab Rail Stations - ASAP (Irving Park) Station Construction                                | \$14,000                        |                                 |                                   | •                 | •   | •                          |                             |                |
|  |   | Rehab Rail Stations - ASAP Phase II (ELEVATOR REPLACEMENT)                                   | \$18,183                        |                                 |                                   | •                 | •   | •                          |                             |                |
|  |   | Rehabilitate Rail Stations - ASAP (Oak Pk, Ridgeland, Partial Construction - Lake Green Line | \$24,216                        |                                 |                                   | •                 | •   | •                          |                             |                |
| Replacement Buses 1000 Series - 430 Electric Buses | \$459,358                                   | Replacement Bus Purchase 1000 Series - Future Order 430 Electric.                            | -                               |                                 |                                   | •                 | •   | •                          |                             |                |
| Brown Line Improvements                            | \$436,384                                   | Brown Line Improvements  | -                               | •                               |                                   |                   |   | •                          |                             | •              |
| Systemwide Track Renewal                           | \$396,612                                   | Infrastructure State of Good Repair Program  | \$46,157                        |                                 | •                                 |                   |   | •                          |                             |                |
| Red Line Improvements                              | \$396,400                                   | Red Line Improvements  | -                               | •                               |                                   |                   |   | •                          |                             | •              |
| Elevated Track and Structure Systemwide            | \$380,000                                   | Elevated Track and Structure Systemwide  | \$190,000                       |                                 |                                   | •                 |   | •                          |                             |                |
| Perform Bus Maintenance Activities                 | \$360,000                                   | Perform Bus Maintenance Activities (P1)  | \$180,000                       |                                 |                                   | •                 |   | •                          |                             |                |
| Systemwide Structural Renewal                      | \$336,200                                   | Systemwide Structural Renewal  | -                               | •                               |                                   |                   |   |                            | •                           |                |
| Rail Car Maintenance Activities                    | \$300,000                                   | Perform Rail Car Maintenance Activities (P1)   | \$60,000                        |                                 |                                   | •                 |   | •                          |                             |                |
| Electric Bus Infrastructure Program                | \$291,100                                   | Bus Garage Electrification - Chicago   | \$17,010                        |                                 | •                                 |                   |   |                            | •                           | •              |
|  |   | Improve Facilities - Electric Bus Program  | \$11,590                        |                                 | •                                 |                   |   |                            | •                           | •              |
|  |   | Improve Facilities - Electric Bus Program - Construction                                     | \$98,000                        |                                 | •                                 |                   |   |                            | •                           | •              |



| Priority Project  | Estimated 10-Year Need for Priority Project | Individual Capital Project Title  | Total 5-Year Funding Programmed | Strategic Goals                 |                                   | Core Requirements |   |                            |                             |                |
|---|---|---|---------------------------------|---------------------------------|-----------------------------------|-------------------|---|----------------------------|-----------------------------|----------------|
|   |   |   |                                 | Deliver Value on Our Investment | Build on Strengths of Our Network | Stay Competitive  | Maintain and Improve Safety and Reliability | Achieve Full Accessibility | Meet Regulatory Requirement | Improve Equity |
| Replacement Buses (4000 Series) - Electric Buses                | \$287,703                                   | Purchase Articulated Electric Buses and Charging Equipment                        | \$143,987                       |                                 | •                                 |                   |   |                            | •                           | •              |
| Replacement Buses (1000 Series) - 600 Clean Diesel              | \$274,459                                   | Replace Buses - Options to Purchase Up To 500 of 1,030                            | \$198,793                       |                                 | •                                 |                   |   |                            | •                           | •              |
| Rail Yard Improvements  | \$259,324                                   | Rail Facilities (Yards)   | \$3,950                         |                                 |                                   | •                 |   |                            | •                           |                |
| Rail Shops Improvements   | \$255,900                                   | Facilities - Midway Shop - Wheel Truing Machine Bldg. Extension and Access Track. | \$13,800                        |                                 | •                                 |                   |   |                            | •                           |                |
|   |   | Facilities - Diesel Locomotive Storage Sheds                                      | \$11,000                        |                                 |                                   | •                 |   |                            | •                           |                |
|   |   | Facilities - Rail Car Facility Maintenance  | \$15,000                        |                                 | •                                 |                   |   |                            | •                           |                |
|   |   | Facilities - Railcar Hoists - Skokie Shops  | \$20,000                        |                                 | •                                 |                   |   |                            | •                           |                |
|   |   | Facilities - Skokie Shops Improvements Other                                      | \$2,500                         |                                 |                                   |                   | •   |                            |                             | •              |
|   |   | Facilities - Wheel truing machine replacement - Skokie Shops                      | \$9,000                         |                                 | •                                 |                   |   |                            | •                           |                |
| Bus Garage Improvements   | \$248,090                                   | Bus Garage Improvements   | -                               | •                               |                                   |                   |   |                            | •                           | •              |
| Blue Line (O'Hare) Traction Power Capacity & Track Improvements | \$217,940                                   | Blue Line (O'Hare) Traction Power Capacity & Track Improvements                   | -                               | •                               |                                   |                   |   | •                          | •                           |                |
| BRT/Bus Slow Zone Removal/ TSP/Dedicated Lane projects          | \$231,240                                   | Bus Slow Zones Elimination Program - CMAQ   | \$15,200                        |                                 |                                   | •                 |   |                            | •                           | •              |
| Railcar Overhauls   | \$216,028                                   | 5000 Series Qtr Overhaul - 714 Cars   | \$71,173                        |                                 |                                   | •                 |   |                            | •                           |                |
|   |   | Life extending Overhaul 2600/3200 Series  | \$119,855                       |                                 |                                   | •                 |   |                            | •                           |                |
|   |   | Replace video system on the 3200 and 5000-Series railcars                         | \$25,000                        |                                 |                                   | •                 |   |                            | •                           |                |
| Maintenance Facilities Rehabilitation                           | \$200,000                                   | Facilities Maintenance - Systemwide   | \$60,000                        |                                 |                                   | •                 |   |                            | •                           |                |



| Priority Project                                  | Estimated 10-Year Need for Priority Project | Individual Capital Project Title                                     | Total 5-Year Funding Programmed | Strategic Goals                 |                                   | Core Requirements |   |                            |                             |                |
|---|---|--|---------------------------------|---------------------------------|-----------------------------------|-------------------|---|----------------------------|-----------------------------|----------------|
|   |   |  |                                 | Deliver Value on Our Investment | Build on Strengths of Our Network | Stay Competitive  | Maintain and Improve Safety and Reliability | Achieve Full Accessibility | Meet Regulatory Requirement | Improve Equity |
| Station Communication Infrastructure              | \$158,800                                   | Public Address Communication Modernization & Upgrade                 | \$12,000                        |                                 | •                                 |                   |   | •                          |                             | •              |
|   |   | Rail Station Communications Infrastructure Modernization             | \$10,000                        |                                 | •                                 |                   |   | •                          |                             | •              |
| Tactical Traction Power Improvements (Systemwide) | \$155,739                                   | Tactical Traction Power (Equipment/Cable/Enclosures)                 | \$2,126                         |                                 |                                   | •                 |   | •                          |                             |                |
| CTA OFPS - Equipment (Lease) - VENTRA             | \$150,000                                   | CTA Open Fare Payment System - Equipment (Lease) - VENTRA            | \$30,000                        |                                 |                                   | •                 |   | •                          |                             |                |
| Systemwide Station Program                        | \$140,877                                   | Park & Ride Improvements   | \$1,500                         |                                 |                                   | •                 |   | •                          |                             |                |
|   |   | Refresh and Renew Program Expansion                                  | \$12,000                        |                                 |                                   | •                 |   | •                          |                             |                |
|   |   | Rehabilitate Rail Stations - Loyola Station (Stairs & Elevator)      | \$2,500                         |                                 |                                   | •                 | •   |                            | •                           |                |
|   |   | Rehabilitate Rail Stations -Reconstruct Western Station (Brown Line) | \$13,200                        |                                 |                                   | •                 | •   |                            | •                           |                |
| Replacement Bus Purchase (4300 series)            | \$140,000                                   | Replacement Bus Purchase (4300 series)                               | -                               |                                 |                                   | •                 |   | •                          |                             |                |
| Blue Line Forest Park Modernization - Phase 1     | \$131,245                                   | Blue Line Forest Park Modernization - Phase 1                        | -                               | •                               |                                   |                   | •   | •                          |                             |                |
| Information Technology                            | \$124,100                                   | Farebox Replacement  | \$29,965                        |                                 | •                                 |                   |   | •                          |                             |                |
|   |   | Information Technology - Bus Router Replacements (MP070's)           | \$4,200                         |                                 |                                   | •                 |   |                            | •                           | •              |
|   |   | Information Technology - Hastus Upgrade                              | \$1,000                         |                                 |                                   | •                 |   | •                          |                             | •              |
|   |   | Information Technology - IVN3/IVN4 Replacement                       | \$7,200                         |                                 |                                   | •                 |   |                            | •                           | •              |
|   |   | Information Technology - MMIS Upgrade                                | \$2,500                         |                                 |                                   | •                 |   | •                          |                             | •              |



| Priority Project                              | Estimated 10-Year Need for Priority Project | Individual Capital Project Title                                      | Total 5-Year Funding Programmed | Strategic Goals                 |                                   | Core Requirements |   |                            |                             |
|---|---|---|---------------------------------|---------------------------------|-----------------------------------|-------------------|---|----------------------------|-----------------------------|
|   |   |   |                                 | Deliver Value on Our Investment | Build on Strengths of Our Network | Stay Competitive  | Maintain and Improve Safety and Reliability | Achieve Full Accessibility | Meet Regulatory Requirement |
|   |   | Information Technology - TOPS Upgrade II                              | \$1,500                         |                                 |                                   | •                 |   | •                          | •                           |
|   |   | Security Camera Modernization and Upgrade                             | \$11,569                        |                                 |                                   | •                 |   | •                          | •                           |
|   |   | Technology Upgrades Rail Eng./Maintenance                             | \$300                           |                                 |                                   | •                 |   | •                          |                             |
|   |   | Upgrade Office Computer Systems                                       | \$1,700                         |                                 |                                   | •                 |   | •                          |                             |
| Critical Needs at CTA Facilities              | \$118,534                                   | Facilities - Critical Needs   | \$10,000                        |                                 |                                   | •                 |   | •                          |                             |
| Non-Revenue Vehicle Replacement Program       | \$81,742                                    | Equipment and Non-Revenue Vehicles Program                            | \$8,000                         |                                 |                                   | •                 |   | •                          |                             |
|   |   | Equipment and Non-Revenue Vehicles Program (Diesel Locomotive Option) | \$5,000                         |                                 |                                   | •                 |   | •                          |                             |
|   |   | Equipment/Service Non-Rev Work 63rd Shop (New)                        | \$3,000                         |                                 | •                                 |                   |   | •                          |                             |
|   |   | Non-Revenue Utility Vehicle Replacement - Infrastructure              | \$3,675                         |                                 | •                                 |                   |   | •                          |                             |
|   |   | Rail-Borne Vehicle Equipment  | \$10,600                        |                                 | •                                 |                   |   | •                          |                             |
| Mid-Life Bus Overhaul (7900 series)           | \$80,489                                    | Bus Overhaul - Mid-Life 450 Nova                                      | \$80,489                        |                                 |                                   | •                 |   | •                          |                             |
| Radio System Upgrade                          | \$35,000                                    | Radio System Upgrade  | -                               | •                               |                                   |                   | •   | •                          |                             |
| Tactical Signal Improvements                  | \$21,630                                    | Tactical Signal Improvements  | -                               |                                 | •                                 |                   | •   |                            |                             |
| Life-Extending Bus Overhaul 430 (1000 series) | \$19,568                                    | Life Extending Bus Overhaul - (1000 Series)                           | \$19,541                        |                                 |                                   | •                 |   | •                          |                             |
| New Control and Training Center               | Fully Funded                                | New Control & Training Center   | -                               | •                               |                                   |                   | •   | •                          |                             |
| Mid-Life Bus Overhaul (4300 series)           | Fully Funded                                | Mid-Life Bus Overhaul (4300 series)                                   | -                               |                                 |                                   | •                 |   | •                          |                             |
| Bond Repayment, Interest Cost & Finance Cost  | \$1,874,474                                 | CTA Bond Repayment  | \$1,011,657                     |                                 |                                   | •                 |   | •                          |                             |
| Program Management                            | \$66,064                                    | Program Management  | \$33,032                        |                                 |                                   | •                 |   | •                          |                             |



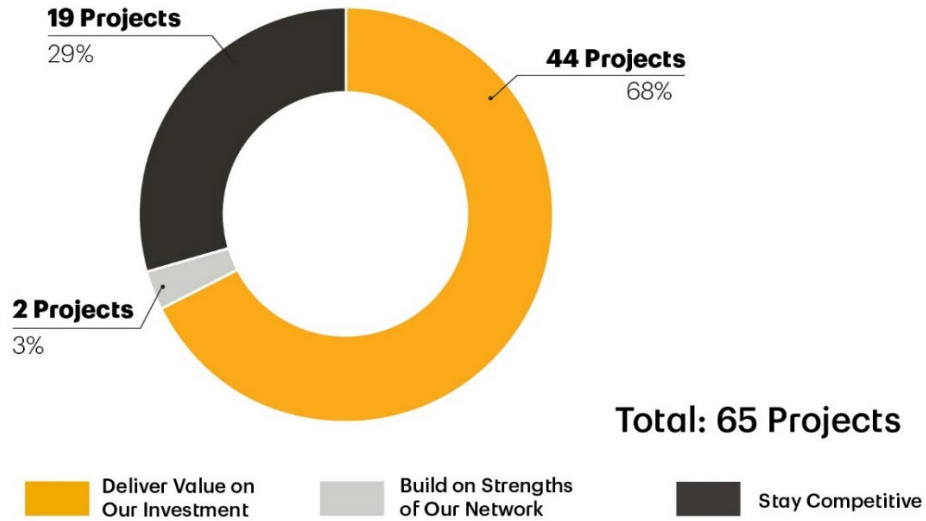
| Priority Project             | Estimated 10-Year Need for Priority Project | Individual Capital Project Title          | Total 5-Year Funding Programmed | Strategic Goals                 |                                   | Core Requirements |   |                            |                             |                |
|------------------------------|---|---|---------------------------------|---------------------------------|-----------------------------------|-------------------|---|----------------------------|-----------------------------|----------------|
|                              |   |   |                                 | Deliver Value on Our Investment | Build on Strengths of Our Network | Stay Competitive  | Maintain and Improve Safety and Reliability | Achieve Full Accessibility | Meet Regulatory Requirement | Improve Equity |
| Administration - CTA         | \$55,000                                    | Support Services                          | \$11,466                        |                                 |                                   | •                 |   | •                          |                             |                |
|                              |   | Office Building Principle and Interest    | \$30,937                        |                                 |                                   |                   |   |                            |                             |                |
| Program Development          | \$6,250                                     | Program Development - UWP                 | \$2,625                         |                                 | •                                 |                   |   |                            | •                           | •              |
| Uncategorized Projects - CTA | \$160,000                                   | Implement Security Projects - HLS Program | \$30,000                        |                                 |                                   | •                 |   | •                          |                             |                |
|                              |   | Match for FTA Discretionary Awards        | \$40,000                        |                                 |                                   | •                 | •   |                            | •                           |                |
| <b>Total</b>                 | <b>\$23,793,025</b>                         | <b>Total</b>                              | <b>\$3,455,474</b>              |                                 |                                   |                   |   |                            |                             |                |

### Strategic Goals

Each of CTA's 65 projects is categorized according to the *Invest in Transit* strategic goals, with the result that 68% of projects (44) deliver value on our investment, 29% of projects (19) focus on staying competitive, and 3% of projects (2) build on the strengths of our network; as shown in Figure 44.

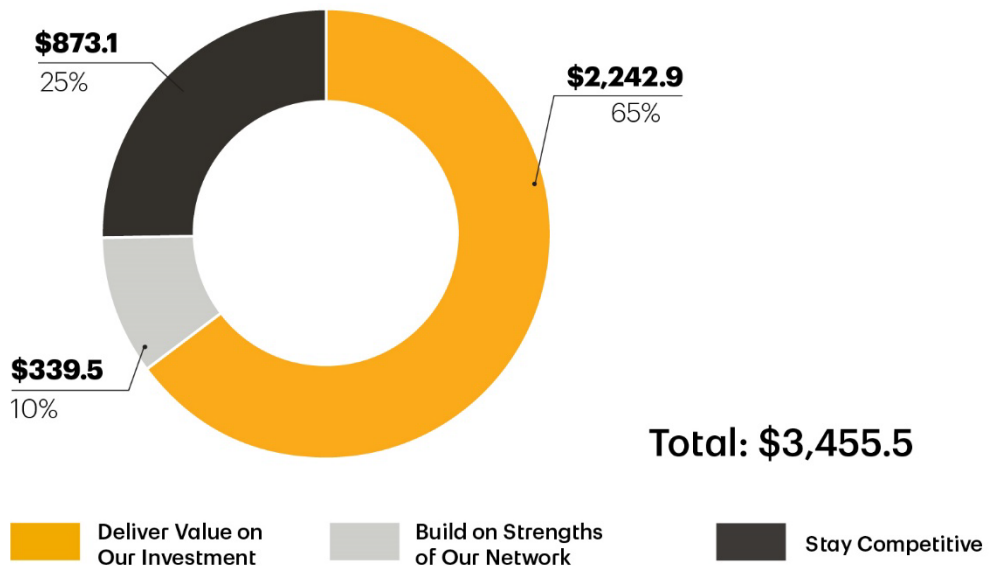
Projects focused on delivering value on our investment include bus and rail car rehabs as well as other maintenance projects around the system. Projects that are assigned to stay competitive include the purchase of new revenue vehicles, work in yards and shops, and electrification projects. Projects identified as building on the strength of our network include the Red and Purple Modernization and the new Control and Training Center.

**Figure 44. Number of CTA Projects Advancing Each Strategic Goal**



Looking at funding per goal, 65% (\$2.243 billion) goes toward delivering value on our investment, while 25% (\$873.1 million) goes toward staying competitive, and 10% (\$339.5 million) builds on the strengths of our network, as shown in Figure 45.

**Figure 45. Amount of CTA Funding Advancing Each Strategic Goal (in millions)**



CTA continues to have a large majority of projects that deliver value on our investment. These projects are largely maintenance and state of good repair activities. CTA has been able to program some projects towards staying competitive; these projects include purchase of rail cars and buses as well as electrification projects. There is limited funding for projects that build on the strengths of our network, mainly focused on the Red Line Extension. This shows that the majority of CTA's Capital Program is going towards maintaining the current system with limited funds available to expand beyond the current footprint.

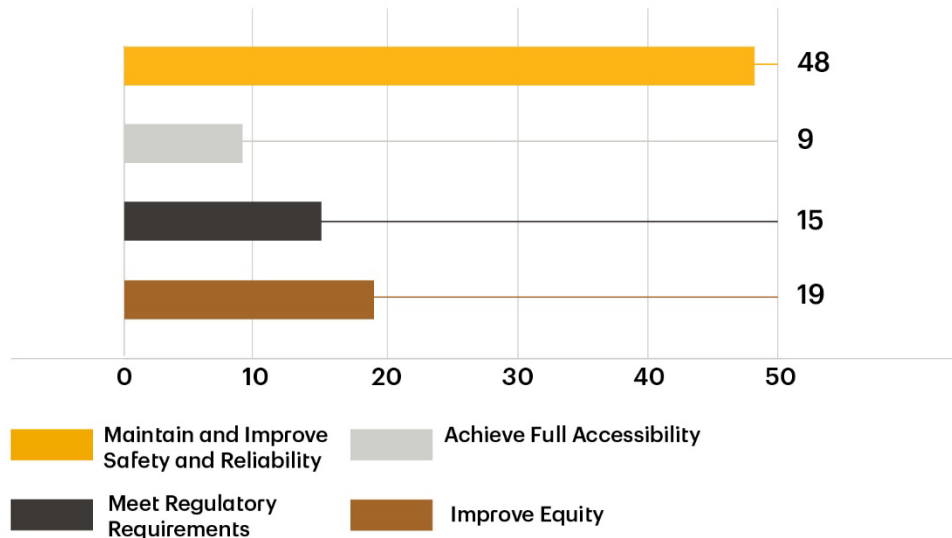
**Core Requirements**

CTA, as required, selected either one or two of the core requirements for each of the projects in the 2023-2027 Capital Program. The most common requirement to be selected was



maintain and improve safety and reliability, with 48 of the projects addressing this core requirement. Additionally, 19 projects improve equity, 15 projects meet regulatory requirements, and nine projects achieve full accessibility, as seen in Figure 46.

**Figure 46. Number of CTA Projects Addressing Each Core Requirement**

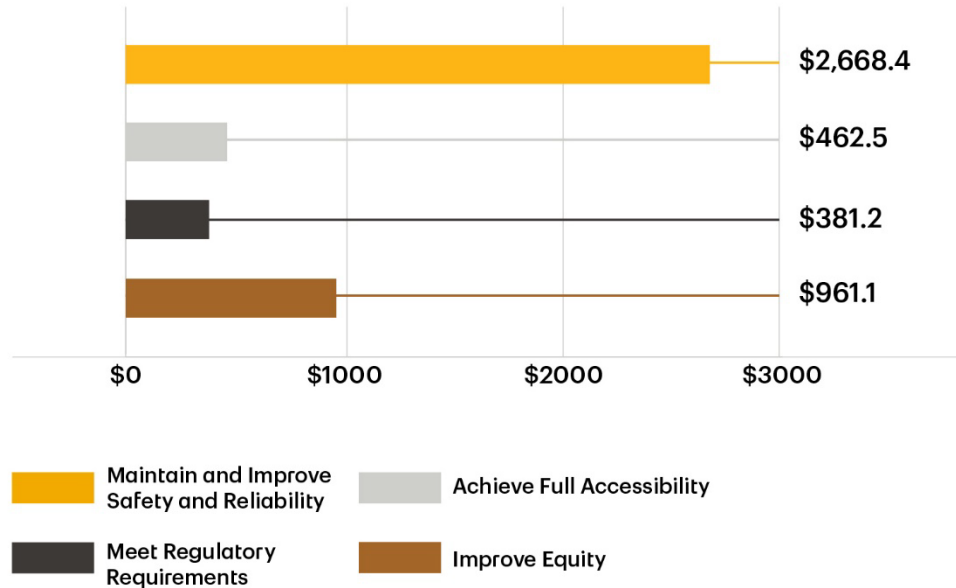


NOTE: Question is asked as multi-response, Service Boards may select up to two core requirements per project.

When looking at core requirements by funded amount, maintain and improve safety and reliability was the main focus for CTA, with \$2.668 billion of funds helping to address this requirement. Improve equity was another important core requirement with \$961.1 million in funding programmed. Achieve full accessibility had \$462.5 million programmed, and meet regulatory requirements had \$381.2 million assigned, as shown in Figure 47. The analysis shows that maintaining the current system is the focus of CTA’s Capital Program. Various maintenance projects that work on track and structure, stations, revenue vehicles, and other CTA assets make up the bulk of the program. CTA needs additional funding to meet the challenges of making the system fully accessible and providing electrification for the bus network.



**Figure 47. Amount of CTA Funding Addressing Each Core Requirement (in millions)**



NOTE: Question is asked as multi-response, Service Boards may select up to two core requirements per project.

The performance-based programming method requires that each Service Board program at least 20% of funding to projects that either achieve full accessibility or improve equity, beginning in 2025. Table 14 shows the projects and dollar value of those projects that are programmed to either equity or accessibility projects. CTA’s 2023-2027 Capital Program includes several projects that improve equity or achieve full accessibility, though much of the program goes towards general maintenance of the existing system. In 2025, 23.4% of funding is assigned to either equity or accessibility. In 2026, 22.5% of funding supports one of those goals, and in 2027, 26.7% of funds target equity or accessibility. Key equity projects in the plan include the Red Line Extension to 130<sup>th</sup> Street, which reaches a significantly transit underserved community, as well as electrification projects, which reduce harmful pollutants and provide for a greener transit system. CTA’s plan is to electrify garages in some of the more disadvantaged communities first. CTA’s accessibility plan is called the All Stations Accessibility Program (ASAP). In the program, CTA has dedicated funding to several elevator installations and replacements over the coming years with the goal of making the entire system accessible.

**Table 14. CTA Accessibility and Equity Project Highlights (in thousands)**

| <b>Description</b>  | <b>2025</b>      | <b>2026</b>      | <b>2027</b>      | <b>Achieve Full Accessibility</b> | <b>Improve Equity</b> |
|---|------------------|------------------|------------------|-----------------------------------|-----------------------|
| Purchase Articulated Electric Buses and Charging Equipment    | -                | \$51,912         | \$68,581         |                                   | •                     |
| Red Line Extension - Planning, Preliminary Engineering        | \$77,500         | \$30,000         | -                | •                                 | •                     |
| Improve Facilities - Electric Bus Program - Construction      | -                | -                | \$98,000         |                                   | •                     |
| Replace Buses - Options to Purchase Up To 500 of 1,030        | \$35,832         | \$51,494         | -                |                                   | •                     |
| Rehab Rail Stations - ASAP Phase II (ELEVATOR REPLACEMENT)    | \$13,550         | \$4,633          | -                | •                                 | •                     |
| Rehab Rail Stations - ASAP (ESCALATOR REPLACEMENT)            | \$7,500          | \$7,500          | -                | •                                 | •                     |
| Rehab Rail Stations - ASAP (ELEVATOR REPLACEMENT)             | -                | \$8,917          | -                | •                                 | •                     |
| Information Technology - IVN3/IVN4 Replacement                | \$7,200          | -                | -                |                                   | •                     |
| Rehab Rail Stations - ASAP (Belmont) Station Construction)    | \$6,730          | -                | -                | •                                 | •                     |
| Rehab Rail Stations - ASAP (Irving Park) Station Construction | \$6,730          | -                | -                | •                                 | •                     |
| Information Technology - Bus Router Replacements (MP070's)    | \$4,200          | -                | -                |                                   | •                     |
| Program Development - UWP                                     | \$525            | \$525            | \$525            |                                   | •                     |
| <b>Total</b>  | <b>\$159,767</b> | <b>\$154,982</b> | <b>\$167,106</b> |                                   |                       |
| Total Annual Program  | \$682,498        | \$690,224        | \$626,227        |                                   |                       |
| <b>Percent of Program toward Accessibility and Equity</b>     | <b>23%</b>       | <b>22%</b>       | <b>27%</b>       |                                   |                       |



Based on the 2023-2027 Capital Program, CTA has shown their strong commitment to preserving the current system by funding various projects that maintain and replace existing assets. There are very limited funds available for other projects that would provide enhancements, such as expansions and electrifications. CTA and RTA continue to advocate for funds that will help address important goals such as CTA's All Stations Accessibility Program, electrification of the bus network, and the Red Line Extension to 130<sup>th</sup> Street. These projects build on the system and offer transit to underserved communities, fulfilling an important need for the region. Furthermore, advocating for additional federal and state funding will allow CTA to reduce its overreliance on funding projects with CTA issued debt, which requires large future repayments of principal and interest using federal funds, which otherwise would be available for new capital needs.

## Metra Capital Program

Metra has \$1.887 billion of funding available in its 2023-2027 Capital Program with an estimate of \$11.2 billion needed for priority projects over the coming 10 years. Metra continues to focus capital improvement projects on replacing and rehabbing both rail cars and locomotives. Thirty-six percent of funds (\$673.6 million) programmed in the 2023-2027 Capital Program are dedicated to Metra's fleet modernization plan, which includes several green initiatives such as the purchase of zero-emissions locomotives and zero-emissions trainsets. Other major projects are focused around improving stations, bridges, and the right of way for its trains.

**Key Projects:** The report will highlight some projects funded in the 2023-2027 Capital Program that meet some of the regional priorities:

### Equity:

- **Auburn Park Station:** The project will build a new ADA-accessible station in the Auburn Park neighborhood of Chicago, expanding access to transit and encouraging additional ridership to an underserved community. \$32 million is included in the program for this project.
- **Harvey Transportation Center:** The Harvey Transportation Center project is a collaboration between Metra and Pace along with the City of Harvey to redevelop the existing Harvey Transportation Center and improve the Metra commuter rail station to form a magnet to new businesses and new residents to the City of Harvey. The project has \$21 million of Metra funding in the program.

### Accessibility:

- **New Rail Cars:** The program will purchase up to 300 new rail cars to replace Metra's oldest rail cars that are more than 40 years old. The cars will also be wheelchair accessible for people with disabilities, deploying lifts to bridge the slight difference between the platform and entrance. The project is funded with \$274 million in the program.
- **Van Buren Street Station:** A complete renovation of the station will rehabilitate the existing historic waiting rooms, replace the roof, and will replace the pedestrian tunnel in the park. A new 'pop-up' entrance in Grant Park will add a new access staircase and elevator and add an ADA-compliant ramp connecting to the pedestrian bridge. The project will make the station fully ADA accessible. The project is funded with \$16 million in the current program.



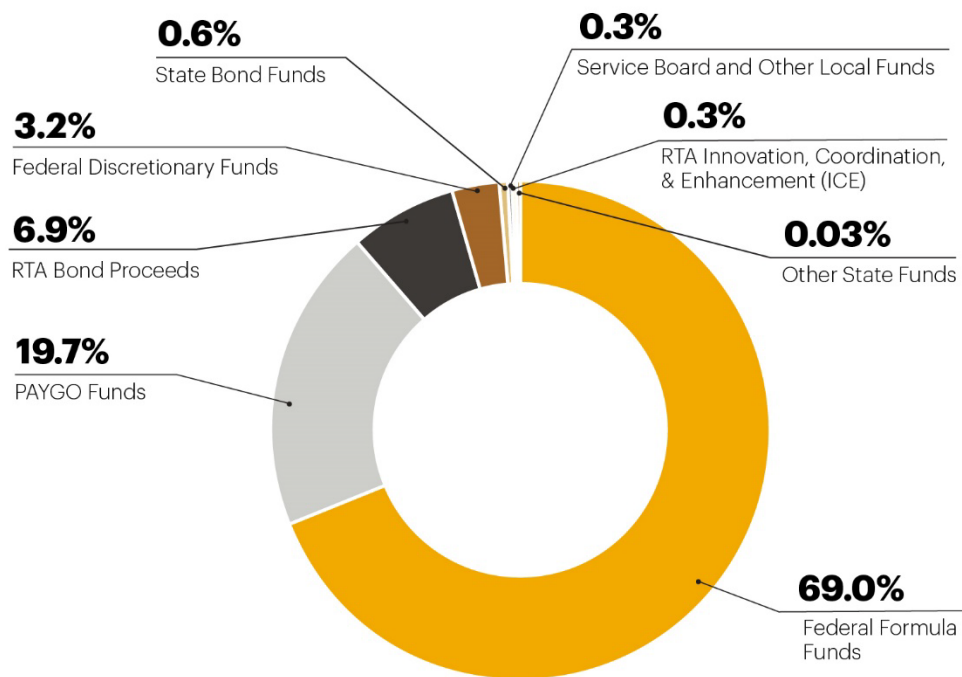
### Sustainable Transportation:

- **Zero-Emissions Locomotives:** Metra will purchase locomotives that produce zero mobile emissions. Metra estimates that replacing one old diesel locomotive with a zero-emissions trainset will reduce nitrogen oxides (NOx) emissions by more than 30 tons per year, thus significantly reducing the agency's greenhouse gas footprint and greatly improving air quality in the region. The program invests \$36 million in this project.
- **Zero-Emissions Trainsets:** This project will procure multiple-unit cars that produce zero mobile emissions and are powered by battery-electric power. Metra will be among the first passenger rail transit agencies to purchase and operate self-propelled trainsets that will not require the construction and maintenance of wayside power. This project is funded by \$20 million in the program.

### Capital Funding by Source

Metra's 2023-2027 Capital Program has funding that is supported by federal, state, and local funds. Federal formula funds represent 69.0% of Metra's Capital Program, federal discretionary funds represent 3.2%, PAYGO funds are 19.7% of the program, RTA Bonds account for 6.9% of available funds, and various state and local sources account for 1.3% of the 5-year capital program, as shown in Figure 48. The 2023-2027 Capital Program relies more on federal funds than in the past few years, as almost all state Rebuild Illinois bond funds were programmed in 2020 and 2021. There are \$12 million in state bonds available in 2023 from previous bonding programs. Metra's program is further augmented by a planned 2023 RTA bond issuance which will advance several projects that are shovel ready. Nearly 40% of the funds in Metra's 2023-2027 program are a result of advocacy to generate new capital funds.

**Figure 48. Metra 2023-2027 Program Funding Sources: \$1.887 Billion**



### Capital Funding by Priority Project

Metra has identified 10 priority projects excluding administrative tasks. Most of Metra's capital priorities involve maintaining the current system through projects such as fleet modernization, track improvements, and rail station improvements. Metra has fully funded the capital cost of one project that was originally identified in *Invest in Transit*, PTC, which was mandated by the

federal government. Eight projects are partially funded but need more funds to be completed, and one project, A2 interlocker replacement, remains unfunded in the 2023-2027 Capital Program. RTA and Metra continue to advocate for additional funding to better meet the needs of these projects, which are designed to bring Metra up to a state of good repair, make the system greener, and improve the experience of Metra’s riders. Metra’s 2023-2027 Capital Program has funding allocated to nine of 10 priority projects as shown in Table 15, with Metra’s Fleet Modernization Plan receiving the greatest infusion of funding at \$673.6 million.

**Table 15. Metra 2023-2027 Priority Projects (in thousands)**

| <b>Priority Project</b>                          | <b>Estimated 10-Year<br/>Need for Priority<br/>Project</b> | <b>Total 5-Year<br/>Funding<br/>Programmed</b> |
|--|--|--|
| Bridge Replacement and Repair                    | \$2,046,135  | \$111,249                                      |
| Track Improvements                               | \$1,951,479  | \$159,170                                      |
| Fleet Modernization Plan                         | \$1,797,590  | \$673,631                                      |
| 75th Street Corridor                             | \$1,568,175  | \$22,000                                       |
| Signal & Electrical Improvements                 | \$1,157,329  | \$205,090                                      |
| A-2 Interlocking Replacement                     | \$787,500  | -  |
| Rail Station Improvements                        | \$747,272  | \$313,781                                      |
| Yards, Facilities, and Equipment<br>Improvements | \$647,380  | \$240,765                                      |
| Chicago Union Station Improvements               | \$525,000  | \$1,500  |
| PTC - Systemwide                                 | -  | \$2,690  |
| <b>Admin and Uncategorized Projects</b>          |  |  |
| Administration - Metra                           | -  | \$156,711                                      |
| <b>Total</b>                                     | <b>\$11,227,859</b>  | <b>\$1,886,586</b>                             |

Data will be further analyzed by looking at core requirements and strategic goals. Table 16 Metra Priority Project Summary shows information for each of Metra’s projects, and [Appendix A](#) contains the detailed descriptions of each project.

**Table 16. Metra Priority Project Summary (in thousands)**

| Priority Project              | Estimated 10-Year Need for Priority Project | Individual Capital Project Title  | Total 5-Year Funding Programmed | Strategic Goals                 |  | Core Requirements                           |                            |                             |                |
|-------------------------------|---|-----------------------------------|---------------------------------|---------------------------------|--|---|----------------------------|-----------------------------|----------------|
|                               |   |                                   |                                 | Deliver Value on Our Investment | Build on Strengths of Our Network Stay Competitive | Maintain and Improve Safety and Reliability | Achieve Full Accessibility | Meet Regulatory Requirement | Improve Equity |
| Bridge Replacement and Repair | \$2,046,135                                 | Bridge 86 Replacement             | \$25,100                        | •                               |  |   |                            | •                           | •              |
|                               |   | Bridge A418                       | \$700                           | •                               |  |   | •                          |                             | •              |
|                               |   | Bridges & Retaining Walls-BNSF    | \$10,563                        | •                               |  |   | •                          |                             | •              |
|                               |   | Bridges & Retaining Walls-ME      | \$8,990                         | •                               |  |   | •                          |                             | •              |
|                               |   | Bridges & Retaining Walls-MWD     | \$11,400                        | •                               |  |   | •                          |                             | •              |
|                               |   | Bridges & Retaining Walls-RI      | \$11,310                        | •                               |  |   | •                          |                             | •              |
|                               |   | Bridges & Retaining Walls-UPR     | \$2,200                         | •                               |  |   | •                          |                             | •              |
|                               |   | CREATE EW-2 Bridge Lift           | \$3,000                         | •                               |  |   |                            | •                           | •              |
|                               |   | Hickory Creek Bridge              | \$200                           | •                               |  |   | •                          |                             | •              |
|                               |   | Old 96th Avenue                   | \$2,500                         | •                               |  |   | •                          |                             | •              |
| Track Improvements            | \$1,951,479                                 | UP North Line Bridges             | \$35,286                        | •                               |  |   | •                          |                             | •              |
|                               |   | Catenary Structure Rehabilitation | \$4,250                         | •                               |  |   | •                          |                             | •              |
|                               |   | Crossings (Road & Track)-ME       | \$12,840                        | •                               |  |   | •                          |                             | •              |
|                               |   | Crossings (Road & Track)-MWD      | \$10,480                        | •                               |  |   | •                          |                             | •              |
|                               |   | Crossings (Road & Track)-RI       | \$11,160                        | •                               |  |   | •                          |                             | •              |
|                               |   | Crossings (Road & Track)-UPR      | \$2,480                         | •                               |  |   | •                          |                             | •              |
|                               |   | Rail Renewal-BNSF                 | \$3,310                         | •                               |  |   | •                          |                             | •              |



| Priority Project         | Estimated 10-Year Need for Priority Project | Individual Capital Project Title     | Total 5-Year Funding Programmed | Strategic Goals                 |                                   |                  | Core Requirements                           |                            |                             |
|--------------------------|---|--------------------------------------|---------------------------------|---------------------------------|-----------------------------------|------------------|---|----------------------------|-----------------------------|
|                          |   |                                      |                                 | Deliver Value on Our Investment | Build on Strengths of Our Network | Stay Competitive | Maintain and Improve Safety and Reliability | Achieve Full Accessibility | Meet Regulatory Requirement |
|                          |   | Rail Renewal-ME                      | \$8,496                         |                                 | •                                 |                  |   | •                          | •                           |
|                          |   | Rail Renewal-MWD                     | \$18,334                        |                                 | •                                 |                  |   | •                          | •                           |
|                          |   | Rail Renewal-RI                      | \$10,785                        |                                 | •                                 |                  |   | •                          | •                           |
|                          |   | Rail Renewal-UPR                     | \$2,425                         |                                 | •                                 |                  |   | •                          | •                           |
|                          |   | Ties & Ballast-ME                    | \$10,320                        |                                 | •                                 |                  |   | •                          | •                           |
|                          |   | Ties & Ballast-MWD                   | \$14,100                        |                                 | •                                 |                  |   | •                          | •                           |
|                          |   | Ties & Ballast-RI                    | \$18,285                        |                                 | •                                 |                  |   | •                          | •                           |
|                          |   | Ties & Ballast-UPR                   | \$3,575                         |                                 | •                                 |                  |   | •                          | •                           |
|                          |   | Ties, Ballast, & Switch Heaters-BNSF | \$13,150                        |                                 | •                                 |                  |   | •                          | •                           |
|                          |   | Undercutting & Surfacing-ME          | \$4,436                         |                                 | •                                 |                  |   | •                          | •                           |
|                          |   | Undercutting & Surfacing-MWD         | \$5,084                         |                                 | •                                 |                  |   | •                          | •                           |
|                          |   | Undercutting & Surfacing-RI          | \$4,456                         |                                 | •                                 |                  |   | •                          | •                           |
|                          |   | Undercutting & Surfacing-UPR         | \$1,205                         |                                 | •                                 |                  |   | •                          | •                           |
|                          |   | Car And Locomotive Cameras           | \$8,000                         |                                 | •                                 |                  |   | •                          | •                           |
|                          |   | Car Rehab (Nippon Sharyo Highliners) | \$22,532                        |                                 | •                                 |                  | •   |                            | •                           |
|                          |   | Car Rehab (Nippon Sharyo)            | \$55,000                        |                                 | •                                 |                  | •   | •                          |                             |
| Fleet Modernization Plan | \$1,797,590                                 | Car Rehab-Amerail (Midlife Rehab)    | \$84,000                        |                                 | •                                 |                  | •   | •                          |                             |
|                          |   | Car Rehab-Nippon Sharyo (HL2)        | \$70,000                        |                                 | •                                 |                  | •   | •                          |                             |
|                          |   | F59 Locomotive Engine Upgrade        | \$65,800                        |                                 | •                                 |                  |   |                            | •                           |
|                          |   | Locomotive and Car Improvements      | \$8,000                         |                                 | •                                 |                  |   | •                          | •                           |



| Priority Project                 | Estimated 10-Year Need for Priority Project | Individual Capital Project Title     | Total 5-Year Funding Programmed | Strategic Goals                 |                                   | Core Requirements |   |                            |                             |                |
|----------------------------------|---|--------------------------------------|---------------------------------|---------------------------------|-----------------------------------|-------------------|---|----------------------------|-----------------------------|----------------|
|                                  |   |                                      |                                 | Deliver Value on Our Investment | Build on Strengths of Our Network | Stay Competitive  | Maintain and Improve Safety and Reliability | Achieve Full Accessibility | Meet Regulatory Requirement | Improve Equity |
|                                  |   | MU Car Improvements                  | \$1,300                         |                                 | •                                 |                   | •   | •                          |                             |                |
|                                  |   | New Cars Purchase                    | \$273,624                       |                                 | •                                 |                   | •   | •                          |                             |                |
|                                  |   | PTC Renewal (Mechanical)             | \$2,500                         |                                 | •                                 |                   |   | •                          |                             | •              |
|                                  |   | Traction Motors                      | \$6,600                         |                                 | •                                 |                   |   | •                          |                             | •              |
|                                  |   | Wheel Replacement                    | \$20,000                        |                                 | •                                 |                   |   | •                          |                             | •              |
|                                  |   | Zero-Emissions Locomotives           | \$36,274                        |                                 |                                   | •                 |   |                            | •                           | •              |
|                                  |   | Zero-Emissions Trainsets             | \$20,000                        |                                 |                                   | •                 | •   |                            | •                           |                |
| 75th Street Corridor             | \$1,568,175                                 | RI Connection and 3rd Main           | \$22,000                        |                                 | •                                 |                   |   |                            | •                           | •              |
|                                  |   | 16th Street Interlocker              | \$17,500                        |                                 | •                                 |                   |   | •                          |                             | •              |
|                                  |   | 16th Street Substation               | \$500                           |                                 | •                                 |                   |   |                            |                             | •              |
|                                  |   | A-20 (Techny) Interlocker            | \$10,690                        | •                               |                                   |                   |   | •                          |                             | •              |
|                                  |   | Brookdale Substation                 | \$500                           |                                 | •                                 |                   |   |                            |                             | •              |
|                                  |   | Catenary Auto-Tensioning             | \$2,000                         |                                 | •                                 |                   |   | •                          |                             |                |
|                                  |   | Cheltenham Substation                | \$500                           |                                 | •                                 |                   |   |                            |                             | •              |
| Signal & Electrical Improvements | \$1,157,329                                 | Crossing Inventory Management System | \$840                           |                                 | •                                 |                   |   | •                          |                             | •              |
|                                  |   | CTC Over ICTM                        | \$500                           |                                 | •                                 |                   |   | •                          |                             | •              |
|                                  |   | CUS Interlockers                     | \$21,250                        |                                 | •                                 |                   |   | •                          |                             | •              |
|                                  |   | DC & AC Switchgear Replacement       | \$1,690                         |                                 |                                   | •                 |   | •                          |                             | •              |
|                                  |   | Downtown Public Information Displays | \$1,200                         | •                               |                                   |                   | •   |                            |                             | •              |
|                                  |   | Harvey Substation                    | \$500                           |                                 | •                                 |                   |   |                            |                             | •              |





| Priority Project | Estimated 10-Year Need for Priority Project | Individual Capital Project Title | Total 5-Year Funding Programmed | Strategic Goals                 |                                   | Core Requirements |   |                            |                             |
|------------------|---|----------------------------------|---------------------------------|---------------------------------|-----------------------------------|-------------------|---|----------------------------|-----------------------------|
|                  |   |                                  |                                 | Deliver Value on Our Investment | Build on Strengths of Our Network | Stay Competitive  | Maintain and Improve Safety and Reliability | Achieve Full Accessibility | Meet Regulatory Requirement |
|                  |   | Homewood Substation              | \$10,940                        |                                 | •                                 |                   |   |                            | •                           |
|                  |   | Impedance Bonds                  | \$2,900                         |                                 | •                                 |                   | •   |                            | •                           |
|                  |   | Jackson Substation               | \$12,260                        |                                 | •                                 |                   |   |                            | •                           |
|                  |   | Lake Street Interlocker          | \$10,250                        |                                 | •                                 |                   | •   |                            | •                           |
|                  |   | MED Improvement Project          | \$19,580                        |                                 | •                                 |                   | •   |                            |                             |
|                  |   | Milwaukee Signals North          | \$4,500                         | •                               |                                   |                   | •   |                            | •                           |
|                  |   | Morgan Interlocking              | \$7,800                         |                                 | •                                 |                   | •   |                            | •                           |
|                  |   | MWD Holding Signal (50/50)       | \$15,400                        |                                 | •                                 |                   | •   |                            |                             |
|                  |   | Phone System Refresh             | \$2,150                         |                                 | •                                 |                   | •   |                            |                             |
|                  |   | SCADA Upgrade                    | \$7,000                         |                                 | •                                 |                   | •   |                            | •                           |
|                  |   | Signal Standards                 | \$2,500                         |                                 | •                                 |                   | •   |                            |                             |
|                  |   | Signal System Upgrades-ME        | \$7,200                         |                                 | •                                 |                   | •   |                            | •                           |
|                  |   | Signal System Upgrades-MWD       | \$6,900                         |                                 | •                                 |                   | •   |                            | •                           |
|                  |   | Signal System Upgrades-RI        | \$6,800                         |                                 | •                                 |                   | •   |                            | •                           |
|                  |   | Smart Gates                      | \$15,250                        |                                 | •                                 |                   | •   |                            |                             |
|                  |   | Switch Layout Standards          | \$4,420                         |                                 | •                                 |                   | •   |                            |                             |
|                  |   | Systemwide Cameras               | \$2,550                         |                                 | •                                 |                   | •   |                            |                             |
|                  |   | University Park Substation       | \$500                           |                                 | •                                 |                   |   |                            | •                           |
|                  |   | Vollmer Substation               | \$500                           |                                 | •                                 |                   |   |                            | •                           |
|                  |   | Western Interlocking             | \$8,020                         |                                 | •                                 |                   | •   |                            | •                           |



| Priority Project          | Estimated 10-Year Need for Priority Project | Individual Capital Project Title     | Total 5-Year Funding Programmed | Strategic Goals                 |  | Core Requirements                           |                            |                             |                |
|---------------------------|---|--------------------------------------|---------------------------------|---------------------------------|--|---|----------------------------|-----------------------------|----------------|
|                           |   |                                      |                                 | Deliver Value on Our Investment | Build on Strengths of Our Network Stay Competitive | Maintain and Improve Safety and Reliability | Achieve Full Accessibility | Meet Regulatory Requirement | Improve Equity |
| Rail Station Improvements | \$747,272                                   | 103rd Street Station Rosemoor        | \$10,300                        | •                               |  | •   |                            | •                           |                |
|                           |   | 103rd/Washington Heights Station     | \$415                           | •                               |  | •   |                            | •                           |                |
|                           |   | 107th/Beverly Station                | \$600                           | •                               |  | •   |                            |                             | •              |
|                           |   | 115th St/Morgan Park Rehabilitation  | \$3,800                         | •                               |  | •   |                            |                             | •              |
|                           |   | 59th/60th UChicago Station           | \$40,500                        | •                               |  | •   |                            |                             | •              |
|                           |   | 63rd St Station                      | \$100                           | •                               |  | •   |                            |                             | •              |
|                           |   | 79th Street Station Chatham          | \$8,400                         | •                               |  | •   |                            |                             | •              |
|                           |   | 83rd/South Chicago Station           | \$225                           | •                               |  | •   |                            |                             | •              |
|                           |   | 87th Street Station Woodruff         | \$7,900                         | •                               |  | •   |                            |                             | •              |
|                           |   | 91st/Beverly Station                 | \$700                           | •                               |  | •   |                            |                             | •              |
|                           |   | 95th Street Station CSU              | \$25,670                        | •                               |  | •   |                            |                             | •              |
|                           |   | Ashland Station                      | \$127                           | •                               |  | •   |                            |                             | •              |
|                           |   | Auburn Park New Station              | \$2,200                         | •                               |  | •   |                            |                             | •              |
|                           |   | Auburn Park Station-78th St Entrance | \$5,000                         |                                 | •  | •   |                            |                             | •              |
|                           |   | Bicycle Parking                      | \$85                            | •                               |  |   |                            |                             |                |
|                           |   | Clybourn Station                     | \$100                           | •                               |  | •   | •                          |                             |                |
|                           |   | Elevator Replacement                 | \$13,625                        | •                               |  | •   |                            |                             | •              |
|                           |   | Evanston Davis Street                | \$10,945                        | •                               |  |   | •                          |                             | •              |
|                           |   | Forest Glen Station                  | \$400                           | •                               |  | •   |                            |                             | •              |
|                           |   | Glen Ellyn Station                   | \$4,000                         | •                               |  |   | •                          |                             | •              |



| Priority Project | Estimated 10-Year Need for Priority Project | Individual Capital Project Title | Total 5-Year Funding Programmed | Strategic Goals                 |  | Core Requirements                           |                            |                             |                |   |
|------------------|---|----------------------------------|---------------------------------|---------------------------------|--|---|----------------------------|-----------------------------|----------------|---|
|                  |   |                                  |                                 | Deliver Value on Our Investment | Build on Strengths of Our Network Stay Competitive | Maintain and Improve Safety and Reliability | Achieve Full Accessibility | Meet Regulatory Requirement | Improve Equity |   |
|                  |   | Harvey Transportation Center     | \$20,850                        | •                               |  | •   |                            |                             | •              |   |
|                  |   | Hickory Creek Station            | \$6,200                         |                                 | •  |   |                            |                             |                | • |
|                  |   | Indian Hill Station              | \$1,300                         | •                               |  |   | •                          |                             |                | • |
|                  |   | Kenilworth Station               | \$4,000                         | •                               |  |   | •                          |                             |                | • |
|                  |   | LaGrange Road Station            | \$900                           | •                               |  |   |                            |                             |                | • |
|                  |   | Millennium Station-MEP Upgrades  | \$4,000                         |                                 | •  |   | •                          |                             |                | • |
|                  |   | Naperville Station               | \$700                           | •                               |  |   | •                          |                             |                |   |
|                  |   | Olympia Fields Station & Parking | \$13,900                        | •                               |  | •   |                            |                             |                | • |
|                  |   | Parking Lot Improvements         | \$4,220                         | •                               |  | •   |                            |                             |                | • |
|                  |   | Peterson Ridge New Station       | \$2,500                         | •                               |  | •   |                            |                             | •              |   |
|                  |   | Platform Improvements            | \$37,580                        | •                               |  | •   |                            |                             |                | • |
|                  |   | Rogers Park Station              | \$27,000                        | •                               |  |   |                            |                             | •              | • |
|                  |   | Round Lake Station               | \$1,975                         | •                               |  |   |                            |                             |                |   |
|                  |   | Shelters                         | \$3,580                         | •                               |  |   | •                          |                             |                |   |
|                  |   | Solar Canopies                   | \$300                           | •                               |  |   |                            |                             |                |   |
|                  |   | South Shore Station              | \$380                           | •                               |  | •   |                            |                             |                | • |
|                  |   | South Water Street Station       | \$4,500                         |                                 | •  |   | •                          |                             |                | • |
|                  |   | Station ADA Improvements         | \$3,110                         | •                               |  | •   |                            |                             |                | • |
|                  |   | Systemwide Station Signs         | \$7,500                         |                                 | •  | •   |                            |                             |                | • |
|                  |   | Van Buren Street Station         | \$15,624                        | •                               |  | •   |                            |                             |                | • |



| Priority Project                              | Estimated 10-Year Need for Priority Project | Individual Capital Project Title       | Total 5-Year Funding Programmed | Strategic Goals                 |                                   |                  | Core Requirements                           |                            |                             |                |
|---|---|--|---------------------------------|---------------------------------|-----------------------------------|------------------|---|----------------------------|-----------------------------|----------------|
|   |   |  |                                 | Deliver Value on Our Investment | Build on Strengths of Our Network | Stay Competitive | Maintain and Improve Safety and Reliability | Achieve Full Accessibility | Meet Regulatory Requirement | Improve Equity |
|   |   | Waukegan Station                       | \$600                           | •                               |                                   |                  |   | •                          | •                           |                |
|   |   | West Chicago Station                   | \$6,200                         |                                 | •                                 |                  |   | •                          | •                           |                |
|   |   | West Hinsdale Station                  | \$5,000                         | •                               |                                   |                  |   |                            | •                           |                |
|   |   | Westmont Station                       | \$6,770                         | •                               |                                   |                  |   |                            | •                           |                |
|   |   | Yard Improvements-BNSF                 | \$9,704                         |                                 | •                                 |                  |   | •                          | •                           |                |
|   |   | Yard Improvements-ME                   | \$9,650                         |                                 | •                                 |                  |   | •                          | •                           |                |
|   |   | Yard Improvements-MWD                  | \$7,520                         |                                 | •                                 |                  |   | •                          | •                           |                |
|   |   | Yard Improvements-RI                   | \$4,560                         |                                 | •                                 |                  |   | •                          | •                           |                |
|   |   | 47th St Yard-Diesel Shop Exhaust       | \$1,350                         |                                 | •                                 |                  |   | •                          | •                           |                |
|   |   | 47th St Yard-Diesel Shop Upgrades      | \$102                           |                                 | •                                 |                  |   | •                          | •                           |                |
|   |   | 95th St Substation Facility Upgrades   | \$240                           |                                 | •                                 |                  |   |                            | •                           |                |
| Yards, Facilities, and Equipment Improvements | \$647,380                                   | Above-Ground Diesel Fuel Tanks         | \$500                           |                                 | •                                 |                  |   | •                          | •                           |                |
|   |   | Blue Island Yard-Fueling System        | \$300                           |                                 | •                                 |                  |   | •                          | •                           |                |
|   |   | Blue Island Yard-Remote Fueling System | \$100                           |                                 | •                                 |                  |   |                            | •                           | •              |
|   |   | BNSF Yards-Power Transformers          | \$3,500                         |                                 | •                                 |                  |   | •                          | •                           |                |
|   |   | Cal Ave Yard-HVAC Coach Shops          | \$145                           |                                 | •                                 |                  |   | •                          | •                           |                |
|   |   | Central Warehousing                    | \$3,250                         |                                 |                                   | •                |   | •                          | •                           |                |
|   |   | Crew Facilities-14th Street Yard       | \$580                           |                                 | •                                 |                  |   | •                          | •                           |                |
|   |   | Crew Facilities-University Park        | \$830                           |                                 | •                                 |                  |   | •                          | •                           |                |
|   |   | Cybersecurity Systems                  | \$1,500                         | •                               |                                   |                  |   | •                          | •                           |                |



| Priority Project | Estimated 10-Year Need for Priority Project | Individual Capital Project Title       | Total 5-Year Funding Programmed | Strategic Goals                 |                                   | Core Requirements |   |                            |                             |
|------------------|---|--|---------------------------------|---------------------------------|-----------------------------------|-------------------|---|----------------------------|-----------------------------|
|                  |   |  |                                 | Deliver Value on Our Investment | Build on Strengths of Our Network | Stay Competitive  | Maintain and Improve Safety and Reliability | Achieve Full Accessibility | Meet Regulatory Requirement |
|                  |   | Data Center HVAC System                | \$750                           |                                 | •                                 |                   |   | •                          | •                           |
|                  |   | Downtown Combined Crew Facility        | \$600                           |                                 | •                                 |                   |   | •                          | •                           |
|                  |   | Elgin Yard-Remote Fueling System       | \$100                           |                                 | •                                 |                   |   | •                          | •                           |
|                  |   | Engineering Cyber Security Systems     | \$2,300                         |                                 | •                                 |                   |   | •                          | •                           |
|                  |   | Enterprise Asset Management System     | \$17,166                        |                                 |                                   | •                 |   |                            | •                           |
|                  |   | GPS/Train Tracking                     | \$1,500                         |                                 |                                   | •                 |   | •                          |                             |
|                  |   | Hill Yard-Compressed Air System        | \$100                           |                                 | •                                 |                   |   | •                          | •                           |
|                  |   | IT Components & Services               | \$3,750                         |                                 |                                   | •                 |   | •                          |                             |
|                  |   | Joliet Yard-Wayside Power              | \$1,000                         |                                 | •                                 |                   |   | •                          | •                           |
|                  |   | KYD Yard-Fueling System Modernization  | \$300                           |                                 | •                                 |                   |   | •                          | •                           |
|                  |   | KYD-Shop HVAC                          | \$250                           |                                 | •                                 |                   |   | •                          | •                           |
|                  |   | MU Shop-New Train Washer               | \$612                           |                                 | •                                 |                   |   | •                          | •                           |
|                  |   | Office Equipment                       | \$2,000                         |                                 | •                                 |                   |   | •                          |                             |
|                  |   | Orland Park Yard-Remote Fueling System | \$100                           |                                 | •                                 |                   |   | •                          | •                           |
|                  |   | Protective Asset Acquisition           | \$111,000                       |                                 |                                   | •                 |   |                            |                             |
|                  |   | Right of Way Equipment                 | \$10,526                        |                                 | •                                 |                   |   | •                          | •                           |
|                  |   | Station Displays (TROI Net)            | \$1,000                         |                                 | •                                 |                   | •   |                            | •                           |
|                  |   | Storage Equipment                      | \$1,150                         |                                 |                                   | •                 |   | •                          | •                           |
|                  |   | Ticket Vending Machines                | \$34,360                        | •                               |                                   |                   | •   |                            |                             |
|                  |   | Western Ave Yard Oil-Water Separator   | \$950                           |                                 | •                                 |                   |   | •                          |                             |



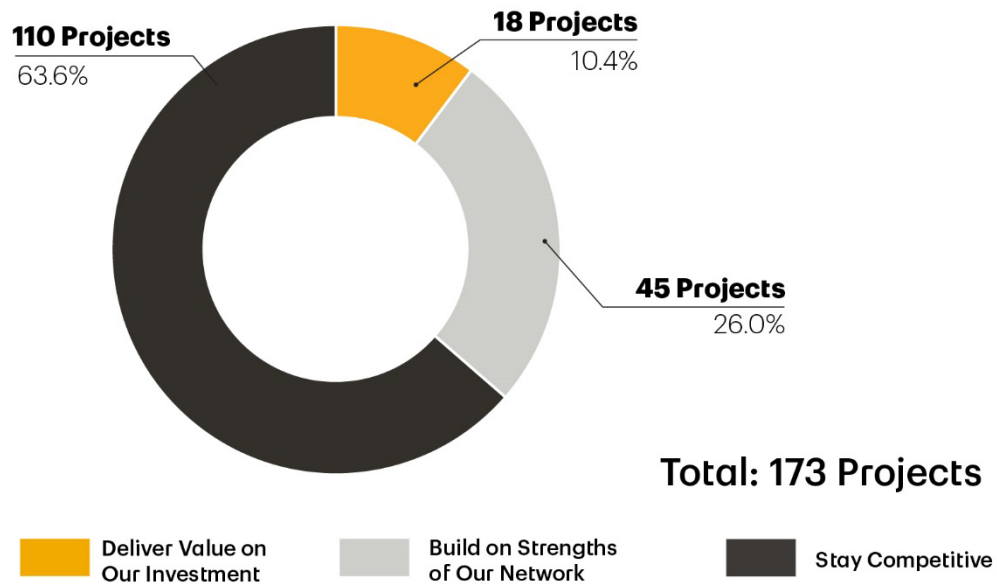
| Priority Project                   | Estimated 10-Year Need for Priority Project | Individual Capital Project Title        | Total 5-Year Funding Programmed | Strategic Goals                 |                                   |                  | Core Requirements                           |                            |                             |
|------------------------------------|---|---|---------------------------------|---------------------------------|-----------------------------------|------------------|---|----------------------------|-----------------------------|
|                                    |   |   |                                 | Deliver Value on Our Investment | Build on Strengths of Our Network | Stay Competitive | Maintain and Improve Safety and Reliability | Achieve Full Accessibility | Meet Regulatory Requirement |
|                                    |   | Western Ave Yard-12KV Elec Distribution | \$500                           |                                 | •                                 |                  |   | •                          | •                           |
|                                    |   | Western Ave Yard-Wayside Power          | \$500                           |                                 | •                                 |                  |   | •                          | •                           |
|                                    |   | Western Ave-AHU Replacement             | \$300                           |                                 | •                                 |                  |   | •                          | •                           |
|                                    |   | Western Ave-Sanding System              | \$800                           |                                 | •                                 |                  |   | •                          | •                           |
|                                    |   | Woodstock Yard                          | \$2,100                         |                                 | •                                 |                  |   | •                          |                             |
|                                    |   | Yard Improvements-UPR                   | \$3,220                         |                                 | •                                 |                  |   | •                          | •                           |
| Chicago Union Station Improvements | \$525,000                                   | CUS Concourse Reconstruction            | \$1,500                         | •                               |                                   |                  |   | •                          | •                           |
|                                    |   | Contingencies                           | \$7,111                         |                                 | •                                 |                  |   |                            |                             |
|                                    |   | Infrastructure Engineering-MET          | \$14,950                        |                                 | •                                 |                  |   | •                          | •                           |
|                                    |   | Procurement Oversight                   | \$500                           |                                 |                                   | •                |   |                            | •                           |
| Administration - Metra             |   | Program Management                      | \$121,050                       |                                 |                                   | •                |   |                            | •                           |
|                                    |   | Project Administration                  | \$4,800                         |                                 |                                   | •                |   |                            | •                           |
|                                    |   | Project Development                     | \$4,800                         |                                 |                                   | •                |   |                            |                             |
|                                    |   | Transit Asset Management                | \$2,000                         |                                 |                                   | •                |   |                            | •                           |
|                                    |   | Transportation Division Software        | \$1,500                         |                                 | •                                 |                  |   |                            |                             |
| PTC - systemwide                   |   | - PTC Renewal (Engineering)             | \$2,690                         |                                 | •                                 |                  |   | •                          | •                           |
| Uncategorized Projects - Metra     |   | - Uncategorized Projects                | -                               |                                 |                                   |                  |   |                            |                             |
| <b>Total 10-Year Needs</b>         | <b>\$10,440,359</b>                         | <b>Total 5-Year Funding</b>             | <b>\$1,886,586</b>              |                                 |                                   |                  |   |                            |                             |



## Strategic Goals

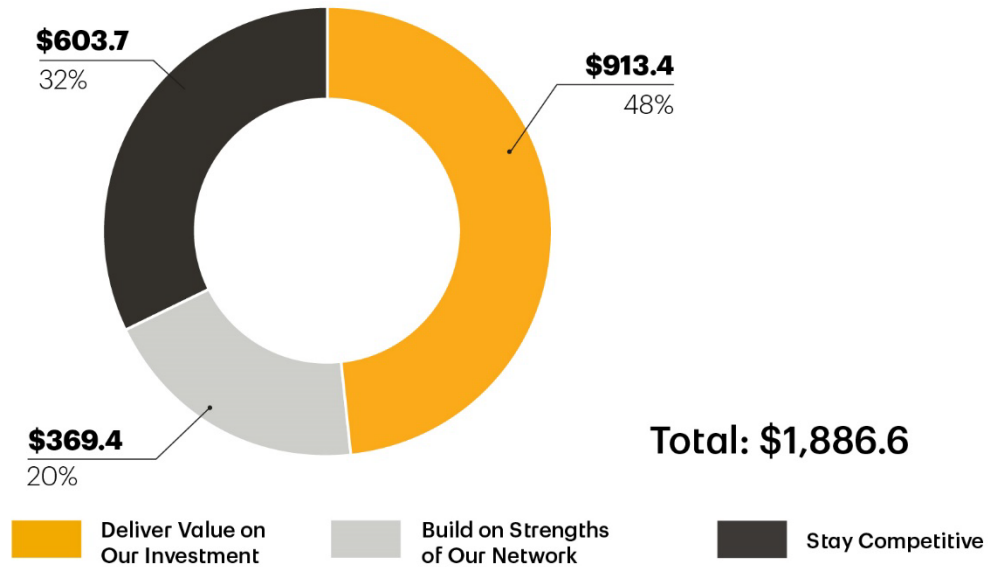
Metra selected a strategic goal from *Invest in Transit* for each of the projects presented in the capital program. Metra's projects have a focus on the goal of staying competitive, with 64% of projects fulfilling this goal. Build on the strengths of our network accounts for 26% of projects and deliver value on our investment represents 10% of projects, as shown in Figure 49. Projects such as work on the right of way and station rehabs were marked staying competitive and will maintain speeds along the lines as well as giving customers nicer waiting areas for trains. Improvements to stations and to customer amenities were marked with build on the strengths of our network. Projects like rail car and locomotive rehabs, engineering and administration fulfill the goal of deliver value on our investment.

**Figure 49. Number of Metra Projects Advancing Each Strategic Goal**



When looking at funding by goal, the largest portion of funding goes toward projects assigned to deliver value on our investment, with 48% (\$913.4 million) of funds addressing this goal. Stay competitive was selected for 32% (\$603.7 million) of funds, and build on strengths of our network accounted for 20% (\$369.4 million) of funds, as shown in Figure 50. A large portion of Metra's Capital Program is focused on replacing the older fleet and rebuilding the network, including track, stations, and bridges, and these projects contribute to all the goals in different ways.

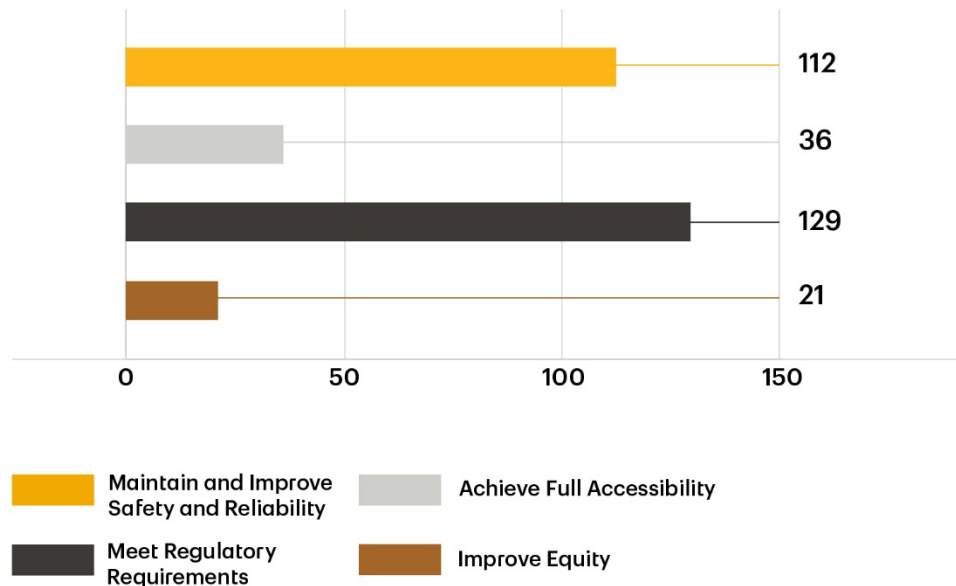
**Figure 50. Amount of Metra Funding Advancing Each Strategic Goal (in millions)**



**Core Requirements**

Metra selected either one or two of the core requirements for each of the projects in the 2023-2027 Capital Program. The most common core requirement is meet regulatory requirements, which was selected for 129 projects. Maintain and improve safety and reliability was selected for 112 projects, achieve full accessibility was selected for 36 projects, and improve equity was a requirement of 21 projects, seen in Figure 51.

**Figure 51. Number of Metra Projects Addressing Each Core Requirement**

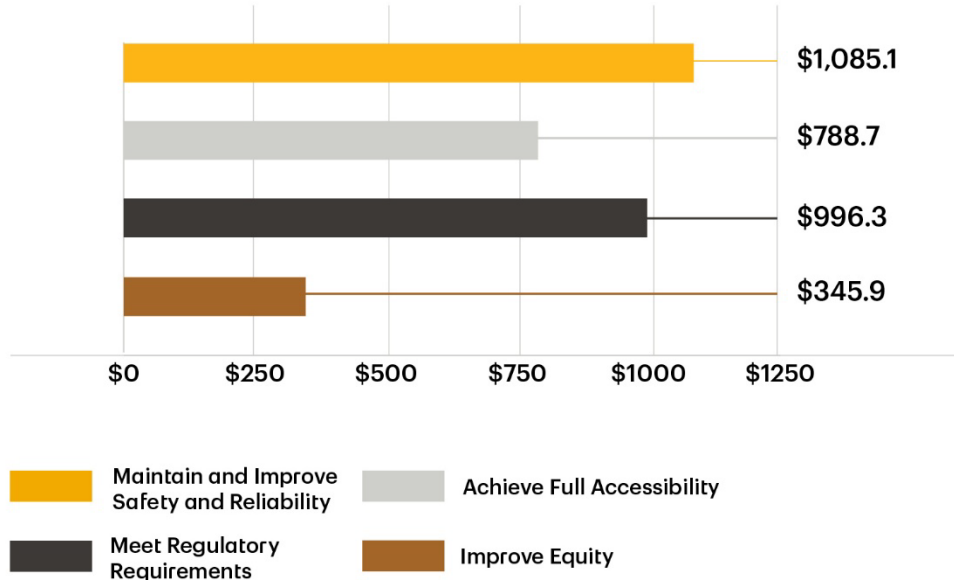


NOTE: Question is asked as multi-response, Service Boards may select up to two core requirements per project.



From a funding perspective, by core requirement, \$1.085 billion of the funding goes toward projects that maintain and improve safety and reliability, \$996.3 million towards meeting regulatory requirements, \$788.7 million towards achieving full accessibility, and \$345.9 million towards improving equity, as shown in Figure 52.

**Figure 52. Amount of Metra Funding Addressing Each Core Requirement (in millions)**



NOTE: Question is asked as multi-response, Service Boards may select up to two core requirements per project.

The new performance-based programming methodology requires that each Service Board program at least 20% of funding to projects that either achieve full accessibility or improve equity, beginning in 2025. Table 17 shows the projects and dollar value of those projects that are programmed to either equity or accessibility projects. Metra’s program has a significant focus on equity and accessibility projects with 60% of projects meeting one of these requirements in 2025, 67% in 2026, and 47% in 2027. Some of the main accessibility projects include new accessible rail cars and improving the accessibility at various stations throughout the system. Equity projects include station improvements and new rail cars, both of which will provide enhancements to Metra service.

**Table 17. Metra Accessibility and Equity Project Highlights (in thousands)**

| Description                       | 2025     | 2026      | 2027     | Achieve Full Accessibility | Improve Equity |
|-----------------------------------|----------|-----------|----------|----------------------------|----------------|
| New Cars Purchase                 | \$97,714 | \$130,410 | \$3,000  | •                          |                |
| Car Rehab-Amerail (Midlife Rehab) | \$18,000 | \$29,000  | \$29,000 | •                          |                |
| Car Rehab-Nippon Sharyo (HL2)     | \$16,000 | \$24,000  | \$24,000 | •                          |                |
| Zero-Emissions Locomotives        | \$36,274 | -         | -        |                            | •              |
| Car Rehab (Nippon Sharyo)         | \$25,000 | \$4,000   | -        | •                          |                |



| Description   | 2025             | 2026             | 2027             | Achieve Full Accessibility | Improve Equity |
|---|------------------|------------------|------------------|----------------------------|----------------|
| F59 Locomotive Engine Upgrade                             | \$6,585          | \$7,100          | \$10,265         |                            | •              |
| Platform Improvements                                     | \$7,320          | \$7,770          | \$7,940          | •                          |                |
| Harvey Transportation Center                              | -                | -                | \$20,350         | •                          | •              |
| Zero-Emissions Trainsets                                  | -                | -                | \$20,000         | •                          | •              |
| Van Buren Street Station                                  | -                | -                | \$15,624         | •                          |                |
| Olympia Fields Station & Parking                          | -                | \$12,400         | -                | •                          |                |
| 59th/60th UChicago Station                                | -                | \$9,470          | -                | •                          | •              |
| Elevator Replacement                                      | \$2,750          | -                | \$2,300          | •                          |                |
| RI Connection and 3rd Main                                | \$4,900          | -                | -                |                            | •              |
| Systemwide Station Signs                                  | \$2,000          | \$2,000          | \$500            | •                          |                |
| Parking Lot Improvements                                  | \$1,300          | \$1,000          | \$1,170          | •                          |                |
| Station ADA Improvements                                  | \$730            | \$650            | \$730            | •                          |                |
| 103rd/Washington Heights Station                          | \$415            | -                | -                | •                          | •              |
| South Shore Station                                       | -                | -                | \$380            | •                          |                |
| 83rd/South Chicago Station                                | -                | -                | \$225            | •                          | •              |
| Ashland Station   | -                | -                | \$127            | •                          | •              |
| 63rd St Station   | -                | \$100            | -                | •                          | •              |
| <b>Total</b>  | <b>\$218,988</b> | <b>\$227,900</b> | <b>\$161,741</b> |                            |                |
| Total Annual Program                                      | \$367,101        | \$338,012        | \$344,625        |                            |                |
| <b>Percent of Program toward Accessibility and Equity</b> | <b>60%</b>       | <b>67%</b>       | <b>47%</b>       |                            |                |

Overall, like the other Service Boards, Metra's goals are primarily focused on maintaining the system and meeting regulatory requirements. Lesser funds are available for improving accessibility and equity. With more funds, Metra would better be able to address these important regional issues.



# Pace Suburban Service Capital Program

Pace's 2023-2027 Capital Program has \$381.7 million of available funding with an approximately \$1.596 billion 10-year funding need for priority projects. The 2023-2027 Capital Program shifts focus towards a more environmentally friendly future. Over \$250 million (66%) of Pace's 2023-2027 Capital Program will be used to invest in electric buses as well as electrification of two bus garages, North and Southwest Division. Other focuses in Pace's program include purchases of replacement revenue vehicles at 9% of the program and speed improvements to service via transit signal priority and Pulse, which is Pace's bus rapid transit service, at 7% of the program.

**Key Projects:** The report will highlight some projects funded in the 2023-2027 Capital Program that meet some of the regional priorities:

**Equity:**

- **Pulse 95th Street:** The project corridor is approximately 12.4 miles in length and runs east-west between the CTA Red Line 95th/Dan Ryan Station and Moraine Valley Community College and will run in Chicago, Bridgeview, Chicago Ridge, Hickory Hills, and Palos Hills. The project is expected to improve service frequency and speed, provide ADA improvements, enhance pedestrian access and connectivity to the regional transit network, and improve passenger safety, comfort, and experience to an underserved area. The project is funded with \$21 million in the program.
- **Paratransit Vehicle Purchase:** This replaces vehicles that have reached their useful lives. New vehicles will provide better accessibility, safety, and comfort to passengers. The project is funded with \$19 million in the program.

**Accessibility:**

- **Community Transit/On Demand Vehicles:** This replaces vehicles that have reached their useful lives. New vehicles will provide better accessibility, safety, and comfort to passengers. The project is funded with \$5 million in the program.

**Sustainable Transportation:**

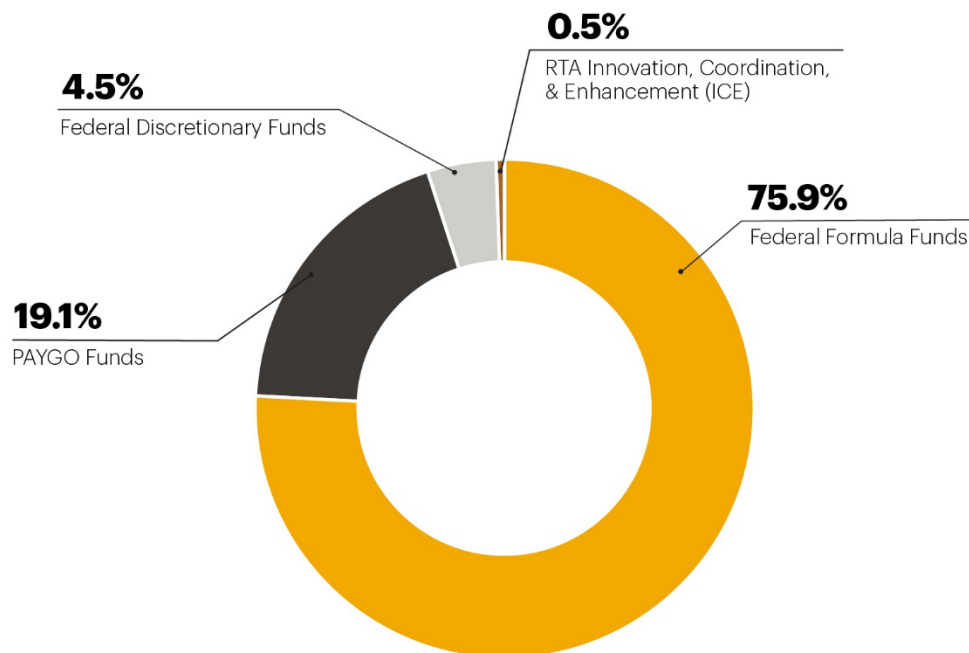
- **Southwest Division Electrification:** The Southwest Division Garage located in Bridgeview will be renovated and expanded, including installation of charging capabilities for electric buses. This project is funded with \$94 million in the program.
- **North Division Electrification:** The North Division Garage located in Waukegan will be renovated and expanded, including installation of charging capabilities for electric buses. The project is funded with \$96 million in the program.

## Capital Funding by Source

Pace's 2023-2027 Capital Program has four funding sources: federal formula funds (75.9%); federal discretionary funds (4.5%); PAYGO funds (19.1%); and RTA Innovation, Coordination, & Enhancement (ICE) funds (0.5%). For 2023-2027, more than 80% of Pace's funds come from federal sources. Figure 53 shows the breakdown of capital funding by source. The region continues to work with the state to find additional stable funding sources such as PAYGO to augment federal transportation funds and allow the region to better meet the capital need to maintain the system and provide for transformative projects, such as electrification of the Pace bus network.



**Figure 53. Pace 2023-2027 Capital Program Funding: \$381.7 M**



**Capital Funding by Priority Projects**

Pace has identified 23 priority projects, including potential ADA projects, as part of their 10-year funding needs. Of the 23 priority projects, as shown in Table 18, Pace has been able to dedicate some funding to 13 projects in the 2023-2027 Capital Program. Three projects have been fully funded either in the current or past programs. Many of Pace’s projects that are unfunded are focused on expanding services. These types of expansions have been put on hold due to reductions in ridership during the pandemic. Pace will reevaluate these needs as transit recovers over the coming years. A large portion of Pace’s funding need is focused on system electrification, which includes a \$374 million need for electric buses, a \$237 million need for electrification of garages, and a \$36 million need for charging infrastructure throughout Pace’s network. The investment in electrification represents over 40% of the 10-year funding need. In addition, Pace continues to focus on enhancements to services, with a need of \$85 million for Pulse bus rapid transit, \$17 million for Bus on Shoulder routes, and \$37 million for transit signal priority. These priority projects represent 9% of Pace’s 10-year needs.

**Table 18. Pace Priority Projects (in thousands)**

| <b>Priority Project</b>              | <b>Estimated 10-Year Need for Priority Project</b> | <b>Total 5-Year Funding Programmed</b> |
|--------------------------------------|--|--|
| Fixed Route Buses - Electric         | \$374,400  | \$59,800                               |
| ADA Regional Paratransit Program     | \$260,378  | -                                      |
| Improve Support Facilities           | \$237,322  | \$207,279                              |
| Associated Capital Maintenance Items | \$89,600   | -                                      |
| Pulse Infrastructure                 | \$84,525   | \$21,032                               |
| Fixed Route Buses - Expansion        | \$83,889   | -                                      |



| <b>Priority Project</b>                                      | <b>Estimated 10-Year Need<br/>for Priority Project</b> | <b>Total 5-Year<br/>Funding<br/>Programmed</b> |
|--|--|--|
| Fixed Route Buses - Replacement                              | \$79,300   | \$9,750  |
| Improve Passenger Facilities -<br>Transportation Centers     | \$72,550   | \$5,400  |
| Paratransit Vehicles - Replacement                           | \$50,825   | \$19,229                                       |
| Security, Computer, Software, and<br>Office Systems Upgrades | \$47,900   | \$15,834                                       |
| Regional Transit Signal Priority (RTSP)                      | \$36,599   | \$6,000  |
| Charging Infrastructure                                      | \$36,000   | -  |
| Pedestrian Infrastructure/Shelters/Signs                     | \$30,500   | \$8,000  |
| Support Equipment/Non-Revenue<br>Vehicles                    | \$22,850   | \$3,900  |
| Intelligent Bus System (IBS)<br>Replacement                  | \$18,150   | \$3,650  |
| Community Vehicles - Replacement                             | \$17,955   | \$4,830  |
| Bus on Shoulder (BoS) Infrastructure                         | \$17,025   | \$17,025                                       |
| Paratransit Vehicles - Expansion                             | \$13,000   | -  |
| Vanpool Vehicles - Replacement                               | \$12,640   | -  |
| Improve Passenger Facilities - Park-n-<br>Ride Lots          | \$7,450  | -  |
| Community Vehicles - Expansion                               | \$3,000  | -  |
| Farebox System   | -  | -  |
| Construct New Support Facilities                             | -  | -  |
| <b>Admin and Uncategorized Needs</b>                         |  |  |
| Uncategorized Projects - Pace                                | -  | -  |
| Administration - Pace  | -  | -  |
| <b>Total 10-Year Needs</b>                                   | <b>\$1,595,859</b>                                     | <b>\$381,728</b>                               |

Data will be further analyzed by looking at core requirements and strategic goals. Table 19 shows the core requirements and strategic goals for every Pace project, and Appendix A contains the detailed description of each project.

**Table 19. Pace Priority Project Summary (in thousands)**

| Priority Project  | Estimated 10-Year Need for Priority Project | Individual Capital Project Title             | Total 5-Year Funding Programmed | Strategic Goals                 |                                   |                  | Core Requirements                           |                            |                             |                |
|---|---|--|---------------------------------|---------------------------------|-----------------------------------|------------------|---|----------------------------|-----------------------------|----------------|
|   |   |  |                                 | Deliver Value on Our Investment | Build on Strengths of Our Network | Stay Competitive | Maintain and improve safety and reliability | Achieve Full Accessibility | Meet Regulatory Requirement | Improve Equity |
| Fixed Route Buses - Electric                              | \$374,400                                   | Fixed Route Electric Buses                   | \$59,800                        |                                 |                                   | •                | •   | •                          |                             |                |
| Improve Support Facilities                                | \$237,322                                   | Southwest Division Electrification/Expansion | \$94,142                        | •                               |                                   |                  |   |                            |                             | •              |
|   |   | North Division Electrification/Expansion     | \$96,387                        | •                               |                                   |                  |   |                            |                             | •              |
|   |   | Headquarters Renovation                      | \$16,750                        | •                               |                                   |                  | •   |                            |                             |                |
| Associated Capital Maintenance Items                      | \$89,600                                    | Associated Capital Maintenance Items         | -                               | •                               |                                   |                  | •   |                            |                             |                |
| Pulse Infrastructure                                      | \$84,525                                    | Pulse 95th A/E and Construction              | \$21,032                        |                                 | •                                 |                  |   | •                          |                             | •              |
| Fixed Route Buses - Expansion                             | \$83,889                                    | Fixed Route Buses - Expansion                | -                               |                                 | •                                 |                  |   | •                          |                             | •              |
| Fixed Route Buses - Replacement                           | \$79,300                                    | Fixed Route Coach Buses                      | \$9,750                         |                                 |                                   | •                | •   | •                          |                             |                |
| Improve Passenger Facilities - Transportation Centers     | \$72,550                                    | Harvey Transportation Center Renovation      | \$5,400                         |                                 | •                                 |                  | •   |                            |                             | •              |
| Paratransit Vehicles - Replacement                        | \$50,825                                    | Paratransit Vehicles                         | \$19,229                        | •                               |                                   |                  |   | •                          |                             | •              |
| Security, Computer, Software, and Office Systems Upgrades | \$47,900                                    | Onboard Digital Screens                      | \$10,334                        |                                 |                                   | •                |   |                            |                             | •              |
|   |   | Bus Security Cameras                         | \$2,000                         | •                               |                                   |                  | •   |                            |                             |                |
|   |   | Computer Systems/Hardware & Software         | \$3,500                         | •                               |                                   |                  | •   |                            |                             |                |
| Regional Transit Signal Priority (RTSP)                   | \$36,599                                    | Transit Signal Priority                      | \$6,000                         | •                               |                                   |                  | •   |                            |                             |                |
| Charging Infrastructure                                   | \$36,000                                    | Charging Infrastructure                      | -                               |                                 |                                   | •                |   |                            |                             | •              |
| Pedestrian Infrastructure/Shelters/Signs                  | \$30,500                                    | Bus Stop Shelters/Signs                      | \$6,000                         |                                 | •                                 |                  | •   |                            |                             |                |
|   |   | Bus Tracker Signs                            | \$2,000                         |                                 | •                                 |                  | •   |                            |                             |                |



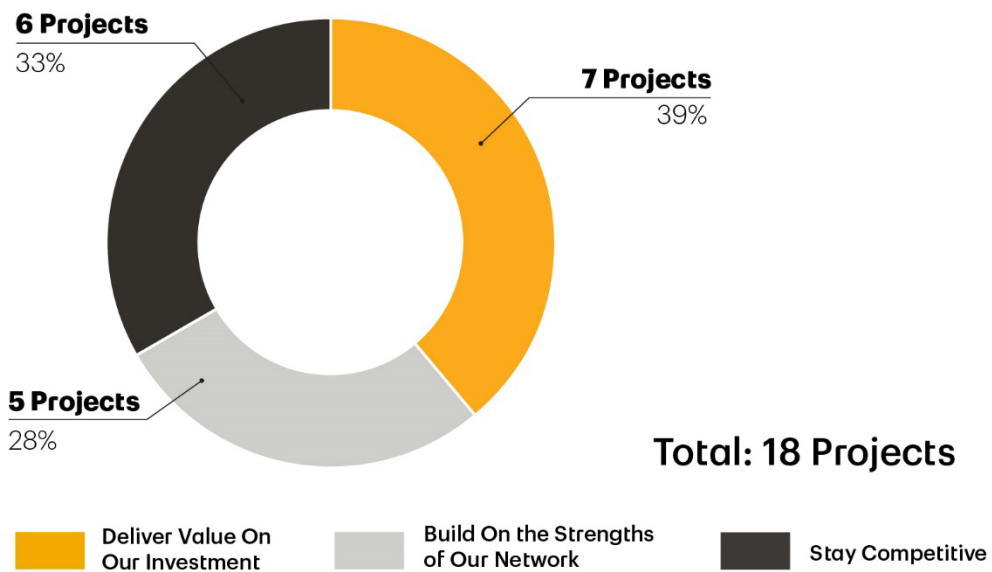
| Priority Project                                | Estimated 10-Year Need for Priority Project | Individual Capital Project Title               | Total 5-Year Funding Programmed | Strategic Goals                 |                                   |                  | Core Requirements                           |                            |                             |                |
|---|---|--|---------------------------------|---------------------------------|-----------------------------------|------------------|---|----------------------------|-----------------------------|----------------|
|   |   |  |                                 | Deliver Value on Our Investment | Build on Strengths of Our Network | Stay Competitive | Maintain and improve safety and reliability | Achieve Full Accessibility | Meet Regulatory Requirement | Improve Equity |
| Support Equipment/Non-Revenue Vehicles          | \$22,850                                    | Support Equipment/Non-Revenue Vehicles         | \$3,900                         | •                               |                                   |                  | •   |                            |                             |                |
| Intelligent Bus System (IBS) Replacement        | \$18,150                                    | Intelligent Bus System                         | \$3,650                         | •                               |                                   |                  | •   |                            |                             |                |
| Community Vehicles - Replacement                | \$17,955                                    | Community Transit/On Demand Vehicles           | \$4,830                         |                                 |                                   | •                | •   | •                          |                             |                |
| Bus on Shoulder (BoS) Infrastructure            | \$17,025                                    | I-294 Stations                                 | \$17,025                        | •                               |                                   |                  | •   | •                          |                             |                |
| Paratransit Vehicles - Expansion                | \$13,000                                    | Paratransit Vehicles                           | -                               |                                 | •                                 |                  |   | •                          |                             | •              |
| Vanpool Vehicles - Replacement                  | \$12,640                                    | Vanpool Vehicles                               | -                               |                                 |                                   | •                | •   |                            |                             | •              |
| Improve Passenger Facilities - Park-n-Ride Lots | \$7,450                                     | Improve Passenger Facilities -Park-n-Ride Lots | -                               |                                 |                                   | •                | •   |                            |                             | •              |
| Community Vehicles - Expansion                  | \$3,000                                     | Community Transit/On Demand Vehicles           | -                               |                                 | •                                 |                  |   | •                          |                             | •              |
| Farebox System                                  | -   | Farebox System Replacement                     | -                               | •                               |                                   |                  | •   |                            |                             | •              |
| Construct New Support Facilities                | FULLY FUNDED                                | Construct New Support Facilities - Wheeling    | -                               |                                 | •                                 |                  | •   |                            |                             |                |
| ADA Regional Paratransit Program                | \$260,378                                   | ADA Regional Paratransit Program               | -                               | •                               |                                   |                  |   | •                          |                             | •              |
| Uncategorized Projects - Pace                   | \$0   | Unanticipated Capital                          | \$0                             |                                 |                                   |                  |   |                            |                             |                |
| Administration - Pace                           | \$0   | Administration - Pace                          | \$0                             |                                 |                                   |                  |   |                            |                             |                |
| <b>Total 10-Year Needs</b>                      | <b>\$1,595,859</b>                          | <b>Total 5-Year Funding</b>                    | <b>\$381,728</b>                |                                 |                                   |                  |   |                            |                             |                |



## Strategic Goals

Pace selected one of the strategic goals from *Invest in Transit* for each of the 18 projects included in the capital program. Pace's projects were almost evenly split between the regional strategic goals. Seven projects deliver value on our investment, five projects build on the strengths of our network, and six projects help to stay competitive, as shown in Figure 54. Pace's projects categorized as delivering value on investment included garage electrification projects, paratransit vehicle purchases, and various improvements to support facilities and equipment. Projects assigned to the category of stay competitive included the purchase of new revenue vehicles and technological solutions to improve the customer experience, such as onboard digital signs and bus tracker signs. Projects designated as building on the strengths of the network include upgrades to transit centers, as well as new higher speed bus corridors such as 95<sup>th</sup> street Pulse and the I-294 Bus-on-Shoulder project.

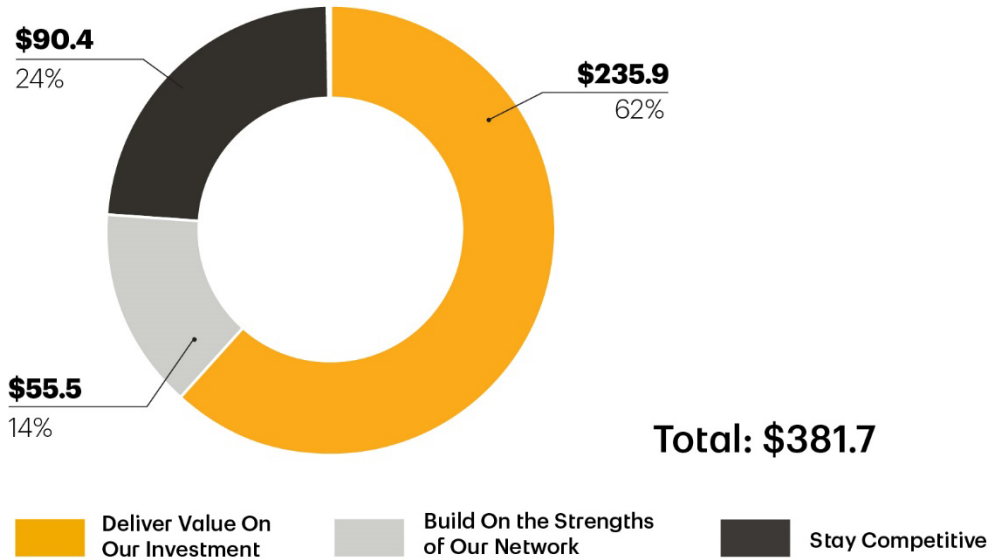
**Figure 54. Number of Pace Projects Advancing Each Strategic Goal**



The RTA also looks at dollars programmed to each goal; deliver value on our investment continues to be the most funded goal by Pace, with 62% of funds (\$235.9 million) going toward these projects, while 24% of funds (\$90.4 million) are programmed to projects focused on staying competitive, and 14% (\$55.5 million) of projects build on the strengths of our network, as seen in Figure 55. Pace is spending a significant portion of the 5-year capital program on electrifying service, replacing revenue vehicles, and improving speed along several key corridors.



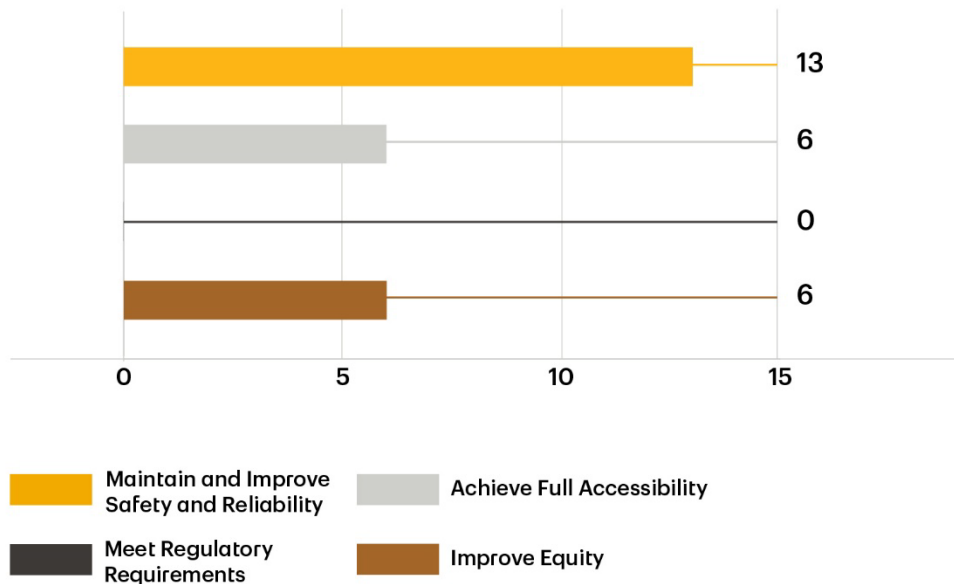
**Figure 55. Amount of Pace Funding Advancing Each Strategic Goal (in millions)**



**Core Requirements**

As directed, Pace selected one or two core requirements for each of the projects in the 2023-2027 Capital Program. The top selected requirement was maintaining and improving safety and reliability, which was assigned to 13 projects. Fewer projects were assigned to the other core requirements, with achieve full accessibility and improve equity accounting for six projects each, as shown in Figure 56. No Pace projects were categorized as meeting regulatory requirements in the 2023-2027 Capital Program. Most of Pace’s projects are focused on current operations and therefore classified as maintaining and improving safety and reliability.

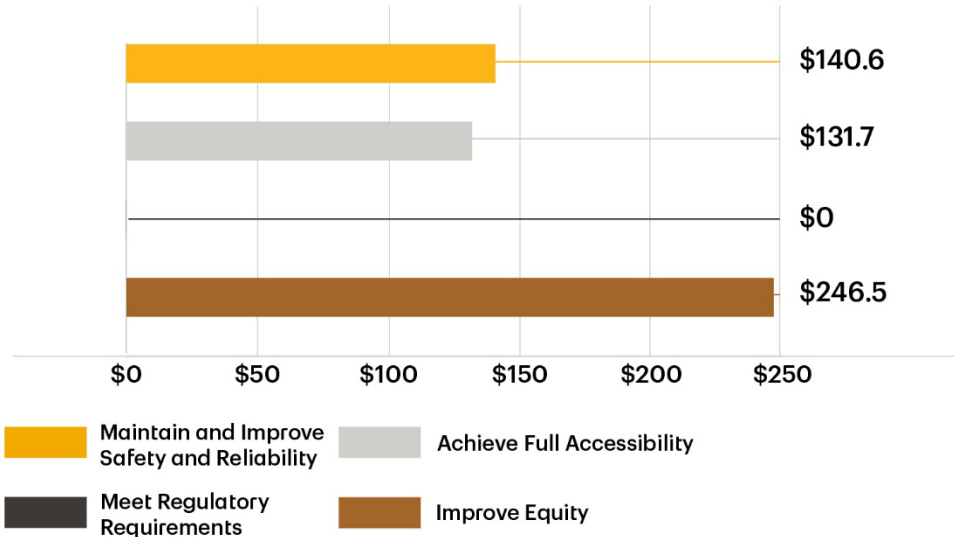
**Figure 56. Number of Pace Projects Addressing Each Core Requirement**



NOTE: Question is asked as multi-response, Service Boards may select up to two core requirements per project.

From a funding by core requirement perspective, \$264.2 million of the funding is going toward projects that improve equity, with electrification projects a main component of the program. \$140.6 million helps to maintain and improve safety and reliability, focused on purchases of revenue vehicles. Finally, \$131.7 million helps to achieve full accessibility, again largely focused on new vehicle purchases. Details can be found in Figure 57.

**Figure 57. Amount of Pace Funding Addressing Each Core Requirement (in millions)**



NOTE: Question is asked as multi-response, Service Boards may select up to two core requirements per project.

The new performance-based programming methodology requires that each Service Board program at least 20% of funding to projects that either achieve full accessibility or improve equity, beginning in 2025. Table 20 shows the projects and dollar value of those projects that are programmed to either equity or accessibility projects for 2025, 2026, and 2027. Pace’s program has a significant focus on equity and accessibility projects, with 70% of project funding meeting one of these requirements in 2025 and 91% providing for equity or accessibility in 2026 and 2027. Some of the main accessibility projects include new accessible vehicles and stations. Equity projects include the purchase of paratransit and vanpool vehicles, technology enhancements that make using Pace services easier, and the electrification project at the Southwest Division garage.

**Table 20. Pace Accessibility and Equity Projects (in thousands)**

| Description                                  | 2025     | 2026     | 2027     | Achieve Full Accessibility | Improve Equity |
|--|----------|----------|----------|----------------------------|----------------|
| Fixed Route Electric Buses                   | \$11,700 | \$18,200 | \$18,200 | •                          |                |
| Paratransit Vehicles                         | \$5,458  | \$5,113  | \$4,983  | •                          | •              |
| Southwest Division Electrification/Expansion | \$14,000 | \$40,025 | \$40,117 |                            | •              |
| Community Transit/On Demand Vehicles         | \$1,400  | \$1,400  | \$1,400  | •                          |                |
| Onboard Digital Screens                      | \$2,055  | \$2,000  | \$2,000  |                            | •              |



| <b>Description</b>  | <b>2025</b>     | <b>2026</b>     | <b>2027</b>     | <b>Achieve Full Accessibility</b> | <b>Improve Equity</b> |
|---|-----------------|-----------------|-----------------|-----------------------------------|-----------------------|
| I-294 Stations  | \$17,025        | -               | -               | •                                 |                       |
| <b>Total</b>  | <b>\$51,638</b> | <b>\$66,738</b> | <b>\$66,700</b> |                                   |                       |
| Total Annual Program                                      | \$74,138        | \$73,388        | \$73,700        |                                   |                       |
| <b>Percent of Program toward Accessibility and Equity</b> | <b>70%</b>      | <b>91%</b>      | <b>91%</b>      |                                   |                       |

Pace has shifted its capital program to focus on the impending transition to electrification. As a result, nearly two-thirds of their 2023-2027 Capital Program are dedicated to garage electrification projects and electric bus purchases. Equity and accessibility play a major role in Pace's projects as well, with a significant focus on replacing older vehicles with more accessible new vehicles as well as improving equity through electrification. RTA and the Service Boards continue to work to obtain more capital funding so that additional projects can be completed to maintain the system, move towards more green operations, and provide for more equitable and accessible transportation in the region.