

PUBLIC TRANSIT: An Essential Key to Recovery



President's 2021 Budget
Recommendations



The governing arm of the CTA is the Chicago Transit Board, consisting of seven board members, one of which is currently vacant. The Mayor of Chicago appoints four board members, subject to the approval of the City Council and the Governor of Illinois. The Governor appoints three board members, subject to the approval of the State Senate and the Mayor of Chicago. CTA's day-to-day operations are directed by the President.



Arabel Alva Rosales
Vice Chair
Appointed by: Governor, State of Illinois



Judge Gloria Chevere
Board Member
Appointed by: Governor, State of Illinois



Kevin Irvine
Board Member
Appointed by: Mayor, City of Chicago



Dr. L. Bernard Jakes
Board Member
Appointed by: Governor, State of Illinois



Rev. Johnny L. Miller
Board Member
Appointed by: Mayor, City of Chicago



Alejandro Silva
Board Member
Appointed by: Mayor, City of Chicago



Dorval Carter Jr.
President

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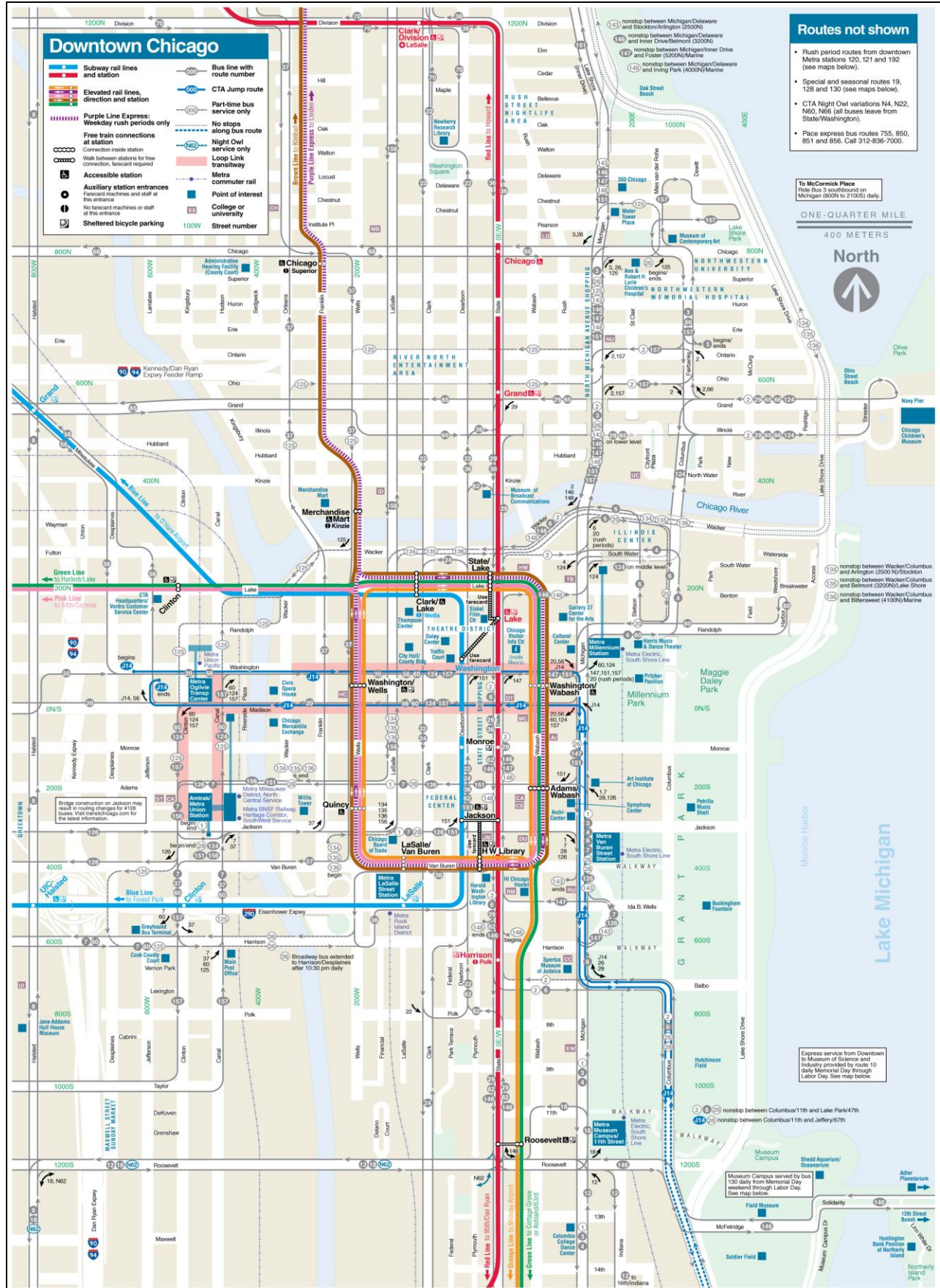
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Dear CTA Customers,

On October 1, 1947, the Chicago Transit Authority (CTA) was created as a new governmental entity, charged with providing transit services to the City of Chicago and surrounding suburbs. In the 73 years that have elapsed since then, Chicago's transit system has seen a steady stream of challenges and opportunities, a wide array of ups and downs, unforeseen events and unexpected hurdles.

But nothing has come close to the challenges we've seen in the year 2020.

Like transit agencies across the country, the CTA has faced truly unprecedented circumstances since March of this year, when the State and City stay at home orders took effect as a result of the COVID-19 pandemic. Literally overnight, our business changed. CTA ridership plummeted in a way the agency has never seen before, and immediately, revenue plunged as well.

One thing, however, didn't change: the CTA continued to provide bus and rail service, 24/7. The State order, which closed so many other business and services, designated transit as an "essential" service. Though most of Chicago began sheltering at home—and not going to work, school or elsewhere—there were still those who needed to travel: Essential workers, such as medical professionals, health-care workers, first responders, those working at senior care facilities. And also those needing to make essential trips—to visit a doctor, buy groceries, or to pick up a prescription.

I immediately set two goals for this agency: keep service running, and ensure the cleanest, healthiest commute possible for our customers and employees.

Instead of reducing service, as many transit agencies across the country did, I made sure we ran as many trains and buses as we possibly could. Though our ridership fell precipitously, I knew that that many people were still relying on the CTA – and we had to provide enough service for them to socially distance and protect themselves.

For all of those customers, and for all of our hardworking employees providing it, we turned our focus on making sure we were providing the cleanest, healthiest, most comfortable environment.

We closely followed the guidance of local and federal health experts—the Chicago and Illinois Departments of Health, the Centers for Disease Control, the World Health Organization—to protect customers and employees. And we closely coordinated with national transit peers to develop best practices.

Our response involved a series of immediate and safety-focused actions, including:

- Tripling the resources to allow for the cleaning and disinfecting of our buses, trains, and stations throughout the day
- Implementing new cleaning tools to further enhance our already rigorous cleaning process, including the use of electrostatic sprayers which create a fine mist to clean and disinfect buses and trains more effectively
- Saturating the system with signage as part of a targeted customer education and awareness campaign highlighting the importance of social distancing, wearing masks, and following public health guidance
- Instituting new policies regarding vehicle capacity limits to promote social distancing and ensure the health and safety of riders and employees
- Closely monitoring crowding conditions and designing a CTA-specific "Ridership Information Dashboard" to allow riders to choose the best time to travel
- Piloting pop-up, essential bus lanes to allow for bus service to be prioritized

Of course, none of this would have been possible without the unwavering commitment of the hardworking men and women that keep our system going 24/7. These essential workers were there when Chicago needed them the most, and showed up day after day to make sure Chicagoans could stay connected to the care and resources they needed.

Sadly, the pandemic has personally impacted the lives of many of CTA's own employees. And tragically, it claimed the lives of seven respected and dedicated CTA employees. These losses took a great toll on the CTA family, and we, as an agency, will always remember their service and commitment to our customers and the City of Chicago.

All of the CTA's efforts to provide service through the pandemic—to support our customers and help Chicago navigate the pandemic—were the right thing to do. But, they came at a cost. Unprecedented ridership loss has led to precipitous drop in revenue that's continued through the year. And sales tax funding—a critical revenue source for the CTA—remains far below anticipated levels.

Unfortunately, those trends are expected to continue in 2021. As such, we are projecting a 2021 budget shortfall of approximately \$372 million.

That projected shortfall is factored into my proposed 2021 operating budget of \$1.65 billion.

Over the coming weeks and months, we will continue to explore options to close that significant budget shortfall. The option we'll pursue the most aggressively—and, indeed, the only prudent option—is securing additional federal funding. Not long after the start of the pandemic, Congress—recognizing the importance of public transit in addressing the then-evolving health crisis—provided \$25 billion to transit agencies across the country via the CARES Act. The CTA received \$817 million, which allowed us to continue our service and cover our operational expenses and revenue losses through 2020. As of this writing, the House of Representatives has passed another bill—the HEROES Act—that would provide \$32 billion for transit agencies.

Federal financial support for transit has, over the past several months, garnered widespread support and reaffirmed the value of transit in cities and towns across the country. I remain cautiously optimistic that Congress will continue to recognize the crucial role transit plays in our cities and communities, and I will continue to join my fellow transit leaders across the country to advocate for additional federal support.

That federal funding is absolutely critical to the CTA's 2021 budget. If that money doesn't materialize, we will be facing the possibility of drastic and devastating reductions in service. That is an option of absolute last resort, and I pledge to do everything I can to avoid such a scenario.

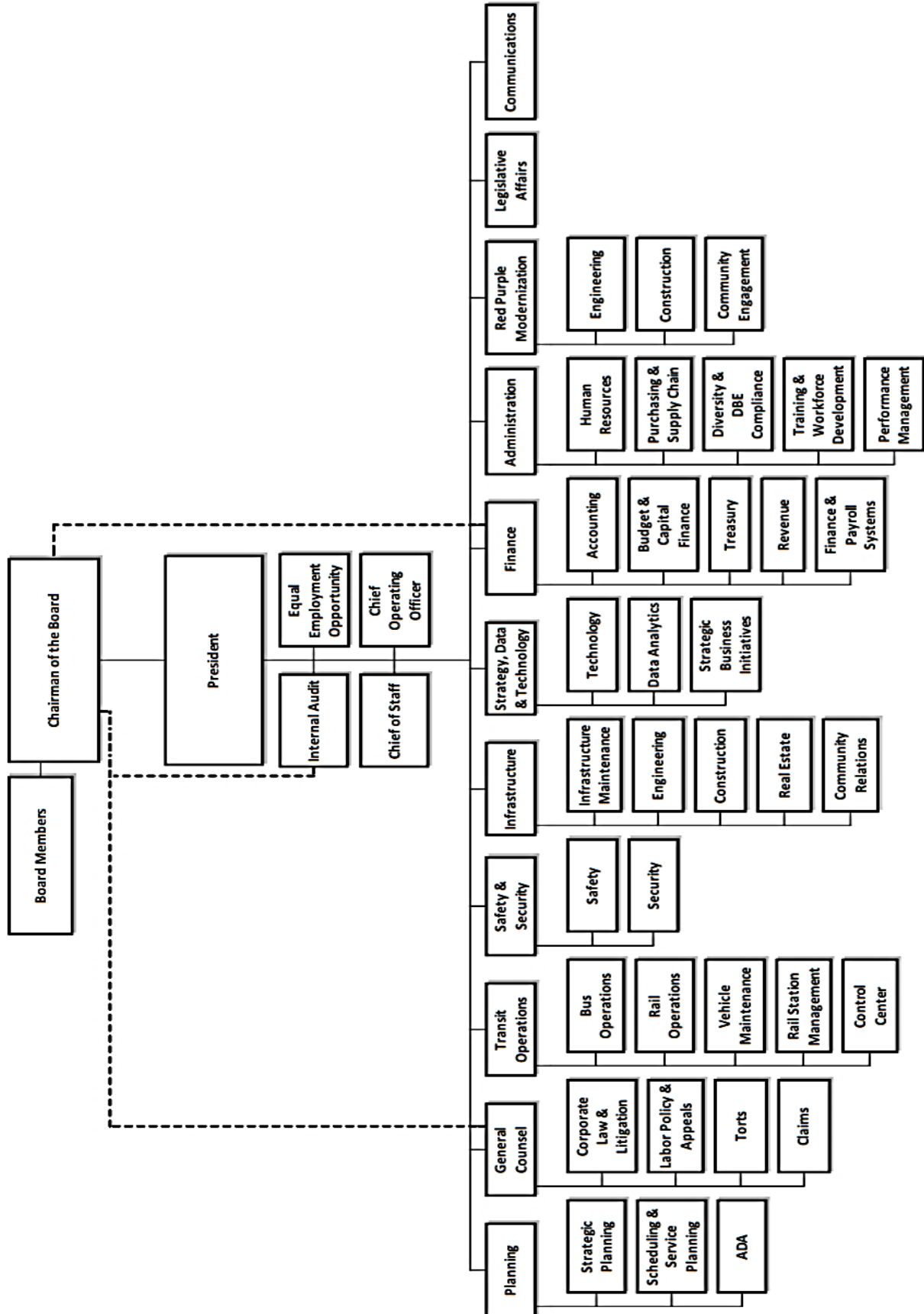
During the last seven months, the CTA has shown time after time how vital public transit is to the social fabric of our region. As Chicago and the region continue to address the pandemic, it's clear that public transit is the backbone of our communities and the engine by which we continue to thrive even in hard times.

As the post-pandemic world is still being defined, many questions remain. But there is no question that the CTA has carried us through, and the CTA will move us forward into better times. As we continue to deal with the devastating impacts of this pandemic in this upcoming year, I want you to know that I am committed along with the entire CTA family to do everything in our power to continue delivering the quality, affordable transit services that link people, jobs and communities, which our customers and our community expect and deserve.

Sincerely,



Dorval R. Carter, Jr.
President



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Public Transit: An Essential Key to Recovery

OVERVIEW

In 2020, the Chicago Transit Authority (CTA) celebrated its 73rd anniversary of moving Chicago.

This year was unlike any other in the agency’s history. On March 21, the State of Illinois stay-at-home order took effect, a response to the COVID-19 pandemic. Overnight, businesses, schools, restaurants, and services closed, and the city slowed to nearly a halt. But the State order deemed public transit as an “essential” service, one that was needed to help keep Chicago functioning. The CTA took that responsibility very seriously. Though ridership plunged, the CTA continued to provide service—carrying essential workers like medical professionals, emergency responders, grocery store workers, janitors, or those manufacturing critical goods, as well as those needing to make essential trips, such as to doctor appointments, the grocery store, and the pharmacy to pick up prescriptions.



CTA is one of only a few transit agencies in the nation that did not modify its normal service schedule during the pandemic to serve essential workers and those needing to take essential trips.

Though the ridership drop in the first few months was precipitous—about 80 percent—the CTA was still carrying more than a quarter of a million riders every weekday. Running full service not only ensured that workers and others could reach their important destinations but provided extra space on trains and buses to allow for social distancing.

Of course, the huge, sustained drop in ridership has dramatically impacted the CTA’s financial picture, with a projected total revenue loss in 2020 of approximately \$554 million. Federal funding for the transit industry, approved by Congress earlier this year, has enabled the CTA to maintain operations and service levels through the remainder of this year and into the start of 2021. However, additional federal funding is absolutely critical to allow the CTA to continue providing the service that’s so essential to Chicago. The CTA, along with the American Public Transportation Association (APTA) and other transit agencies across the country, continue to work together to urge Congress and the administration to provide this critical funding.

Despite these unprecedented financial challenges related to COVID-19, under the leadership of Mayor Lori Lightfoot and CTA President Dorval R. Carter, Jr., the CTA remains committed to continue moving forward with a variety of capital projects in preparation for a post-pandemic world. It is vital that work continues to modernize infrastructure, enhance safety and security, enrich workforce development, and improve the customer experience. Doing so will not only help play a pivotal role in restarting the local economy it will also help ensure the CTA can accommodate returning riders in a safe, reliable way.

COVID-19 RESPONSE

Since the onset of the pandemic, the CTA has remained steadfast in its efforts to provide the highest levels of service possible, the safest possible environment for customers and employees, and extensively promoting healthy travel habits.

The following are some of the measures the CTA has implemented in response to COVID-19 pandemic:

Cleaning and Disinfecting

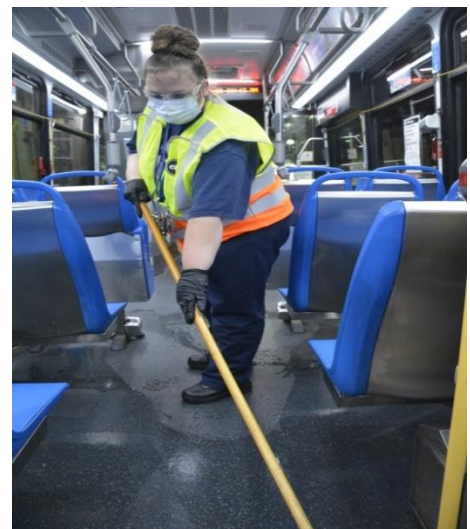
A key focus throughout the pandemic has been on providing the cleanest travel environment possible for CTA customers and employees. Despite having one of the most rigorous cleaning regimens of any U.S. transit agency pre-pandemic, the CTA has enhanced its cleaning practices to make it even stronger.

Vehicles: Every bus and rail car is cleaned daily, which includes disinfecting high-touch surfaces such as seats, handrails and stanchions, plus they will receive more-concentrated spot cleanings as needed for spills or other unsanitary conditions.

- **Cleaning BEFORE service:** Every rail car and bus is cleaned before it leaves for daily service—this includes wiping down seats, stanchions, handrails, and other surfaces with disinfectant, as well as sweeping and trash removal.
- **Cleaning WHILE IN service:** New dedicated crews have been deployed to all CTA rail terminals and are tasked with disinfecting the high-touch surfaces of rail cars before they turn around for another run. Similar teams have been deployed to perform similar disinfecting and cleaning at key bus facilities, including those at Navy Pier, Jefferson Park, Howard, Midway and 95th/Dan Ryan, which are served by hundreds of buses operating along more than 40 different routes.
- **Routine deep cleans:** In addition to daily cleanings, all vehicles undergo a routine "deep clean", which entails intensive cleanings of the interior surfaces from the top of windows to the floor. Each night of the week, approx. 300 vehicles -- 150 rail cars and 150 buses -- are deep cleaned. As part of this process, crews use a 3-in-1 product that cleans, disinfects, and deodorizes all surfaces of the vehicles.



An employee at the Navy Pier terminal disinfects the high-touch surfaces of a bus before it goes back into service.



During routine deep cleaning, every vehicle interior is thoroughly scrubbed and disinfected – from the top of the windows to the floor.

Stations: Since the start of the pandemic the number of personnel tasked with cleaning and disinfecting high-touch surfaces across the rail system has tripled, and the number of daily station cleanings have doubled.

New Cleaning Tools and Measures: A number of new measures and tools have been adopted, are being piloted and/or investigated to help further improve the CTA's already robust cleaning regimen, including:

- **Electrostatic sprayers:** New eMist devices apply cleaning solution as a mist, providing for more thorough coverage. These machines supplement existing deep-cleaning measures and allow us to clean vehicles more efficiently and thoroughly.



New eMist devices, used as part of the vehicle deep cleaning process, spray disinfectant cleaner as a fine mist, allowing it to cling to all surfaces and work more effectively.

- **Anti-microbial surface coating:** New products are also being piloted, including surface coatings for the interior of CTA vehicles to help prevent certain materials (e.g. bacteria, viruses, liquids, etc.) from sticking to treated surfaces for an extended period of time.
- **Mobile cleaning SWAT teams:** Ten teams of 4-5 employees are deployed across the rail system overnight to scrub, sanitize and power wash the high-touch surfaces and common areas of rail stations. Each week, approximately 50-75 rail stations receive this deep cleaning.



A mobile SWAT team scrubbing and disinfecting all surfaces at the Kimball Brown Line terminal.

Social Distancing and Service Operations

To help ensure the CTA can continue to provide safe and reliable service throughout the pandemic, a number of new measures have been implemented to help promote social distancing and avoid potential crowding. In addition to running as much service as possible, the following adjustments were made to day-to-day operations:

Bus Crowding Management: CTA bus operators can temporarily operate in “drop-off only” mode, which allows them to bypass certain bus stops if their bus is becoming crowded. Operators use the guideline of 15 or more passengers on a standard 40-foot bus, 22 or more passengers on a 60-foot articulated bus.



To help encourage social distancing, CTA buses can operate in “drop-off only” mode once the rider capacity limit is reached.

Service Monitoring: Management has been deployed to keep an eye on key locations with higher bus boardings and make adjustments as necessary, which includes deploying longer, 60-foot buses or staging extra buses along the route so they can be quickly added into service.

Real-time Crowd Monitoring: Leveraging the CTA’s extensive security camera network, as well as field personnel, high-ridership stations are being monitored for crowd control. If crowding conditions occur, CTA personnel will make announcements asking customers to spread out or wait for the next train if an arriving train is too crowded.

Rear-door Boarding: Between April 8 and June 21, 2020, customers were temporarily directed to board and exit through the rear doors of all CTA buses a practice that was undertaken by agencies throughout the transit industry during this period of the pandemic. The CTA resumed front door boarding once additional measures were put into place to better protect bus operators (e.g. facial coverings for drivers, roped-off seating areas, etc.)

Pop-Up Essential Bus Lanes: In September, Mayor Lightfoot joined the CTA and the Chicago Department of Transportation (CDOT) in launching new Pop-Up Essential Bus Lanes as part of a pilot along two of the most heavily traveled bus routes, the #66 Chicago and #79 79th, which serve Chicago Avenue and 79th Street, respectively. This initiative will provide temporary, dedicated lanes along key routes, in both directions, 24 hours a day. During COVID-19, the dedicated bus lanes serve nearly 20,000 rides daily, and are intended to provide transit riders with more reliable service by helping reduce bus delays and bunching, which otherwise, can lead to crowding and longer bus trips, counter to the City’s and the CTA’s efforts to promote social distancing.

Education and Awareness

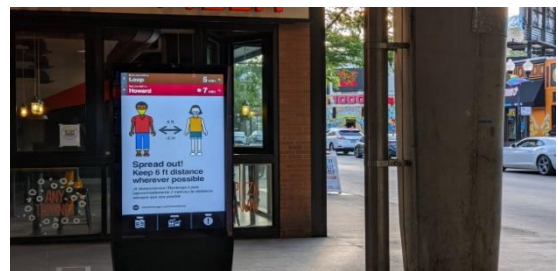
System Signage: Throughout the pandemic, the CTA has been working diligently to keep customers and employees informed of the latest health guidance issued by local, state and federal health officials through ongoing and extensive communications outreach.

The CTA continues educating and encouraging customers to act as partners in the effort to slow the spread of the COVID-19 by continuing to follow guidance and practices recommended by the Centers for Disease Controls (CDC), including while on CTA, such as always wearing a face mask or covering, social distancing, washing/disinfecting their hands as often as possible, etc. These messages have been conveyed through a variety of channels, including social media, the CTA website (transitchicago.com), audio announcements in stations and on vehicles, and digital displays across the rail system. To complement these efforts, the CTA also installed more than 70,000 signs and floor decals in vehicles and stations, that specifically remind everyone to wear a face mask or covering and to social distance in order to slow the spread of COVID-19.

Dedicated Website: In early March, the CTA established a dedicated webpage to keep customers and employees informed of the various measures being taken to help slow the spread of the COVID-19. Since then, the webpage has become a vital and comprehensive source of information outlining the latest customer travel tips and tools, service adjustments, cleaning measures and other efforts to provide a safe and healthy travel environment.

Ventra Card Giveaways: In keeping with guidance from the CDC regarding healthy travel on public transit, CTA has been promoting contactless payment via the use of Ventra cards. In doing so, CTA, in partnership with Chicagoland-based Butcher Boy Cooking Oils, has been distributing 5,000 free Ventra cards to riders. The goal of the giveaway is to reduce cash payments on buses and allow riders to avoid fare vending machines as value can be added to the card from a mobile app, website or calling customer service.

Travel Healthy Kits: In June, the CTA started distributing “Travel Healthy Kits,” which contain a 2 oz. bottle of hand sanitizer, a reusable cloth mask and a healthy riding tips guide. These kits were distributed as yet another way to further educate and promote healthy riding habits. So far, more than 14,000 of these free kits have been distributed to CTA customers at various locations throughout the city, including key stations along all eight rail lines. Additional distribution events are planned for this fall.



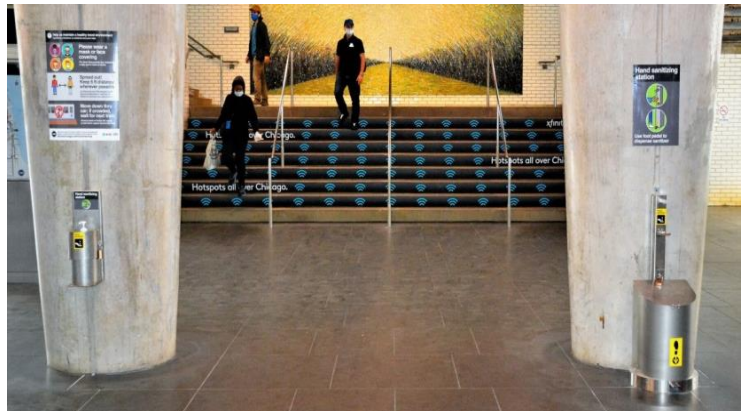
Extensive signage installed throughout the CTA system to educate and remind customers to always wear masks while on CTA properties and to maintain social distancing whenever possible.



CTA Travel Healthy kits each contains travel tips, a reusable cloth mask and a 2 oz. bottle of hand sanitizer.

Customer Amenities

Hand Sanitizer Dispenser Pilot: Recognizing that regular hand cleaning using hand sanitizer is one of the easiest practices customers can follow to stay healthy while traveling, this fall the CTA began piloting new hand sanitizer dispensers at eight heavily traveled rail stations: 95th/Dan Ryan, Fullerton, and Howard on the Red Line; Harlem/Lake on the Green Line; Polk on the Pink Line; Midway on the Orange Line; O’Hare on the Blue Line; and Clark/Lake in the Loop. Each location features at least one large foot-activated dispenser, as well as one wall-mounted hand pump dispenser for customers using mobility devices. This pilot will help determine the feasibility of offering this amenity on a larger scale at additional CTA locations.



New hand sanitizer dispensers installed at Belmont Red/Brown/Purple Line station as part of a multi-station pilot.

Ridership Information Dashboard: Launched in June with just bus data, the Ridership Information Dashboard was created to help customers better plan their trips and avoid traveling during heavy ridership periods, whenever possible, in order to help promote social distancing. In September, the Dashboard was expanded to include dynamic rail crowding data and was also upgraded to feature new drop down menus that make it easier for customers to customize the data to reflect their travel preferences. Updated weekly, the rail and bus dashboards provide the average ridership trends from the prior two weeks to show days and times when specific bus routes or rail lines may be more crowded.

PPE Vending Machines: Before the end of 2020, the CTA will introduce new vending machines stocked with personal protective equipment (PPE), starting with a pilot at six rail stations across the system. The vending machines will contain items such as hand sanitizer, sanitizing wipes, face masks, and disposable gloves. The vending machines will be piloted at the Roosevelt, Belmont and 79th Street stations on the Red Line, Jefferson Park station on the Blue Line, Midway station on the Orange Line and Kedzie station on the Green Line.



Since the beginning of the pandemic, all employees have been provided with PPE including masks, protective eyewear, gloves and hand sanitizer, as well as extensive information about COVID-19 and best practices recommended by health experts.

Employee Protections

Personal Protective Equipment (PPE): Since the beginning of the pandemic, all employees have been provided with proper PPE, in line with guidance provided by local and federal health officials. As a result, the CTA has issued hundreds of thousands of supplies to employees, including face masks, protective eyewear, gloves, and hand sanitizer. The CTA has also made cleaning products available for employees’ personal use in their work areas, including vehicles, and has distributed and posted extensive information to all work locations about COVID-19 and best practices recommended by health experts to reduce spread of the virus.

Workplace Adjustments: Guidance and measures recommended by public health authorities have been implemented across CTA’s work facilities. While operating trains, rail operators are in entirely enclosed operating cabs at the front of the train. For bus operators, CTA has ensured that the buses out in service during this pandemic are ones that are equipped with a protective shield that create a barrier between the bus operators and their riders. And rail station attendants are conducting their work out of enclosed kiosks in rail stations. Additionally, the CTA has been promoting social distancing at all work locations. As a result, common areas of all work facilities have been reconfigured to provide an environment where proper social distancing can occur, and posters have been added to remind everyone how important it is to stay separated. The CTA has also put in place a variety of measures and other workplace protocols including, but not limited to, temperature checks and mask requirements upon entry, room occupancy limits, sanitation stations for employees, more cleaning of frequently touched surfaces.



During the pandemic, the CTA ensured buses put into service were ones equipped with a driver shield, which serves as a barrier between the operator and boarding customers.

Healthcare Services: At the onset of the pandemic, the CTA expanded access to health care services to all employees, thus allowing employees without CTA healthcare coverage—including participants in the Second Chance program—to visit the agency’s medical services provider for COVID-19-related illnesses. Additionally, access to telehealth services was expanded, and the comprehensive Employee Assistance Program, which offers a wide array of free, 24/7 professional support and assistance services, was promoted to all employees. Also early in the pandemic, when testing was in short supply, the CTA partnered with Rush University Medical Center to allow CTA employees with symptoms to be given free priority testing for COVID-19, which continues today. Now that testing is widely available, the CTA also promotes other testing locations, as these locations may be more convenient for some employees.

CUSTOMER EXPERIENCE

Rail Improvements

FastTracks Program: This targeted, multi-year program of track repairs and maintenance is intended to provide faster commutes and smoother rides for ‘L’ customers. Funding for these capital improvements to reduce and prevent slow zones on the rail system was made possible by the City’s innovative fee on ride-hailing services. The *FastTracks* program has already repaired and upgraded rails, rail ties, and electrical power in multiple locations throughout the system. In fact, more than 43,000 feet of slow zones have been removed from across the Red, Blue, Brown and Green lines since the program began in 2018. Track and power improvements on the south and main branches of the Green Line, as well as track work along the Brown Line, were completed in 2020. Improvements to the northbound tracks of the Red Line State Street Subway and the Blue Line Dearborn Subway, as well as Blue Line electrical power upgrades, are expected to occur in early 2021.

7000-Series Rail Cars: 2020 marked a major milestone in the manufacturing of the CTA’s new 7000-Series, the newest generation of rail cars, with the delivery of the first 10 prototype vehicles. The 7000-Series vehicles are the first rail cars purchased by the CTA in more than a decade.

The new rail cars will provide customers with a more comfortable and reliable commute, and lower the agency’s maintenance and repair expenses. Among the new features customers can anticipate are multiple interior digital information displays that show upcoming stops, estimated arrival times at upcoming stops, and other information; and a refreshed interior layout featuring clear windscreen panels and new seating configuration. Non-revenue, out-of-service testing of the prototype vehicles began this fall and will continue for several months before being put in service.



The 7000-Series rail cars are being built by CRRC Sifang America JV, with final assembly occurring at a new 45-acre facility built on the Far South Side of Chicago that was constructed by CRRC. This critical investment brings railcar manufacturing back to Chicago after a 50-year absence and continues to grow the far southeast side’s booming manufacturing sector. The new facility will create approximately 170 manufacturing, warehouse, and professional jobs. Additionally, the construction of the facility created over 200 jobs.



Top photo: Exterior of new 7000-Series rail cars. Bottom photo: Interior of new 7000-Series rail cars, which will have a variety of new features including center-aisle grab bars, clear windbreak panels, added LED information displays and a refreshed seating configuration.

Rail Car Overhauls: The CTA’s quarter-life overhaul of the 5000-Series rail cars – its latest model in service – is well underway. Overhaul work is necessary and will improve the performance and reliability of the rail cars, allowing them to reach their expected useful life of 34 years. This scheduled maintenance activity includes the rebuild and needed repairs to the car structure, the interior, and major systems such as the replacement of all rubber components and wheels, and the rehabilitation of doors and propulsion, electrical, braking, hydraulics, communications and video systems. The quarter-life overhaul work will be performed on each of the 714 rail cars by CTA personnel at the rail heavy maintenance facility in Skokie, IL. While some preliminary work has been performed, the bulk of the quarter-life work is expected to begin in 2021, and will take up to five years to complete.

Bus Improvements

Bus Priority Zones: Working in coordination with the Chicago Department of Transportation (CDOT), the Bus Priority Zone program began in 2019 with the implementation of nine bus priority projects on major bus corridors such as Chicago Avenue and 79th Street. Building on these initial efforts, in 2020 the CTA continued to develop the program with expanded funding from competitive grant programs that will enable planning and construction for additional corridors. The CTA plans to bid and award a task order for program management and conceptual planning in early 2021.



A new bus-only lane installed along a portion of Chicago Avenue as part of the Bus Priority Zone program to help improve service reliability along the #66 Chicago route.

Bus Priority Zones target improvements at pinch points that cause delays on major bus routes. Such improvements may include designated bus-only lanes with pavement

markings and signage along certain stretches of a corridor to improve bus service during weekday rush periods or all-day, depending on the specific location; queue jump signals to give buses a head start in front of regular traffic; optimizing the location of bus stops; and changes that support pedestrian safety and overall traffic flow. The Bus Priority Zones program complements the City’s commitment to extend its transit oriented-development policy incentives to high capacity bus corridors.

Better Streets for Buses: In 2020, the CTA began work with CDOT and awarded a contract to a consultant to help launch a public outreach effort to guide a comprehensive, citywide plan for bus priority streets in Chicago, called Better Streets for Buses. The plan will identify targeted corridors where bus enhancements are most appropriate based on high ridership, slow bus speeds, equitable geographic coverage, and other relevant factors. The Better Streets for Buses Plan will also include the development of a toolbox of bus-priority street treatments that would be considered for application in these corridors, ranging from small adjustments of pavement markings and curbside uses, to sophisticated signal changes and bus-only lanes. The robust citywide public outreach process will kick off in late 2020/early 2021 to gather feedback on where communities most want to see bus improvements. The Better Streets for Buses Plan will complete the CDOT suite of Complete Streets guiding documents, which currently include the Chicago Pedestrian Plan and the Streets for Cycling Plan 2020.

Bus Service Improvements: As part of ongoing efforts to improve bus services – both during and beyond the pandemic – the CTA announced two new bus pilots in 2020 aimed at providing greater transit system connections and improved service reliability to Chicago’s West Side. In June, the #157 Streeterville/Taylor bus route was extended west to the Pink Line as part of a one-year pilot to provide direct connections to four other bus routes and two Pink Line stations. For North Lawndale residents, this extension offers more access to jobs, healthcare, schools and other services. Concurrently, as part of a separate one-year pilot, the #52 Kedzie/California and #94 South California routes were realigned and renamed in an effort to provide streamlined bus service along Kedzie and California avenues, while also improving connections to the Green Line. These two pilots are critical components of Mayor Lightfoot’s Invest South/West community improvement initiative, meant to address years of historic disinvestment in parts of the City’s South and West sides.



In June 2020, the #157 Streeterville/Taylor bus route was extended to the Pink Line as part of a one-year pilot to provide improved bus rail connections for Chicago’s West Side.

South Halsted Corridor: After completing the initial study for the South Halsted Bus Enhancement Project in 2019, which identified several potential strategies for improving bus speed and reliability on an 11-mile portion of South Halsted Street, the CTA continued to partner with Pace for the next phase of the project study, which includes the federal environmental review known as NEPA (National Environmental Policy Act), and to advance conceptual designs for improvements. A public meeting was held in January 2020 to solicit feedback on options for queue jumps and/or bus lanes for some sections of the corridor, to target improved customer experience and enhanced mobility for the more than 11,000 Far South Side and south suburban daily rides. The project team, led by Pace, is using that public input and additional study of the corridor to develop a recommended design, and additional public meetings are anticipated in late 2020/early 2021.

Traffic Signal Prioritization: Traffic Signal Prioritization (TSP) is a program of traffic signal improvements that modernizes signals and makes it possible to give an early or extended green light to buses that are behind schedule to help increase overall schedule reliability and customer experience. The CTA is in the process of expanding its TSP network to the central and north portions of Ashland Avenue, from Cermak Road to Irving Park Road. Design

work for this process will continue through the end of 2021, with construction slated to start in 2022. The TSP initiative on central and north Ashland is in addition to recent TSP installations already on south Ashland Avenue and Western Avenue.

Bus Investment: The CTA plays an important role in reducing vehicle emissions in the Chicago region by replacing automobile trips, reducing traffic congestion, and enabling compact development. Given this role, and the CTA's continued efforts to modernize the agency's bus fleet, make Chicago one of the greenest cities in the world.

In 2018, the CTA awarded a \$32 million contract for the purchase of 20 new, zero emission, all-electric buses, which are being manufactured in the United States at Proterra's bus manufacturing plant in South Carolina, and includes the installation of five quick charging stations. This year, the first six of these all-electric buses were delivered to the CTA and are currently undergoing non-revenue, out-of-service testing. The CTA expects to begin testing these vehicles in revenue service in late 2020. In addition to lower emissions that benefit air quality, electric buses offer significant savings in fuel and maintenance costs.



One of the first Proterra all-electric buses undergoing non-revenue, out-of-service testing on CTA property. The new buses will be fitted with CTA branding and decals prior to going into service later this year.

The CTA has already achieved significant emissions reductions from its bus fleet through advanced vehicle technologies and alternative fuel sources (i.e. all electric or hybrid-diesel-electric), which benefit community residents. These new electric buses will now give the CTA one of the largest electric bus fleets in the country—another step toward the City's efforts to promote green initiatives and address climate change.

Accessibility

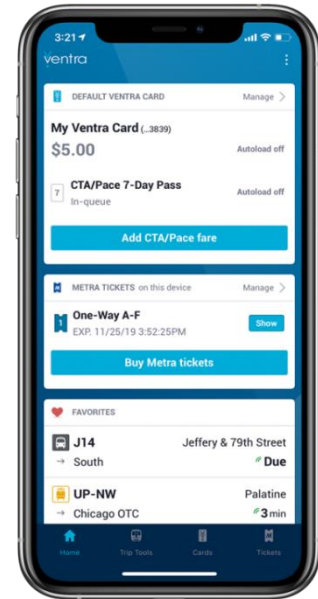
All Stations Accessibility Program: The CTA has made significant progress since releasing its first-ever blueprint to make the rail system 100 percent vertically accessible to people with disabilities over the next 20 years. Unveiled in 2018, the All Stations Accessibility Program (ASAP) Strategic Plan lays out the agency's proposed plans to increase accessibility through the addition of elevators at 42 rail stations inaccessible by wheelchair at the time the plan was completed. The plan also details future upgrades or replacements for 162 existing passenger elevators across the rail system. ASAP is an ambitious plan that is dependent on federal, State and local funding, but also a tool that the CTA will use to build support for the resources needed to achieve its goals.

Phase One of the ASAP Strategic Plan calls for ADA accessible upgrades of eight rail stations and the replacement or rehabilitation of up to 40 existing station elevators. Four of the identified stations (Lawrence, Argyle, Berwyn and Bryn Mawr on the Red Line) are fully funded as part of the RPM Phase One project, which is now underway. Funding for the remaining four stations has also been identified. One will be primarily funded with Surface Transportation Program federal funds and a second with Congestion Mitigation and Air Quality federal funds. Funding for the two remaining stations and the elevator rehabilitation program was included as part of the *Rebuild Illinois* capital bill that was passed in 2019. The CTA will continue to work to secure the remaining funding from federal, State, or local sources for elevator rehabilitation and future phases of the ASAP Strategic Plan.

Technology

Ventra App Updates: The CTA continues to work on innovations to improve customers’ travel experience, especially in the age of COVID-19. In September, the CTA partnered with Metra and Pace to introduce the Ventra 2.0 app, the very latest in contactless, cash-free fare payment. This completely redesigned app was built from the ground up and offers new, rider-friendly features and more versatility for transit customers to easily purchase fares and navigate trains or buses across the region, including:

- A new home screen, offering customers a quick-view of their Ventra account balances, available Metra mobile tickets, and transit times for favorite stops.
- Door-to-door trip planning across all CTA, Metra and Pace routes.
- Integrated nearby Divvy station availability.
- Nearby transit arrival times synced to the customer’s phone location using GPS.
- A seamless process to buy and use Metra mobile tickets.



New Ventra 2.0 app, launched in fall 2020, was built from the ground up and lays the groundwork for future functionality, including adding a Ventra Card to phone wallets on both major smartphone platforms.

Future app functionality will include the ability to add a Ventra card to phone wallets on both major smartphone platforms.

Public Art

Currently boasting nearly 80 works of art across all eight rail lines and key bus facilities, the CTA’s extensive collection of public art includes mosaics, art glass, and sculptures created by nationally and internationally acclaimed artists, many of whom are local.



*New art glass installation at the Montrose Blue Line station known as “Windy City Odyssey” by Chicago artist Chris Cosnowski.
Photo by Aron Gent®*

As part of the CTA’s ongoing commitment to expand its immersive collection of public art, in 2020, two vibrant and culturally significant permanent works of art were installed at the Montrose Blue Line and Diversey Brown Line stations. Additionally, lightbox art displays were installed at three Blue Line subway stations, which will feature semi-permanent artwork.

At the Montrose Blue Line station, Chicago-based artist Chris Cosnowski’s “Windy City Odyssey,” uses the whimsical world of colorful toys and vintage Americana to create a series of art glass panels depicting aspects of Chicago’s history and pop culture, from The Great Chicago Fire to the birthplace of Bozo the Clown.

Chicago artist Mathew Wilson’s “Ordinary Relic,” is a one-of-a-kind conceptual installation at the Diversey Brown Line station. Using bright colors, station infrastructure and structural replicas – including a vintage ticket agent’s booth – this public art invites viewers to see, appreciate and remember the history of a community served by the Diversey station.

In 2020, the CTA also showcased the creations of local artists with the use of lightbox displays added as part of station renewal work at the Grand, Chicago and Division Blue Line stations under the *Your New Blue (YNB)* program. Gloria “Gloe One” Talamantes drew upon her Mexican heritage and love of graffiti to create spray-painted letters, flowers, and flora and fauna designs on display at the Grand Blue Line station. At the Chicago Blue Line station, the CTA is displaying reproductions of two works from the mid-1950s by renowned and self-taught artist, Eugene Von Bruenchenhein. In his unique style of manipulating paint with his fingers, one work incorporates botanical elements in an apocalyptic vision, while the other’s geometric shapes symbolize the destruction of an ancient Mayan city. At the Division Blue Line station, Chicago multimedia artist, Tony Fitzpatrick, drew upon the city’s street culture to create the homage, “A Songbird for Nelson Algren,” using matchbooks, cigar rings and paper wrappers found in the neighborhood where Algren lived to depict the famous author’s love for the immigrant and the common man.



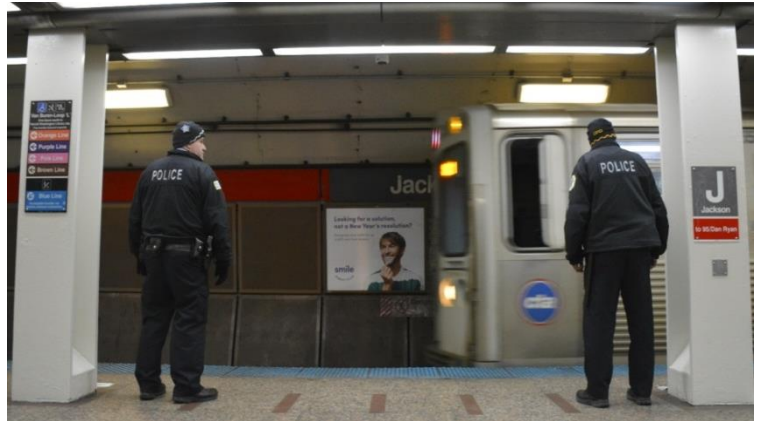
SAFETY AND SECURITY

Safe and Secure: In 2018, the CTA announced *Safe and Secure*, a multi-year, multi-faceted program to modernize and further expand its already extensive surveillance camera network, while also making other station improvements to help provide a safer environment and improve the customer experience. As part of this program, the CTA is upgrading more than 3,800 existing cameras to high-definition (HD) and installing an additional 1,000 new HD cameras to expand coverage, including at 100 bus turnarounds. New video screens will also be added to all CTA rail stations to aid CTA personnel in monitoring their stations. Additionally, new lighting, repairs, and other improvements are being made at about 100 CTA rail stations.

Semi-permanent artwork showcased in the new lightbox displays installed at the Grand, Chicago and Division stations as part of Your New Blue station renewal work. Photos by Aron Gent®

To date, more than 1,500 new HD cameras have been installed at nearly 50 stations across the Red, Blue, Brown, Green, Orange and Pink lines. In 2020, crews have been working to equip 50 of the identified 100 bus turnarounds with up to 200 new security cameras. Each location will feature an innovative camera POD enclosure that can accommodate up to six cameras based on the size and needs of respective bus turnaround sites. Similar work is expected to begin on the remaining 50 bus turnaround locations in 2021 and continue through 2022.

Security: The CTA works closely with the Chicago Police Department's (CPD) Public Transportation Unit to strengthen and deploy strategies to fight crime, which includes expanded police patrols, rail saturation missions, undercover operations and security cameras. The CTA's network of more than 33,000 security cameras, which are installed in every bus, train and rail station, are just one of many tools used by CPD to investigate and combat crime on the system. While cameras do have a deterrent effect, their primary benefit is as an investigative tool. Images from CTA cameras have been an invaluable tool in CPD investigations into crimes committed either on or near CTA property, resulting in the arrest of roughly 200 persons each year since 2011.



In 2020, several initiatives were introduced to help provide an even safer travel environment, including the addition of 50 new police officers to patrol the system and a dedicated detective unit focused solely on crimes committed on CTA and in the downtown area.

In 2020, there were several initiatives introduced to help provide an even safer travel environment for customers and employees. Mayor Lightfoot, CPD and the CTA announced a comprehensive public transit safety plan, which added 50 more officers plus a dedicated detective unit to focus solely on crime activity on the CTA, and a new Strategic Decision Support Center (SDSC) dedicated to solving crimes committed on CTA and in the Central District. With this new facility, CPD now has direct access to all 33,000+ CTA cameras, significantly reducing the amount of time it typically takes detectives to access valuable security camera footage when investigating crimes committed on and near CTA properties.

CTA's Security Department and CPD continue to work closely each day, using both historical and real-time information in directing patrols and resources in a more proactive manner. As a result of the extra manpower and improved coordination of efforts, the CTA now has more CPD officers riding the system, with officers strategically placed throughout the system to prevent incidents of crime, apprehend offenders, and also address homeland security issues.

Department of Homeland Security/Transit Security Grant Program: The Transit Security Grant Program (TSGP) is one of the Department of Homeland Security's initiatives that directly supports transportation infrastructure security activities. The CTA is a direct recipient of TSGP awards and utilizes funding to protect the traveling public and critical transit infrastructure from acts of terrorism. In 2020, the CTA was awarded \$14.8 million to fund a number of its security initiatives.

WORKFORCE DEVELOPMENT, COMMUNITY INVESTMENT, AND PROMOTING OPPORTUNITY

CTA's Workforce: The CTA is a significant local employer with over 10,000 employees from the Chicagoland area, with a large majority identifying as minority. The CTA is proud to have a dedicated workforce that stepped up to meet the challenges of 2020, including keeping our system running 24/7 during the pandemic for those who most depend on the "essential" service we provide. Early in the pandemic, before any federal mandates were issued, CTA took multiple voluntary steps to support its employees during this unprecedented time, including extending benefits to ensure all employees have access to healthcare for COVID-related illnesses and that no employee went without pay because of time off for illness, self-quarantine, or other COVID-related absence. Likewise, CTA has put in place a series of protective measures to ensure employees have the healthiest possible work environment.

As a large organization responsible for providing essential transportation services, the CTA continues to have ongoing hiring needs. Despite the challenges of the pandemic, CTA has been able to continue employee hiring by moving to a fully virtual hiring process. Beginning in March, recruitment efforts went to an online format, and CTA has developed safe and innovative ways to continue hosting job fairs and information sessions throughout the year so that anyone interested in finding a job at CTA is able to do so.

Second Chance Program: Second Chance is a CTA program that is nationally recognized – one of the largest of its kind in the country – and has become a model in the industry for preparing those re-entering the workforce, including returning citizens and others with barriers to employment. This life-changing, holistic program provides training, educational opportunities, and support that help participants gain valuable work experience and get back on their feet. The CTA partners with social services agencies to recruit program participants and provide them with a wide array of in-class education, hands-on training, and networking opportunities to further develop their skill set and enhance their future job prospects.

To date, more than 1,300 people have participated in this invaluable program and more than 360 program participants have secured permanent employment with the CTA, with several later promoted to management-level positions. Many others have secured permanent jobs elsewhere because of their successful experience at the CTA.

Promoting Educational Opportunities:

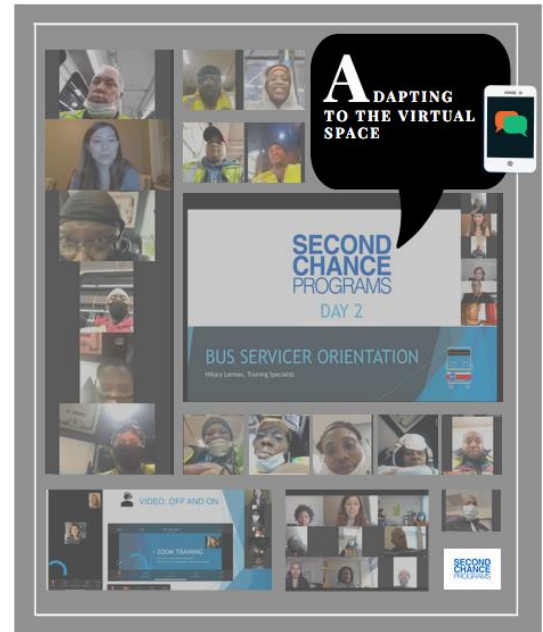
The CTA provides career development opportunities to a variety of Chicago residents through its multiple internship programs. Among those is the CTA’s year-round and highly competitive college internship program, which attracts hundreds of applicants from across the country seeking opportunities for career development in a variety of fields, including law, engineering, construction, communications/marketing, planning and more. Over the past year, the college internship program had more than 80 undergraduate and graduate-level interns representing approximately three dozen colleges and universities. Of the 59 interns that participated in the 2020 Summer Term, nearly 70 percent were minority, identifying as African American, Hispanic or Asian.

Since 2016, CTA has also partnered with the City of Chicago’s One Summer Chicago (OSC) program to offer hundreds of high school students meaningful and paid part-time employment opportunities. As the largest corporate partner in the program, in 2020 the CTA offered 105 local high school freshman, sophomore, junior and senior students a 5-week paid internship.

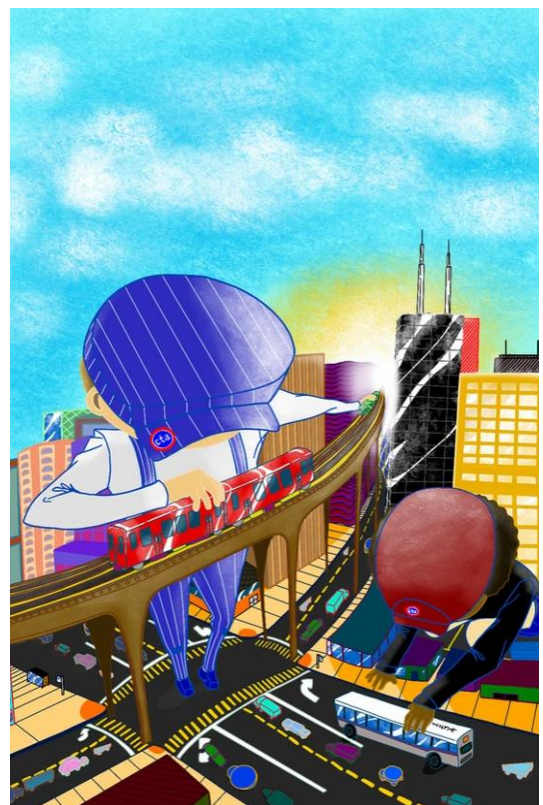
Students in the 2020 OSC cohort represented nearly all neighborhoods within Chicago, with many residing in the city’s South and West side neighborhoods. More than 91 percent of this year’s OSC interns identified as being minority, of which 48 percent were African American, 34 percent were Hispanic, and 6 percent identifying with two or more ethnic backgrounds.

Interns participated in a robust, completely virtual internship experience that included an innovative approach to the CTA’s hallmark program model focusing on work experience, professional development, and mentorship from transportation industry leaders.

Each week of the 2020 summer program, OSC interns took a *Ride to Resilience* by virtually taking part in eight different courses that corresponded with the CTA’s iconic rail lines, titled Green Line: A Ride to Workforce, Yellow Line: A Ride to Career Pathways, Blue Line: A Ride to Higher Education, Red Line: A Ride to



Due to the COVID-19 pandemic, the Second Chance in-class education component went virtual to help protect the health and safety of personnel and trainees.



Artwork known as “Essential Workers” created by a cohort of CTA high school summer interns. In partnership with Marwen, students were tasked with creating special CTA curated projects reflecting the Ride to Resilience theme of the 2020 One Summer Chicago internship program.

Coping with COVID, Purple Line: A Ride to Mentor Connections, Brown Line: A Ride to Financial Freedom, Orange Line: A Ride to Financial Literacy, and Pink Line: A Ride to Next Level Networking.

This year, the CTA also expanded its program from STEM (Science, Technology, Engineering and Mathematics) to STEAM to embrace the arts. The CTA’s partnering organizations—Joffrey Ballet Community Engagement and Marwen—hosted a cohort of interns to produce special CTA curated projects. During Capstone Week, interns showcased their interpretation of this year’s theme, *Ride to Resilience*, through visual and performing arts that was shared with their fellow interns and CTA employees.

Despite the COVID-19 crisis, the CTA outreach to small and disadvantaged-owned businesses continued virtually in 2020.

The CTA is also committed to providing targeted programs that build internal talent and address future succession planning needs. The CTA partners with DePaul University to offer customized training for managers that can result in undergraduate and graduate level college credit. In 2020, the first cohort of Senior Managers took part in a 10 month program aimed at further developing their leadership skills and broadening their perspectives, while also gaining new insights into the CTA and overall transit industry.

DBE and SBE Outreach and Inclusion: As part of its Disadvantaged Business Enterprise (DBE) program, the CTA evaluates all of its contracts for DBE opportunities and establishes DBE goals on them to ensure a minimum level of participation from DBE firms. The CTA also takes proactive and innovative approaches to maximize opportunities for disadvantaged and small businesses. The CTA’s small and disadvantaged business development efforts include programs to certify companies as DBEs and Small Business Enterprises (SBEs), and educational events and resources to increase their chances of participation in CTA contracts. Over the past several years, the CTA has taken additional steps to enhance its DBE program including establishing a DBE Advisory Committee, launching a mentor-protégé program, and breaking apart large contracts to create more opportunities for small businesses. As a result of the CTA’s efforts, more than \$278 million

was awarded to DBEs in 2018-2019 – all of them minority- or women-owned businesses. Although the COVID-19 pandemic has prohibited in-person events, the CTA has continued to offer virtual outreach programming regarding contract opportunities and educational/technical assistance sessions. Among these are project-specific events to connect potential prime contractors and DBE firms for upcoming contract opportunities, the CTA’s Building Small Businesses Program that helps small businesses access capital to build capacity, and the CTA’s Small Business Educational Series sessions where industry leaders teach participants how to successfully secure contracts and how to prepare for, manage, and close out a project/contract.

In order to help small businesses grow further, the CTA established a Small Business Enterprise (SBE) program in 2016 and, since then, has set aside numerous contracts so that only SBE or DBE businesses can compete for the work. The CTA awarded more than \$10.9 million in prime contracts to SBE or DBE firms in 2019.

Building Small Businesses: In October 2019, the CTA, in partnership with the Red and Purple Modernization (RPM) Phase One design-build contractor, Walsh-Fluor, and LISC Chicago, launched the Building Small Businesses (BSB) Program. The BSB program was created as part of the \$2.1 billion RPM Phase One project’s commitment to engage new and more diverse participation on the CTA’s largest capital project to date. BSB’s primary objective is to assist firms in

DATE	CLASS
Tuesday, September 8 4pm – 6pm	Get On Board! Business Opportunities instructed by Clark Construction Group
Tuesday, September 15 4pm – 6pm	Management At Its Best instructed by Howl
Tuesday, September 22 4pm – 6pm	No Underwriting? Making Your Estimates instructed by Transit Capital Partners
Tuesday, September 29 4pm – 6pm	On Schedule and On Budget instructed by SMART Tech, Inc.
Tuesday, October 6 4pm – 6pm	Getting Paid and Closing It Out instructed by Jaemie Neely, Engineering Sense, Inc.
Tuesday, October 13 4pm – 6pm	Managing Your Talent instructed by Workforce Works
Tuesday, October 20 4pm – 6pm	Technology Benefits in Your Business instructed by Walsh Fluor
Tuesday, October 27 4pm – 6pm	Getting Prepared for Risk Programs instructed by GMA Construction Group

CTA’s Small Business Educational Series was hosted virtually in 2020 due to the COVID-19 pandemic.

securing funding to build financial capacity to successfully bid and perform on CTA contract opportunities. Through the Program, firms are connected with consultants who assess and present them with traditional and non-traditional options to access to capital, are invited to participate in technical and back office assistance, and are presented with contracting opportunities on the RPM Phase One project and other CTA projects. In response to the COVID-19 pandemic, the BSB team assisted participating firms with completing and submitting their applications for CARES Act funding, including the Payroll Payment Protection (PPP) and Emergency Injury Disaster Loan (EIDL) Programs. Combining the working capital and CARES Act funding, Building Small Businesses has assisted firms in securing over \$4.5 million.

Small Business Educational Series: The CTA works diligently and makes every effort to ensure diversity in contracting and that its small business and DBE goals are met. To that end, the CTA offers various unique programs to prepare small businesses for opportunities. Among these is the CTA’s Small Business Educational Series, which began as a program-specific curriculum that focuses on providing training and assistance to small businesses and DBEs so they may compete for large-scale CTA work related to upcoming construction projects. Program participants engage in an educational series hosted by the CTA, and receive instruction from key CTA contractors who provide their insight on best practices, managing and understanding projects, project reporting and other subject areas. Due to the success of the program since 2017, the Small Business Educational Series has now been made a permanent part of CTA’s programming and will be offered on an annual basis.

Workforce Initiatives: In 2019, the Chicago Transit Board approved the Contracting Careers Opportunity Policy, which amended the CTA’s existing purchasing policies and procedures to cement the practice of creating workforce opportunities through CTA contracts. This practice began in 2013 with Red Line South Reconstruction project, and the CTA now regularly adds workforce participation goals to its major construction projects. The workforce participation goals set a minimum standard for the employment of disadvantaged/dislocated workers, union apprentices and, beginning with the RPM Phase One design-build contract, workers from economically disadvantaged communities. The CTA recently partnered with the Chicago Cook Workforce Partnership and HIRE360 to further strengthen the participation of underrepresented and disadvantaged populations in CTA’s RPM Phase One workforce through outreach, training, and placement. These commitments insure that CTA’s investments create job opportunities and career paths in construction for all of the communities served by CTA.

MODERNIZATION INVESTMENT

Major Modernization Programs

Red and Purple Modernization: Work continued in 2020 on the \$2.1 billion Red and Purple Modernization (RPM) Phase One Project, which is the CTA’s largest capital improvement project in the agency’s history. The CTA’s entire RPM program is an effort that will rebuild, over multiple phases, the century-old North Red Line from Belmont station to Howard station, and the Purple Line from Belmont station to Linden station. The project will increase much-needed capacity in this corridor to accommodate riders and will deliver faster and smoother rides with less crowding and more frequent service. Future phases of RPM are in the planning stage.

Phase One includes three major components. These include construction of a Red-Purple Bypass north of Belmont to modernize the 100-year-old Clark Junction where Red, Purple and Brown line trains currently intersect; reconstruction of the century-old Lawrence, Argyle, Berwyn and Bryn Mawr Red Line stations and adjacent track structures; and the installation of a new signal system between Belmont station



One of several new support columns erected next to the Purple Express Line tracks as part of RPM Phase One’s Belmont Bypass project.

and Howard station. In 2020, the CTA completed the Red-Purple Bypass column construction and is expected to begin bridge steel construction in late 2020. In the Lawrence to Bryn Mawr portion of the project, the CTA performed extensive track upgrades including new interlocking construction, new relay house installation, and related signal upgrades that will allow the CTA to provide Red and Purple line service during new station and track construction (2021-2024). In 2020, the CTA also began construction of new temporary rail stations at Bryn Mawr and Argyle to serve customers during the construction of the new permanent stations, and also continued planning and design work for the new signaling system.

Your New Blue: The CTA continued to move forward in 2020 with its ambitious *Your New Blue* modernization of the O’Hare branch of the Blue Line.

Along this branch are the Grand, Chicago and Division Blue Line stations, which first opened in 1951, and recently underwent a number of renovations completed this year. All three stops received similar station upgrades, including street-level improvements, new escalators, lighting, railings, tiling and other surface finishes, as well as additional security cameras. An additional entrance was also opened at the Grand station, which allows customers to more safely access the station from the southwest side of Halsted and Grand, without having to cross the street at a corner where three major streets intersect. These renovations – which cost \$39 million for all three stations – provide each stop with a fresher, brighter look and ensure they are safer and more enjoyable for customers.

Also completed this year were upgrades to the Logan Square Station. In addition to refurbishing auxiliary entrances on Milwaukee and Spaulding, the CTA modernized two elevators and upgraded the station’s power and lighting system.

The CTA also continues to work on Blue Line signal improvements, as well as planning for electrical power upgrades – both required to enable more trains to run during AM and PM rush, where demand has grown significantly.



Photos of the Division Blue Line station before and after station improvement work was performed as part of the Your New Blue program.

Red Line Extension: The CTA continues to move forward with planning for the \$2.3 billion Red Line Extension project between 95th and 130th streets. The proposed 5.6-mile extension would include four new, fully accessible stations at 103rd Street, 111th Street, Michigan Avenue, and 130th Street. A modern, efficient rail car storage yard and shop facility is also part of the project. The project will provide a much needed and long-awaited one-seat ride for Far South Side residents from 130th Street to downtown, reduce commute times, improve mobility and accessibility for transit-dependent residents, provide multimodal connections, and foster economic development. The project will also provide viable linkages to affordable housing, jobs, services, and educational opportunities, thereby enhancing livability and neighborhood vitality.

In 2018, the CTA awarded a \$20.9 million contract for project management services. In February of this year, the CTA awarded a \$38.3M contract for preparation of the Final Environmental Impact Statement and preliminary engineering services. These two contracts help the CTA move closer to its goal of a Full Funding Grant Agreement under the federal New Starts Program which is a comprehensive, multi-year approval process necessary for securing funding for new, large-scale capital projects.



Rendering of the proposed Michigan Avenue Station, one of the four new stations to be constructed as part of the Red Line Extension (RLE) Project.

In 2019, the CTA received a \$1.48 million grant through the Federal Transit Administration’s (FTA) Pilot Program to prepare a transit-supportive development (TSD) plan. In July of this year, that funding was utilized to hire a consultant for development of the TSD plan. The TSD plan will help guide future development to meet the surrounding community’s vision and revitalize the area. It will also support the application for New Starts funding.

The CTA continues to advance the RLE project through the awarding of critical third party agreements with railroads, utilities and other government agencies, as well as the development of materials to support the federal grant application. The 2021-2025 CIP includes over \$327 million over the next five years as local share for this vital project.

Station Projects

Damen Green Line: In 2019, the CTA broke ground for the new Green Line station at Damen Avenue and Lake Street. Still in the design phase, this new \$60 million station, which is being constructed by CDOT, will include art by Fodayemi “Fo” Wilson of Chicago’s blkHaUS studios. A fully ADA-accessible station, Damen will be the fourth new Chicago CTA station added or started since 2011 and will serve the Kinzie Industrial Corridor, the United Center, and surrounding residential area on the Near West Side. The new station will also serve the Chicago Housing Authority’s Villages of Westhaven complex, which has seen notable residential and commercial growth in recent years.

Cottage Grove Green Line: The CTA continues its partnership with the Preservation of Affordable Housing (POAH) and other community organizations to create design concepts to improve the Cottage Grove Green Line station for customers. The \$75 million upgrades planned for this station complement the City of Chicago’s ideas for redevelopment around the station at 63rd Street and Cottage Grove Avenue, as part of ongoing redevelopment and renewal in the Woodlawn neighborhood.

CONCLUSION

Since the start of the pandemic, the CTA has continued to provide as much service as possible in order to continue moving the hundreds of thousands of people who still depend on its essential service; and to do so by providing the safest possible environment, including maximizing opportunities for social distancing. In order to continue to accommodate customers, now and through all phases of re-opening, the CTA will strive to continue providing as much service as possible, and to maintain the various efforts that help create a safe and comfortable travel experience, such as the enhanced disinfecting and cleaning efforts of an already rigorous cleaning regimen.

Likewise, the CTA has not slowed any of its critical capital projects, not only because they are important now and for the future, but because they spur economic opportunity through contracts, jobs, and community investment. And the devastating effects of the dual health and economic crisis have highlighted how urgently long-term investments are needed. As such, the CTA continues planning and identifying funding for major projects like the Red Line Extension Project and the All Stations Accessibility Program.

Despite the CTA's ability to adapt and keep service and projects moving forward, the CTA has faced truly unprecedented circumstances this year, as have other transit agencies. Literally overnight, the business changed, ridership plummeted like never seen before, and revenues plunged. Unlike other industries, public transit cannot wait for the economy to recover. We are critical to the social and economic fabric of our respective regions, and in carrying the economy through this tough time, in more ways than one.



Customers social distancing and wearing facial coverings while traveling on the Pink Line (August 2020).

As we move forward, at the heart of every decision the CTA makes will be the safety and security of customers and employees. In return, customers are asked to continue to do their part in a collective effort to provide a safe and healthy travel environment while on the CTA, by following common-sense practices, such as always wearing a mask, wearing it properly, and social distancing – which are critical to slowing the spread of COVID-19 and our continued progress in the reopening of the City.

Although there are still many unknowns about a post-pandemic world, the CTA remains committed to its mission of delivering quality, affordable transit services that link people, jobs, and communities; and to continue to play a vital role in the economic recovery of the region.

The strategic priorities outlined below reflect CTA President Dorval R. Carter, Jr.’s vision for the agency. CTA provides the Chicago region with on-time, affordable, convenient transportation that connects people, places, and jobs. Since he was named President in 2015, President Carter has been committed to three key priorities: enhancing safety, improving the customer experience, and expanding workforce development. The 2020 Budget reflects these important goals.

CTA Mission Statement: CTA delivers quality, affordable transit services that link people, jobs and communities.

CTA Values: CTA provides safe, clean, on-time, courteous and efficient transit services. CTA accomplishes its mission with a diverse workforce that embodies the following values:

- Courteous – CTA will create a pleasant environment for its customers and employees.
- Innovative – CTA will seek out and encourage employees who initiate change, improvement, learning and advancement of its goals.
- Motivated – CTA will meet each task with spirit, enthusiasm, and a sense of pride to be second to none.
- Professional – CTA will provide transit service with the highest standards of quality and safety for its customers and employees.
- Reliable – CTA will be dependable for its customers and employees and will maintain the highest standards of trust.
- Results-Oriented – CTA will focus on getting the job done and will derive personal satisfaction from the service it provides.

Strategic Priorities for the FY21 Budget

- Safety – CTA aims to ensure that customers and employees have a safe and secure transit system and workplace that prioritizes safety over all other aspects of service delivery.
- Customer Experience – CTA places a high priority on putting the customer at the center of every decision made and action taken to ensure its services meet or exceed customer expectations.
- Workforce Development – CTA invests in its workforce to build on the successes of the past and work toward a bright future, creating jobs and opportunity as it provides residents and visitors of the Chicago region with high quality transit service into the future.



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2015 – 2023 Operating Budget Schedule

	2015 Actual	2016 Actual	2017 Actual	2018 Actual	2019 Actual
<u>Operating Expenses</u>					
Labor	\$ 1,002,486	\$ 1,027,047	\$ 1,044,859	\$ 1,070,458	\$ 1,093,922
Material	83,507	82,918	83,783	90,474	67,652
Fuel	49,830	32,738	28,757	32,079	40,396
Power	28,818	29,283	27,373	31,162	31,560
Provision for Injuries and Damages	13,000	10,500	3,167	5,000	7,500
Purchase of Security Services	14,431	14,095	17,041	17,502	14,920
Other Expenses					
Pension Obligation Bonds (Net)	112,281	111,779	104,469	105,526	103,378
Contractual Services	104,278	105,003	84,878	93,832	88,399
Utilities, Non-Capital Grant, Travel, Leases, Other	35,494	36,477	27,671	22,824	21,411
Other Debt Service	-	14,298	28,841	29,353	46,250
Other Expenses Total	252,054	267,558	245,860	251,535	259,438
Total Operating Expenses	\$ 1,444,126	\$ 1,464,142	\$ 1,450,840	\$ 1,498,210	\$ 1,515,388
<u>System Generated Revenue</u>					
Fare and Passes	\$ 587,108	\$ 577,007	\$ 559,495	\$ 588,791	\$ 585,297
Reduced Fare Subsidy	14,606	14,385	14,606	13,876	14,606
Advertising, Charter & Concessions	31,241	35,019	34,379	37,844	38,987
Investment Income	1,123	1,608	3,119	3,483	3,822
Statutory Required Contributions	5,000	5,000	5,000	5,000	5,000
Other Revenue	36,440	43,550	33,279	48,339	49,465
System Generated Revenue	\$ 675,517	\$ 676,567	\$ 649,878	\$ 697,333	\$ 697,177
<u>Public Funding</u>					
Sales Tax I	\$ 360,575	\$ 365,622	\$ 364,280	\$ 379,617	\$ 388,833
Sales Tax II	56,760	57,611	57,166	59,125	56,974
PTF II	66,913	67,936	64,762	65,519	67,915
RETT	74,724	79,063	62,021	71,518	62,373
PTF II on RETT	19,566	19,594	15,083	16,130	15,030
Non-Statutory Funding	214,471	218,922	209,021	211,425	220,959
ICE	-	1,000	6,129	6,019	6,127
Public Funding	\$ 793,008	\$ 809,748	\$ 778,462	\$ 809,352	\$ 818,211
CARES Funding	\$ -	\$ -	\$ -	\$ -	\$ -
Budget Balancing Actions	-	-	-	-	-
Total Operating Revenue	\$ 1,468,526	\$ 1,486,317	\$ 1,428,340	\$ 1,506,685	\$ 1,515,388
Short-term Borrowing	\$ -	\$ -	\$ 22,500	\$ -	\$ -
Balance	\$ 24,400	\$ 22,175	\$ -	\$ 8,475	\$ -
Recovery Ratio*	56.02%	55.21%	55.48%	57.11%	56.26%
Required Recovery Ratio	54.50%	54.50%	54.75%	54.75%	54.75%

*Recovery ratio is calculated by dividing System-Generated Revenue by Operating Expenses. The calculation includes (i) in-kind revenues and expenses for security provided by the City of Chicago, (ii) excludes security expenses, Pension Obligation Bond debt service, ICE grant and depreciation and (iii) includes a portion of senior free ride revenue and certain grant revenues.

Note: Totals may not add due to rounding

FY21 BUDGET

OPERATING BUDGET SCHEDULE

	2020 Budget	Amended 2020 Budget	2020 Forecast	Proposed 2021 Budget	2022 Plan	2023 Plan
<u>Operating Expenses</u>						
Labor	\$ 1,133,287	\$ 1,136,251	\$ 1,136,119	\$ 1,169,104	\$ 1,198,332	\$ 1,228,290
Material	74,686	76,280	76,252	87,767	90,400	93,112
Fuel	44,376	40,941	39,671	38,138	34,595	43,768
Power	32,639	29,229	27,699	31,685	32,385	31,012
Provision for Injuries and Damages	22,000	22,000	22,000	31,680	31,680	31,680
Purchase of Security Services	20,445	20,228	20,163	20,176	20,479	20,786
Other Expenses						
Pension Obligation Bonds (Net)	109,396	106,114	106,626	105,971	105,971	105,971
Contractual Services	107,428	110,702	108,550	116,908	120,415	124,027
Utilities, Non-Capital Grant, Travel, Leases, Other	24,209	20,578	19,113	30,556	31,473	32,417
Other Debt Service	2,000	29,800	6,517	13,081	14,329	15,362
Other Expenses Total	243,032	267,194	240,806	266,515	272,188	277,778
Total Operating Expenses	\$ 1,570,466	\$ 1,592,123	\$ 1,562,710	\$ 1,645,065	\$ 1,680,059	\$ 1,726,425
<u>System Generated Revenue</u>						
Fare and Passes	\$ 585,660	\$ 210,605	\$ 221,479	\$ 248,275	\$ 468,238	\$ 497,502
Reduced Fare Subsidy	14,606	14,606	14,606	14,606	14,606	14,606
Advertising, Charter & Concessions	39,852	23,520	22,149	24,512	33,139	37,038
Investment Income	3,000	1,870	1,553	1,000	1,500	2,000
Statutory Required Contributions	5,000	5,000	5,000	5,000	5,000	5,000
Other Revenue	47,538	36,253	37,315	44,923	45,507	46,991
System Generated Revenue	\$ 695,657	\$ 291,854	\$ 302,102	\$ 338,317	\$ 567,990	\$ 603,137
<u>Public Funding</u>						
Sales Tax I	\$ 409,156	\$ 279,822	\$ 323,505	\$ 324,778	\$ 344,265	\$ 363,888
Sales Tax II	59,879	39,598	56,509	38,088	42,196	44,214
PTF II	72,819	54,253	60,793	57,556	62,931	66,518
RETT	68,630	43,453	49,426	46,740	49,544	52,368
PTF II on RETT	16,729	11,043	12,027	11,446	12,386	13,092
Non-Statutory Funding	241,198	177,621	199,268	187,545	205,351	218,044
ICE	6,398	4,379	5,142	5,117	5,424	5,733
Public Funding	\$ 874,809	\$ 610,169	\$ 706,669	\$ 671,269	\$ 722,097	\$ 763,857
CARES Funding	\$ -	\$ 690,100	\$ 553,939	\$ 263,548	\$ -	\$ -
Budget Balancing Actions	-	-	-	371,931	389,972	359,431
Total Operating Revenue	\$ 1,570,466	\$ 1,592,123	\$ 1,562,711	\$ 1,645,065	\$ 1,680,059	\$ 1,726,425
Short-term Borrowing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Recovery Ratio*	55.34%	54.76%	54.78%	54.75%	54.75%	54.75%
Required Recovery Ratio	54.75%	54.75%	54.75%	54.75%	54.75%	54.75%

*Recovery ratio is calculated by dividing System-Generated Revenue by Operating Expenses. The calculation includes (i) in-kind revenues and expenses for security provided by the City of Chicago, (ii) excludes security expenses, Pension Obligation Bond debt service, ICE grant and depreciation and (iii) includes a portion of senior free ride revenue and certain grant revenues.

** The recovery ratio calculation includes \$393.6 million of CARES funding for 2020 forecast, \$263.5 million and \$138.0 million of CARES funding and budget balancing actions, respectively, for 2021, and \$183.3 million and \$171.0 million of budget balancing actions for 2022 and 2023, respectively.

Note: Totals may not add due to rounding

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2020 Operating Budget Forecast

General Overview

The COVID-19 health pandemic has had a severe impact on CTA’s revenues due to its economic and societal impacts. The State stay-at-home order and restrictions placed on business activity during the pandemic to help slow the spread of COVID-19 have dramatically contracted economic activity and employment levels in Chicago and across the State of Illinois. These actions have severely impacted state and local sales tax revenues, which in part, provide public funding to the CTA. At the end of March 2020 when many of these state and local mandates began to take effect, ridership and farebox revenue fell to unprecedented levels, with ridership falling roughly 80 percent.

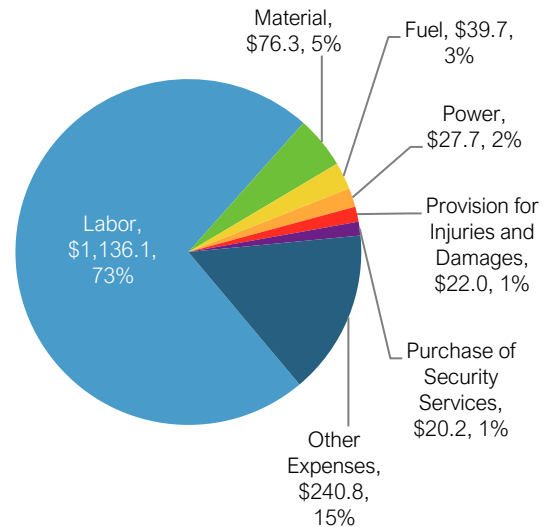
CTA immediately began implementing several enhanced safety measures to provide a clean and safe travel experience on the bus and rail system. Temporary implementation of rear door boarding on the bus system as a safety precaution provided increased safety for bus operators. Installation of social distancing signage and the implementation of enhanced cleaning procedures throughout the system helped improve public confidence while traveling on the system. While there has been a gradual improvement in ridership and farebox revenue as the local economy has begun to reopen at the end of Q2, system-generated revenue is projected to be \$302.1 million, a 57 percent decrease from the 2020 budget and from 2019 actuals. Public funding for 2020 is forecasted to be \$706.7 million, or \$168 million below the 2020 budget.

In March 2020, Congress passed and President Trump enacted the Coronavirus Aid, Relief and Economic Security (CARES) Act into law. In addition to providing financial assistance to public transportation agencies to help prevent, respond, and provide essential transit services during the pandemic, the law also mandated that employers cover COVID-19-related absences. To ensure service levels were maintained, especially for essential workers and those needing to make essential trips, additional overtime expenses were incurred as a result. CTA also incurred additional expenses associated with personal protective equipment and enhanced cleaning and disinfecting protocols on buses, trains, and rail stations. CTA managed through these new, unforeseen and unbudgeted expenses through prudent management and expects to be \$7.8M below 2020 overall budgeted expenses.

Operating Expenses

The 2020 operating expense forecast is projected to be \$1,562.7 million, which is 0.5 percent lower than the 2020 budget of \$1,570.5 million and \$47.3 million, or 3.1 percent higher, than 2019 actuals. The devastating impact on revenues resulted in a forecasted 2020 budget deficit of \$553.9 million or 36 percent of the 2020 budget. CTA will balance its budget in 2020 with financial assistance provided from the federal government through the CARES Act.

2020 Operating Expense Forecast
(\$ in Millions)



The 2020 **labor** expense is projected to be \$1,136.1 million which is \$2.8 million, or 0.2 percent, higher than the 2020 budget of \$1,133.3 million. The forecast is higher than 2019 actual labor expense by \$42.2 million. This is due to a variety of factors, including, but not limited to the following factors. The cost of fringe benefits has increased, primarily due to higher employer contributions to the pension plan. Also, 22 positions were added for 2020, including car repairers, rail instructors, and positions related to safety and security, and an additional manager position in the Bus Operations department. There were also additional expenses related to COVID-19, including over \$18.0 million in paid absences as defined by the CARES Act. Additional manpower, which was largely paid at overtime rates, was needed to cover higher levels of employee absences and for COVID related work, such as extra cleaning of buses, trains, and rail stations.

Material spending for 2020 is forecasted to be \$76.3 million, which is \$1.6 million or 2.1 percent higher than the 2020 budget, and \$8.6 million over 2019 actuals. The 2020 forecast reflects a continuation of strategic capital investments, such as overhaul of some bus and rail cars, facilities, and infrastructure improvements. The COVID-19 health pandemic forced the Authority to incur additional unplanned material expenses, such as retrofit temporary cough/ sneeze barriers on some older buses and purchasing additional personal protective equipment and new cleaning and disinfecting products to ensure the safety of employees and customers.

CTA is forecasted to spend \$39.7 million on **diesel fuel** for buses in 2020. The forecast is 10.6 percent or \$4.7 million below budget the 2020 budgeted expense of \$44.4 million. The 2019 actual spending was \$40.4 million. Fuel consumption is budgeted at 16.4 million gallons in 2020. The projected total is

15.2 million gallons, or an 8 percent decrease. Consumption has decreased in 2020 due to COVID-19. Due to schools being closed and special events, such as sporting events, concerts, festivals, and such being canceled, extra bus service for those events was not needed. In addition, substantially lower bus ridership meant the weight of buses was lower, which also resulted in less consumption. As much of the city was under stay-at-home orders, traffic conditions were significantly lighter, reducing buses' fuel use from stop-and-go driving and idling time.

The 2020 forecasted expenditure for CTA's traction (rail system) **electric power** is \$27.7 million. This is down 15.1 percent or \$4.9 million from the 2020 budget. The forecast is down 12.2 percent or \$3.9 million versus 2019 spending. Similar to diesel fuel for buses, due to the lack of special events, extra trains to service the events were not needed, thereby reducing the demand for electricity. In addition, lower ridership on trains has resulted in less passenger weight, lowering the amount of power utilized. As a result of CTA locking in a fixed price for electricity supply starting in January 2020, the CTA was insulated from significant cost increases in electricity capacity and transmission, saving about \$1 million annually, but this is offset by increases in ComEd delivery rates. CTA's 5000 series rail cars have regenerative braking; the friction energy generated from trains braking is fed back into the third rail and then consumed by other accelerating trains. This lowers electricity consumption by more than 10% system wide.

Provision for injuries and damages represents expenses for claims and litigation for incidents that occur on CTA property, as well as incidents involving CTA vehicles. This amount is determined by the CTA's actuaries and reviewed annually. It is based on actual claims history and future projections. The 2020 forecast of \$22.0 million is flat with the 2020 budget.

Purchase of security services expenses are forecasted to be \$20.2 million, which is slightly below the 2020 budget and \$5.2 million higher than 2019 actuals. The increase in expenses compared 2019 is due to a one-time accounting adjustment in 2019 of \$2.5 million, as well as rate increases for contracted security levels on the rail system and increased police presence. The security services budget consists of expenditures for intergovernmental service agreements with the Chicago, Evanston, Oak Park and Forest Park police departments, as well as contracted private security. The Public Transportation Section of the Chicago Police Department also provides services to CTA customers during its regular patrols at no expense to CTA.

Other expenses are forecasted to be \$240.8 million, which is \$2.2 million lower than the 2020 budget, and \$18.6 million lower than 2019 actual total. The lower forecasted 2020 expenses in comparison to the 2019 actual total is primarily due to the transition of sales tax bond debt service payments from the operating budget to the capital budget. Other expenses include pension obligation bond debt, contractual services, utilities, non-capital grant, travel, lease, and other general expenses.

Operating Revenues

Total operating revenues for 2020 are forecasted to be \$1,562.7 million, which is \$7.8 million lower than the 2020 budget, but \$47.3 million higher than 2019 actual operating revenue. The

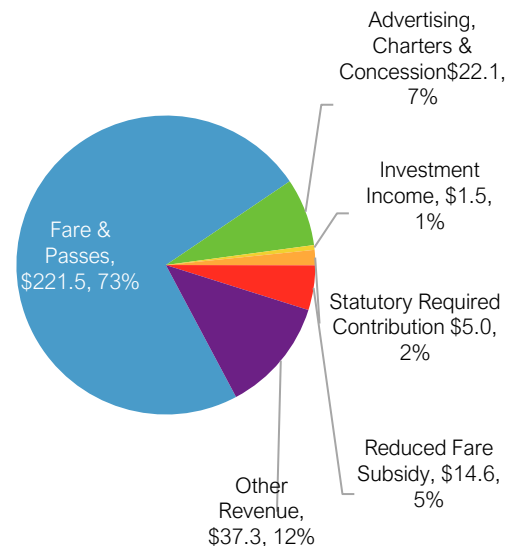
2020 forecast includes \$553.9 million in federal funding from the CARES Act that was enacted in March 2020. The CTA received a total of \$817.5 million in funding. The remaining portion of CARES Act funds will be available for 2021. Additional details on CARES Act funding are included below.

2020 Forecasted Total Operating Revenue (\$ in Millions)	
System Generated Revenue	\$ 302,102
Public Funding	\$ 706,669
CARES Act Funding Drawdown	\$ 553,939
Total	\$ 1,562,710

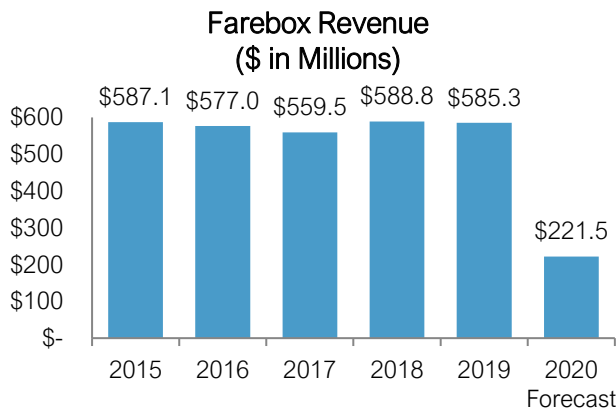
System Generated Revenue

System-generated revenues for 2020 are forecasted to be \$302.1 million or \$393.6 million lower than the 2020 budget of \$695.7 million and \$395.1 million lower than the 2019 actual revenue. The sharply lower forecast compared to the 2019 actuals is driven by the severe negative impact the COVID-19 health pandemic has had on the CTA's system generated revenue, including farebox, advertising, concessions, real estate, parking and other revenue sources during most of 2020.

2020 System Generated Revenue Forecast (\$ in Millions)



Fare and pass revenues are forecasted to be \$221.5 million which is \$364.2 million lower than the 2020 budget and \$363.8 million lower than the 2019 actual. Farebox revenues have been severely negatively impacted for most of 2020 due to sharply lower ridership. Stay-at-home orders, social distancing mandates and restrictions on business activity have led to devastating impacts on revenue. While ridership and farebox revenues have slightly improved as a result of easing restrictions and the gradual reopening of the local economy, they still remain substantially below 2019 actuals and the 2020 budget.



The **reduced fare subsidy** is the State of Illinois’ reimbursement to the CTA, Metra and Pace for discounted and free fares given to seniors and people with disabilities. The forecasted subsidy for 2020 is \$14.6 million, which is about half of the historic funding level of \$28.3 million for this program. The state fiscal year 2021 budget passed by the State of Illinois did not restore this subsidy to historic levels. The CTA continues to work with the other service boards and the RTA to restore this critical piece of funding to comply with important federal and state mandates.

Advertising, charters, and concessions revenues for 2020 are forecasted to be \$22.1 million or \$17.7 million below the 2020 budget of \$39.9 million, and \$16.8 million lower than 2019. The year-over-year decrease is primarily driven by substantially reduced demand for digital and billboard advertising throughout the bus and rail system along with concession operations as a result of the COVID-19 health pandemic.

Investment income is forecasted to be \$1.5 million, which is \$1.5 million lower than the 2020 budget and \$2.3 million lower than 2019 due to historically low interest rates. The Federal Reserve Bank lowered interest rates to near 0 percent in March 2020 due to the economic recession caused by the COVID-19 pandemic.

Statutory required contributions will meet the budgeted amount of \$5.0 million per the Regional Transportation Authority Act, which requires the City of Chicago and Cook County to contribute a combined \$5.0 million to CTA operations each year.

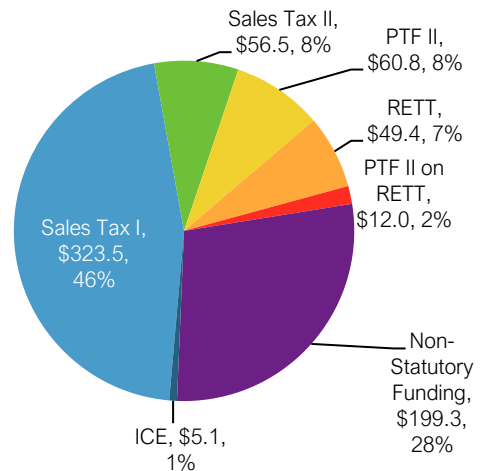
Other revenues include revenue from parking, real estate, rentals, the City of Chicago ride-hailing fee, non-capital grants, and miscellaneous revenues. The 2020 forecast for other expenses is \$37.3 million or \$10.2 million lower than the 2020 budget and \$12.1 million below 2019 actuals due to lower parking, rental, non-capital grant, and miscellaneous revenue primarily driven by the current economic recession as a result of the COVID-19 pandemic.

Public Funding

Public funding is forecasted by the RTA to be \$706.7 million or \$168.1 million lower than the 2020 budget of \$874.8 million and \$111.5 million lower than 2019 actual public funding. The economic recession as a result of the COVID-19 health pandemic has negatively impacted state and local sales tax revenues. Stay-At-Home orders and business restrictions have curtailed economic activity across the region and the State. The State of Illinois 2021 fiscal year budget continues the inclusion of

a 1.5 percent surcharge on sales tax receipts due to the CTA and other service boards, along with a 5 percent reduction on the State’s 30.0 percent match on Public Transportation Funds. Public Funding should benefit by the collection of sales tax on all online sales from remote sellers and third part marketplace, effective January 1, 2021.

2020 Public Funding Forecast (\$ in Millions)



CARES Act Funding

In March 2020, President Trump signed the Coronavirus Aid, Relief and Economic Security (CARES) Act into law, providing emergency assistance to individuals, families and businesses affected by the COVID-19 pandemic. Included within this legislation is financial assistance for public transit agencies for eligible expenses to prevent, prepare, and respond to COVID-19 as well as maintaining essential transit services during the pandemic.

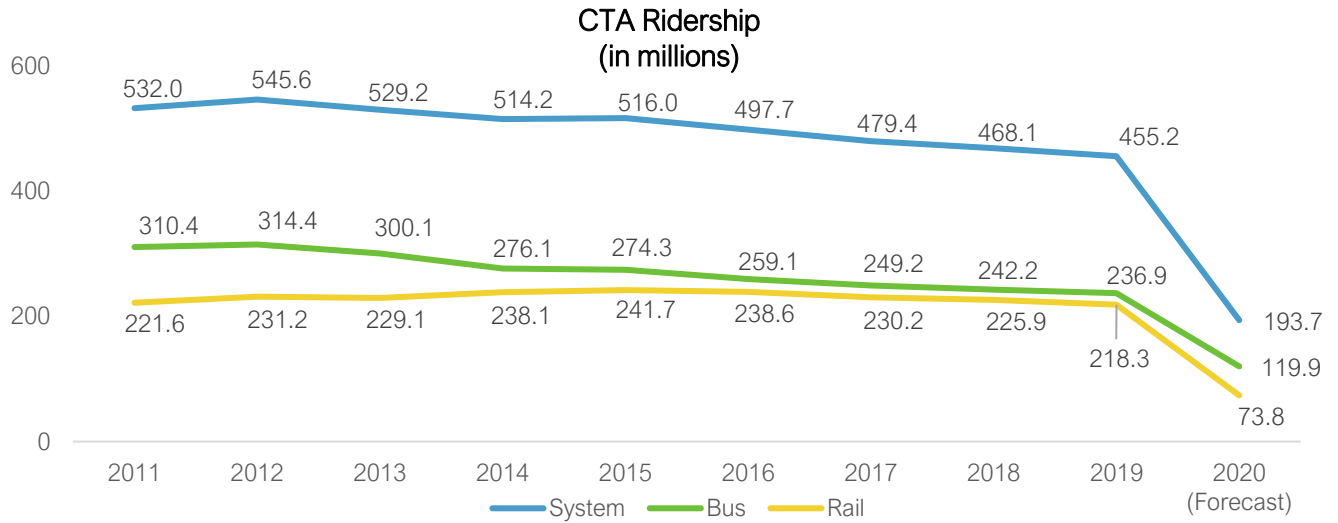
The CTA received an allocation of \$817.5 million in CARES Act funding from the federal government to help offset the decline in system-generated revenue and public funding. For 2020, the CTA is projecting to draw down \$553.9 million in CARES Act funds, with the remaining amount available for 2021 to help offset continued declines in system generated revenue and public funding. The CTA and other transit agencies around the country are advocating for additional federal funding to help prevent other undesirable options, which historically included service adjustments or fare increase.

Ridership

Ridership has been severely impacted for most of 2020 due stay-at-home orders, social distancing mandates and restrictions on business activity.

Ridership in 2020 is forecasted to be 193.7 million passenger trips, a 57.4 percent decrease from the 455.2 million trips in 2019. Bus ridership is forecasted to be 119.9 million, a 49.4 percent decrease versus 2019, while rail ridership is projected to be 73.8 million trips, a 66.2 percent decrease.

Average Daily Ridership (in thousands)					
Day Type	Mode	2019 Actual	2020 Forecast	Forecasted Variance	Percent Difference
Weekday	Bus	760.5	375.0	(385.5)	-51%
	Rail	708.1	236.1	(472.0)	-67%
	System	1,468.7	611.2	(857.5)	-58%
Saturday	Bus	457.9	253.4	(204.5)	-45%
	Rail	397.3	140.1	(257.2)	-65%
	System	855.2	393.5	(461.7)	-54%
Sunday / Holiday	Bus	336.5	191.4	(145.0)	-43%
	Rail	296.9	108.0	(188.9)	-64%
	System	633.5	299.4	(334.0)	-53%



President’s 2021 Proposed Operating Budget Summary

General Overview

During a time when the COVID-19 health pandemic has drastically altered the ways in which we live and work, the full economic and societal impacts of the pandemic could not have been predicted. The economic recession as a result of the COVID-19 pandemic has placed significant financial challenges on transit agencies around the country, including the CTA, and these challenges are projected to continue through 2021.

Despite the financial challenges that the CTA faces due to this pandemic, the 2021 Proposed Operating Budget of \$1,645.1 million does not include any reductions in bus or rail service or changes to the fare structure. This budget utilizes all available sources at its disposal, including system-generated revenue, public funding, Coronavirus Aid, Relief and Economic Security (CARES) Act federal funding, as well as other budget balancing actions. The CTA and other transit agencies around the country continue to advocate for additional federal funding to avoid other undesirable options, which have historically included service adjustments or fare increases. As the local economy continues to reopen gradually through the year, ridership levels in 2021 are projected to be 54 percent below 2019 levels. Public Funding levels for 2021 are projected to be 18 percent lower than 2019 levels and 5 percent lower than forecasted 2020 levels due to restrictions on activities that led to a significant contraction in state and local sales tax revenues. The sales tax decline for 2021 is offset by a change in state sales tax laws that take effect in January 2021, which includes RTA sales taxes being collected on more online transactions. RTA estimates this will provide in excess of \$50 million for the region for 2021 and beyond.

In addition to financial challenges associated with the COVID-19 health pandemic, state budget cuts in recent years have significantly impacted public funding revenues and the Reduced Fare Reimbursement (RFR). The RFR has been cut by approximately 50 percent of historical levels each year since 2015. The State of Illinois fiscal year 2018 budget began imposing a 2 percent permanent surcharge on sales tax receipts to the RTA and implemented a one-year, 10 percent cut in Public Transportation Funds (PTF). The State FY 2019 budget reduced the surcharge on sales tax receipts from 2.0 percent to 1.5 percent and extended the PTF cut for an additional year, but reduced the cut from 10 percent to 5 percent. The State FY 2020 and 2021 budgets extended the 5 percent cut to PTF.

Including the surcharge on sales tax revenues, the estimated impact of the continued state cuts on the CTA budget is approximately \$38 million annually. Both the sales tax and PTF are continuing appropriations of the State, while the RFR is the only state revenue source subject to annual appropriation. The RTA and the three service boards, CTA, Metra and Pace, will continue to advocate and make the case for full funding at historic levels.

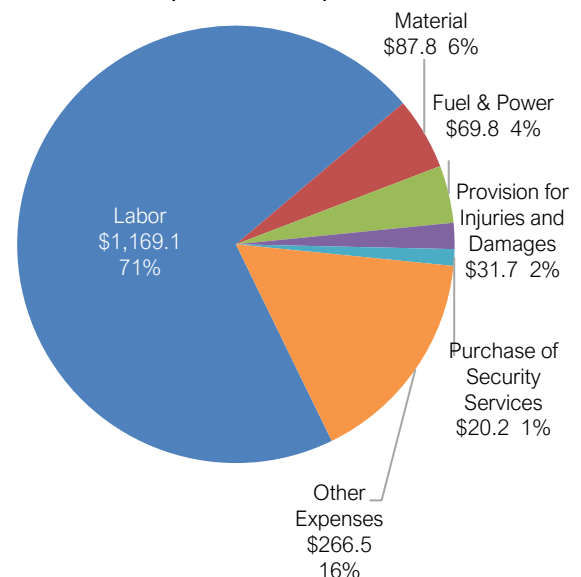
In March 2020, President Trump signed the CARES Act into law, providing emergency assistance for individuals, families and businesses affected by the COVID-19 pandemic. Included within this legislation is \$25 billion in financial assistance for public transportation agencies for eligible expenses to prevent, prepare

for, and respond to COVID-19, as well as maintaining essential transit services during the pandemic. The CTA was allocated \$817.5 million in federal funding from this law and is using this critical funding to offset shortfalls in system-generated revenues and public funding due to the pandemic. The CTA will carryover approximately \$263.5 million from the CARES Act funding into 2021 to help offset continued projected shortfalls. The CTA is actively working with the American Public Transportation Association (APTA) and other transit agencies around the country to advocate for additional federal funding. Without additional federal funding, CTA would have to evaluate other undesirable options, which have historically included service adjustments or fare increases.

The 2021 proposed operating budget of \$1,645.1 million includes the following cost containment measures:

- Restricting hiring on vacant positions
- Locking in power costs at historically low market prices, which provides budget certainty at attractive prices. From 2020-2024, the savings are estimated at \$1 million per year versus prior years' market pricing
- Aligning capital uses with capital funding sources

2021 Proposed Operating Budget (\$ in Millions)



For the 2021 proposed budget, operating expenses are \$74.6 million higher than the 2020 budget and \$82.4 million higher than the 2020 forecast. CTA is committed to the safety of our customers and employees, and has implemented various COVID-19 mitigation protocols, resulting in increased operating expenses. These mitigation efforts are critical to keeping our employees safe while at work, and providing safe and clean essential transit service to customers, and will continue into 2021. Approximately \$33 million of this increase is due to

increased labor expense. CTA has budgeted for approved contractual wage increases, costs related to COVID-19, and increased fringe expenses. An additional \$13 million is due to higher material expenses as a large portion of the bus and rail fleet will no longer be covered by warranty, as well as COVID-19 related expenses for personal protective equipment and cleaning supplies. In addition, an actuarial analysis determined a \$9.7 million increase is required for the Injuries and Damages reserve. Finally, debt service costs are increasing \$11.1 million due to the repayment of TIFIA loans related to certain projects.

System-generated revenues in 2021 are projected to be \$338.3 million, a \$357.3 million decrease compared to the 2020 budget and a \$36.2 million increase compared to the 2020 forecast. COVID-19 has impacted more than CTA farebox revenues. Advertising revenue is about 20% below 2019 levels as companies have reduced advertising initiatives at this time. Film and TV projects have been shut down for a period of time, which was another CTA revenue stream. Lower ridership has also resulted in less parking revenues at CTA lots and lower vending revenue at rail stations.

Operating Expenses

Labor expenses represent 71 percent of the total operating budget at \$1,169.1 million, a \$35.8 million increase from the 2020 labor budget, and a \$33.0 million increase from the 2020 forecast. The increase reflects approved contractual wage increases, costs related to COVID-19, and expected increases in fringe expense. The increase in fringe expense is primarily due to higher employer pension plan contributions, healthcare costs, and workers' compensation costs. The proposed labor budget also assumes no significant changes to service levels and restricts hiring on 200 positions.

Pension Contributions

In 2008, the CTA became one of the first public entities in the State of Illinois to enact pension reform with the goal for the fund to meet at least 90 percent of its projected liabilities by 2059. The legislation has a three-part annual required contribution test. Each year, an actuary determines whether the CTA employer and employee contributions need to be increased due to several factors, including annual returns on investments and demographic data. The interim goal is to maintain a minimum 60 percent funding by 2039. The final requirement ensures that if the plan falls below 60 percent, contribution rates are adjusted to attain this funding level within 10 years. Any deviation from funding based on the annual required contributions could result in a directive from the State of Illinois Auditor General to increase the CTA and employee contributions.

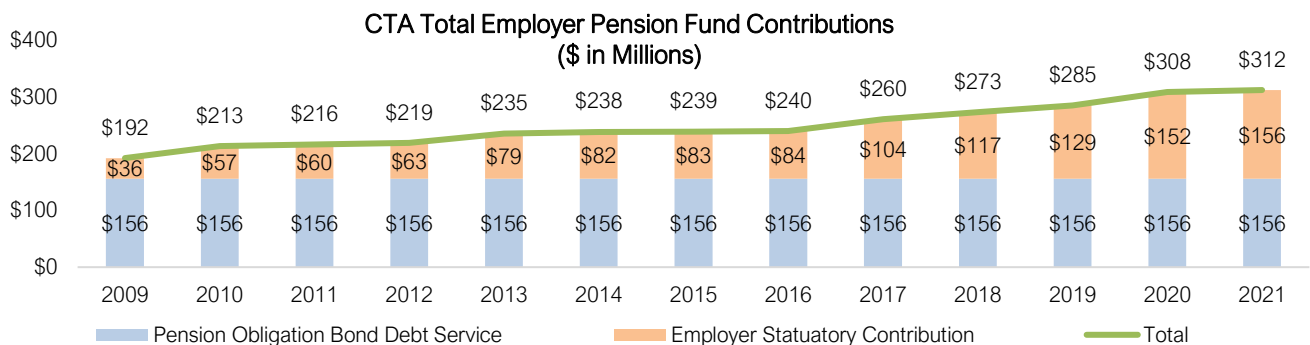
The CTA's employer contributions are comprised of two separate payments. The CTA issued \$2 billion of pension obligation bonds (POBs) in conjunction with the pension reform and subsequently deposited the proceeds into the pension fund. The annual debt service payment for the POBs is approximately \$156 million. In addition to those contributions, the CTA makes annual contributions to comply with statutory requirements. In 2009, this annual contribution was \$36 million; however, the annual amount is increasing to \$155.9 million in 2021, a 2.4 percent increase over 2020. Including debt service on the Pension Obligation Bonds, nearly 20% of CTA's budget is allocated to provide for pension contributions. The 2021 increase, along with all prior increases, is due to various factors including investment returns and demographic data. If the fund does not meet its target rate of return of 8.25% annually, then contribution levels are adjusted to meet the tests above. Strong market returns in 2019 are the primary driver for smaller increase in contributions for 2021.

The CTA's employer contributions are augmented by employee contributions that have correspondingly increased due to the pension reform legislation. As with employer contributions, increased employee contributions are required per the pension reform legislation. Contributions are deducted directly from employees' paychecks.

While costs must be managed, CTA is in a better position than many other entities as pension reform has been in place for over 10 years.

As pension costs continue to increase due to investment underperformance, the CTA will have to enact efficiencies or derive additional revenues to meet these requirements.

Year	Employee	CTA
2007	3.00%	6.00%
2008	6.00%	12.00%
2009	6.00%	12.00%
2010	8.35%	16.70%
2011	8.35%	16.70%
2012	8.65%	17.30%
2013	10.13%	20.26%
2014	10.13%	20.26%
2015	10.13%	20.26%
2016	10.13%	20.26%
2017	11.96%	23.92%
2018	12.01%	24.02%
2019	12.01%	24.02%
2020	13.324%	26.647%
2021	13.324%	26.647%



Budgeted Positions

Budgeted Positions*		
	2020	2021
Non-STO	4,686	4,729
Bus STO**	3,815	3,820
Rail STO**	1,810	1,833
Total*	10,311	10,382

*Total includes Capital-funded positions

**Scheduled Transit Operations (STO) Full-Time Equivalents

CTA’s total position count includes positions funded through both the operating and capital budgets and reflects an increase of approximately 43 non-scheduled transit operations (Non-STO) positions. Of the 43 new positions, 20 positions are funded through the capital budget and will be dedicated to the Red Purple Modernization Project.

The headcount of positions funded by the operating budget includes the following changes, 2 Bus Service Supervisors were added to the Bus Operations department, bringing the total headcount of this title to 90 positions, a Senior Advisor to focus on safety and security initiatives for the CTA, and 23 temporary positions in Rail Maintenance and Rail Station Management departments, combined, to help oversee additional cleaning of rail cars and facilities, due to the COVID-19 pandemic.

Due to certain movement of positions from the operating budget to the capital budget, as various tasks required, the overall headcount funded through the operating budget remained flat, not including the temporary staff added due to COVID-19.

Material expenses represent 5.3 percent of the budget, at \$87.8 million for FY2021. This is \$13.1 million higher than the 2020 budget and \$11.5 million higher than the 2020 forecast. CTA’s increase in material expenses for 2021 is driven in part by expiring warranties on buses, new overhaul work on buses and rail cars, as well as COVID-19 related expenses for personal protective equipment and cleaning supplies. CTA will continue its proactive ongoing capital maintenance for infrastructure and the bus and rail fleet. This focuses on high-failure parts for railcars and major component systems related to buses. These targeted capital campaigns will help improve service to customers by proactively replacing components that are the top causes of mechanical delays to CTA’s bus and rail fleet. Additionally, these targeted programs provide CTA a mechanism to better manage the level of material expenditures.

CTA is budgeting **diesel fuel** expenditures for the revenue fleet to be \$38.1 million in 2021. This is \$6.2 million (14 percent) lower than the 2020 budget of \$44.4 million and \$1.5 million lower than the \$39.7 million 2020 forecast spend. The 2021 budget assumes CTA will consume 16.6 million gallons of diesel fuel, the same as the 2020 budget. As CTA continued its practice of fixed-price purchasing policy for approximately 85 percent of the expected consumption, due to favorable market pricing, CTA was able to lock-in prices at an average of \$2.29 per gallon for 2021, compared to \$2.67 per gallon for 2020. The fixed-price purchasing policy reduces the risk of future price increases and provides budget certainty.

For 2021, CTA is budgeting \$31.7 million in expenses for traction (rail system) **electric power**. The 2021 budget is \$0.9 million less than the 2020 budget of \$32.6 million, but \$4.0

million more than the 2020 forecast of \$27.7 million. CTA executed a fixed-price contract in late 2018 for traction electric power supply starting in January 2020. This contract establishes a fixed price—inclusive of transmission and capacity charges—for every kilowatt-hour that CTA purchases, regardless of CTA’s actual consumption levels. Since the contract began, capacity and transmission charges have increased substantially for electricity customers. However, CTA’s fixed price terms means it will spend about \$1 million less than if it did not fix these charges. CTA is budgeting to use 444 million kilowatt-hours in 2021. This is based on a weather scenario in line with the average from the last 10 years. While the price of supply is fixed, the price of ComEd delivery can fluctuate. The 2021 budget conservatively assumes delivery charges will increase 5 percent.

Provision for injuries and damages represents expenses for claims and litigation for incidents that occur on CTA property, as well as incidents involving CTA vehicles. Independent actuaries recommend contribution amounts to maintain sufficient reserves to meet injuries and damages expenses based on actual claims history and future projections. The CTA’s 2021 budget is \$31.7 million.

Purchase of security services is budgeted at \$20.2 million, which is consistent with the 2020 forecasted expenses and a slight decrease of \$0.3 million versus the 2020 budget. The purchased security services budget covers inter-governmental agreements with the police departments of Chicago, Oak Park, Forest Park and Evanston, plus contract security services for additional protection of CTA passengers, bus garages and other CTA facilities.

Other Expenses include pension obligation bond debt, contractual services, utilities, insurance, debt service, leases, rentals, and other general expenses. For 2021, other expenses are budgeted to be \$266.5 million, an increase of \$23.4 million compared to the 2020 budget, and an increase of \$25.7 million compared to the 2020 forecast. The year over year increase is primarily due to an increase \$11.0M debt service, of which \$9.3 million is attributed to debt service payments on federal TIFIA loans, and \$1.7 million for GTT line of credit interest. TIFIA loans were issued to help finance the 95th Street Terminal Reconstruction, Your New Blue Improvement and Rail Car Purchase projects. The remaining \$12.4 million is spread over increased contractual services and higher facility and equipment rental expense.

Operating Revenues

CTA’s operating revenue sources have been severely negatively impacted by the economic recession as a result of the COVID-19 health pandemic. Stay-at-home mandates and restrictions on business activity have dramatically reduced transit ridership, resulting in a projected 51 percent reduction in system generated revenue for the 2021 budget compared to the original 2020 budget. Substantially lower economic activity across the region has negatively impacted state and local sales tax revenues, the largest public funding source for the CTA operating budget, resulting in a projected 23 percent reduction in public funding in 2021 compared to the original 2020 budget.

In 2020, the CTA was allocated \$817.5 million of CARES Act funds and is using this critical funding to offset shortfalls in

system generated revenue and public funding. This funding also allows CTA to maintain essential transit service during this critical time. The CTA and transit agencies across the country are advocating for additional federal funding to offset continued projected system-generated revenue and public funding shortfalls in 2021.

CTA’s total operating revenue has two primary revenue categories: system-generated revenues, including \$263.5 million of the remaining CARES Act funding from 2020, and Public Funding. Total operating revenue for 2021 is budgeted to be \$1,273.1 million, which is \$297.3 million lower than the 2020 budget and \$289.6 million lower than the 2020 forecast primarily due to sharply lower projected system generated revenue and public funding as a result of the COVID-19 health pandemic. Additional budget balancing actions will be necessary, which could include additional federal stimulus funding, or will require other undesirable options, which have historically included service adjustments or fare increases.

2021 System Generated Revenue (\$ in thousands)	
Fares and Passes	\$ 248,275
Reduced Fare Subsidy	\$ 14,606
Advertising, Charters & Concessions	\$ 24,512
Investment Income	\$ 1,000
Statutory Required Contributions	\$ 5,000
All Other Revenue	\$ 44,923
Total System Generated Revenue	\$ 338,317

*Totals may not add due to rounding

Revenue from **fares and passes** is budgeted to be \$248.3 million, which is \$337.4 million lower than the 2020 budget and \$26.8 million higher than the 2020 forecast, due to higher projected ridership as the local economy continues to gradually reopen from COVID-19 restrictions that were in place for most of 2020. In accordance with state and local laws, the CTA continues to provide free rides to seniors and people with disabilities participating in the state’s Circuit Breaker Program, active military personnel, and veterans with disabilities.

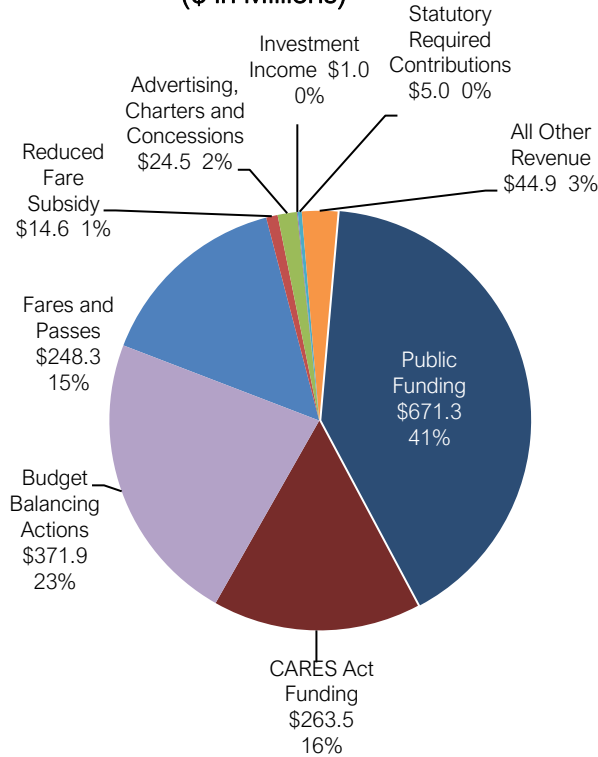
In a typical year, the CTA provides nearly 100 million free and reduced-fare trips annually to qualified riders based on federal, state, or local mandates with foregone revenue from these rides totaling more than \$100 million annually. The state provides partial reimbursement for this mandate through the **reduced fare subsidy**, which is provided to local transit agencies by the Illinois General Assembly. The subsidy has been cut by approximately 50 percent from historical levels each year since 2015. Consistent with guidance from the RTA, the proposed 2021 budget assumes the reduced fare subsidy cut will continue, resulting in a subsidy of \$14.6 million. CTA continues to advocate to have this important funding source restored to its historical level.

Advertising, charters, and concessions revenues include advertisements on buses, trains and stations and income from concessions. The 2021 budget is \$24.5 million, which is \$15.3 million lower than the 2020 budget and \$2.4 million higher than the 2020 forecast. The COVID-19 health pandemic has substantially reduced demand for digital and billboard advertising throughout the bus and rail system. As ridership continues to return through 2021, advertising demand is projected to increase as well. The CTA continually works with its advertising partners to increase revenue through expanded digital advertising opportunities.

Investment income for 2021 is budgeted to be \$1.0 million, which is 66% or \$2 million lower than the 2020 budget and \$0.5 million lower than 2020 forecast due to historically low interest rates. The Federal Reserve Bank lowered interest rates to near zero in March 2020 due to the economic recession as a result of the COVID-19 pandemic.

Statutory required contributions remain unchanged in 2021, budgeted to be \$5.0 million. The RTA Act requires the City of Chicago to contribute \$3.0 million and Cook County to contribute \$2.0 million each year toward CTA operations.

2021 Total Operating Revenue
(\$ in Millions)



System-Generated Revenues

System-generated revenues include fares and passes, reduced-fare subsidy, advertising and concessions, investment income, statutory required contributions from the City of Chicago and Cook County, and other miscellaneous revenues. In 2021, system-generated revenue is budgeted to be \$338.3 million, a \$357.3 million decrease compared to the 2020 budget and a \$36.2 million increase compared to the 2020 forecast.

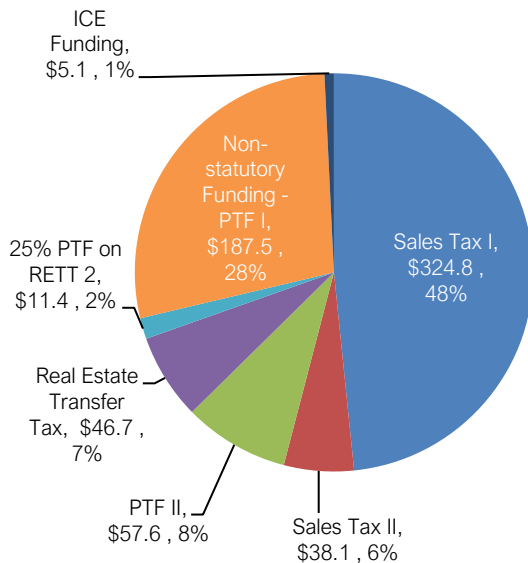
All **other revenue** includes non-capital grants, park and ride revenue, rental revenue, third-party contractor reimbursements, filming fees, and other income sources. Other revenues for 2021 is budgeted to be \$44.9 million, which is \$2.6 million lower than the 2020 budget and a \$7.6 million increase from the 2020 forecast.

Public Funding

The budgeted amounts of **public funding** available for CTA operations are established by the RTA and are based on the RTA’s revenue projection for the year and the approved funding marks of the RTA Board. Public funding has three sources: sales tax revenue, PTF, and the real estate transfer tax (RETT) and are authorized under state statutes passed in 1983 and 2008. A diagram of public funding received by RTA and how it is allocated to the three Service Boards is included in the Operating Funding Summary.

The State of Illinois passed its 2018 budget that reduced the PTF match by 10 percent for one year and included a 2 percent permanent surcharge on sales tax receipts. The SFY 2019 budget reduced the surcharge on sales tax receipts to 1.5 percent from 2 percent, while extending the cut to PTF, albeit reducing the cut from 10 percent to 5 percent. Both the SFY 2020 and 2021 budgets extended the 5 percent cut to PTF for an additional year.

**2021 Budgeted Public Funding
(\$ in Millions)**



Public funding for 2021 is budgeted to be \$671.3 million, a \$203.5 million decrease compared to the original 2020 budget and a \$35.4 million decrease from the 2020 forecast. As a result

of the economic recession due to the COVID-19 health pandemic, state and local sales tax revenues have been severely negatively impacted due to stay-at-home mandates and restrictions on business activity to help slow the spread of COVID-19. While the local economy began to gradually reopen in the second half of 2020, it could take years for a full economic recovery from this pandemic, which will impact state and local public funding available to the CTA for the foreseeable future. Offsetting a portion of the public funding decline is a change to the state sales tax laws, which includes RTA’s sales taxes being collected on more online transactions. RTA estimates this will provide in excess of \$50 million for the region for 2021 and beyond.

CARES Act Funding

As mentioned in the overview, the CTA received \$817.5 million in CARES Act funding in 2020 from the federal government and uses this critical funding to help offset shortfalls in system generated revenue and public funding due to the COVID-19 health pandemic. The CTA expects to carry over approximately \$263.5 million of this funding into 2021 to help offset continued projected shortfalls.

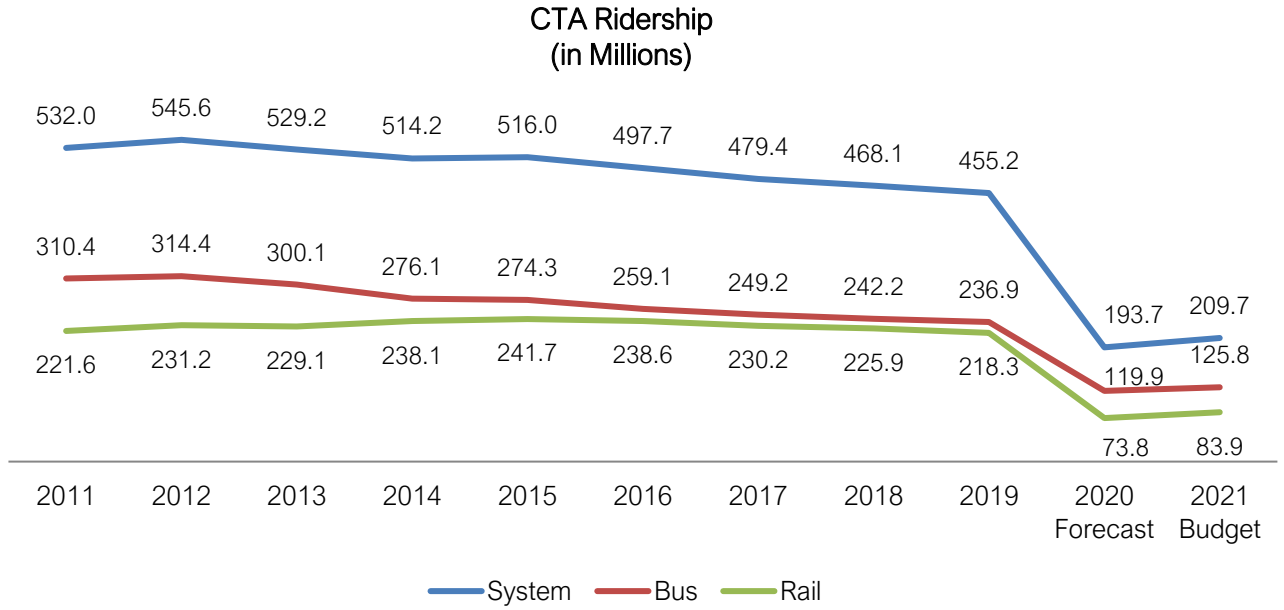
Ridership

Transit ridership locally and nationally has been severely negatively impacted by the current economic recession due to the COVID-19 health pandemic. Stay-at-home mandates and restrictions on business activity to help slow the spread of COVID-19 have dramatically reduced transit ridership.

The local economy has gradually begun to reopen in the second half of 2020 and is projected to continue through next year. CTA expects that ridership will increase to 209.7 million rides in comparison to the 2020 forecast of 193.6 million rides. Bus ridership is expected to increase by 4.9 percent to 125.8 million rides in 2021, while rail ridership is expected to increase by 13.7 percent to 83.9 million rides. If local economic recovery efforts are halted or reversed, ridership could be further negatively impacted.

Prior to the COVID-19 health pandemic, CTA system ridership was at a 20-year high in 2012, and rail ridership had reached its highest point in at least 50 years in 2015. However, bus and rail ridership have decreased since then and CTA ridership was down again in 2019, falling 2.4 percent compared to 2018.

Ridership levels in cities across the country are experiencing similar trends. Overall, mass transit in the United States was down 1 percent in 2019 from 2018 levels. The national ridership total is at its lowest level since 2006, according to the American Public Transportation Association.



2022-2023 Two-Year Financial Plan

General Overview

The two-year financial plan continues the Authority’s mission to deliver quality, affordable bus and rail transit services and assumes no deviation from current service levels or increased fares. The plan projects a gradual return to “a new normal” from the COVID-19 health pandemic. The economic and societal impact of this pandemic has changed the way we live and work and will be felt for years to come. The fundamental shifts in ridership such as businesses allowing a significant portion of their workforce to telework, a shift away from transit trips into the business district, staggered work hours, social distancing awareness are all trends that are expected to continue into the foreseeable future.

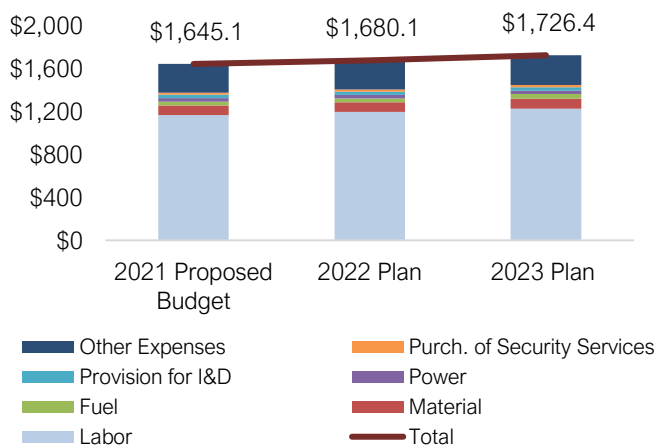
The two-year financial plan assumes public funding will increase by 7.6 percent in 2022 and 5.8 percent in 2023. The increases are primarily driven by higher projected sales tax receipts as the local economy continues to gradually reopen from COVID-19 restrictions and certain online sales being subject to the RTA tax starting in January 2021, along with the restoration of the full State match on public transportation funds that is currently subject to a 5 percent temporary cut effective through the end of June 2021 when the State fiscal year ends. Any additional continued or further reductions in State funding to the CTA will negatively impact the two-year plan.

This plan projects increased system-generated revenue from fares and passes and advertising to offset increased labor, material, debt service, and standard increases in contractual services and contributions to injuries and damages reserves, however, budget balancing actions will be needed.

The CTA continues to strengthen its management team, policies and procedures, and internal controls to ensure attainment of operational efficiencies throughout the Authority. The plan reflects fixed fuel purchases, managed block purchases of power, and strong efforts to monitor expenses and increase recurring revenue streams.

Operating Expenses

Two-Year Financial Plan
Operating Expenses
(\$ in Millions)



Total operating expenses are budgeted to be \$1,645.1 million for the 2021 budget and are expected to grow by 2.1 percent to \$1,680.1million in 2022 and 2.8 percent to \$1,726.4 million in 2023.

Labor expenses, including base salaries, benefits, and payroll taxes, are projected to be \$1,169.1 million in 2021, \$1,198.3 million in 2022 and \$1,228.3 million in 2023. While labor costs for the financial plan reflects a 2.5 percent growth both for 2022 and 2023, the actual growth rate will be determined, in large part, by the outcome of collective bargaining negotiations and continued efficiency gains.

The financial plan projects **material** expenses to be \$87.8 million in 2021, \$90.4 million in 2022 and \$93.1 million in 2023, growing 3 percent annually for 2022-2023. The increase reflects the increased costs to maintain CTA’s bus and rail fleet.

From a proposed budget of \$38.1 million in 2021, the proposed financial plan projects **fuel** costs will be \$34.6 million in 2022 and \$43.8 million in 2023. The plan assumes the continuation of CTA’s strategic fixed price purchasing policy and essentially flat projected fuel consumption over these years. Based on current market pricing for fuel purchases in future years, CTA assumes that fuel cost per gallon will decrease in 2022 and then slightly increase again in 2023. At the time of budgeting, CTA has fixed pricing for 75 percent of the 2022 projected fuel consumption. CTA has not fixed any gallons for 2023. Thus CTA is budgeting for a large increase over 2022 in case of significant price increases.

The proposed financial plan projects traction (rail system) **electric power** expenses to be \$31.7 million in 2021, \$32.4 million in 2022, and \$31.0 million in 2023. During this period, CTA projects consumption levels to be essentially flat year-to-year. The plan includes continued savings from CTA’s fixed-price contract for electric power supply, and notably, a decrease in the fixed-price that CTA was able to lock in for 2023. The plan also reflects annual increases in ComEd’s base rate for electric power delivery, which offset the fixed-price savings. Other than changes in law, market adjustments to capacity and transmission charges will not affect CTA costs as these charges are embedded in CTA’s fixed-price electric supply contract.

CTA plans to continue contributions to **provision for injuries and damages**, with a \$31.7 million reserve payment planned for 2021. The financial plan assumes the reserve requirement will hold steady in 2022-2023. The amount of actual deposits to the fund may be adjusted based on the annual actuarial valuation of the fund’s liabilities. In 2021 the reserve amount increased by \$11.7 million based on the actuarial review. The amount needed to fund this reserve is based on actual experience, the projected future balance in the reserve, and the liabilities projected for the following year.

Purchase of security services is projected to be \$20.5 million in 2022 and \$20.8 million in 2023 due to annual contractual increases for contracts with private security firms. The CTA has intergovernmental agreements with the Chicago, Oak Park,

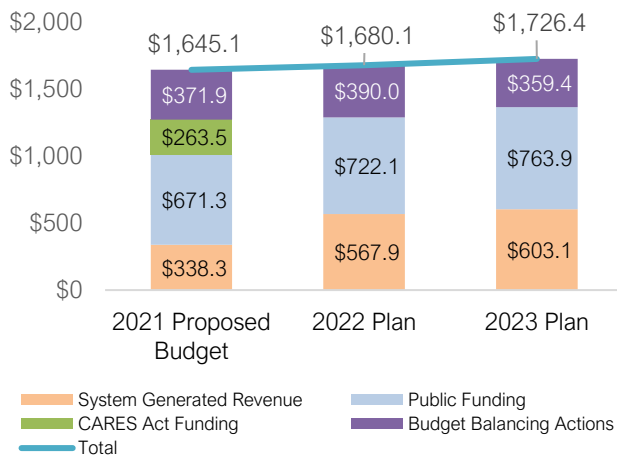
Evanston, and Forest Park police departments to provide security services for the CTA rail system.

Other expense includes utilities, advertising, equipment, software maintenance, accounting, engineering, legal fees, banking fees and commissions, debt service for sales tax revenue bonds including the outstanding pension obligation bonds, TIFIA loans, and other consulting services. From a base of \$266.5 million proposed for 2021, the financial plan projects other expenses to be \$272.2 million in 2022 and \$277.8 million in 2023. The growth rate reflects increased costs for Other Debt Service (TIFIA and GTT) and estimated annual cost escalation for contractual services.

Operating Revenues

Total **operating revenues**, including system-generated revenues and public funding, are projected to increase over the two-year financial plan. From the 2021 budgeted level of \$1,645.1 million, operating revenues are projected to increase by 2.1 percent in 2022 to \$1,680.0 million and 2.8 percent in 2023 to \$1,726.4 million. The increase from 2021 to 2022 estimate assumes the continued gradual reopening of the local economy return and most of the local workforce begins to return to offices. As reflected, additional budget balancing actions will be needed.

**Two-Year Financial Plan
Operating Revenues
(\$ in Millions)**



System-Generated Revenues

From a base of \$248.3 million in 2021, **fare and passes revenue** is projected to increase by 88.6 percent to \$468.2 million in 2022 and by 6.3 percent to \$497.5 million in 2023. This projection is based on higher projected system ridership as a result of the continued gradual reopening of the local economy and the potential development of a COVID-19 vaccine. The lack of a vaccine and overlapping of the annual flu season with the pandemic will continue to affect farebox revenue in 2021. Additionally, the timing and percentage of the local workforce returning to office along the return of in-person school sessions are uncertain. It is projected that 2022 will be the first year of some return to “normalcy”, with continued recovery into 2023.

The financial plan assumes the **reduced fare subsidy** will continue to be appropriated at the reduced level of \$14.6 million, or 50 percent of the historical levels. This reduced-fare subsidy only covers a portion of the estimated \$100 million in actual free and reduced rides provided by the CTA annually.

From the 2021 budget of \$24.5 million, the financial plan projects revenue from **advertising, charters, and concessions** to grow at 35.2 percent to \$33.1 million in 2022 and 11.8 percent to \$37.0 million in 2023. Advertising and concession revenue have been negatively impacted by the pandemic.

Investment income in 2022 and 2023 is projected to grow to \$1.5 million in 2022 and \$2.0 million in 2023. The Federal Reserve Bank anticipates keeping interest rates low until it is confident the US economy has weathered the economic headwinds caused by the COVID-19 health pandemic.

Statutory required contribution revenues are forecast to continue to be \$5.0 million per year. The Regional Transportation Authority Act requires that the City of Chicago contribute \$3.0 million annually and that Cook County contribute \$2.0 million annually to CTA operations.

Other revenue is expected to grow by 1.3 percent in 2022 and 3.3 percent in 2023 as the local economy continues to gradually reopen from COVID-19 restrictions. The CTA will continue efforts to increase non-farebox revenues. Revenue sources included in this category are ride-hailing fee, rental income; park-and-ride revenue, third-party contractor reimbursements and other revenues, which were impacted by the pandemic and are expected to recover in 2022-2023. The projected totals are \$45.5 million and \$47.0 million in 2022 and 2023, respectively.

Public Funding

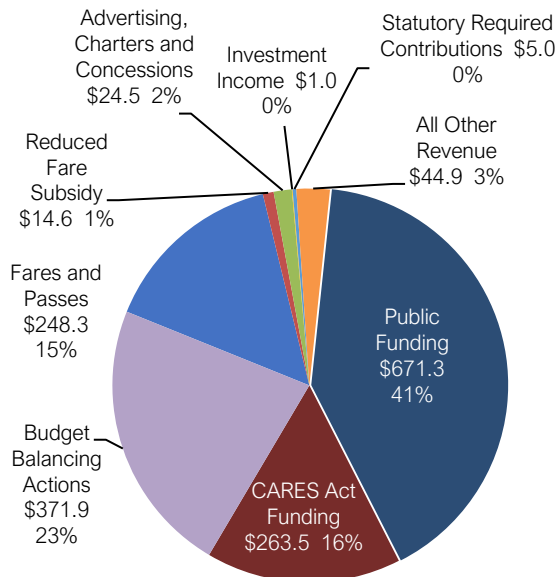
Public funding marks for the two-year financial plan are provided by the RTA. For 2022 public funding is projected to increase by 7.6 percent to \$722.1 million and by 5.8 percent to \$763.9 million in 2023. The RTA public funding projections include revenues from sales tax collections, and PTF in addition to RETT revenue from the City of Chicago. The COVID-19 health pandemic has caused an economic recession which has severely reduced state and local sales tax revenues due to stay-at-home orders and restrictions on businesses that curtailed economic activity. These marks assume a 6.5 percent increase and 5.6 percent in regional sales tax receipts in 2022 and 2023, respectively. Real Estate Transfer Tax (RETT) receipts are projected to grow by approximately 6 percent annually. However, these funding levels remain below 2019.

The **recovery ratio** measures the percentage of expenses that a Service Board must pay against the revenue that it generates. System-generated revenues, operating expenses, and certain statutory exclusions are used in the calculation. The RTA Act requires the region to fund 50 percent of its expenses through revenues generated by the CTA, Metra, and Pace. The estimated recovery ratio for the CTA in both 2022 and 2023 meets the regional requirement of 54.75 percent, after including a portion of budget balancing actions in the calculation.

Operating Revenue Summary

Operating revenue budgeted in 2021 for the CTA is derived from three primary sources: system generated revenue through fares and other sources; public funding, through the Regional Transportation Authority (RTA); and federal funding from the CARES Act, through the Federal Transit Administration (FTA). Total budgeted revenue for 2021 is \$1,273.1 million, with system-generated revenue projected to be \$338.3 million, public funding projected to be \$671.2 million, and CARES Act funding projected to be \$263.5 million. The following chart represents total estimated revenue by source for 2021. Budget balancing actions account for the additional \$371.9 million.

2021 Total Operating Revenue (\$ in Millions)



System-Generated Revenues

System-generated revenue is generated from fares and passes sales, subsidies for free and reduced fare riders, advertising, investment income, statutory required contribution from local governments by provision of the RTA Act, and other revenues. These revenue categories are further defined below. For 2021, system-generated revenue is budgeted at \$338.3 million which is 12 percent higher than the 2020 forecast. The economic recession as a result of the COVID-19 pandemic has adversely affected most of the system-generated revenue sources. The year over year projected increase in total system-generated revenue is attributed to portions of the local economy continuing to reopen from COVID-19 restrictions that sharply curtailed economic activity and transit ridership for most of 2020.

Fares and Passes

The largest portion of system-generated revenue is fare and passes revenue which is budgeted at \$248.3 million in 2021. Revenue from fare and passes includes cash fares, full and reduced fare cards, 30-day full fare and reduced fare passes, along with one-, three- and seven-day passes, all of which can

be loaded onto a Ventra card. Disposable one-day and three-day passes and single ride tickets are also available at Ventra machines. Additional pass revenue is generated from CTA's U-Pass Program for local university students, bulk sales of passes, and METRA Link-Up passenger revenue. Fare and pass revenue is projected to be about 12 percent higher than the 2020 forecast due to higher projected ridership as the local economy continues to reopen from COVID-19 restrictions.

Reduced Fare Subsidy

This funding represents the reimbursement of revenues foregone by the Service Boards due to providing reduced and free fares to senior citizens and riders with disabilities, as mandated by federal and state law. The funding is subject to the terms of the grant agreement, state statute, and annual state appropriation. Reimbursement amounts are allocated to the Service Boards based on qualifying passenger trips taken during the grant year. CTA has received only half of the historical reduced fare subsidy funds since 2015 because of state budget cuts. It is assumed that the \$14.6 million subsidy will continue to be provided in 2021, which is about half the traditional level.

Advertising, Charters and Concessions

Advertising, charters, and concessions revenue for 2021 is budgeted at \$24.5 million. This revenue is generated through advertisement on buses, rail cars and in rail stations. This projection also includes revenue from concessions within rail stations and revenue from Special Contract Guarantees, which are agreements for transportation services for the University of Chicago and other employers and schools.

Investment Income

Investment income for 2021 is projected to be \$1.0 million. Over the last 10 years, the Federal Funds Rate has gradually increased, reaching 2.40% at the end of 2018 before retreating to 0-0.25 percent in March 2020. The Federal Open Market Committee projects the rate will be 0.10% through the end of 2021 and expects to maintain this target until it is confident that the economy has weathered recent events and is on track to achieve its maximum-employment and price-stability goals. The Committee also advised that it would continue to monitor the implications of incoming information for the economic outlook, including information related to public health, as well as global developments and muted inflation pressures, and would use its tools and act as appropriate to support the US economy.

	Investment Income (in Millions)	Fed Funds Rate (at year end)
2014	\$0.50	0.12%
2015	\$0.70	0.35%
2016	\$1.50	0.55%
2017	\$3.10	1.33%
2018	\$3.50	2.40%
2019	\$2.50	1.75-2.00%
2020 Forecast	\$3.00	0.10%
2021 Budget	\$1.00	0.10%

Statutory Required Contributions

The RTA Act requires the City of Chicago and Cook County to annually contribute \$3 million and \$2 million, respectively, towards CTA operations.

All Other Revenue

All Other Revenue is projected to be \$44.9 million in 2021. Revenues in this category include the ride-hailing fee, safety and security grants, parking fees, rental revenue, third-party contractor reimbursements and filming fees. The CTA has 54 real estate leases across the system and within the CTA headquarters building. Parking revenues include Park & Ride Facilities (14 facilities with approximately 5,900 spaces), under 'L' parking rentals and long-term parking agreements.

Starting in January 2018, the City of Chicago increased the Ground Transportation Tax on ride-hailing services by \$0.15, generating \$16 million annually for the CTA. This revenue source is leveraged for security camera upgrades and improvements that will modernize the rail system, including extensive upgrades to track and signal infrastructure on the Pink, Green, Brown, Blue and Red Lines.

Public Funding

Most of the CTA's public funding for operating and capital needs is passed through the RTA. Under the RTA Act, as amended in 2008, some of the funds are allocated to the Service Boards based on a set formula; other funds are allocated based on the RTA's discretion with sources and allocations outlined below.

Sales Tax Revenue per 1983 Formula

RTA Sales Tax is the primary source of operating revenue for the RTA and the three Service Boards. The tax is authorized by Illinois statute, imposed by the RTA in the six-county region of northeastern Illinois and collected by the state. The sales tax is the equivalent of one percent on sales in the City of Chicago, one percent on sales in Cook County, and 0.25 percent on sales in the collar counties of DuPage, Kane, Lake, McHenry and Will. The one percent sales tax in Cook County is comprised of one percent on food and drugs and 0.75 percent from all other sales, with the state then providing a "replacement" amount to the RTA equivalent to 0.25 percent of all other sales. Proceeds from the RTA Sales Tax are distributed to the CTA, Metra, and Pace, primarily to fund operating costs not recovered through the farebox. The RTA retains 15 percent of the total sales tax and passes the remaining 85 percent to the Service Boards according to the Operating Funding Allocation Chart found later in this section. The SFY 2021 budget passed in June 2020 continues the 1.5 percent surcharge levied on sales tax receipts.

	Chicago Sales	Suburban Cook	Collar Counties
CTA	100%	30%	0%
Metra	0%	55%	70%
Pace	0%	15%	30%
Total:	100%	100%	100%

Sales Tax I - FY21 Sales Tax Revenue (\$ in Thousands)

	Chicago	Suburban Cook County	Collar Counties	Total
CTA	\$ 224,647	\$ 100,131	\$ -	\$ 324,778
Metra	-	\$ 183,574	\$ 72,531	\$ 256,105
Pace	-	\$ 50,066	\$ 31,085	\$ 81,150
RTA	\$ 39,644	\$ 58,901	\$ 18,285	\$ 116,829
Total:	\$ 264,291	\$ 392,671	\$ 121,901	\$ 778,863

Totals may not add up due to rounding.

Public Transportation Fund

As authorized by the RTA Act, the Illinois State Treasurer transfers from the State General Revenue Fund an amount equal to 25 percent of the RTA sales tax collections (or gasoline or parking taxes, if imposed by the RTA). The treasurer transfers this amount to a special fund, the Public Transportation Fund (PTF), and then remits it to the RTA monthly. This fund is a continuing appropriation to the RTA. The State began cutting PTF funds by 10% in SFY 2018 and reduced the cut to 5% in SFY 2019. The SFY 2020 and 2021 appropriations each extended this cut for another year at a 5 percent reduction. The RTA uses these funds at its discretion to fund the needs of the Service Boards, RTA operations, debt service and capital investment.

State Assistance

The RTA Act provides supplemental state funding in the forms of additional state assistance and additional financial assistance (collectively, "State Assistance") to the RTA in connection with its issuance of Strategic Capital Improvement Program (SCIP) bonds. The funding equals debt service amounts paid to bondholders of the SCIP bonds issued by the RTA, plus any debt service savings from the issuance of refunding or advanced refunding SCIP bonds, less the amount of interest earned by the RTA on the proceeds of SCIP bonds. The RTA Act limits the amount of State Assistance available to the RTA to the lesser of the debt service or \$55 million. Remittance requires an annual appropriation made by the State of Illinois.

2008 Legislation

The 2008 state funding package increased the percentage of state sales tax dedicated to mass transit and gave authority to the City of Chicago to increase the Real Estate Transfer Tax (RETT) to support the CTA. In addition, the legislation also provided for long-term pension reforms that will increase the funded ratio of the CTA's pension to 90 percent by 2059.

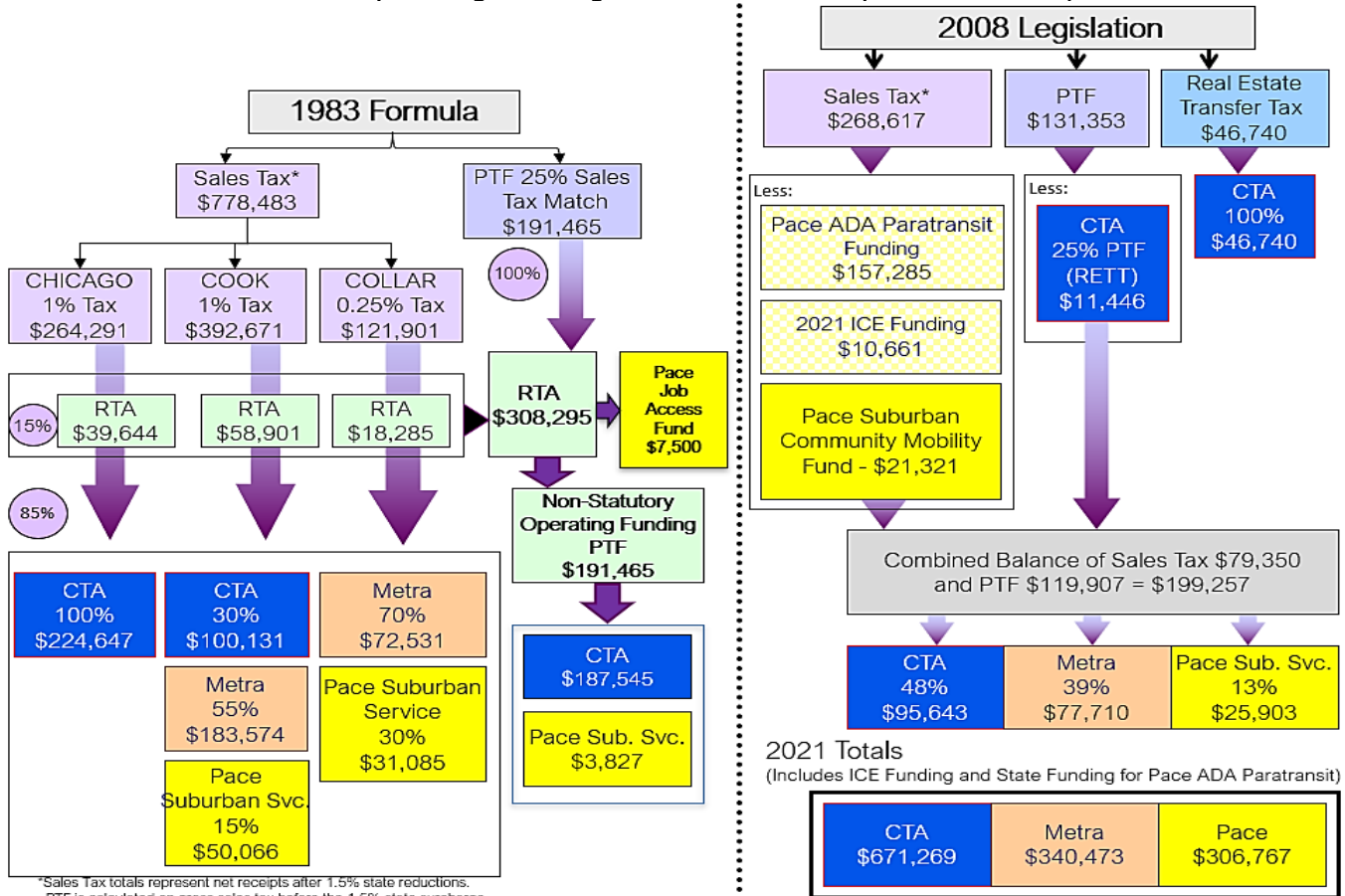
Innovation, Coordination, and Enhancement (ICE) Program

The ICE program is an RTA funding program established as part of the 2008 Mass Transit Reform Legislation. The RTA program provides operating and capital assistance to enhance the coordination and integration of public transportation and to develop and implement innovations to improve the quality and delivery of public transportation. Projects funded through this program advance the vision and goals of the RTA Act by providing reliable and convenient transit services and enhancing efficiencies through effective management, innovation, and technology. CTA plans to utilize all ICE funds in 2021 toward operating costs.

2021 ICE & ADA Funding

	CTA	Metra	Pace	ADA	Total
ICE:	\$ 5,117	\$ 4,158	\$ 1,386	\$ -	\$10,661
State ADA	\$ -	\$ -	\$ -	\$ 8,395	\$ 8,395
Total	\$5,117	\$ 4,158	\$ 1,386	\$ 8,395	\$19,056

2021 Operating Funding Allocation Charts (\$ in thousands)



2021 Service Board Funding	RTA	CTA	Metra	Pace - Mainline	Pace - Paratransit	Total
Sales Tax I & PTF I	\$308,295	\$324,778	\$256,105	\$81,150	\$0	\$970,328
Sales Tax II & PTF II	\$0	\$95,643	\$77,710	\$25,903	\$157,285	\$356,542
RTA Non-Statutory	-\$191,372	\$187,545	\$0	\$3,827	\$0	\$0
Real Estate Transfer Tax (25% PTF)	\$0	\$11,446	\$0	\$0	\$0	\$11,446
RTA Suburban Community Mobility Funds	\$0	\$0	\$0	\$21,321	\$0	\$21,321
RTA South Suburban Job Access Fund	-\$7,500	\$0	\$0	\$7,500	\$0	\$0
Joint Self-Insurance Fund Reserve	\$0	\$0	\$2,500	\$0	\$0	\$2,500
State Funding for ADA	\$0	\$0	\$0	\$0	\$8,395	\$8,395
RTA Agency Revenue	\$7,140	\$0	\$0	\$0	\$0	\$7,140
State Financial Assistance (ASA/AFA)	\$130,300	\$0	\$0	\$0	\$0	\$130,300
Total RTA Funds	\$246,863	\$619,412	\$336,315	\$139,701	\$165,680	\$1,507,972
Real Estate Transfer Tax (City of Chicago)	\$0	\$46,740	\$0	\$0	\$0	\$46,740
Total Funds	\$246,863	\$666,152	\$336,315	\$139,701	\$165,680	\$1,554,712
ICE Funding/State ADA funding	\$0	\$5,117	\$4,158	\$1,386	\$0	\$10,661
State Reduced Fare Reimbursement	\$0	\$14,606	\$1,618	\$1,346	\$0	\$17,570
Total Regional Public Funds	\$246,863	\$685,875	\$342,091	\$142,433	\$165,680	\$1,582,943

*State Reduced Fare Reimbursement is included in the table but is counted as system-generated revenue and excluded from public funding totals. Totals may not add due to rounding

FY21 Funding by Service Board (\$ in Thousands)		
CTA	\$ 671,269	42.9%
Metra	\$ 340,473	21.8%
Pace - Mainline	\$ 141,087	9.0%
Pace - Paratransit	\$ 165,680	10.6%
RTA	\$ 246,863	15.8%
Total	\$ 1,565,373	100.0%

Totals may not add up due to rounding.

Federal Assistance (Federal Transit Administration)

The CTA, Metra, Pace, and the RTA are the region's designated recipients of federal assistance, which previously included both operating and capital funds. The FTA eliminated operating assistance for the RTA in 1998, except for the emergency relief funding described below.

On March 27, 2020, President Trump signed the Coronavirus Aid, Relief and Economic Security (CARES) Act into law, providing emergency assistance for individuals, families and businesses affected by the COVID-19 pandemic. Included within this legislation was \$25 billion in financial assistance administered by the FTA for public transportation agencies across the country for eligible operating and capital expenses to prevent, prepare for, and respond to COVID-19 as well as maintaining essential transit services.

The CTA was allocated \$817.5 million in CARES Act funding from the federal government to help offset the decline in system-generated revenue and public funding. The remaining \$263.5 million will be carried over into 2021 to help offset continued projected shortfalls in revenues because of the pandemic. The CTA and other transit agencies around the country are advocating for additional federal funding. Without additional federal funding, the CTA would have to evaluate other undesirable options, which have historically included service adjustments or fare increases.

Fund Balance - Unrestricted Net Position

The CTA is required under Section 4.01 of the RTA Act to submit for approval an annual budget to the RTA by November 15th of each year. The budget must balance regarding anticipated revenues from all sources, including operating subsidies, costs of providing services, and funding operating deficits.

In addition to a structurally balanced budget, as part of the annual budget and recommended by the Government Finance Officers Association (GFOA), unrestricted net position is reported in this book.

Unrestricted net position is reported in compliance with generally accepted accounting principles (GAAP) and represents the portion of net position that is neither restricted nor invested in capital assets net of related debt. The unrestricted net position represents the long-term accumulation of non-cash transactions which are excluded from the annual budget. These amounts include, but are not limited to, provision for injuries and damages more than (or under) budget, depreciation expense, pension expense more than pension contributions, actuarial adjustments, interest expense, and capital contributions. The unrestricted net position is an accounting concept and is separate from annual budgeted revenues and expenses.

2017–2023 Fund Balance – Unrestricted Net Position (\$ in Thousands)

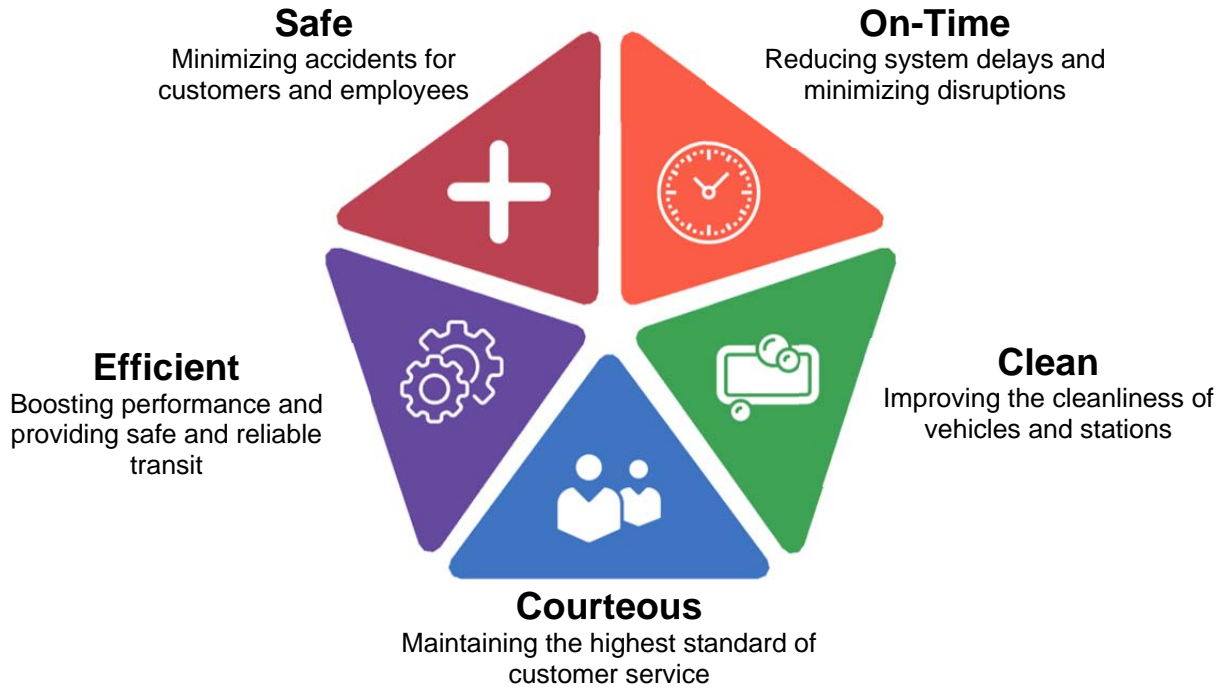
	Actual 2017	Actual 2018	Actual 2019	Forecast 2020	2021 Proposed Budget	2022 Plan	2023 Plan
Total Operating Expenses	\$1,450,840	\$1,498,210	\$1,515,388	\$1,562,710	\$1,257,401	\$1,675,800	\$1,715,000
System Generated Revenue	\$649,878	\$697,333	\$697,177	\$302,102	\$322,316	\$564,500	\$603,100
Funding Requirement	\$800,962	\$800,877	\$818,211	\$1,260,608	\$935,085	\$722,124	\$762,898
Public Funding	\$778,462	\$809,352	\$818,211	\$706,669	\$671,550	\$722,124	\$762,898
CARES Act Funding				\$553,939	\$263,535		
Short-term Borrowing							
Net Funding Available (PBV)	-\$22,500	\$8,475	\$0	\$0	\$0	\$0	\$0

Fund balance - unrestricted net position:

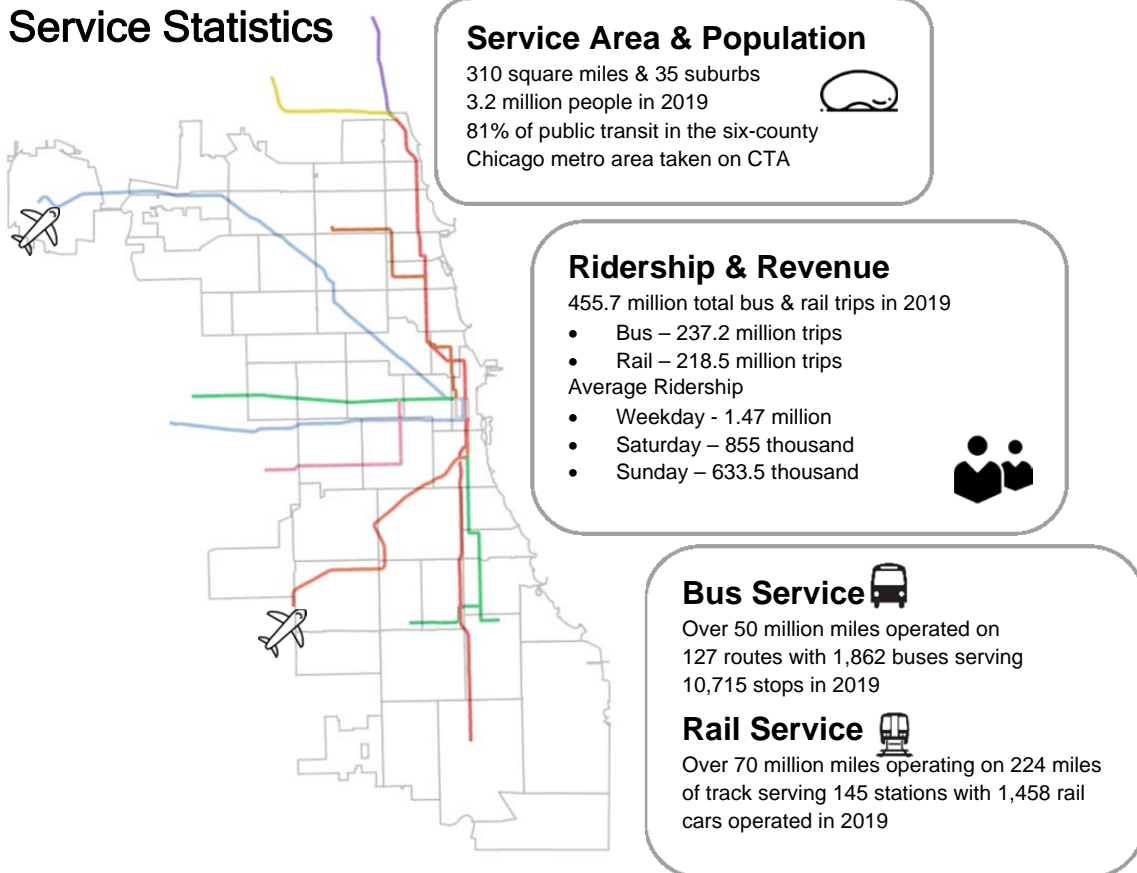
Beginning Balance	\$3,157,858	-\$3,245,337	-\$3,354,874	-\$3,332,476	-\$3,332,699	\$3,332,699	-\$3,335,664
Net operating results (PBV)	-\$22,500	\$8,475	\$0	\$0	\$0	-	-
Less: other obligations	-\$45,745	-\$105,381	\$32,167	\$0	\$0	-	-
Less: capital expended from net position (PBV)*	-\$19,234	-\$12,631	-\$9,769	-\$223	-\$2,965	-2,965	-1,898
Ending Balance	\$3,245,337	-\$3,354,874	-\$3,332,476	-\$3,332,699	-\$3,335,664	-\$3,335,664	-\$3,337,562

*Includes expenditures from prior years' positive budget variance

Performance Management (PM) is the CTA’s data-driven process designed to improve system efficiency and enhance the customer experience. PM has created outcome-oriented measures, along with accompanying targets, to monitor performance. Each department is responsible for focusing its resources to meet these targets and adhere to the following strategic goals – Safety, Customer Experience, and Workforce Development. The figure below details the five criteria PM uses to ensure exemplary service to CTA customers.

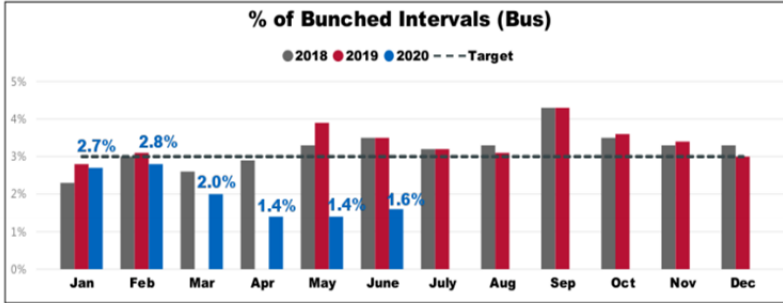


Service Statistics



PM continuously develops and monitors a range of metrics and targets with each department to improve operations and efficiency. A scorecard of monthly performance measures is published on a regular basis at transitchicago.com/performance. A selection of key representative metrics for major operational departments is provided here.

Bus Operations

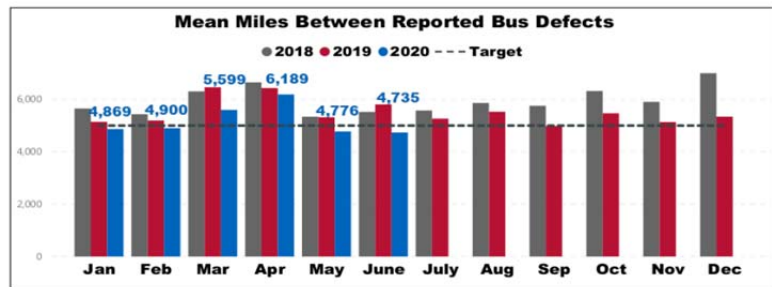


*Complete vehicle location data was not available for March and April 2019

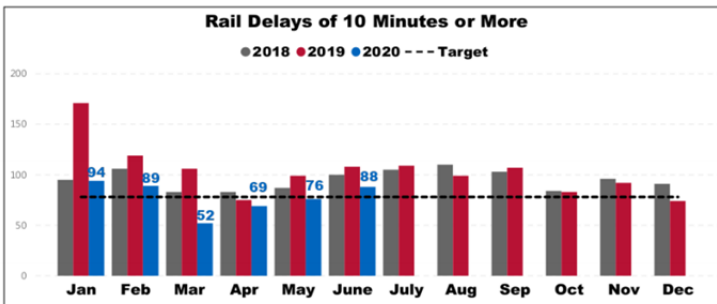
Bus Operations continually monitors the reliability of service with a variety of measures, including “big gaps” and “bunching”. A “big gap” is defined as a bus interval (time between two buses at a bus stop) that is double the scheduled interval and greater than 15 minutes, while “bunching” is defined as a bus interval (time between two buses at a bus stop) that is 60 seconds or less.

Bus Maintenance

Bus Maintenance is responsible for the maintenance of the CTA bus fleet. This includes both mechanical maintenance and regular cleaning of bus interiors and exteriors. Tracking the mean distance between defects is an essential monitoring mechanism for bus maintenance performance, while cleaning performance is tracked for adherence to schedule and quality standards.



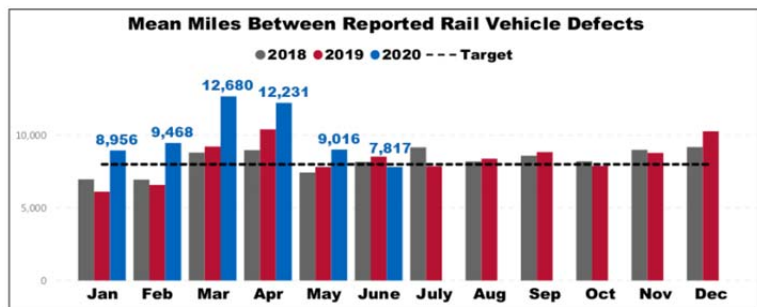
Rail Operations



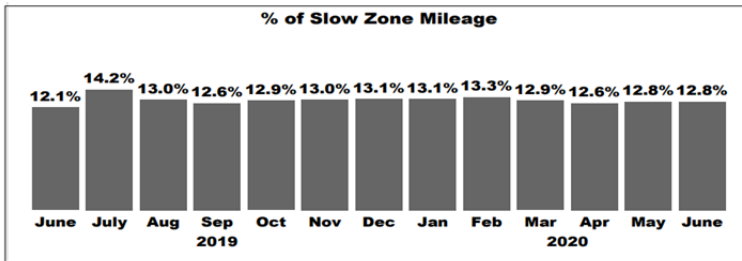
Rail Operations tracks several metrics to ensure the service experienced by customers is reliable. One important measure to monitor is the number of major rail delays assigned (>10 minutes), which can significantly disrupt system operations and rider experience.

Rail Maintenance

Rail Maintenance is responsible for the maintenance of the CTA rail fleet. This includes both mechanical maintenance and regular cleaning of rail interiors and exteriors. Tracking the mean distance between defects is an essential monitoring mechanism for rail maintenance performance, while cleaning performance is tracked for adherence to schedule and quality standards.



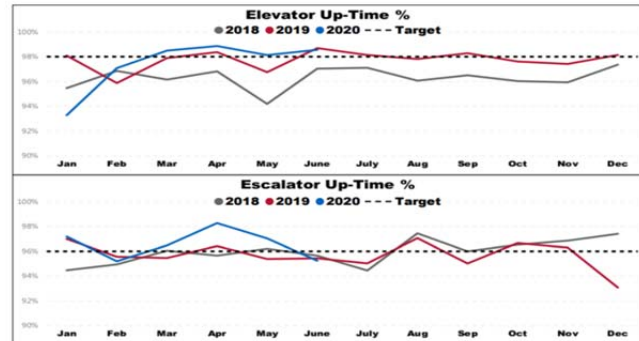
Power and Way



Power & Way Maintenance is responsible for inspecting and maintaining CTA's rail infrastructure, including track, structures, signals, and power systems. The percentage of the rail system under "slow zones" is a broad health metric of how much of the system is operating with performance restrictions to maintain safe and reliable operations.











Facilities Maintenance, which is part of the Infrastructure department, maintains all elements of CTA's stations and maintenance facilities. A key performance metric capturing their impact on the customer experience is the performance of station elevators and escalators, which are tracked for their up-time percentage and availability for service.

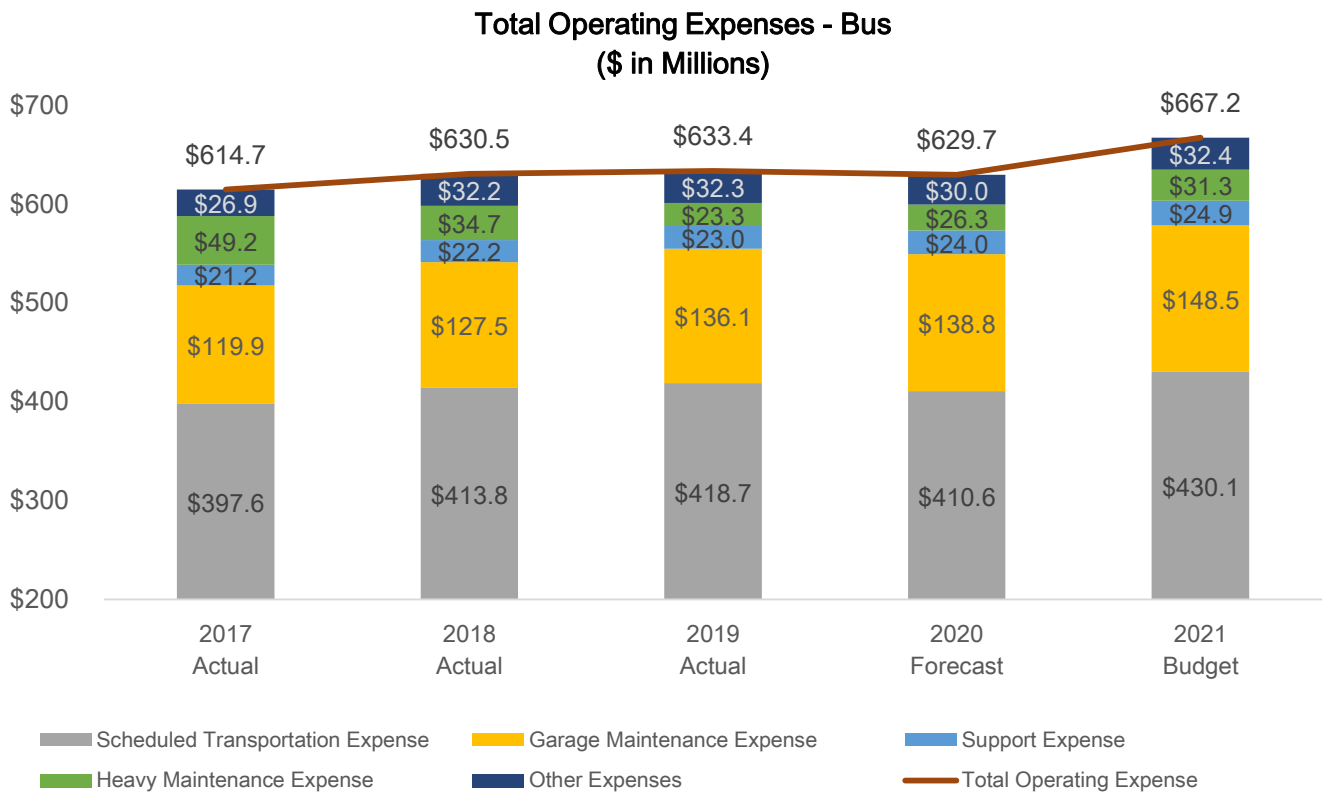
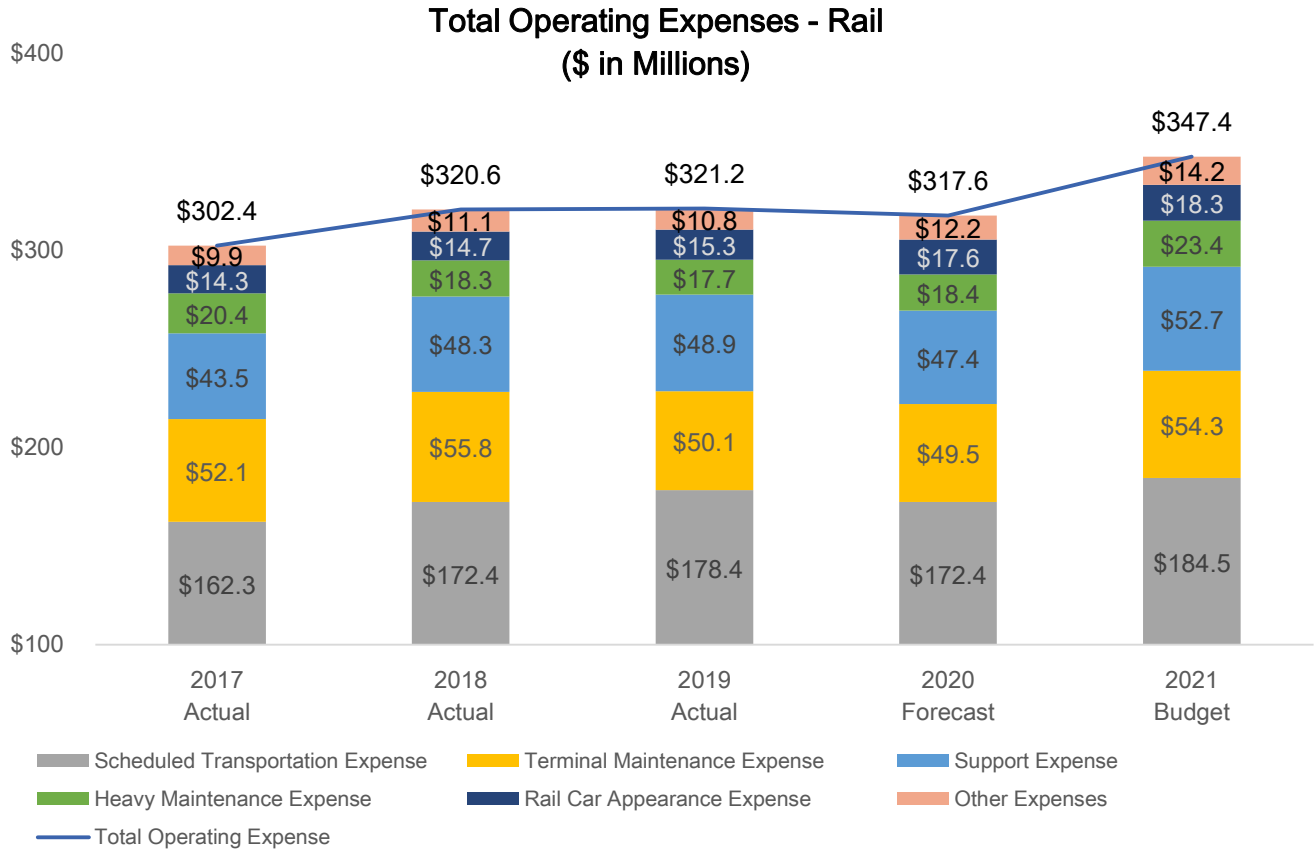
Facilities Maintenance



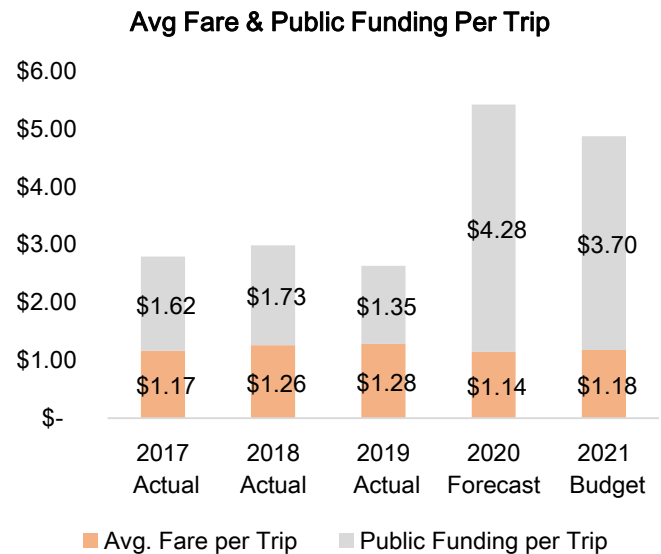
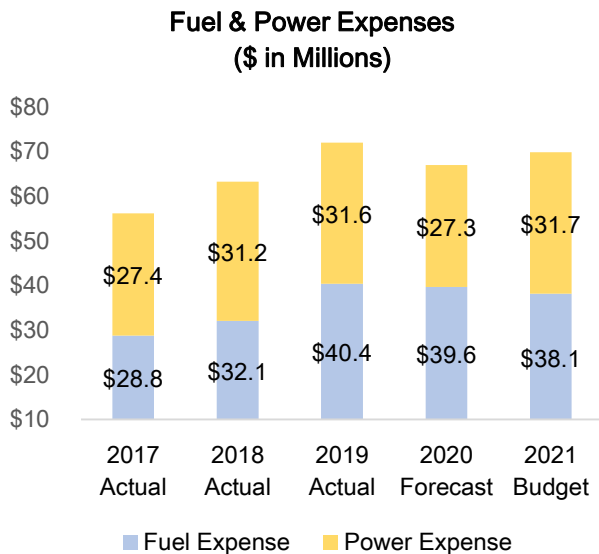
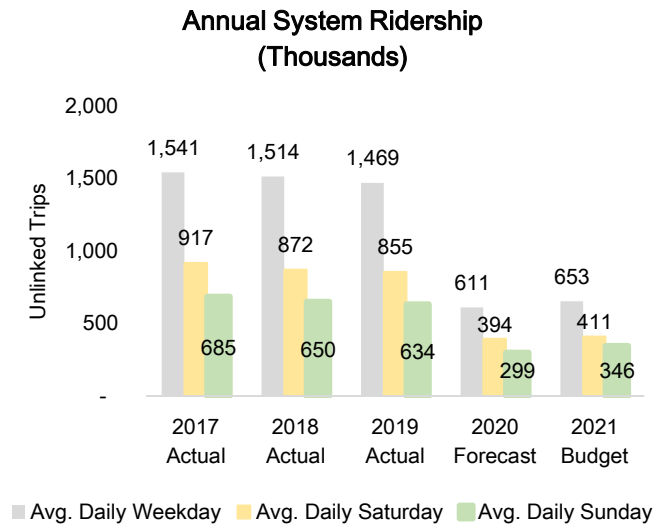
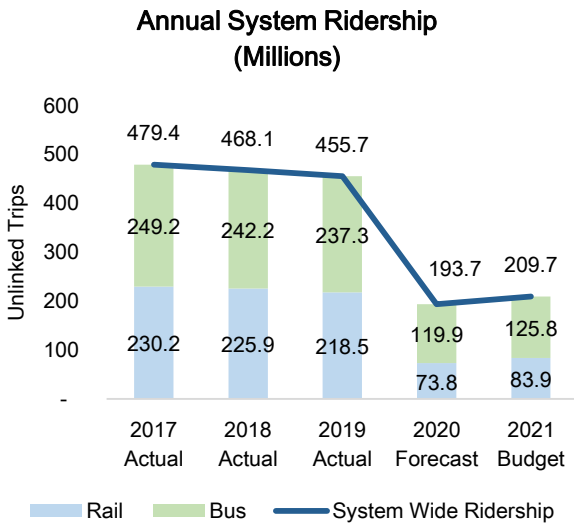
Departments

	Bus Operations	Bus Operations provides efficient, courteous, professional, safe and reliable bus transportation. The 2021 department budget is \$460.3M.
	Bus Maintenance	Bus Maintenance is responsible for the maintenance of the CTA bus fleet, including mechanical maintenance and regular cleaning of bus interiors and exteriors. The 2021 department budget is \$197.0M.
	Rail Operations	Rail Operations provides efficient, courteous, professional, safe and reliable rail transportation. The 2021 department budget is \$148.3M.
	Rail Maintenance	Rail Maintenance is responsible for ensuring that CTA rapid transit cars are maintained in a safe, reliable and aesthetic manner. This includes preventive maintenance, on-going mechanical maintenance and regular cleaning of rail car interiors and exteriors. The 2021 department budget is \$113.3M.
	Rail Station Management	Rail Station Management is responsible for overseeing the general cleaning of rail stations, rail/bus terminals, and various bus turn-arounds including garbage removal and snow removal. The 2021 department budget is \$107.0M.
	Control Center	The Control Center manages all movement and communication throughout the CTA system. Controllers monitor bus and rail service, safety for buses, trains and transit stops and power distribution. The 2021 department budget is \$16.0M.
	Infrastructure	Infrastructure is comprised of 4 divisions: Infrastructure Maintenance, Construction, Engineering and Real Estate. Infrastructure is responsible for the inspection and maintenance of all infrastructure assets, management of all CTA owned and leased real estate, and the planning, design and implementation of capital construction projects. The 2021 department budget is \$223.8M.
	Purchasing & Supply Chain	Purchasing processes over 1,000 contracts covering hundreds of millions of dollars annually to ensure the most responsible use of CTA funds. Supply Chain is responsible for efficiently stocking, managing and distributing materials and supplies necessary for the entire organization. The 2021 department budget is \$23.6M.
	Technology	Technology provides technology solutions and services to support the CTA and its riders. The 2021 department budget is \$54.4M.
	Safety	Safety is committed to developing and continuously improving processes that support a robust safety culture in achieving the highest level of safety performance for CTA customers and personnel. The 2021 department budget is \$5.6M.
	Security	Security is committed to developing and fostering an agency-wide program that supports the security of customers, employees and CTA assets. The Security department complements the agency's safety program. The 2021 department budget is \$21.1M.

	<p>Communications</p>	<p>Communications, including Customer Service, is responsible for a wide range of communications and marketing functions, all designed to provide information to CTA customers. Communications has four business units: (1) Communications/Media Relations; (2) Customer Information; (3) Customer Service and (4) Marketing. The 2021 department budget is \$8.0M.</p>
	<p>Finance</p>	<p>Finance is responsible for a wide range of financial functions through its five primary business units: (1) Budget & Capital Finance; (2) Treasury; (3) Financial Reporting; (4) Revenue & Fare Systems and (5) Accounting Systems & Payroll Operations. The 2021 department budget is \$58.8M.</p>
	<p>Law</p>	<p>Law is responsible for a wide range of legal functions such as (1) Corporate Law and Litigation; (2) Labor and Employment; (3) Compliance, Policy and Appeals; and (4) Torts, Subrogation and Workers Compensation. The 2021 department budget is \$20.6M.</p>
	<p>Planning</p>	<p>Planning is responsible for a wide range of short and long range planning functions including: bus and rail service planning and scheduling; strategic planning and ADA compliance. The 2021 department budget is \$7.7M.</p>
	<p>Human Resources</p>	<p>Human Resources strives to be the catalyst for optimizing people and organizational excellence. The department's responsibilities are divided between HR Services, HR Operations and HR Projects. There is also an Administrative function within HR. The 2021 department budget is \$6.7M.</p>
	<p>Diversity & EEO</p>	<p>Diversity creates and manages programs, such as, DBE/SBE Certification, Small Business Development & Outreach, Contract Compliance and Workforce Initiatives which create an environment of diversity, equity and inclusion for contractors and other stakeholders. EEO ensures CTA utilizes certified DBE's and does not discriminate in procurement, employment, service or contracting services. The combined 2021 department budget is \$5.0M.</p>
	<p>Training & Workforce Development</p>	<p>Training & Workforce Development is responsible for creating and delivering learning opportunities to help develop and improve the CTA's workforce. The 2021 department budget is \$24.5M.</p>
	<p>Performance Management</p>	<p>The Performance Management department is responsible for developing performance metrics and reporting on operational performance against those metrics to ensure CTA is constantly striving for improved efficiency and enhanced customer experience. The 2021 department budget is \$2.0M.</p>
	<p>Legislative Affairs & GCR</p>	<p>The Legislative Affairs department develops and advocates for initiatives that promote the legislative needs of the CTA. The department is also a resource for CTA employees, community organizations, elected officials and other units of local government. The 2021 department budget is \$2.1M.</p>
	<p>Internal Audit</p>	<p>Internal Audit provides independent evaluation and improvement of risk management, internal control and governance processes throughout the CTA. The 2021 department budget is \$1.2M.</p>
	<p>Other Administrative</p>	<p>The Board of Directors, Office of the President, and other administrative costs including Debt Service, Provision for Injuries & Damages, and other budgeted authority-wide non- departmental expenses are included in this category. The combined 2021 budget for these functions is \$138.0M.</p>



Metric	Mode	2017 Actual	2018 Actual	2019 Actual	2020 Forecast	2021 Budget
Annual Revenue Miles	Bus	52,290,416	52,314,606	52,816,557	53,077,756	53,532,044
	Rail	73,612,276	73,461,555	73,574,040	75,014,628	78,551,486
Annual Revenue Hours	Bus	5,772,259	5,794,197	5,814,122	5,842,875	5,892,884
	Rail	677,161	677,648	676,559	689,806	722,330
Vehicles Operated in Max. Service	Bus	1,579	1,569	1,566	1,532	1,532
	Rail	1,140	1,142	1,164	1,148	1,148
Vehicles Available for Max. Service	Bus	1,871	1,864	1,864	1,854	1,854
	Rail	1,462	1,462	1,500	1,462	1,472
Average Fleet Age (years)	Bus	8.2	9.3	10.0	11.0	12.0
	Rail	17.0	18.0	19.0	20.0	21.0
Capital Expenditures (Millions)	System	\$511.67	\$584.58	\$726.17	\$972.99	\$985.24



Note: FY2020 Forecast and FY2021 Budget include a portion of CARES funding received by the Authority in the Public Funding per Trip.

Fare Structure

Fare Group	Current Fare Structure (Effective January 7, 2018)
<i>CTA Regular Fare Types</i>	
Full Fare Bus ^[1]	\$2.25
Full Fare Rail ^[1]	\$2.50
Full Fare Cash (Bus Only)/PAYG ^[2]	\$2.50
Transfer ^[3]	\$0.25 (1 st), free (2 nd)
Ventra Single Ride Ticket ^[4]	\$3.00
1-Day/24-Hour Pass	\$10.00
3-Day/72-Hour Pass	\$20.00
7-Day Pass	\$28.00
7-Day Pass (CTA/Pace)	\$33.00
30-Day Pass (CTA/Pace)	\$105.00
Metra Link-Up	\$55.00
<i>CTA Reduced Fare Types ^[5]</i>	
Reduced Fare Bus	\$1.10
Reduced Fare Rail	\$1.25
Reduced Fare Cash (Bus Only)	\$1.25
Transfer ^[3]	\$0.15 (1 st), free (2 nd)
30-Day Reduced Pass	\$50
<i>CTA Student Fare ^[6]</i>	
Bus & Rail on Student Card	\$0.75
Transfer ^[3]	\$0.15 (1 st), free (2 nd)
Student Fare Cash (Bus Only)	\$0.75
<i>O'Hare Station Fare ^[7]</i>	
Full Fare on Ventra cards, Ventra Tickets, Cash or PAYG	\$5.00
<i>Stadium Express Bus</i>	
#128 Soldier Field Express ^[8]	\$5.00 round-trip \$2.50 reduced fare

Notes

[1] Indicates fares paid with Ventra Card or registered contactless credit/debit cards, unless otherwise indicated.

[2] "PAYG" refers to payments made by a contactless credit card or mobile wallet not associated with a Transit Account (unregistered).

[3] Transfers are not available with cash transactions.

[4] Single Ride Ticket Fare includes transfer for bus and rail.

[5] The CTA offers reduced fares via a RTA reduced-fare permit to seniors and persons with disabilities in compliance with 49 CFR Part 609. In addition, the CTA also offers reduced fares to children age 7-11. Free rides are offered to low-income seniors and persons with disabilities as required by 70 ILCS 3605/51(b) & 70 ILCS 3605/52. Children under the age of 7 are always free when riding with an adult.

[6] Student Fares are for enrolled elementary and high school students on school days only, 5:30 a.m. to 8:30 p.m. Students can pay with transit value on their Student Ventra Card, or present the Card on bus to be eligible for reduced cash fare.

[7] Special \$5 pricing at O'Hare station is not applicable to the following customers: Ventra Cards using a purchased period-pass; contactless credit/debit cards using a purchased period-pass; O'Hare Airport-based employees using an employer-issued Ventra Card; reduced fares; student fares; and U-Pass.

[8] The #128 Soldier Field Express is a service jointly managed by CTA and Metra, scheduled to operate for all Chicago Bears home games at Soldier Field, and other agreed-upon events. Period-passes, Student Fares and U-Pass fares are not accepted on the #128. Reduced fares are for customers displaying the RTA reduced-fare permit and children ages 7 to 11. Statutory free rides (seniors and persons with disabilities) and children under the age of 7 are free on the #128.

CTA Historical Fare Structure

Year	Bus Fare	Rail Fare	Transfer	30-Day Pass	Reduced Fare
1991-1998	\$1.50	\$1.50	\$0.30	\$60-\$88	\$0.75
1999-2003	\$1.50	\$1.50	\$0.30	\$75	\$0.75
2004 - 2005	\$1.75	\$1.75	\$0.25	\$75	\$0.85
2006 - 2008	\$1.75	\$2.00	\$0.25	\$75	\$0.85
2009 - 2012	\$2.00	\$2.25	\$0.25	\$86	\$0.85
2013 - 2017	\$2.00	\$2.25	\$0.25	\$100	\$1.00 - Bus \$1.10 - Rail
2018 - current	\$2.25	\$2.50	\$0.25	\$105	\$1.10 - Bus \$1.25 - Rail

Peer Comparison

To illustrate the CTA’s performance in relation to its peers, the following performance analysis utilizes the 2018 National Transit Database (NTD)*. The selection of comparison transit agencies is based on the size of the urban area served, the urban characteristics of the service area, and the size of the transit system. A comparative analysis on agency performance is noted in the following page.

The comparison group includes:

- MBTA Massachusetts Bay Transportation Authority
- NYCT New York City Transit
- SEPTA Southeastern Pennsylvania Transportation Authority
- WMATA Washington Metropolitan Area Transit Authority
- MARTA Metropolitan Atlanta Rapid Transit Authority
- LACMTA Los Angeles County Metropolitan Transportation Authority

Peer Agency Profiles

Agency	City	Service Population	Service Area (sq. mi)	Urbanized Area	Fleet Size (Operated)	Fleet Size (Available)	Rail Track Miles
CTA	Chicago	3,217,000	309	2443	2,719	3,333	265.0
MBTA	Boston	3,109,000	3,244	1873	2,453	3,288	108.0
NYCT	New York	8,538,000	321	3450	10,936	11,737	836.5
SEPTA	Philadelphia	3,830,000	839	1981	2,375	2,834	99.8
WMATA	Washington D.C.	3,720,000	950	1322	3,129	3,542	292.3
MARTA	Atlanta	1,967,000	936	2645	845	1,100	103.7
LACMTA	Los Angeles	8,360,000	1,419	1736	3,505	4,111	214.7

Peer Agency Fare Structure

CITY (Agency)	Bus Fare	Express Bus Fare	Rail Fare	30-Day/Monthly Pass Cost	Reduced Fare (Senior/Disabled)
CTA	\$2.25	---	\$2.50	\$105	\$1.10 - Bus \$1.25 - Rail
MARTA	\$2.50	---	\$2.50	\$95	\$1.00
NYCT	\$2.75	\$6.75	\$2.75	\$127	\$1.35
SEPTA	\$2.00 ¹	---	\$2.00 ¹	\$96	Senior: Free Disabled: \$1.25
MBTA	\$1.70	\$4 (Inner) \$5.25 (Outer)	\$2.40	\$90.00	\$0.85 – Bus \$1.10 – Rail
WMATA	\$2.00	\$4.25 Regular \$2.10 Senior/Disabled	\$2.00 - \$6.00 ²	\$135 ³	\$1.00
LACMTA	\$1.75	\$2.50 Regular \$1.35 Senior/Disabled	\$1.75	\$100	\$0.75 Rush Hours; \$0.35 Non-Rush Hours

¹ Zone charge may apply. Transfer charge \$1.

² The fares are zone based and depend on hours traveled. Full fares are paid during peak hours varying from \$2.25 to \$6.00 (weekday opening-9:00 a.m. and 3:00-7:00 p.m., based on the starting time of the trip).

³ WMATA offers select calendar month passes to registered customer for different rates. A \$135 pass covers system-wide access for commuters who would generally pay \$2.25 per ride.

Comparative Characteristics by Mode*



Heavy Rail



Urban Bus

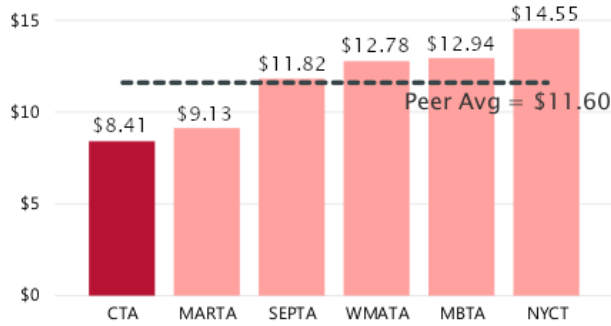
Agency	Operating Expenses	Vehicle Revenue Miles	Unlinked Trips	Mechanical Failures (in 1,000s)	Operating Expenses	Vehicle Revenue Miles	Unlinked Trips	Mechanical Failures (in 1,000s)
CTA	\$618	73.5	225.9	0.5	\$815	52.3	242.2	10.0
MBTA	\$302	23.3	163.5	0.4	\$412	21.2	101.8	0.8
NYCT	\$5,069	348.5	2,628.4	2.9	\$2,563	85.8	692.0	8.9
SEPTA	\$201	17.0	94.0	0.06	\$630	40.2	161.5	5.2
WMATA	\$1,044	81.8	229.2	0.7	\$678	37.1	119.7	5.3
MARTA	\$204	22.3	65.0	0.8	-	-	-	-
LACMTA	-	-	-	-	\$1,129	65.6	260.9	7.1

*Numbers in millions unless otherwise noted

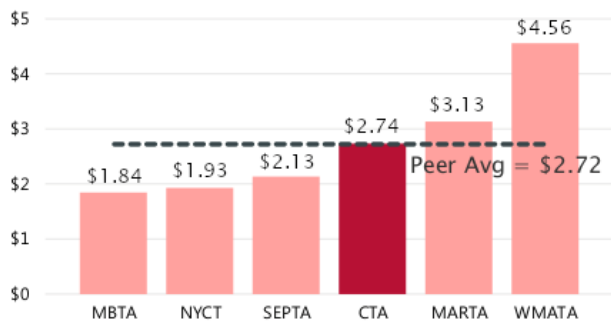


Heavy Rail

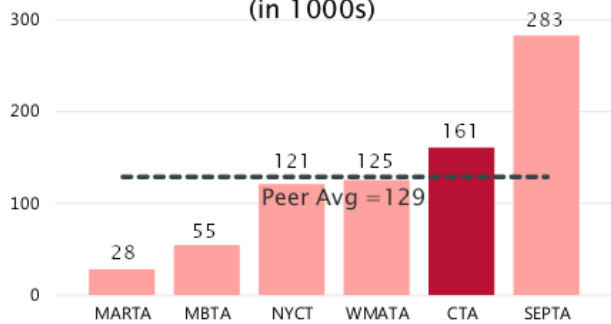
Operating Expense per Vehicle Revenue Mile



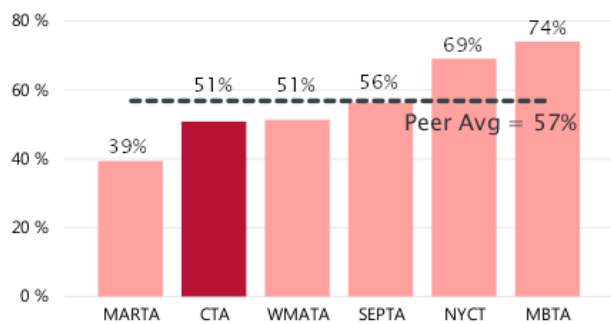
Operating Expense per Unlinked Trip



Miles between Major Mechanical Failures (in 1000s)

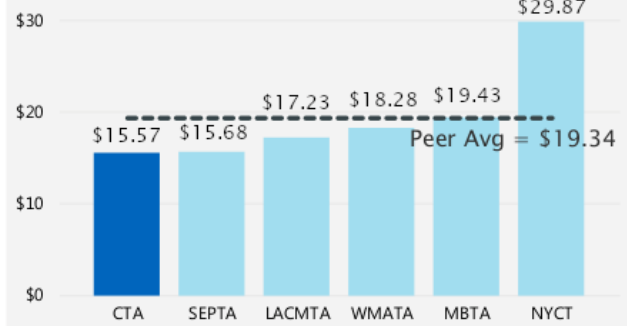


Fare Recovery Ratio

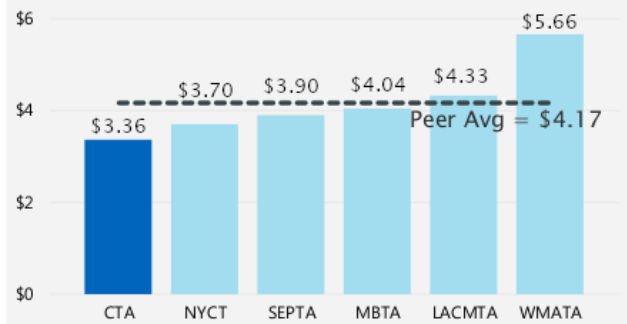


Urban Bus

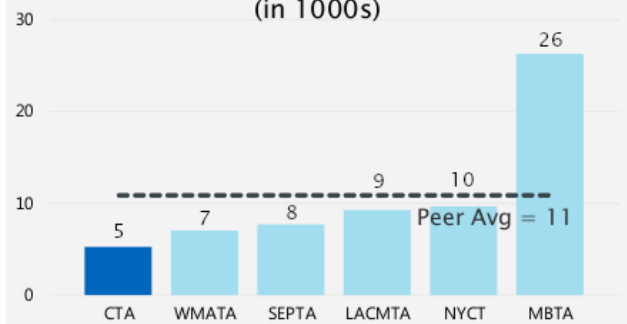
Operating Expense per Vehicle Revenue Mile



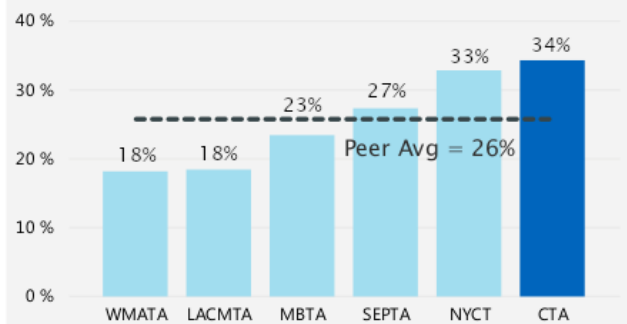
Operating Expense per Unlinked Trip



Miles between Major Mechanical Failures (in 1000s)



Fare Recovery Ratio



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Five-Year Capital Improvement Program

“Public transit is the great connector of our city, and residents and riders deserve a world-class public transportation system that is not only accessible, reliable and affordable, but most importantly safe.”

-Mayor Lori Lightfoot, February 28, 2020

CTA’s \$3.4 billion Fiscal Year (FY) 2021-2025 Capital Improvement Program (CIP) continues the commitment of preserving scarce resources for capital, increasing available capital funding, and strategically renewing the system. Despite the challenge of delayed funding, this CIP maintains its aggressive plan to renew and expand the CTA system, and believes the region’s transit riders should have access to an affordable world-class public transportation system, recognizing it as a critical link for increasing economic vitality throughout the city and region.

This CIP will modernize and improve the transit system, with an emphasis on environmental sustainability, technology, innovation and advancing the transit system towards a state of good repair (SOGR). Service improvements within this CIP will improve the customer experience and safety; include new technologies, transit stations, rolling stock, and public artwork at stations. Progress will also continue with the Project Development phase of the Red Line Extension (RLE) project in preparation for future construction.

Funding for this CIP anticipates \$2.1 billion in commitments from various federal sources, including traditional federal formula funds, major capital investment core capacity funds, and anticipated competitive grants. State programs that started in 2020 will continue; including \$980 million in Rebuild Illinois

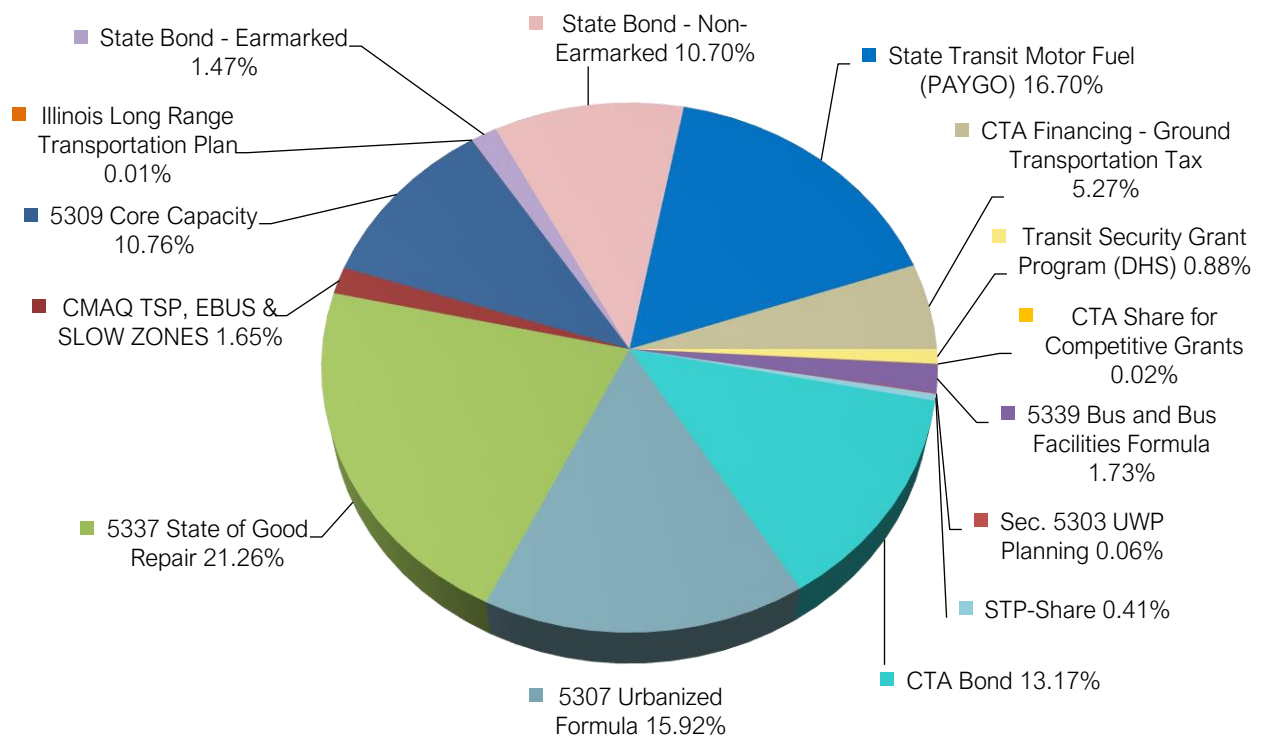
funding over the next five years, and the annual State Pay Go program that is dedicated to public transit to meet deferred maintenance capital needs. Locally backed sources include the issuance of approximately \$448 million in CTA bonds.

The investments outlined in this program will reduce operating costs in some areas and avoid escalating costs in others allowing the CTA to leverage its limited operating and capital funds to further improve the transit system.

As a result of the current economic recession due to the COVID-19 pandemic, ridership on the CTA and throughout the nation have been severely impacted due to stay-at-home orders that have limited transit use to essential trips only. While ridership has begun to slightly improve as the local economy has gradually begun reopening, it remains substantially below pre COVID-19 levels. Due to the severe impact this crisis has had on state and local public funding sources, which funds projects as part of this program, the FY21-25 CIP may be amended as necessary. State and local revenue sources have been severely negatively impacted and will affect capital funding for the CTA as this crisis is projected to continue for years.

Total anticipated available funding sources supporting the \$3.4 billion FY2021-2025 CIP is detailed below:

Total 5 Year CIP Budget \$3.4 billion



CHICAGO TRANSIT AUTHORITY							(\$ in thousands)
FY 2021-2025 CIP Preliminary Marks							
Sources of Funds	2021	2022	2023	2024	2025	TOTAL	
5307 Urbanized Formula	\$ 132,236	\$ 134,219	\$ 136,232	\$ 138,276	\$ -	\$ 540,963	
5337 State of Good Repair	176,594	179,243	181,932	184,661	-	722,431	
5339 Bus and Bus Facilities Formula	14,378	14,593	14,812	15,035	-	58,818	
Subtotal FTA	\$ 323,208	\$ 328,056	\$ 332,976	\$ 337,971	\$ -	\$ 1,322,211	
5309 Core Capacity	\$ 100,000	\$ 100,000	\$ 100,000	\$ 65,476	\$ -	\$ 365,476	
CMAQ	\$ 17,270	\$ -	\$ 38,694	\$ -	\$ -	\$ 55,964	
Sec. 5303 UWP Planning	420	420	420	420	420	2,100	
STP-Share	-	13,930	-	-	-	13,930	
Transit Security Grant Program (DHS)	6,000	6,000	6,000	6,000	6,000	30,000	
Illinois Long Range Transportation Plan	220	-	-	-	-	220	
Other Federal	\$ 123,910	\$ 120,350	\$ 145,114	\$ 71,896	\$ 6,420	\$ 467,690	
AVAILABLE FEDERAL	\$ 447,118	\$ 448,406	\$ 478,090	\$ 409,867	\$ 6,420	\$ 1,789,901	
State Bond - Earmarked	\$ 8,797	\$ 41,203	\$ -	\$ -	\$ -	\$ 50,000	
State Bond - Non-Earmarked	\$ 11,203	\$ 100,828	\$ 90,446	\$ 160,994	\$ -	\$ 363,472	
State Transit Motor Fuel (PAYGO)	\$ 141,875	\$ 141,875	\$ 141,875	\$ 141,875	\$ -	\$ 567,500	
CTA Bond	215,090	77,500	77,500	-	77,500	447,590	
CTA Financing - Ground Transportation Tax	171,200	7,800	-	-	-	179,000	
Subtotal Local	\$ 548,165	\$ 369,207	\$ 309,821	\$ 302,869	\$ 77,500	\$ 1,607,561	
AVAILABLE LOCAL	\$ 548,165	\$ 369,207	\$ 309,821	\$ 302,869	\$ 77,500	\$ 1,607,561	
New Funding Available	\$ 995,282	\$ 817,612	\$ 787,911	\$ 712,736	\$ 83,920	\$ 3,397,463	
CTA Share for Competitive Grants	160	105	105	105	105	580	
TOTAL Programmed Funds	\$ 995,442	\$ 817,717	\$ 788,016	\$ 712,841	\$ 84,025	\$ 3,398,043	

*RTA has not allocated the Service Board's share of FY 2025 FTA and State Pay Go funds. Currently, funds are set aside as a regional total until the RTA and Service Boards determine the percentage splits base on the performance-based programming initiative currently under development.

Description of FY 2021 - 2025 CIP Funding Marks (Sources)						
	Entity	Apportionment	Period	Program / Grant	Description / Eligible Activities	
FEDERAL	FAST Act FTA	URBANIZED AREA (UZA) FORMULA	FY2016 - 2020	5307 Urbanized Formula	Planning, engineering, design & evaluation of transit projects and other technical transportation-related studies; bus replacement, bus overhaul, bus rebuild, crime prevention/security equip. and construction of maintenance and passenger facilities; capital investments in new and existing fixed guideway systems including rolling stock, overhaul and rebuilding of vehicles, track, signals, communications, and computer hardware and software. All preventive maintenance and some ADA complementary paratransit service costs are considered capital costs.	
				5337 State of Good Repair		
				5339 Bus and Bus Facilities Formula		
		DISCRETIONARY		5309 Core Capacity		Substantial corridor-based capital investments in existing fixed guideway systems that increase capacity by not less than 10 percent in corridors that are at capacity today or will be in five years. Core capacity projects may not include elements designed to maintain a state of good repair.
				CMAQ		See Discretionary Grant Section
				Sec. 5303 UWP Planning		Develop transportation plans and programs, plan, design and evaluate a public transportation project, and conduct technical studies related to public transportation.
				Surface Transportation Block Grant		Flexible highway funding that is allocated to State and Metropolitan Planning Organizations (MPO) for regional transit projects - See Discretionary Grant Section.
				Illinois Long Range Transportation Plan		See Discretionary Grant Section
	Homeland Security Act			Transit Security Grant (DHS)		See Discretionary Grant Section
LOCAL	CTA Board	N/A		CTA Bond	CTA's bond financing program enables CTA to advance key projects that have touched all elements of CTA system in the absence of a State program. Key projects include: the North Main Line Red and Purple Modernization Project (RPM), the O'Hare Blue Line improvements, Rail Yards Improvements, the proposed Red Line Extension, the purchase of up to 846 new rail cars, and the overhaul of up to approximately half of the existing rail fleet and over a quarter of the bus fleet.	
				CTA Financing Ground Transportation Tax	A 2018 City of Chicago increase of the Ground Transportation Tax (GTT) on ride-hailing services, intended to fund capital improvements to the City of Chicago's transportation network and specifically to CTA, will provide CTA with \$16M in annual funding to support a \$179M five year capital program. CTA will leverage this source and use the tax proceeds to support a bond issuance that will fund a major share of the \$179M of capital investments.	
	RTA			RTA Bond	RTA bonds are not contemplated at this time for the 2021 Capital Improvement Program. Should the RTA issue bonds on behalf of the service boards after 2021, CTA expects to receive its 50% historical share of the proceeds of that issuance.	
STATE	ILLINOIS		2020 - 2025	"Rebuild Illinois" State Capital Transportation Program	State legislation enacted in June 2019, program funds will be generated from two sources: Multi-Modal Bonding Series that are backed by vehicle registration and title fees; and the 2019 increase in the State's Motor Fuel Tax (MFT) of \$0.19 per gallon. While the bonding series provide a one-time infusion of State funds over a six year plan, the State MFT provides a transformative funding source to the CTA that is to be a permanent recurring source of funds to the CTA, Metra, and Pace. Funds are dedicated towards the investments in the State of Good Repair.	

Federal Funding

On September 30, 2020, President Trump and Congress signed into law a one-year extension of the Fixing America's Surface Transportation (FAST) Act that was initially due to expire on October 31, 2020. The next surface transportation legislation to succeed the FAST Act that expires in October 2021 is expected to provide funding authorization levels for federal fiscal years 2022-2026 and will need to provide new funding mechanisms to maintain the solvency of trust fund accounts that support highway and transit programs since revenue generated from the excise tax on motor fuel has not grown to meet the required funding needs. The size of a new surface transportation program will be impacted by whether new revenue sources are enacted and/or continue to allocate general revenue funds to meet projected funding gaps.

State Funding

In response to the growing backlog of infrastructure needs across the state, the Illinois General Assembly passed, and the Governor signed into law a new State Capital Program known as "Rebuild Illinois" in June 2019.

The new state funding under Rebuild Illinois provides \$33.2 billion for transportation improvements over six



With Cook County Board President Toni Preckwinkle and CTA President Dorval Carter looking on, Chicago Mayor Lori Lightfoot and Gov. J.B. Pritzker discuss how the Rebuild Illinois capital plan will improve mass transit. (One Illinois/Ted Cox)

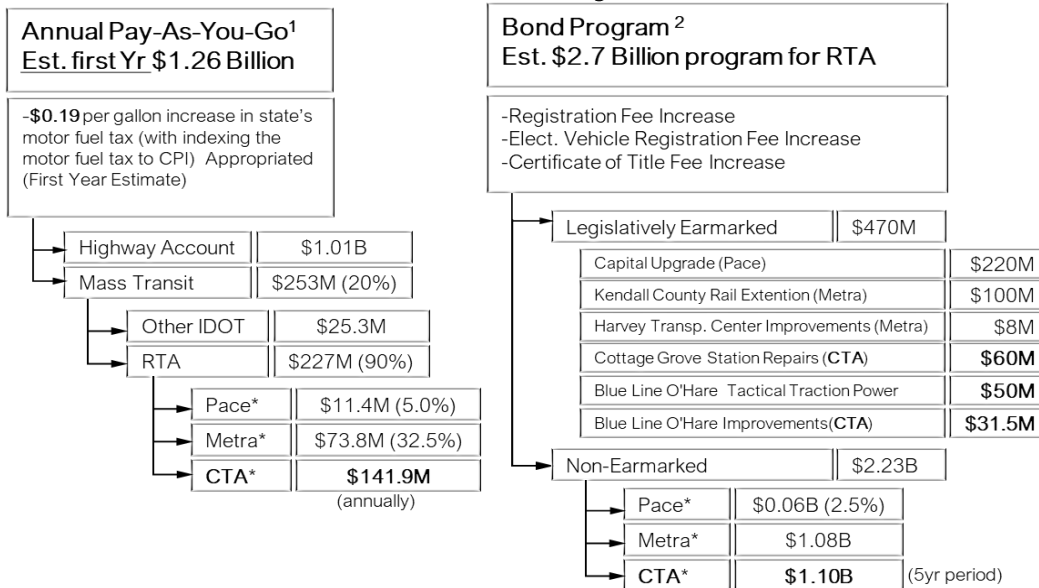
years. The Chicago Regional Transportation Authority (RTA) region is expected to receive funding from two dedicated revenue programs that include State Bond proceeds funded by vehicle receipts and the 2019 increase in the State's Motor Fuel Tax (MFT) of \$0.19 per gallon. While the bonding series provides a one-time infusion of \$2.7 billion State funds over a six-year period, the MFT provides a transformative recurring funding source to meet some of the region's SOGR needs going forward. In July 2020, CTA received the first award of state bond proceeds and expects to receive the first annual award of MFT receipts later in the year.

The following chart details the sources, recipients, and/or uses pertaining to the two new state funding programs where: (1) RTA's annual MFT funding share (or Annual Pay-As-You-Go Funds), based on first year receipt estimate, is \$227 million; and (2) RTA's share of the Bond program proceeds is estimated to be \$2.7 billion over a five to six year period. The percent allocation to the Service Boards has been agreed upon by RTA and the Service Boards. Current funding estimates for CTA are \$142 million of MFT proceeds annually and a total of \$1.1 billion of state bond in addition to the \$141 million earmarked state bond funds.

Pay-As-You-Go will provide a recurring funding stream that will allow the CTA to further invest in the acquisition and maintenance of its capital assets (buses, rail cars, track & structure, and facilities), as well as make upgrades to the existing fare equipment.

In 2020, CTA received a Rebuild Illinois State Bond grant award for the projects where funding is to be made available over the duration of the five-year plan based on project needs

State Bond Program



¹ Pay-As-You-Go amounts are based on a first year funding estimate and reflect annual recurring funding.
² State Bond program amounts are based on the entire amount to be issued and distributed over a five year period.
 *Proposed State funding percentages splits negotiated between the RTA and Service Boards through FY 2024, whereas for FY 2025 and beyond funding splits will be determined by performance based programming initiative currently being develop by the RTA with the Service Boards. (Totals may not add up due to rounding)

The State Bond program allocates funding for the following CTA committed projects:

- **Cottage Grove Green Line Station Improvement: \$75M** – The Cottage Grove Green Line station will be reconstructed to create a new community gateway for the Woodlawn neighborhood and a new urban space, with a more open design and lighter, brighter intersection at 63rd and Cottage Grove. The project is expected to architecturally enhance the station and make significant station improvements to the elevated Cottage Grove station, providing a safer, more comfortable environment for pedestrians. CTA is working with the Preservation of Affordable Housing LLC (POAH), which is developing a new property next to the station on the northeast corner of 63rd and Cottage Grove.
- **Blue Line O'Hare Branch Traction Power Improvements: \$113M** – This project builds on CTA's Your New Blue program, which is modernizing the fastest growing corridor – the O'Hare branch of the Blue Line. This additional investment will help improve travel times by increasing the power capacity allowing for additional cars to operate on the line, including the new 7000-Series railcars. This improvement is necessary to accommodate increasing ridership demand from population shifts and new developments along the corridor. Increased service will be needed during peak hours; however, the existing traction power system is not equipped to meet current rail service needs.
- **Blue Line O'Hare Station Improvements: \$31.5M** – This project will include funding for new canopies and structural improvements on the O'Hare Blue Line planned for the Montrose, Irving Park and Harlem Stations.
- **All Stations Accessibility Program (ASAP): \$78M** – CTA plans to invest State Bond funds, or other available funds, into the All Stations Accessibility Program (ASAP) where the overall plan provides for accessibility improvements to stations throughout the system over a 20 year period. Specifically, an investment totaling \$78 million will advance ASAP Phase One stations and elevator replacements, which includes the following:
 - Austin Green Line Station (New elevator, entrance reconfiguration, and station upgrades);
 - California Blue Line Station (Platform widening, new emergency exit stairs and two new elevators);
 - Montrose Blue Line Station (two new elevators);
 - Rehabilitating/replacing up to 20 elevators over a five-year period.

Additionally, CTA plans to invest the remainder of the State Bond funds in SOGR and additional strategic investments that will touch all elements of transit system. Investments will be in assets that include, but are not limited to, the following:

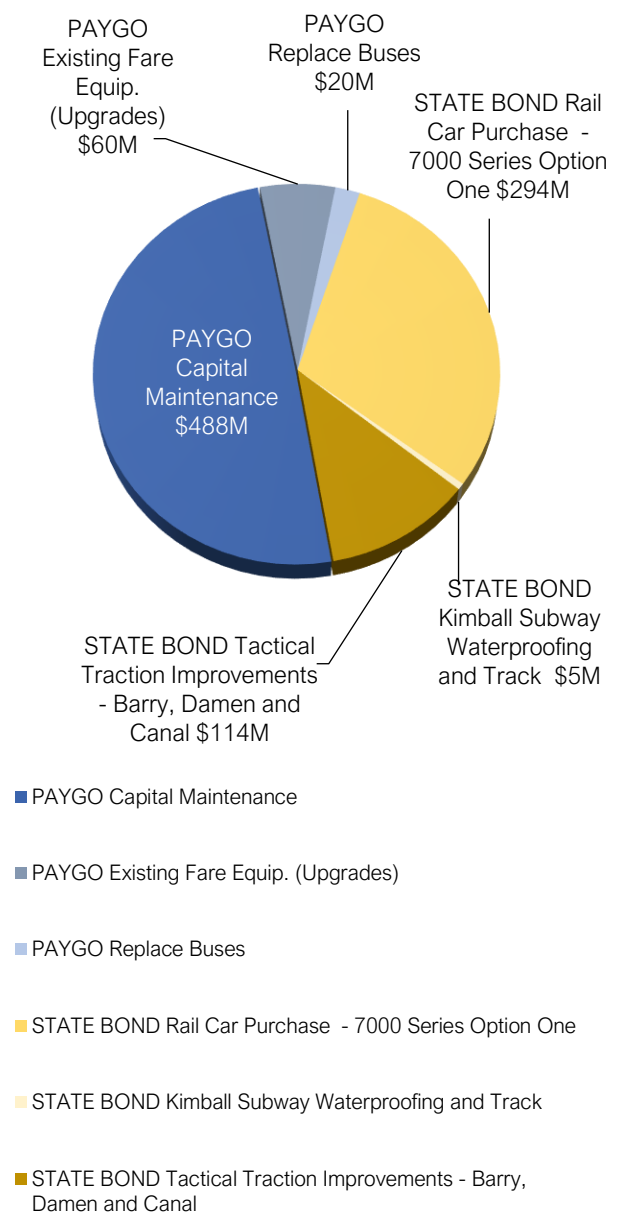
- Bus fleet to address buses that are due for retirement in the next five years;
- Rail fleet to address rail cars that are over 30 years old;

- Overhaul the 5000-Series rail cars (over 50% of revenue fleet);
- Stations, track, and traction power upgrades to maintain track speed, improve reliability and enhance the overall customer experience.

Meanwhile, CTA plans to invest the annual allocation of State PayGo funds to meet deferred maintenance needs for the revenue fleet, facilities, and infrastructure.

The following chart identifies the State funded projects and initiatives that are programmed in the FY21-25 Capital Plan.

State Capital Program



Regional Transportation Authority Funding

The RTA’s capacity to issue bonds for the Service Boards is restricted by statutory requirements on the amount of bonding capacity. Specifically, debt service on the bonds is limited to 40% of the average annual sales tax receipts (over the last two years). As bonding capacity is made available from retirement of existing capital debt obligations, RTA’s policy is to issue new long-term capital debt of which the proceeds are meant to fund capital projects for each of the three Service Boards. Bond funds are expected be allocated as follows: 50% will go to CTA, 45% to Metra, and 5% to Pace. Debt service for these bonds will be sourced from non-statutory Sales Tax I revenue.

RTA bonds are not included in the CIP. However, the CTA understands that if RTA issues bonds in the future, CTA will receive its 50% historical RTA bond allocation. The bond proceeds will be used for capital projects such as the purchase of new rail cars and buses as well as improvements to track and infrastructure.

CTA Bonds

CTA Capital Bonds are financed with grant and sales tax receipts. Since FY04, over \$2.8 billion in bond proceeds have provided funding for critical capital projects systemwide. CTA’s Bond Program is a direct result of a nearly \$13 billion SOGR backlog and the unpredictable nature of the previous state funding. Planned FY21-25 bond issuances include:

- \$137.6 million to advance key projects that touch all elements of the CTA system
- \$310 million to provide 30% non-Federal Capital Investment Grant match commitment needed for the Red Line Extension.
- \$179 million supported by Ground Transportation Tax receipts for Fast Tracks and Safe & Secure programs.

CTA’s bond financing program continues is a strategically important supplement to the federal, state, and local programs. Tax-exempt bond financing offers an efficient and cost-effective way to supplement scarce federal funding and accelerate critical projects. By constructing projects on an expedited schedule, CTA can reduce costs, improve service, and promote system ridership.

Capital Program Development Process

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

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

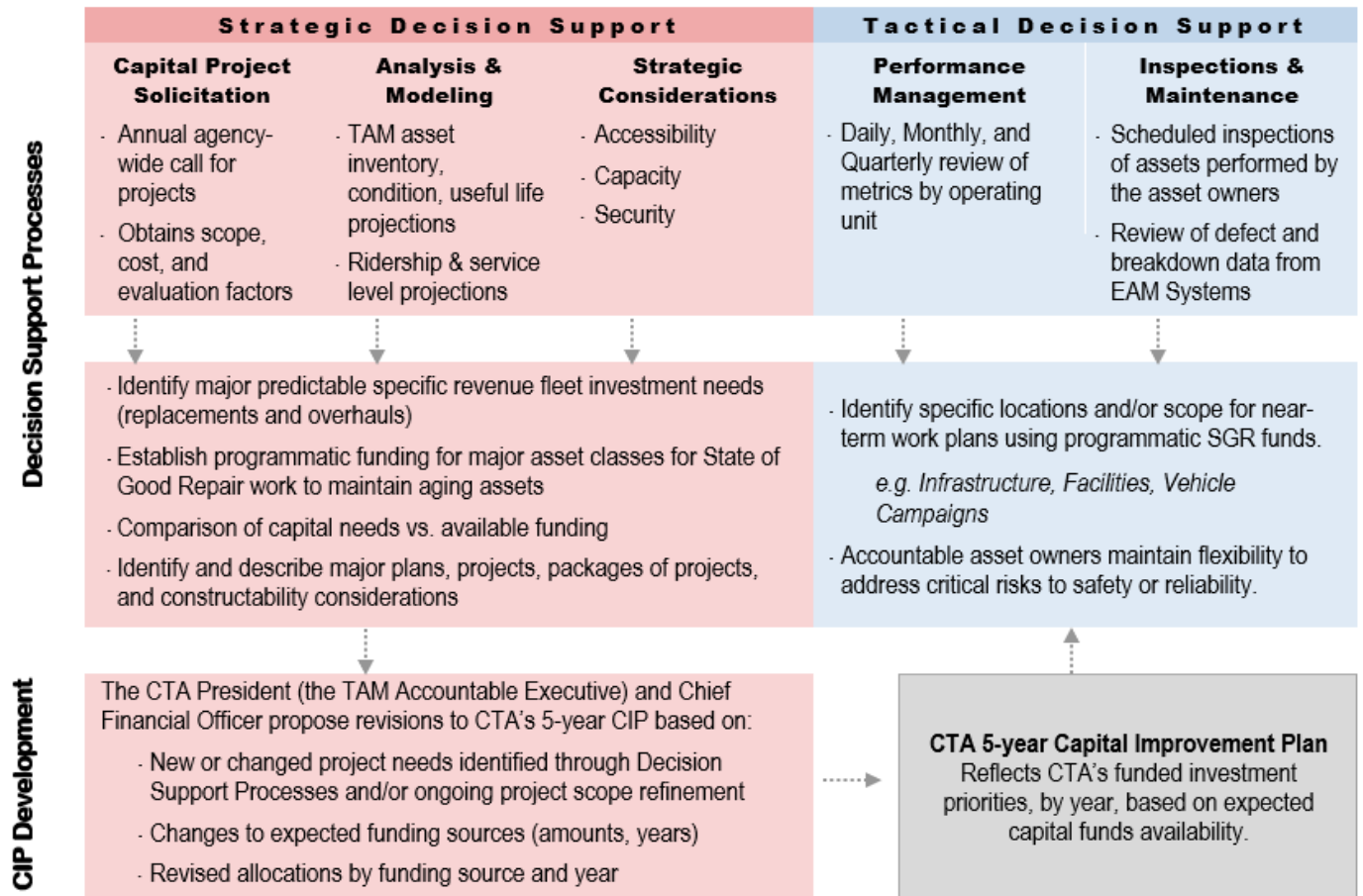
Apr-Jun	Solicitation of new projects – CTA Capital Finance requests project proposals and justification from all CTA business units
Jul	Evaluation of project proposals and senior management review (see "Investment Decision Process Overview", below)
Aug	Development of draft fiscally constrained capital program and budget document based on senior management guidance and preliminary funding marks from RTA
Sep	Final CIP developed after RTA issues funding marks for five-year program
Oct	Proposed CTA Capital and Operating Budgets released for public comment
Nov	Public Hearing and Board Consideration/Approval of CTA Budget
Dec	RTA Board Consideration/Approval of Regional Budgets
Feb	RTA and CTA submit the approved capital programs to the Chicago Metropolitan Agency for Planning (CMAP) for incorporation into the Regional Transportation Plan.

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

- Review progress, status, funding sufficiency, Disadvantaged Business Enterprise (DBE) participation, and other outstanding issues on active projects through monthly and/or quarterly meetings with departments;
- Present quarterly CIP updates presented to the Chicago Transit Board and RTA as necessary due to changes in project requirements or funding availability;
- Apply for, obtain, and monitor compliance of various capital grant funding sources;
- Ensure all reporting requirements for grant-funded capital projects are met.

Capital Investment Decision Process

CTA’s estimated baseline funding needed to maintain the condition of its existing asset base is roughly \$1 billion per year. In addition, CTA estimates a current backlog of \$13 billion in overdue replacements. Historically, the amount of available capital funding has fallen short of the amounts required to reduce or eliminate the backlog. The addition of new State of Illinois "Rebuild Illinois" funds has reduced the backlog funding gap, but the amount of available capital funding during the period FY21-25 will nonetheless require trade-offs in the allocation of funding between various state-of-good-repair needs and among strategic goals. CTA deploys several processes and tools to ensure that key decision-makers have meaningful information to guide when and where to invest scarce capital funding. The information and process flows are illustrated below:



Capital Projects Solicitation ("Call for Projects")

CTA's Capital Finance department conducts an annual solicitation process to request new and revised capital project proposals from CTA departments. The solicitation is conducted and compiled using a database and standard forms, which facilitate consistent analysis and evaluation of funding requests across projects and departments. Capital requests are submitted using a standardized Request Form, and requestors also provide information to inform an evaluation rubric and a State of Good Repair questionnaire. The Request Form collects high-level information about the capital need (e.g. asset category, location, estimated costs, departmental sponsorship) as well as descriptions of project objectives and other means of project justification. Requestors also have the option to attach supporting reference documentation, if warranted.

The evaluation rubric reflects the factors identified in CTA's TAM Policy Statement by project requestors.

CTA's primary capital project evaluation factors are:

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

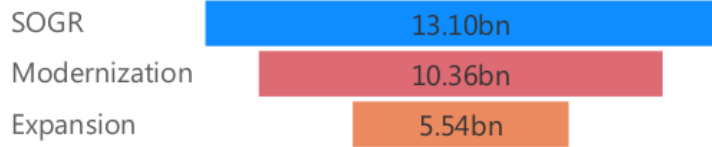
With additional key considerations addressed, including:

- Risk avoidance/mitigation
- Regulatory compliance
- Construction & Staging

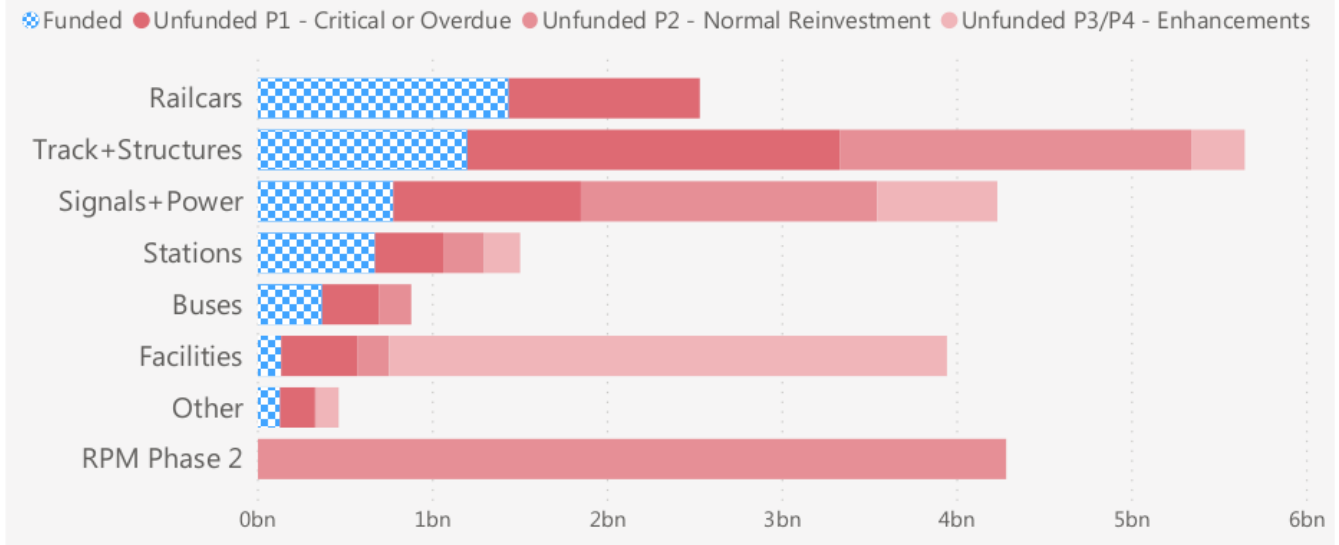
For projects that involve replacing or renewing existing assets, the SOGR questionnaire is used to collect asset condition information, and whether the proposed project impacts accessibility or identifiable safety risks. The following graphics summarize all capital needs identified in the 2021-25 project call:

Total Identified Needs
29.00bn

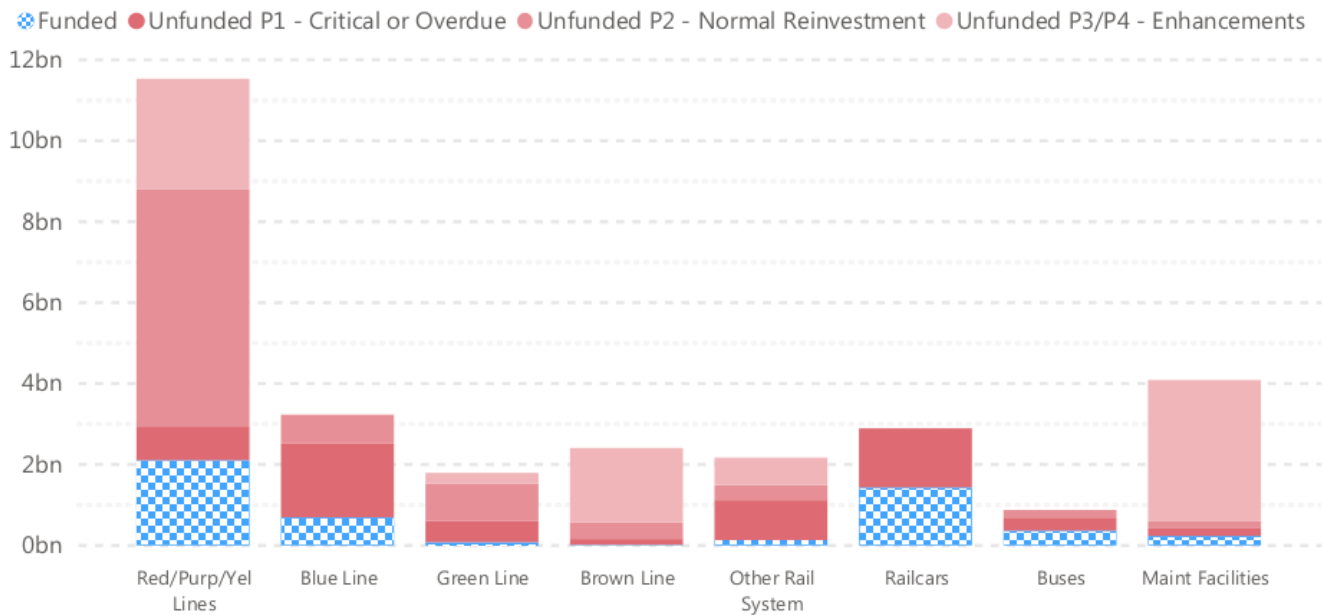
Capital Project Needs by Type



Funded vs. Unfunded SOGR Needs



Funded vs. Unfunded Capital Project Needs by Rail/Line/Bus



*RPM Phase 1 investments are allocated to their respective asset types. Funded totals include prior year funds for projects in progress and proposed FY21-25 funds"



Capital Investment Needs Funded & Unfunded

Overview

System-wide identified capital investment needs total \$29 billion. The largest category of investment needs is Rail Infrastructure renewal and modernization, with major needs also identified for revenue vehicles,

- \$9.87B** Infrastructure
- \$4.28B** Red-Purple Mod. Phase 2
- \$4.03B** Facilities
- \$3.20B** Expansion
- \$2.53B** Railcars
- \$2.34B** Red Line Extension
- \$1.50B** Stations
- \$877M Buses
- \$196M Comms/IT
- \$180M Non-Revenue
- \$ 84M Other
- \$29.0B** Total

All Stations Accessibility Program (ASAP)

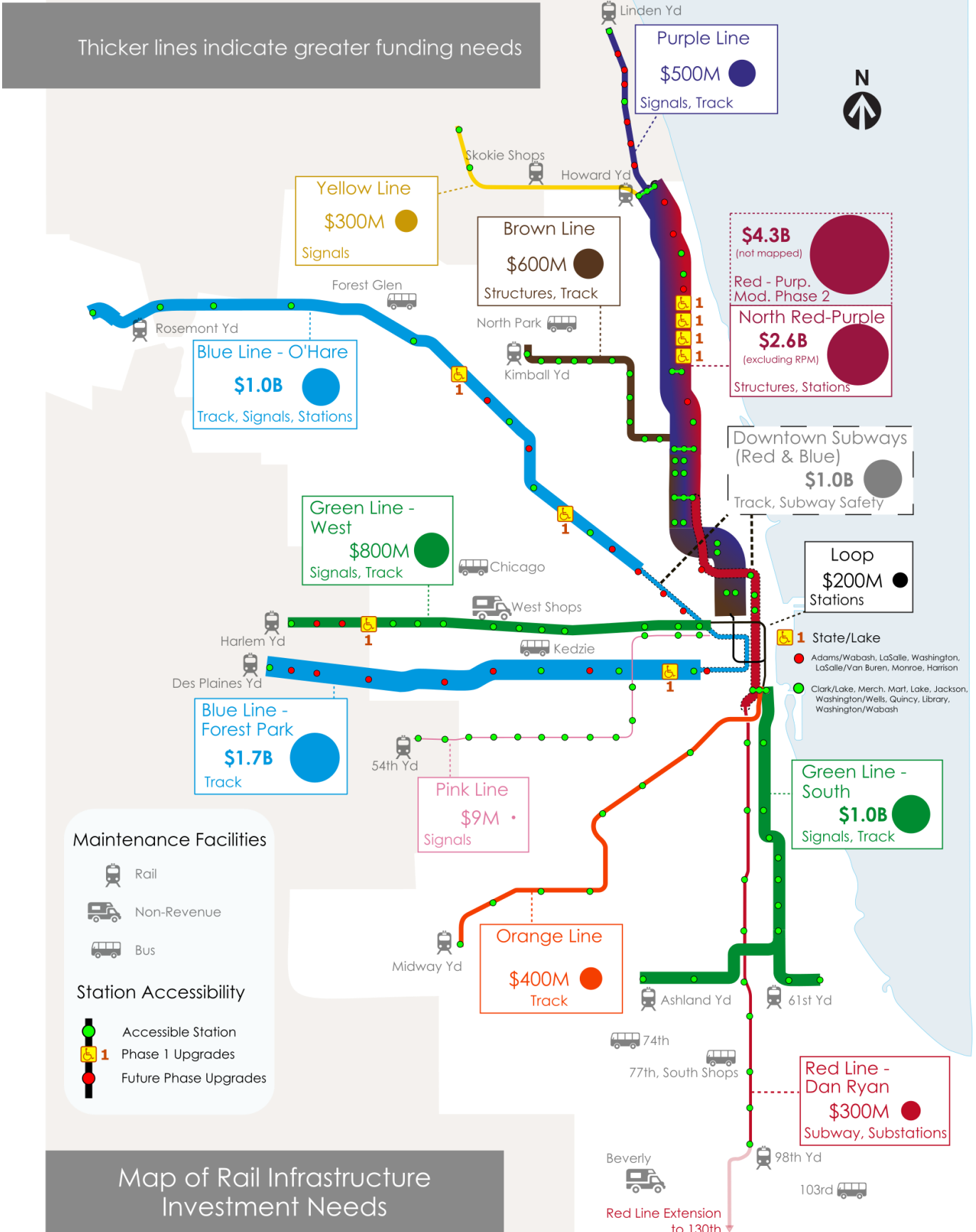
103 of 145 stations are currently accessible. 9 stations will be upgraded under ASAP Phase 1, and 5 stations will be upgraded under Phase 2.

- Phase 1
 - Montrose, California, Racine
 - Austin
 - State/Lake
 - Argyle, Bryn Mawr, Berwyn, Lawrence
- Phase 2 - Pending Future Funding
 - Damen, Irving Park, Chicago
 - Adams/Wabash
 - North/Clybourn

Rail Infrastructure SGR and Modernization Needs

Darker shades indicate greater relative investment needs





Strategic Considerations

Fleet Management Plans

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

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

The current Bus Fleet Management Plan (covering the period 2016-2028) identifies the following purchases and mid-life overhauls necessary to maintain a fleet of approximately 1,900 buses in a state of good repair with sufficient capacity to meet expected service levels:

- The purchase of up to 700 new 40' buses between 2020 and 2022 to replace 40' buses that will reach their 14-year expected useful life.
- Mid-life overhauls on up to 100 existing 60' buses in 2020 to ensure these newer buses continue to provide reliable service for their full-service life.
- A life-extending overhaul program on up to 450 40' buses between 2020 and 2022 to extend their service life by 4 years and space out fleet replacements.
- Mid-life overhauls on 450 40' buses between 2021 and 2024 to ensure these newer buses continue to provide reliable service for their full-service life.
- The purchase of up to 200 new 60' buses between 2022 and 2023 to replace 60' buses that will reach their 14-year expected useful life.
- The purchase of up to 450 new 40' buses between 2024 and 2026 to replace the 40' buses that will exceed their extended 18-year useful life.

The current Rail Fleet Management Plan (covering the period 2016-2026) identifies the following purchases and overhauls necessary to maintain a rail fleet in a state of good repair with sufficient capacity to meet expected service levels:

- The purchase of up to 846 new railcars (the 7000-Series) between 2020 and 2026 to (a) replace railcars that have exceeded their expected useful life and (b) increase the size of the fleet by up to 250 railcars to accommodate expected ridership and service growth upon completion of the RPM Phase One project, Blue Line power improvements, and the planned construction of the Red Line Extension.
- Continue performing quarter-life overhauls on the 714 cars of the 5000-Series through 2023, by which time the

overhaul program will begin performing mid-life overhauls on this same car series to ensure that these newer vehicles continue to provide reliable service for their full projected service life of 25+ years.

Strategic Initiatives

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

- The All Stations Accessibility Program (ASAP), a roadmap to achieve 100% ADA accessibility across the rail system.
- Core Capacity/Modernization studies to determine constraints on future rail ridership growth and identify mitigation projects and programs.
- System expansions and major improvements to rail and/or bus service.
- Strategic Planning documents that is available on the CTA website.

Alignment with Regional Goals

CTA's capital program exists within a regional context. Major projects are also considered with respect to their alignment with the RTA's Regional Transit Strategic Plan, Invest in Transit, and with CMAP's 30-year comprehensive regional plan, ON TO 2050.

The RTA Strategic Plan serves as a bridge between the five-year CIP and the long-range regional plan. Invest in Transit documents CTA's ten-year priority program of major projects, both funded and unfunded, which serve as a guide to projects to be considered for programming as new funding comes available.

Funding Considerations and Fiscal Constraints

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

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

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

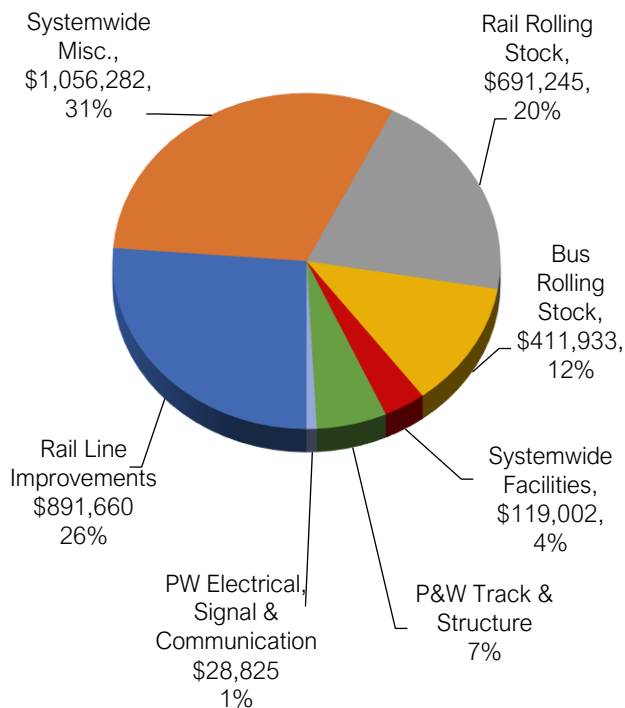
Uses of Funds by Asset Category

Projects are funded under the seven asset categories in CTA's proposed FY2021-2025 capital plan. Rail system projects receive a significantly larger portion of the proposed capital program funding than bus projects, primarily due to the need to maintain an exclusive right-of-way for rail, while buses operate on streets maintained by other units of government.

The capital projects proposed for FY2021-2025 are intended to address CTA's most critical needs for the bus and rail system, customer facilities, and systemwide support. CTA's major projects planned or underway during this period include: the Red and Purple Modernization (RPM) Phase One, Blue Line Improvements to the O'Hare and Forest Park Branches, Green Line Improvements including construction of new Cottage Grove Station, Rail Yards Modernization, the proposed Red Line Extension, the purchase of up to 846 new rail cars and 600 new buses, and the overhaul of up to approximately half of the existing rail fleet and over a quarter of the bus fleet.

The following figures show the proposed FY2021-2025 Capital Improvement Program by category:

FY21-25 CIP by Asset Category (in \$ thousands)



FY21-25 CIP by Asset Category (in thousands)

	FY21	FY22-25	5Yr. Funding
Bus Projects			
<u>Rolling Stock</u>			
Bus Maintenance	\$36,000	\$108,000	\$144,000
Perform Mid-Life Bus Overhaul	21,339	32,579	53,918
Replace Buses	36,063	177,953	214,015
Sub-Total	\$93,402	\$318,531	\$411,933
<u>Line Modernization & Improvements</u>			
Rehabilitate Blue Line - O'Hare Branch	\$20,000	\$99,041	\$119,041
Red Line Extension	95,271	232,500	327,771
North Main Line - RPM	\$179,372	265,476	444,848
Sub-Total	\$294,643	\$597,017	\$891,660
Rail Projects			
<u>Power & Way Electrical, Signal & Communication</u>			
Replace/Upgrade Power Distribution and Signals	\$23,004	\$5,820	\$28,825
Sub-Total	\$23,004	\$5,820	\$28,825
<u>Power & Way, Track & Structure</u>			
Infrastructure Safety & Renewal Program	\$84,038	\$114,000	\$198,038
Sub-Total	\$84,038	\$114,000	\$198,038
<u>Rolling Stock</u>			
Perform Rail Car Overhaul	\$29,853	\$32,810	\$62,663
Rail Car Maintenance	30,000	86,435	116,435
Purchase Rail Cars	62,876	449,270	512,146
Sub-Total	\$122,729	\$568,515	\$691,245
Systemwide Projects			
<u>Miscellaneous</u>			
Information Technology	\$1,700	\$3,400	\$5,100
Equipment and Non-Rev Vehicles Replacement	22,333	45,000	67,333
Rehabilitate Rail Stations	11,855	16,895	28,750
Implement Security & Communication Projects	15,405	28,449	43,854
CIP Management	13,561	34,486	48,047
Bond Repayment, Interest & Finance Cost	276,306	570,998	847,304
Planning Studies	275	0	275
Bus Slow Zone Elimination Program	1,652	15,025	16,677
Sub-Total	\$343,086	\$714,254	\$1,057,340
<u>Support Facilities & Equipment</u>			
Improve Facilities - Systemwide	\$34,540	\$84,462	\$119,002
Sub-Total	\$34,540	\$84,462	\$119,002
Capital Project Total	\$995,442	\$2,402,600	\$3,398,043
CTA Share for Competitive Grants	-\$160	-\$420	-\$580
Marks	\$995,282	\$2,402,180	\$3,397,463
Marks/Variance	0	0	0

Bus Rolling Stock Projects

CTA has a large bus fleet consisting of approximately 1900 buses, operating on 129 routes, and is committed to providing its customers with high quality bus service. The system's success depends in part on CTA's ability to renew, maintain, and operate its bus fleet in a state of good repair.

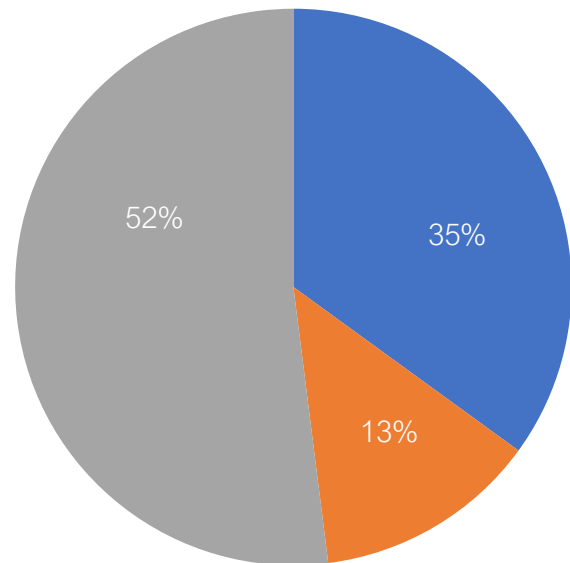
The Bus Overhaul and Maintenance programs are intended to obtain the full useful life of buses by performing scheduled tasks that result in decreased equipment downtime and unscheduled maintenance. Unscheduled maintenance occurs when buses fail while in service, disrupting operations, inconveniencing customers, and increasing operating costs.

The Bus Replacement program provides for engineering, purchase, and inspection of fully accessible buses. All bus procurements include spare parts and post-delivery monitoring of performance and technical support for problem resolution during the warranty period.

Funding for these projects will provide for an ongoing capital maintenance program that consists of tasks necessary to keep buses in service through inspection, detection, and prevention of anticipated failure. Routine bus overhaul and upgrades will minimize increases in operating costs associated with the maintenance of older, obsolete equipment, and allows for more reliable service to be provided. Newer buses have lower operating costs and ensure reliable service and reinforce CTA's commitment to quality bus service.

- ❖ Bus Maintenance \$144M – CTA plans to correct critical defects and deficiencies on the bus fleet discovered during the inspection of buses. The scheduled maintenance program consists of planned preventive maintenance work to maintain optimal bus performance. While major overhaul work is performed on a mid-life cycle basis, additional focused maintenance work is required at certain intervals, outside of the overhaul over the life of the bus. Major systems that must be maintained on CTA's buses include, but are not limited to Engines, Transmissions, and Electrical Systems. Work is performed by CTA's maintenance teams at bus garages dependent on work specification.
- ❖ Perform Life Extending Overhaul \$53.9M – Funding will provide for the Life Extending Overhaul for up to 430, 1000-Series New Flyer buses. The number of buses to be overhauled will be dependent on the future procurements of buses.
- ❖ Replace Buses \$214M – Funding will provide for the procurement of 100 Base Buses and Options to replace up to 500 additional buses; with the purchase of these buses, the remaining 50, 6400-Series buses will be retired and replacement of the 1,030, 1000-Series buses will be initiated.

FY21-25 Allocation for Bus Rolling Stock - \$412M



- \$144M - Bus Capital Maintenance
- \$54M - Life Extending Overhaul - 430 Standard (1000 Series)
- \$214M - Bus Replacement - 400 New Flyer's

Rail Line Modernization, Expansion & Improvement Projects

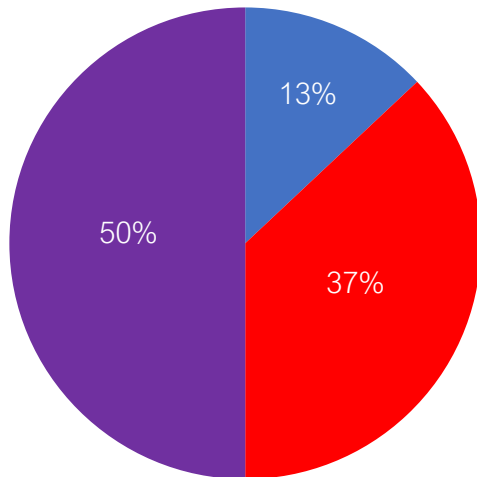
Rebuilding vital infrastructure for Chicago’s present and future is one of CTA’s top priorities and investments on three major transformational projects will continue in 2021:

1. Rehabilitation of the O’Hare Blue Line – Your New Blue (YNB)
2. Red Line Extension (RLE)
3. Red and Purple Modernization (RPM) Phase One.

These transformational projects will provide faster service, modernized stations and improved mobility and accessibility to customers.

included several track and station improvement projects along the 12.5 mile stretch of the Blue Line O’Hare Branch from Grand to Cumberland rail stations, along with upgrades to the signal system between the Jefferson Park and O’Hare rail stations. Now that many phases of this initiative are either complete or nearing completion, CTA is developing plans for future traction power improvements to the O’Hare Branch to accommodate ridership growth on this branch and the traction power requirements for the new 7000- Series rail cars that will be placed in service over the next five years. Once the YNB initiative is complete, over \$590M in investments will have been made to improve the O’Hare Branch of the Blue Line.

FY21-25 Allocation for Rail Line Improvements & Extensions - \$892M



- \$119M - Blue Line O'Hare Branch
- \$328M - Red Line Extension (RLE)
- \$445M - RPM North Main Line

Rehabilitation of the Blue Line O’Hare Branch – (YNB) and Future Investment \$119M – The YNB initiative began in 2013 with a committed phased investment plan for work to be done over several years as funding became available. The initiative

YNB Benefits:

- Renewal of track on the elevated portion of the O’Hare Branch to reduce slow zones.
- Safety, Security and Accessibility improvements at 14 stations.
- Signal system replacement between O’Hare and Jefferson Park.
- Power and equipment upgrades to improve reliability and allow for increase service and decreased crowding and dwell times.

YNB Status:

- Station Work:
 - Phase I Completed - Damen, California (2014), Western (2015);
 - Phase II Completed – Addison, Irving Park, Montrose, Harlem and Cumberland (2016);
 - Phase IV - Grand, Chicago, Division (May, 2020), Logan Square (February, 2020), Jefferson Park and Belmont (2019);
- Track & Structure:
 - Phase I Completed - Milwaukee Elevated Track Improvements – (2014);
- Traction Power:
 - Phase III - East Lake and Milwaukee Substation Upgrades (March, 2020);
- Signal Work:
 - Phase V - Signal replacement between O’Hare and Jefferson Park – (ongoing);
- Future Project Work:
 - Harlem Station Bus Bridge;
 - Kimball Subway - Waterproofing and Track Renewal.
- Future Investments:
 - Construction of new power substations at Barry and Damen
 - Construction of a substation tie house at Canal/Lake.





❖ **Red Line Extension \$342M** – The proposed \$2.3 billion Red Line Extension (RLE) project would extend the Red Line from the existing terminal at 95th Street to 130th Street. The 5.6-mile extension will include four new, fully accessible stations at 103rd Street, 111th Street, Michigan Avenue and 130th Street.

The FY21-25 CIP will complete funding for the final Environmental Impact Statement (EIS) and Preliminary Engineering (PE) and provide the 30% non-CIG match commitment needed to successfully complete Project Development. Funding will also be used to advance work efforts beyond those specific to Project Development, including engineering surveys, third-party agreement fees, legal reviews, property acquisition, and program management support, engineering and technical support during the procurement process.

RLE Benefits:

- Reduces commute times for residents within and south of the project area;
- Improves mobility and accessibility for transit-dependent residents in the project area;
- Provides improved rail transit service to this isolated service area, allowing critical links between housing, jobs, services,

and educational opportunities which will enhance neighborhood livability and vitality.

- Improves connection opportunities to other public transportation modes including regional commuter rail and suburban bus in the project area.
- Fosters economic development as new stations serve will serve as catalysts for neighborhood revitalization.
- Provides a modern rail car storage and shop facility to provide storage and maintenance for rail cars.

Project Status:

- In 2018, based on public feedback, technical analysis, and agency coordination, CTA selected the RLE Preferred Alignment.
- In 2019, CTA hired a Program Management Consultant to oversee the Final EIS and PE work needed to advance RLE through the Project Development Phase of the FTA New Starts Capital Investment Grant Program.
- In 2020, CTA hired a Project Engineering Consultant to complete the Final EIS and PE work.
- In 2020, CTA awarded a contract to commence work efforts on the RLE Transit Supportive Development Comprehensive Plan, funded through a \$1.48 million grant that was awarded through the FTA’s Pilot Program for Transit Oriented Development (TOD) Planning.



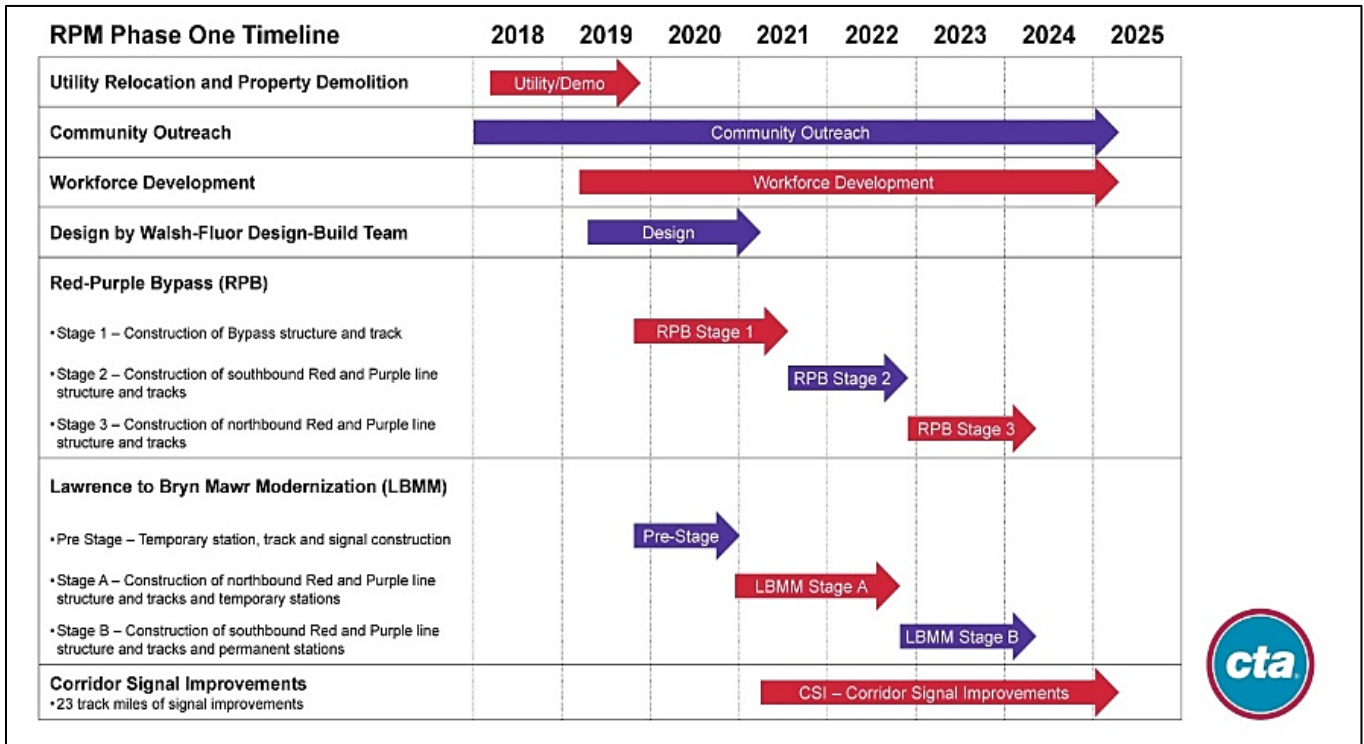
North Main Line Red / Purple Modernization (RPM) \$4125M –
 RPM is a transformational, multi-phased program that will completely rebuild the northern main line sections of the Red and Purple lines. Phase One is a \$2.1 billion project that will improve capacity, travel time, ride quality and safety, allowing for increases in service on the busiest rail line.

Project Status:

- Acquired 100% land for future construction;
- Design-Build contract Notice of Award – December 2018 Board;
- Design-Build Contract Notice to Proceed issued February 8, 2019;
- Initial construction work began in Fall of 2019 for the new bypass track. In 2020, design work continues and significant progress has been made on prestage work necessary to support train operations during phased construction of the new structure, tracks and stations in the Lawrence to Bryn Mawr area;
- CTA is conducting ongoing public outreach meetings to keep the public and business community informed about the project.

RPM Phase One Benefits:

- Modernize and expand the Lawrence, Argyle, Berwyn and Bryn Mawr Red Line Stations;
- Reconstruct and expand track and structures;
- Signaling improvements from Belmont to Howard;
- Construction of a Brown Line bypass track at the Clark Junction to reduce capacity constraints.



Power & Way Projects

CTA’s Power and Way infrastructure consists of track, signal, electrical, communication and structure assets that are essential in the safe operation of the rail system.

Electrical, Signal & Communication - CTA maintains a signal system designed to permit the safe operation of trains on over 225 revenue track miles. The traction power distribution system consists of 67 substations, five substation tie houses, 285 miles of cable, and 224.1 miles of third rail.

CTA’s Replace/Upgrade Power Distribution Program targets power distribution and signal upgrades and/or replacements to maintain system reliability. The Program will either replace or upgrade signal assets including wayside signals, interlockings and grade crossing signals at various locations along the rail right-of-way; and will also focus on predictive maintenance which is intended to replace component parts, correct deficiencies, and avoid service disruptions due to failure of aging equipment.

By funding programs such as replacing or rehabilitating old and obsolete signal system subcomponents will result in a reduction of emergency corrective maintenance costs. Predictive maintenance work will provide reliability and continuity of rail service and will generally not have a significant negative long-term impact on maintenance costs or operating budgets.

❖ Replace/Upgrade Power Distribution Signals \$29M – Funding will provide for the *Tactical Traction Power System Improvements* – This project will enable the CTA to continue to meet existing traction power needs and also increase traction power capacity to meet future demands such as the forthcoming 7000-Series rail cars. The project will include upgrades to the rectifier transformers, DC switchgears, battery systems and automatic transfer switches

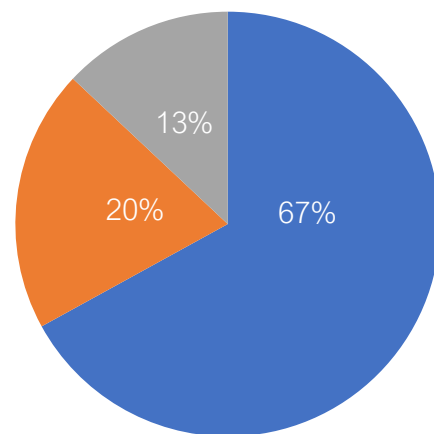
Track & Structure - CTA maintains approximately 225 miles of revenue track on a mixture of ballasted roadbed, open-deck elevated structure, and direct fixation, plus 30 miles of track in rail car storage yards; in addition to 106 linear miles of rail structure, including subway structures, 115 bridges and viaducts, 89 elevated station structures and several standalone facility structures.

CTA’s Track & Structure Program improves safety and SOGR on CTA’s right-of-way (ROW) infrastructure. Funding will be targeted at maintenance work on infrastructure assets such as Track, Structure and Power. When certain maintenance tasks

are needed to repair or replace asset components to maintain the working life of rail system, specific component campaign work is conducted. The objective of funding the program Rehabilitating Track and Structure is to systematically repair and upgrade components, which will reduce the need to impose mandatory slow zones due to the deteriorating condition of right-of-way infrastructure, which directly benefits CTA’s customers.

❖ Infrastructure Safety and Renewal Program \$198M – Project funds will be targeted to Safety and State of Good Repair projects throughout CTA’s right-of-way infrastructure. All work planned and performed will maintain the asset(s) in proper condition through its quarter life cycle, while a more extensive rehabilitation is planned at the mid-life of the asset. Funding will provide for the replacement of ties, running rail and third rail on the elevated structure systemwide. Beyond track renewal, work will focus on key deficient structural elements that have been identified through structural inspections.

FY21-25 CIP Allocation for Power & Way - \$227M



- \$152M - Infrastructure Safety & Renewal
- \$29M - Replace/Upgrade Power Distribution Signals
- \$46M - Fast Tracks

Rail Rolling Stock Projects

CTA has a large fleet of approximately rail cars that make approximately 2,300 trips each day serving 145 stations.

The Rail Overhaul and Capital Maintenance Programs are intended to correct critical defects and deficiencies discovered during the inspection of rail cars. The Capital Maintenance Program is an ongoing program consisting of tasks that are necessary to keep rail cars in service through systematic inspection, detection, and prevention of anticipated failure while the Overhaul Program efforts are intended to be performed on each rail car at approximately 6-7 year (Quarter-Life) and 12 to 13 year (Mid-Life) intervals. Overhaul activities include major component rebuild and needed repairs to rail car bodies. Overhauling the rail fleet improves reliability, comfort, and cost-effectiveness of transit service, making it more attractive and beneficial to customers. Funding for these programs will provide for ongoing capital maintenance work necessary to keep rail cars in service through systematic inspection, detection, and prevention of incipient failure. Scheduled maintenance activities and replacing rail cars at the appropriate time, generally at 30 years of age allows CTA to improve the quality and service reliability of rail cars while reducing operating maintenance costs. As more rail cars are cycled through the overhaul program, unscheduled maintenance will be significantly reduced.

CTA's Purchase Rail Cars Program will provide for the engineering, design services and project management to purchase new rail cars. All procurements will include post-delivery monitoring of vehicle performance and technical support for problem resolution through the warranty period.

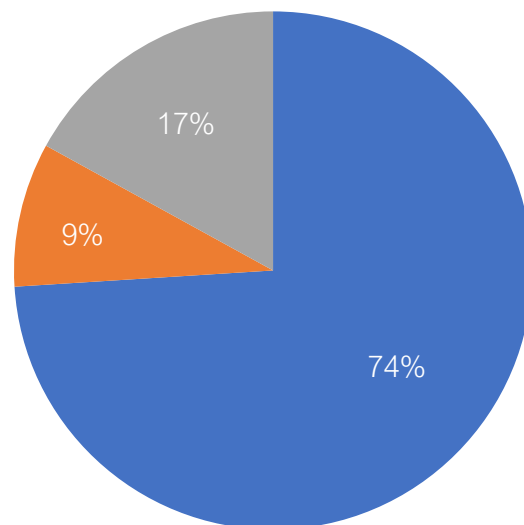
- ❖ Perform Rail Car Overhaul \$63M – Funding will provide, in part, for the purchase and installation of components for overhaul work on the 5000-Series rail cars. This scheduled maintenance will also include major component rebuild and repairs to the car structure, components, and interior designed to be performed on each rail car at approximately six to seven-year intervals. A total of 714 5000-Series rail cars are expected to be completed.

- ❖ Rail Car Maintenance \$116M – CTA's scheduled maintenance program consists of planned work to maintain optimal rail car performance. While major overhaul work is performed on a quarterly and mid-life cycle basis, additional focused maintenance work is required at certain intervals of the car's life outside of the overhaul cycle. When certain maintenance tasks are needed to repair or replace a component before it reaches its end of useful life and fails with an increased frequency, specific component campaign work is conducted. Major systems that must be maintained on CTA's rail cars include but are not limited to Propulsion,

HVAC, Braking, Traction system. Work can either be performed at CTA's Rail Terminal Shops or Heavy Maintenance Shop dependent on work specification.

- ❖ Purchase Rail Cars \$512M – Funding will provide for the purchase of new 7000-Series to replace the 2600- and 3200-Series rapid transit rail cars. Existing and current five-year plan funds are secured to acquire 400 new 7000-Series rail cars. In addition, sufficient funding is programmed to allow CTA to exercise the first option of the contract to acquire an additional 156 railcars.

FY21-25 CIP Allocation for Rail Rolling Stock - \$691M

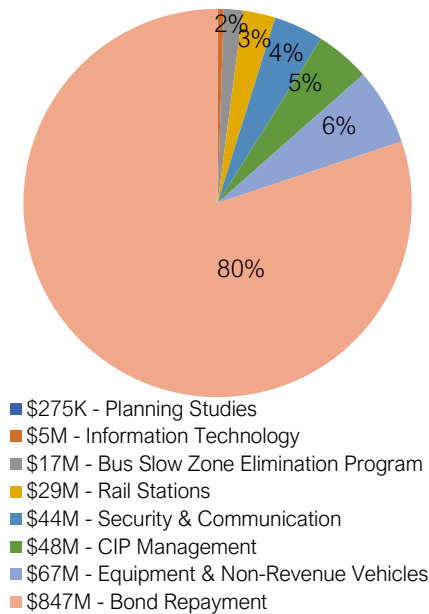


- \$512M - Rail Car Purchase (7000 Series)
- \$63M - Rail Car Overhaul
- \$116M - Rail Car Maintenance

Systemwide Projects

Systemwide improvements such as Information Technology, Equipment and Non-Revenue Vehicles, Rehabilitate Rail Stations and Implement Security and Communication Projects are vital projects directed towards the Authority’s System Infrastructure; Administration projects such as CIP Management and Bond Repayment are necessary to support CTA’s Capital Improvement Program and Planning projects that will implement a coordinated program of bus priority treatments for specific bus network problem areas.

FY21-25 CIP Allocation for Systemwide Projects - \$1.05B



- ❖ Information Technology (IT) \$5.1M – Funding will provide for periodic replacement of systems, computers and associated components as well as annual funds for IT’s state-of-good-repair maintenance program to revitalize heavy usage of 24/7 technology systems including Uninterrupted Power Supplies (UPS), radios, telephones, cameras, dynamic message signs (DMS), public announcement (PA) speakers/microphones, SCADA, Control Center, and mobile fleet communications. This SOGR maintenance program will provide for the repair, replacement, and upgrade of IT systems and/or devices, software, emergency restoration, subject matter expertise support, system monitoring, and cyber security solutions.
- ❖ Equipment and Non-Revenue Vehicle Replacement \$67.3M – Funding will provide for Open Fare Lease and the Purchase of Diesel Locomotives. Open Fare Lease provides for the ongoing Ventra agreement which allocates funding for the principal and interest costs needed for the open fare standard equipment, hardware, and software costs. Furthermore, final installment of funds are allocated for the replacement of four diesel locomotive snow-fighters, the self-propelled locomotives are design to operate and clear

system track, so that CTA can safely power up the system to restore/provide service.

- ❖ Rehabilitate Rail Stations \$28.7M – Funding will be directed to three projects: CTA Station Program, Austin Station construction, and elevator rehabilitation/replacement program. CTA stations program will be focused primarily on work that improves CTA’s capacity to maintain stations and improve customer comfort and safety. The focus will be to target critical smaller upgrades such as, but not limited to: station house, structural supports, stairs, platforms, canopies, lighting, signage, tactile edging and passenger amenities. Locations for this project will be driven primarily by audits performed by inspection crews. The Austin Station reconstruction will provide for a complete renovation of the station including the addition of an elevator and ADA compliant ramp. Current five-year plan funding with existing funds completes the investment. The elevator modernization program is part of CTA’s ASAP where the goal is to rehab or replace annually a certain number of elevators throughout the system with the exact number being determined by funding availability.
- ❖ Implement Security & Communication Projects \$43.9M – Security and safety are of supreme concern for CTA. This program will focus on implementing up-to-date systems, cameras and programs to its customers and CTA personnel. Continued investments by the CTA and the Chicago Police Department (CPD) add another layer of anti-terrorism mechanism to protect CTA’s high-risk, high-consequence mass transit assets and operations from terrorist activities.
- ❖ CIP Management \$48M – CIP Management provides for project administration and professional services associated with all capital projects in the CIP as a percentage of engineering labor charges. Also included in this category is CTA’s program development staff which develops and maintains the regional Transportation Improvement Plan (TIP) and the State Transportation Plan (STIP) as required under federal regulations.
- ❖ Bond Repayment, Interest and Finance Cost \$847.3M – This will fund debt service and the cost of issuance of bonds, notes and other indebtedness incurred by CTA when it uses short-term and long-term debt to finance capital activities; Provides for the payment of principal and interest costs associated with financing the Capital Grant or Sales Tax bond series issued in 2004, 2006, 2008, 2010, 2011, 2014, and 2017. Funding has also been allocated to provide for the refinancing of Capital Grant bonds made in FY 2010, 2011, 2015 and 2017. In addition, funds will provide for the payment of principal and interest costs associated with financing two Short-Term Lines of Credits issued in 2018 and 2019. Lines of Credit are used as interim financing to provide for initiatives such as Safe and Secure, Fast Tracks and RPM.

- ❖ CTA Bus Planning Studies \$275K – CTA will continue its planning studies: a Bus Priority Zones Initiative (formerly known as Bus Slow Zones) and a Transit System Network Design Study, called Bus Vision focused primarily on bus.

The Bus Priority Zone program is a joint initiative with the Chicago Department of Transportation (CDOT); together we will develop a coordinated program of Bus Priority Zones consisting of bus priority treatments and targeted solutions for specific problem areas, in order to improve speed and reliability on major bus corridors. The Bus Vision Study is intended to inform the development of a broader reassessment of bus service, with the goal of maintaining, reclaiming and growing transit ridership. The first phase of this study will analyze existing transit service, ridership dynamics and land use and population changes across CTA’s service area. It will also enable CTA to review its service standards to determine any adjustments that should be considered. The second phase will include public outreach and engagement.

- ❖ Bus Priority Zone Program \$17M - Also known as the Bus Slow Zone Elimination Program, this is a joint partnership with the Chicago Department of Transportation (CDOT) where CTA and CDOT will implement a coordinated program of bus priority treatments and targeted solutions for specific problem areas, in order to improve speed and reliability on major bus corridors. Project funds will cover final design and construction for all six routes. This project will build upon work already done on several corridors in 2019, including on Chicago Avenue, 79th Street, and Western Avenue.

Support Facilities & Equipment

CTA has seven active bus garages, 10 rail terminals, 17 park-and-ride lots, 106 bus turnarounds, and a variety of other maintenance and support facilities. Both bus and rail operations depend on system support to continue providing timely and efficient service to CTA’s customers.

- ❖ Improve Facilities Systemwide \$119M – Funding will support facility improvements, including upgrades to various support facilities throughout the system. Funds allocated will provide in part for capitalized lease payments for CTA’s headquarters’ administration building in addition to planned work which includes renewal initiatives for the following: (1) Facilities Rehab Preventive Maintenance program addresses necessary repairs and upgrades for all passenger facilities, seven bus garages/shops, eleven rail maintenance shops; and three additional maintenance and warehousing facilities. (2) Modernization of rail yards throughout the system to restore, preserve, upgrade, and improve the integrity and configuration of the twelve-rail yard facilities; (3) Critical repairs at CTA facilities systemwide. Funding will allow CTA to address deteriorated condition of these facilities, which affects reliability of service to CTA customers and creates safety issues for customers and employees.

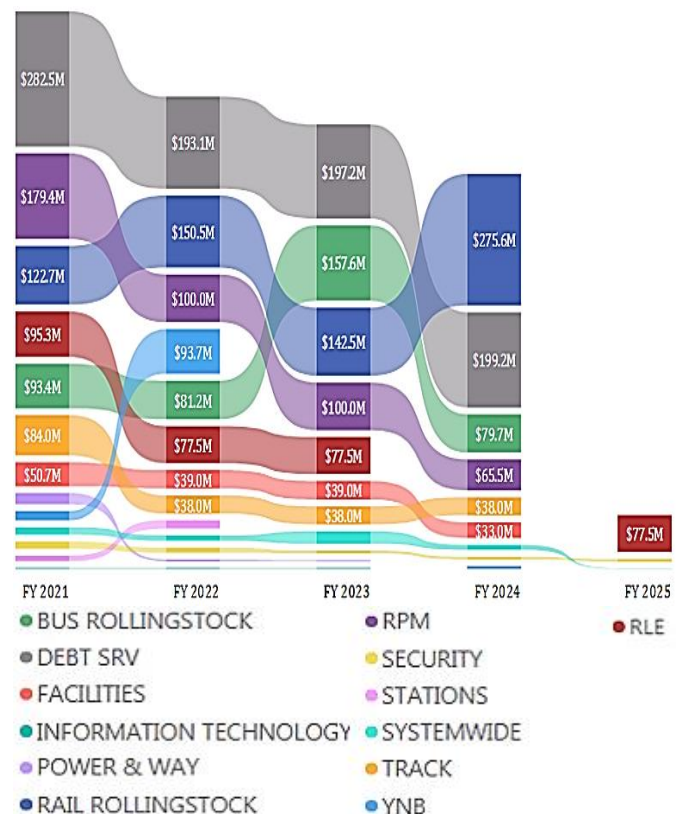
FY21-25 CIP Asset Category Comparison

CTA has substantial financial commitments associated with the capital bond program that has funded over \$2.8 billion in system improvements since 2004. Given the significant constraints on capital funding, CTA effectively manages the allocation of capital investment funds to make substantial commitments to perform SOGR work throughout the system.

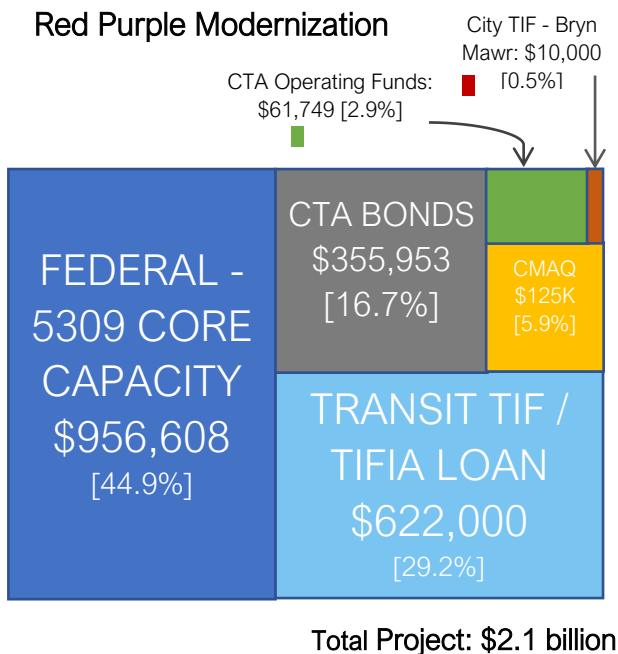
The largest share of investments is dedicated to the rail and bus fleets, which includes the purchase of next generation 7000-Series rail cars, plans to replace over 50% of the bus fleet, and future fleet overhauls as funding permits. The second-largest investment is the renewal of track as part of the FAST Tracks initiative, and to rehabilitate CTA facilities including maintenance facilities for bus and rail and rail yards. Significant funding is also directed to renew power distribution, stations, and security systems.

The greater share of CTA’s project investment in the five-year plan is oriented toward the rail system, indicative of the cost for CTA to maintain a dedicated right of way versus the public right of way, where CTA bus services are located. While the rail system is less costly to operate daily when compared to bus operations and provides significant regional benefits, the rail system requires extensive capital expenditures in order to maintain operating standards. Over 80% of CTA’s SOGR needs are associated with the rail system.

The chart below shows the flow of funds within the timespan of the five-year CIP. The RPM Phase One project is CTA’s largest capital investment to date and represents the greatest share of the five-year CIP investments.



CTA's largest capital investment to date is the RPM Phase One project totaling \$2.1 billion. For a capital project of this magnitude to be undertaken, several unique capital funding sources are necessary to fund the project to completion.



Federal Transit Administration (FTA) Core Capacity funds were made available for the RPM Phase One project where the corridor is currently over capacity. CTA entered into a Full Funding Grant Agreement (FFGA) with the FTA in January 2017 to secure funds of \$956.6 million for the project. CTA entered into an agreement with the City of Chicago to provide tax increment financing program funds from a newly-created Tax Increment Financing District, approved by the Chicago City Council and specifically authorized by the Illinois state legislature for the RPM project to fund repayment of an anticipated \$622 million loan to cover project costs. CTA will also provide funding of \$417.7 million from internal sources, including proceeds of CTA bonds and some operating funds. Additionally, \$10 million of the City's TIF funds and \$125 million of federal Congestion Mitigation and Air Quality (CMAQ) funding have been allocated for this project.

Competitive Grant Opportunities

With a growing backlog of assets that are not in a SOGR based on existing capital funding levels, CTA has submitted grant applications requesting funding from a variety of federal and state competitive grant programs and continues to pursue funding opportunities from the following programs:

- **Congestion Mitigation Air Quality (CMAQ) Grant Program** – This federal program, administered by the Chicago Metropolitan Agency for Planning (CMAP), funds surface transportation improvements designed to improve air quality and mitigate congestion.

CTA was awarded \$39 million in FY21-25 CMAQ funds for the purchase of up to 70 electric buses and nine en-route chargers. In 2018, the Chicago Transit Board awarded a

\$32 million contract for the purchase of 20 new, all-electric buses – the latest investment the CTA had made to completely modernize the agency's bus fleet and make Chicago one of the greenest cities in the world. The new electric buses will give CTA one of the largest electric bus fleets in the country. The CMAQ award combined with other funding will provide for the purchase of future all-electric buses and en-route chargers.

In addition, \$17 million in CMAQ funds will be awarded in FY21-25 for the Bus Slow Zones Elimination Program, which will allow the CTA and CDOT to implement a coordinated program of bus priority solutions for specific problem areas that will improve speed, reliability and bus service on up to six high ridership bus corridors.

- **Cook County's "Invest in Cook" Program** – "Invest in Cook" is Cook County's long range transportation plan and funding program where local and regional governments can apply for assistance to help fund the cost of planning and feasibility studies, engineering design, and construction improvements that advance the priorities set forth in the long range transportation plan. CTA continues to seek funding when made available.

- **Department of Homeland Security (DHS) Transit Security Grant Program (TSGP)** – This program provides competitive funding to public transportation agencies to protect critical high-risk surface transportation and the traveling public from acts of terrorism and to increase the resilience of transit infrastructure with eligibility based on daily ridership of transit systems serving key high-threat urban areas. It has identified critical infrastructure assets that are vital to the functionality and continuity of major high risk transit systems and whose incapacitation or destruction would have a debilitating effect on national security, public health, safety, or any combination thereof.

In FY20, CTA was awarded \$14.8 million to protect the traveling public and critical transit infrastructure from acts of terrorism. The Chicago Police Department (CPD) acts as the primary security provider for CTA within the City of Chicago. CTA and CPD have entered into separate intergovernmental agreements for each TSGP award to certify the TSGP relationship between the two agencies and define how funding will be used to meet CPD's investment costs, reporting requirements, and other aspects of implementation.

- **FTA Better Utilizing Investments to Leverage Development (BUILD)** – In 2018 and 2020, CTA applied for, and was denied, U.S. DOT BUILD funds for the station relocation and reconstruction of a new Cottage Grove station on the Green Line. The Cottage Grove Station at Woodlawn Crossing will take underutilized retail property at the southeast corner of 63rd Street and Cottage Grove Avenue and transform it into a community hub as a Transit Oriented Development. CTA also applied for BUILD funds for the Forest Park Branch Modernization Program that will renovate the Forest Park Branch of the Blue Line in four distinct Phases. CTA applied for \$25 million in BUILD

funding specifically for the Racine Station Renovation, Component One of Phase I.

- **FTA Buses and Bus Facilities Infrastructure Investment Program** – This competitive grant program opportunity assists in the financing of capital projects for buses and bus facilities, including replacing, rehabilitating, purchasing, or leasing buses or related equipment, and rehabilitating, purchasing, constructing, or leasing bus-related facilities.

CTA applied for \$7.5 million in FY20 funding, but was denied, to address the condition, performance, and safety of CTA’s South Shops – which is over 115 years old and is CTA’s only heavy maintenance and overhaul facility for bus. Due to the age and condition of South Shops, funding would enable CTA to perform much-needed targeted repairs and improvements. The proposed work includes adding a drainage system to drop table pits and restoring them to working order, repairs to bus bays, adding needed bus maintenance capacity, pavement renewal, electric bus chargers, and building safety systems. The bus heavy maintenance and overhaul functions performed at South Shops are essential as CTA buses provide slightly more than half of the nearly 450 million rides taken on CTA annually prior to COVID-19. This project will create a safer and more efficient work environment for CTA employees as it will help increase the speed of bus repairs allowing them to be returned to service more quickly, while also lowering the cost of maintenance and overhaul functions.

- **FTA Capital Investment Grant (Section 5309) Core Capacity Program** – Core Capacity is a project category under the FTA Capital Investment Grant (CIG) Program. Core Capacity projects are substantial investments in existing fixed-guideway corridors that are at capacity today or will be in five years, where the proposed project will increase capacity by at least 10%.

In 2017, FTA approved a Full Funding Grant Agreement (FFGA) for \$956 million of Core Capacity funds for Phase One of the RPM project. This project was the first project awarded under this category. The FTA has already allocated \$500 million of Core Capacity funds for the project with the remaining funds to be received in future years.

- **Low or No Emission Vehicle Deployment Program/Electric Buses** – This program, newly authorized under the FAST Act, is a competitive program that finances the purchase or lease of zero-emission and low-emission transit buses, related equipment, and facilities with the purpose of supporting the transition of the nation’s transit fleet to more energy efficient transit vehicles, thereby reducing local air pollution and direct carbon emission, and to support the deployment of technologically advanced U.S.-made transit buses.

CTA is committed to continuing to replace its older diesel buses, currently in service, with battery-powered, zero-emission, all-electric buses with en-route charging capabilities. In 2020, CTA applied for and was denied \$9.6 million in funding to purchase up to six all-electric, fully

accessible transit buses, two charging stations that consist of a single gantry mounting structure, two charging cabinets, and a total of six overhead pantograph connectors (three from each cabinet); and a Smart Charging Management and Control System. CTA will continue to request funding as it becomes available.

- **Illinois Department of Transportation (IDOT)/Statewide Planning and Research Funds (SPR)** – IDOT conducted a call for projects for SPR funded projects. All proposed projects should be related to further studying or implementing a goal, strategy, or objective within the State’s Long-Range Transportation Plan or one of the Department’s modal plans. IDOT evaluated projects based on their ability to further study or implement the Long-Range Transportation Plan or one of the Department’s modal plans.

In response to IDOT’s call for projects, CTA submitted three applications for the following three projects: (1) Forest Glen Bus Garage Master Plan; (2) GIS Strategic Plan; and (3) TSP Road Map, of which CTA was awarded \$300,000 for a consultant to do high level technical research for Transit Signal Priority (TSP) architecture and provide recommendations that will allow for a TSP system that works efficiently, effectively, and for the long-term.

- **Surface Transportation Program (STP) Shared Grant Fund** – The shared fund, administered by CMAP, was established to support larger-scale regional projects that address regional performance measures and the goals of CMAP’s ON TO 2050 plan. The programming authority distributed to the fund is derived from a set-aside of the region’s annual allotment of STP-L funds. Project selection is a region-wide competitive process overseen by the STP Project Selection Committee.

CTA will be awarded \$25.3 million in FY21-25 STP funds for the Green Line Austin Station Accessibility Improvements project which will improve the vertical accessibility at the station by including an ADA compliant ramp between street level and the stationhouse at the entrance and installing an elevator connecting the stationhouse to the center platform.

- **Transportation Infrastructure Finance and Innovation Act (TIFIA) Loan Program** - This US DOT loan program provides financing for eligible transportation projects with savings from TIFIA financing come from two primary sources: (1) CTA draws TIFIA funds on an “as needed” basis rather than accruing interest on funds before they are used and (2) the interest rate on this borrowing is set at a rate lower than traditional financing. TIFIA financing is a highly recommended form of borrowing as it makes financing projects more affordable and maximizes borrowing capacity.

- CTA has received TIFIA loans for three major capital projects. In 2014, CTA received its first TIFIA loan for \$79.2 million as part of an overall \$280 million funding package to renovate the Red Line’s 95th Street Terminal. In 2015, CTA entered a second \$120 million TIFIA agreement

to support the \$410.6 million Your New Blue Program. In 2016, CTA entered a third TIFIA loan for \$254.9 million in funding as part of \$719.8 million project to purchase four hundred new 7000-Series rail cars.

In 2021, CTA will seek fourth TIFIA loan for \$622 million as part of the funding the Red and Purple Modernization Project.

- Unified Work Program (UWP)** – In order to fulfill federal planning regulations, the UWP lists planning projects CMAP and other regional agencies undertake each year to enhance transportation in northeastern Illinois. The UWP is designed to run in conjunction with the State of Illinois’ fiscal year timeline of July 1 to June 30. The final UWP document includes the transportation planning activities to be carried out in the region, detailing each project’s description, scope, costs, and source of funding.
- In FY 2020 CTA was awarded \$900,000 to fund two projects: Program Development and the development of a Chicago bus priority network plan. The Program Development project (FY 2021, CTA is selected to receive \$525,000) will facilitate efforts to coordinate the provision of capital projects for customers in CTA’s service area and to identify projects within the Chicago-area regional five-year Transportation Improvement Program (TIP). Also, CTA and the Chicago Department of Transportation (CDOT) are collaborating to develop a citywide bus priority network plan, called “Better Streets for Buses” for Chicago that would identify corridors where bus enhancements are most appropriate based on ridership, slow bus travel times, and other relevant factors. The plan will also include a toolbox of bus-priority street treatments for the City of Chicago that would be considered for application in these corridors, ranging from small adjustments to pavement markings and curbside uses, to sophisticated signal changes and bus-only lanes. The plan will not assign treatments to specific corridors; that would be done as part of subsequent corridor-specific planning studies.
- USDOT Federal Highway Administration Office of Operations Advanced Transportation and Congestion Management Technologies Deployment (ATCMTD) Initiative** – CTA is seeking FY20 funding to develop a software solution utilizing artificial intelligence and machine learning to detect and predict mechanical and system component issues on its fleet of bus vehicles. Currently, direct (parts and labor) bus maintenance expenses cost the agency \$91 million annually. CTA through a Request for Proposal (RFP) Process will partner with a leading artificial intelligence platform provider to plan, design, implement and deploy a predictive maintenance software system with a goal of determining bus component fault errors before they occur and utilizing machine learning to more efficiently and effectively maintain the bus fleet. This will help the agency reduce annual bus maintenance costs by an estimated 10%.

During FY2021-2025, CTA will continue to aggressively pursue additional funding under these competitive grant programs.

Transit Asset Management Plan

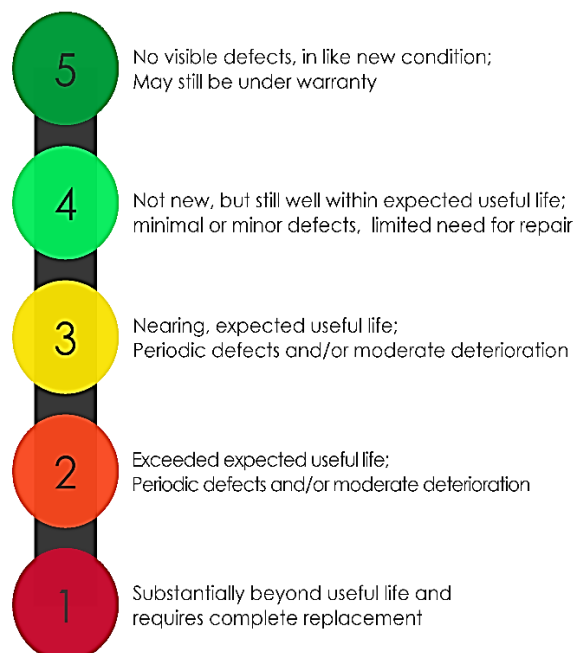
Beginning with the Moving Ahead for Progress in the 21st Century (“MAP-21”) transportation authorization bill passed in 2012, the FTA was directed to establish and implement a national Transit Asset Management (TAM) system, which entails the development of objective standards for measuring asset conditions and requiring recipients of financial assistance to develop a Transit Asset Management Plan (TAMP).

CTA established a TAM program both in response to new TAM federal mandates and because of the need to manage system conditions and performance within constrained resources. The TAM program entails the adoption of an organizational policy for TAM, the development of a TAMP, and ongoing efforts to improve the quality and availability of asset condition data and the impacts of deferred investment.

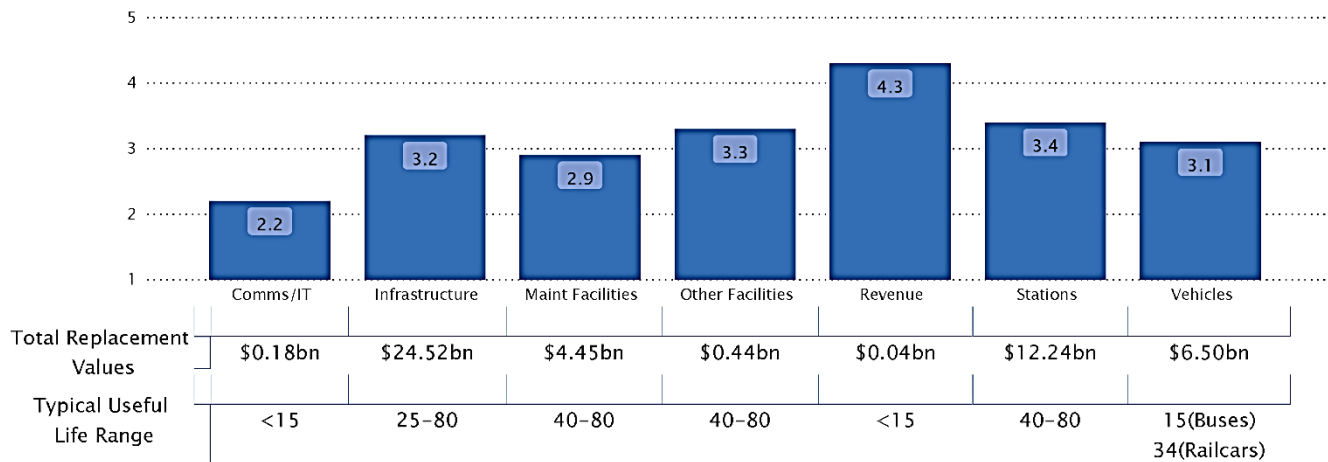
Assets are compared against a Useful Life Benchmark (ULB) for a given asset class, which reflects the expected useful lifespan of the asset when new. Assets beyond their ULB are at greater risk of failing and causing service disruptions.

As part of the TAM Program, asset condition is evaluated on a 1-5 scoring scale noted in the figure below. This scale aligns with FTA recommendations and facilitates comparisons across asset classes. An asset is in a state of good repair when the physical condition of that asset is at or above a rating of 2.5.

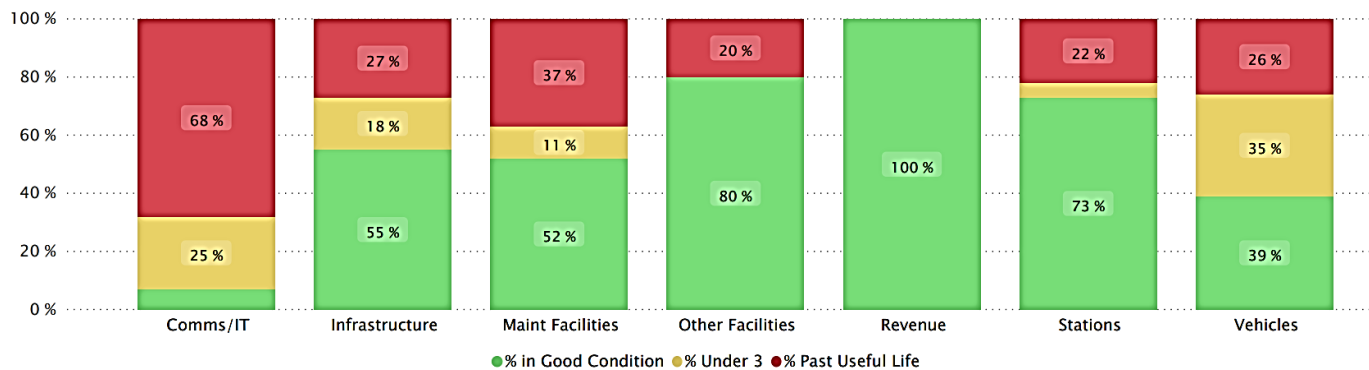
Summaries of current CTA asset conditions and investment backlog are summarized in the following figures. The previous two charts demonstrate two different ways to summarize the current condition of CTA’s assets. The average condition rating gives an overall composite view, while the percentages of assets (by value) that are within, nearing, or beyond their Useful Life benchmark or otherwise in poor condition gives a sense of how much investment is overdue.



Average Condition by Asset Type



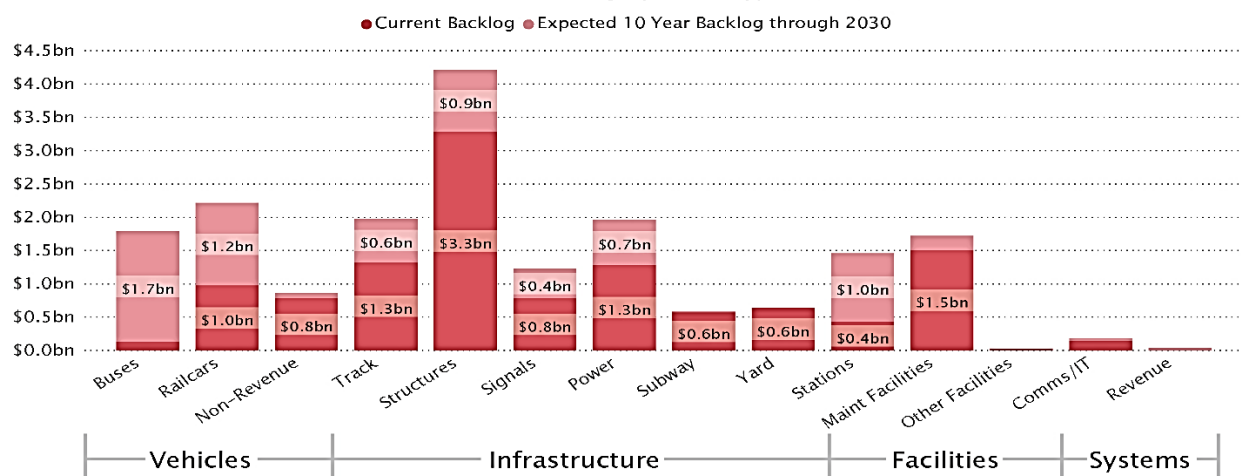
Asset Type by Condition



The previous two charts demonstrate two different ways to summarize the current condition of CTA's assets. The average condition rating gives an overall composite view, while the percentages of assets (by value) that are within, nearing, or beyond their Useful Life benchmark or otherwise in poor condition gives a sense of how much investment is overdue.

CTA's asset base is overall in acceptable condition on average, but with major investments overdue in several key asset classes including Infrastructure, Vehicles, Stations, and Facilities. The estimated current backlog in overdue investments, as well as the projected cost of assets that will age out within the next 10 years, is shown below:

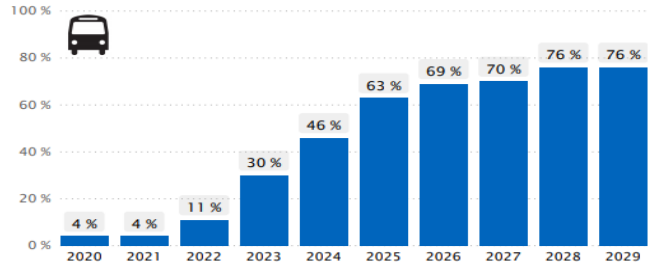
Investment Backlog by Asset Type (\$ bn)



The following charts show how existing assets would age out and enter the backlog over the next 10 years if not renewed by capital investments.

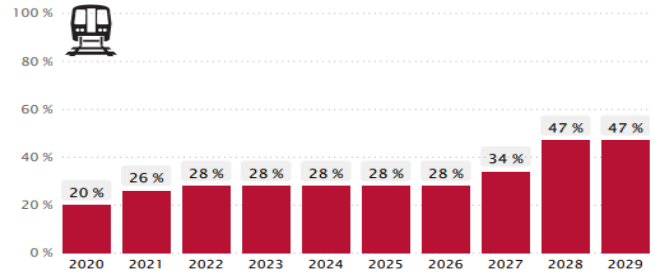
Buses

Approximately 63% of CTA's bus fleet will be due for replacement within the timespan of the five-year capital plan.



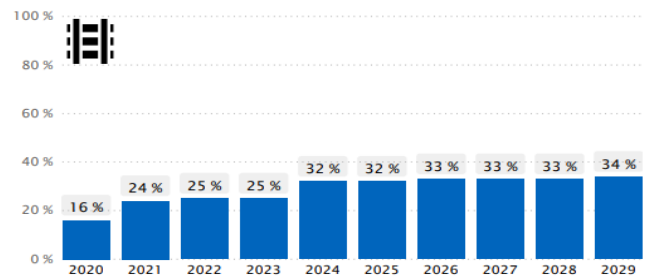
Rail Cars

An additional 6% of the railcar fleet will exceed its useful life in the coming year; with an additional 27% of rail cars would age out over the next 10 years without replacement.



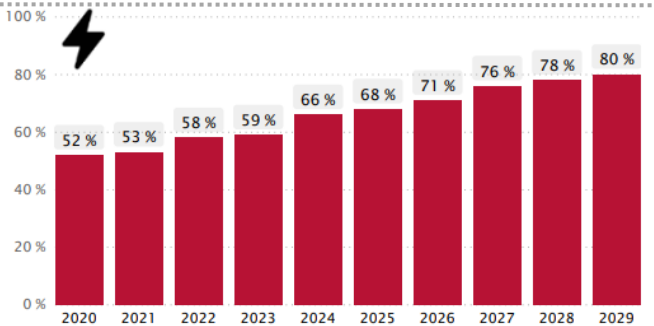
Track

The percentage of system-wide track assets past useful life are expected to double within 5 years unless significant capital track renewals are undertaken.



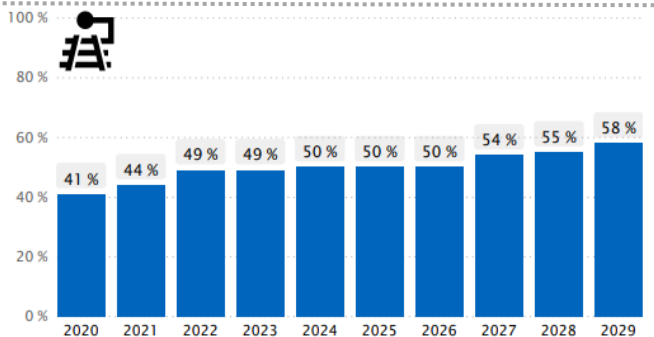
Power

52% of CTA's power assets are currently past their useful lives, and this figure will continue to climb up to 80% by 2029 without capital replacements.



Signals

The number of Signal assets past their useful are expected to steadily increase over the next 10 years from 41% to 58%.



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History of the CTA

Before mass transit, Chicago was a “walking city,” limited in size by an area its population could easily travel on foot or horseback. As the population and settled area increased, the need for public transportation arose. These services were originally provided by private companies under public regulation.

The first public transportation vehicles in Chicago were horse-drawn carriages called omnibuses. The poor condition of the streets limited their utility, which led to the establishment of the first street railways in 1859, generally considered the earliest ancestor of today’s transit system in Chicago.



The street railways were superior to the omnibuses in that their running on rails provided a smoother ride and made them less susceptible to street conditions. But horses were an expensive mode of power, and the street railway companies looked for more efficient ways to carry the growing number of commuters. Various power sources were tested, but after 1882 many higher-ridership horsecar lines were successfully converted to cable cars. After 1890, lines began to be converted to electric power; all trolleys in Chicago were electrically powered by 1906.

Increased traffic congestion, as well as rising population densities and demand for high-capacity transit, led to the construction of the city’s first elevated railways. Chicago’s first



‘L’ line, the Chicago and South Side Rapid Transit, opened on June 6, 1892. Two more companies whose lines served the West Side followed in 1893 and 1895; in 1897, the famous Loop elevated

downtown was completed and acted as a common terminal for all the lines. By the turn of the century, an additional ‘L’ company serving the North Side opened. The first trains, powered by steam when they opened in 1892-93, were converted to electricity by 1898; all lines opened after 1895 were electric.

To attain greater efficiency and try to deal with lingering financial hardships, the ‘L’ and streetcar companies began to

consolidate. In 1914, all streetcar companies began operating as a unified system known as the Chicago Surface Lines (CSL), despite remaining separate companies. At its peak, the Chicago Surface Lines system operated on 1,100 miles of track and was the largest and most heavily used streetcar system in the world.



Control of the four rapid transit ‘L’ companies was vested in a trust in 1911, which centralized some functions but left the underlying companies intact. As part of the greater coordination, free transfers between the companies’ trains were allowed for the first time in 1913; this also marked the start of through-routing trains between the North and South sides. In 1924, the companies formally merged into the Chicago Rapid Transit Company (CRT).



Buses were first used in Chicago in 1917 by the Chicago Motor Bus Company; they became the Chicago Motor Coach Company (CMC) in 1922. The CMC’s routes

were limited to Chicago boulevards and parks, where streetcars were not allowed to operate. CSL began limited use of some motor buses in 1927 and trolley buses in 1930, primarily as extensions of the streetcar system into outlying areas. However, buses would play a limited role in mass transit in Chicago until after World War II.

Strained finances combined with the hardships of the Great Depression placed both the CRT and CSL in bankruptcy and receivership by the early 1930s. Development of Chicago’s transit network continued, however, as federal Public Works



Administration financing combined with transit-company funded city monies allowed construction of Chicago’s first

subway under State Street, opening in 1943. A second subway under Dearborn Street was started concurrently with the State Street Subway but mothballed during World War II; it was completed and opened in 1951.



Public ownership of Chicago's mass transit system began after the War, with the creation of the Chicago Transit Authority (CTA) by the Illinois legislature in 1945. CTA issued \$105 million in revenue bonds to purchase assets of the CRT and CSL, and began operating the 'L' train, streetcar,

and limited bus service in and around Chicago on October 1, 1947. On October 1, 1952, CTA became the sole operator of Chicago transit when it purchased the Chicago Motor Coach system.

The CTA – empowered to control its own fare levels and service patterns and issue bonds but receiving no subsidies and lacking taxing authority – immediately set about to unify the desperate private transit networks and modernize the system. Lightly used services were discontinued or modified, and new equipment was purchased to retire aging vehicles, some almost 50 years old. The last streetcars were retired in 1958, replaced by buses. By 1960, the 'L' and surface systems had been thoroughly modernized.

New 'L' lines were built and others modernized, many in partnership with the city Department of Public Works – these included the Congress branch in the median of the newly-built Congress Superhighway, the nation's first rapid transit line in the median of an expressway (opened 1958), the Dan Ryan Line (opened 1969), and the Kennedy Extension (opened 1970). In 1964, The CTA obtained federal demonstration project funding to create the first "light rail" service, the Skokie Swift, utilizing five miles of the former North Shore Line interurban, which was abandoned the previous year.



By the early 1970s, the popularity of car travel and declining ridership levels threatened the financial stability of the local public transit providers, including the CTA. To address these issues, the Illinois General Assembly created the Regional Transportation Authority

(RTA) as a fiscal and policy oversight agency committed to providing an efficient and effective public transportation system. Today, the RTA continues to provide financial oversight to the CTA, Metra and Pace. The RTA was also empowered to levy taxes, providing the first subsidies for local mass transit operating expenses.

CTA's mission of modernization and expansion continued, with extensions to O'Hare Airport and Midway Airport opening in 1984 and 1993, respectively; these allowed Chicago to become one of the few cities in the world that has rail service to two major airports.



By the 1980s, much of the CTA's physical infrastructure was aging, some almost a century old, and a renewed focus was placed on rehabilitation, renovation, and good state of repair. This led to projects to replace or rebuild many bus garages and rail terminals, as well as major projects to renovate existing rail lines. These projects included the extensive rehabilitation or rebuilding of the Green Line in 1994-96, the Cermak branch (now part of the Pink Line) in 2001-05, the Dan Ryan branch of the Red Line in 2004-06 and 2013, and the Brown Line in 2004-2010.

The 2000s brought advances in technology that greatly enhanced CTA customers' experience and the efficiency of the transit system overall. In 2009 and 2011 respectively, CTA launched Bus Tracker and Train Tracker, allowing customers to access information online and via text messaging, and

receive email notification of predicted arrival times and service alerts. CTA's latest model of rail car – the 5000-Series – went into service from 2010 through 2015. These advanced cars result in a smoother, more comfortable ride and provide both operational and maintenance



efficiencies. In 2014, CTA completed the transition to Ventra, a fare payment system built on open standards, enabling customers to pay using contactless bankcards and mobile phones. Ventra combines the convenience of a contactless card and an account-based system with the ability to have any type of fare value or pass – or both – on one card.

Debt Management Policy Guidelines

On October 14, 2004, the Chicago Transit Board approved an ordinance adopting Debt Management Policy Guidelines (the “Debt Policy”) which was amended on May 8, 2019. The Debt Policy serves as a management tool to ensure that the CTA identifies transactions that utilize debt in the most efficient manner and provides for full and timely repayment of all borrowings. Additionally, the Debt Policy outlines a means of achieving the lowest possible cost of capital within prudent risk parameters as well as ensuring ongoing access to the capital markets. The Debt Policy applies to all short- and long-term bonds and notes, direct borrowing programs, and other long-term lease obligations. The Debt Policy does not cover commodity hedging, leverage leases, long-term operating leases, short-term leases, and equipment leases. The general debt issuance guidelines outlined in the Debt Policy are summarized below.

The Debt Policy

It is the CTA’s preference to use a pay-as-you-go funding mechanism for all capital projects. As such, CTA explores the use of available cash to fund all or part of a capital improvement project and other long-term financial needs before proposing the use of debt. However, the CTA recognizes that the size, scope, and timing of projects in its capital improvement plan, cash flow sufficiency and capital market opportunities may necessitate the use of debt. The Debt Policy allows for the issuance of either long-term or short-term debt. The financing purpose determines the type of debt the CTA would use.

Short-Term Debt Obligations

Short-term debt may be used by the CTA as a cash management tool to provide interim financing or to bridge temporary cash flow deficits within a fiscal year. As of October 1, 2020, CTA had \$160.2 million of outstanding capital line of credit notes for certain capital projects. The notes will be repaid

with long-term bonds or reimbursed with federal formula or state PAYGO funds based on the funding source of the project funded.

Long-Term Debt Obligations

The Debt Policy prohibits the use of long-term debt to fund operations. However, long-term bonds are deemed appropriate to finance essential capital activities and certain management initiatives. The CTA may also use long-term lease obligations to finance or refinance capital equipment. Prior to entering any lease financing, the Authority will evaluate three factors: the useful life of assets financed; the terms and conditions of the lease; and the budgetary, debt capacity, and tax implications.

Other Provisions

The CTA may secure credit enhancement in the form of municipal bond insurance or a letter/line of credit for all or a portion of each bond issue. The Debt Policy also allows the Authority to issue debt on either a taxable or tax-exempt basis. The debt policy also allows variable rate bonds up to 20 percent of outstanding long-term debt.

Debt Limitations

Attaining a proper balance between minimizing borrowing and maximizing financial flexibility is a key goal of the CTA debt program. The CTA is not subject to statutory debt limitations for capital investment.

Current Debt

CTA’s current long-term debt obligations as of December 31, 2020 include sales and transfer tax receipts revenue bonds, sales tax receipts revenue bonds, capital grant receipts revenue bonds, capital lease obligations, building revenue bonds, and TIFIA loans as described below.

CTA Debt Obligations * Based on debt outstanding as of 8/1/2020								
	Series Name	Outstanding Principal as of 8/1/2020 *	Final Maturity	Security Pledge	Moody's Rating (Outlook)	S&P Rating (Outlook)	Fitch Rating (Outlook)	Kroll Rating (Outlook)
Credit	Series 2010B	\$505,355,000	2040	Sales Tax	A3(neg)	AA(neg)	NR	AA(neg)
	Series 2014	\$555,000,000	2049	Sales Tax	NR	AA(neg)	NR	AA(neg)
	Series 2017 (Second Lien)	\$296,220,000	2051	Second Lien Sales Tax	NR	A+(neg)	NR	AA-(neg)
	Series 2020A (Second Lien)	\$367,895,000	2055	Second Lien Sales Tax	NR	A+(neg)	NR	AA-(neg)
	Series 2020B	\$534,005,000	2040	Sales Tax	NR	AA(neg)	NR	AA(neg)
	Total Principal Outstanding	\$3,919,050,000						
GARVEES	2010 5307	\$63,895,000	2028	FTA 5307 Grant Receipts	A3(stable)	A(stable)	BBB (stable)	NR
	2011 5307	\$56,525,000	2029	FTA 5307 Grant Receipts	A3(stable)	A(stable)	BBB (stable)	NR
	2015 5307	\$41,410,000	2021	FTA 5307 Grant Receipts	NR	A(stable)	BBB (stable)	NR
	2017 5307	\$90,540,000	2026	FTA 5307 Grant Receipts	NR	A(stable)	BBB (stable)	NR
	2010 5309/5337	\$26,820,000	2028	FTA 5309/5337 Grant Receipts	A3(stable)	A+(stable)	BBB (stable)	NR
	2015 5309/5337	\$44,735,000	2026	FTA 5309/5337 Grant Receipts	NR	A+(stable)	BBB (stable)	NR
	2017 5309/5337	\$96,195,000	2026	FTA 5309/5337 Grant Receipts	NR	A+(stable)	BBB (stable)	NR
	Total Principal Outstanding	\$420,120,000						
Capital Leases	2008 COPs (April 2013 Ref) New Flyer Bus Lease (BONY)	\$3,902,186	2020	CTA Lease Payments	NR	NR	NR	NR
	2006 PBC Bonds	\$58,330,000	2033	CTA Lease Payments	Baa1(stable)	A+(stable)	NR	NR
	Total Principal Outstanding	\$62,232,186						
TIFIA	95th Street Terminal (2014)	\$79,200,000	2050	CTA Farebox Revenue	NR	A+(neg)	NR	NR
	Your New Blue (2015)	\$120,000,000	2052	CTA Farebox Revenue	NR	A+(neg)	NR	AA-(neg)
	Rail Cars (2016)	\$254,930,402	2056	CTA Farebox Revenue	NR	A+(neg)	NR	AA-(neg)
	Total TIFIA Loans	\$454,930,402						
Total Principal Outstanding (all issues)		\$4,851,630,402						

* Based on bond portfolio as of 10/1/2020

Sales Tax Revenue Bonds

Sales Tax Revenue Bonds are long-term debt obligations secured by a portion of sales tax revenues. The Sales Tax Receipts consist of all amounts received by the CTA from the RTA, representing the CTA’s share of (i) RTA Sales Taxes imposed through the Northeastern Illinois Transit Region, which includes the Counties of Cook, DuPage, Kane, Lake, McHenry and Will, (ii) Replacement Revenues paid to the RTA by the State, and (iii) Public Transportation Fund Revenues paid to or on behalf of the RTA by the State. The sales tax pledge for the 2010, 2014, and 2020B Series is parity to the sales tax pledge for the 2008 Series. The sales tax pledge for the 2017 and 2020A Series is subordinate to the sales tax pledge for the 2008, 2010, 2014, and 2020B Series. The 2008 Sales Tax Bonds (POBs) are also secured by Transfer Tax Receipts, which are a portion of real estate tax revenue remitted by the City directly to the CTA pursuant to the Intergovernmental Agreement. Transfer Tax Receipts do not secure the 2010, 2014, 2017, 2020A or 2020B Series Bonds. The Series 2011 bonds have been refunded, as summarized below, followed by details and uses per issue.

Refunding Series 2020B refunded the maturities dated December 1, 2020 through December 1, 2040 of the Series 2011 Bonds.

Sales and Transfer Tax Receipts Revenue Bonds, 2008A Series (Pension Funding) and 2008B Series (Retiree Health Care Funding)

On August 6, 2008, the CTA issued Sales and Transfer Tax Receipts Revenue Bonds in the amount of \$1.94 billion to fund the employee retirement plan and to create a retiree health care trust. The bonds were sold in two tranches: a \$1.3 billion Series A to fund the employee retirement plan, and a \$640 million Series B to fund a permanent trust that was established to cover other post-employment benefits for retiree health care. The bonds are secured primarily by a pledge of and lien on the Sales Tax Receipts Fund and the Transfer Tax Receipts Fund deposits. The bonds were issued pursuant to the pension and retiree health care reform requirements set forth in Public Acts 94-839 and 95-0708.

Public Act 94-839 required the CTA to make contributions to its retirement system in an amount which, together with the contributions of its participants, interest earned on investments and other income, was sufficient to bring the total assets of the retirement system up to 90 percent of its total actuarial liabilities by the end of fiscal year 2058. Additionally, Public Act 94-839 required that the Retirement Plan’s pension and retiree health care programs be separated into two distinct trusts by December 31, 2008.

Under amendments to the Pension Code adopted by the Illinois General Assembly in 2008, the funding of the Retirement Plan is also subject to the following requirements:

- For each year through 2039, the estimated “funded ratio” of the Retirement Plan, which is the actuarial value of assets divided by the actuarial accrued liability, expressed as a percentage, must be at least 60 percent. If the funded ratio is projected to decline below 60 percent in any year before 2040, increased contributions will be required each year as

a level percentage of payroll over the years remaining until 2040 so that the funded ratio does not decline below 60 percent.

- If the funded ratio actually declines below 60 percent in any year prior to 2040, increased contributions will be required each year as a level percentage of payroll during the years after the then current year so that the funded ratio is projected to reach at least 60 percent no later than 10 years after the then current year.
- Beginning in 2040, the minimum annual contribution to the Retirement Plan must be sufficient to bring the funded ratio to 90 percent by the end of 2059.
- Beginning in 2060, the minimum contribution must be an amount necessary to maintain the funded ratio at 90 percent.
- Two-thirds of any increase in required contributions is to be paid by the Authority and one-third by participating employees.

Any deviation from the stated projections could result in a directive from the State of Illinois Auditor General to increase the CTA and employee contributions.

Public Act 95-708 authorized the CTA to issue \$1.9 billion in pension obligation bonds to fund the pension and retiree health care and provided that the CTA will have no future responsibility for retiree healthcare costs after the bond funding. In accordance with Public Act 95-708, all retiree healthcare benefits were to be paid from the newly established Retiree Health Care Trust no earlier than January 1, 2009 but no later than July 1, 2009.

The Series 2008A and 2008B bonds are taxable bonds and bear interest ranging from 5.1 percent to 6.9 percent. Scheduled interest on the 2008A and 2008B bonds was funded through June 1, 2009 and June 1, 2010, respectively, with bond proceeds and interest earnings thereon. Interest is payable semi-annually on June 1 and December 1, and the bonds mature serially on December 1, 2013 through December 1, 2040.

Sales Tax Receipts Revenue Bonds, Series 2010A and Taxable Series 2010B (Build America Bonds)

On April 6, 2010, the CTA issued Sales Tax Receipts Revenue Bond Series 2010A and Taxable Series 2010B (Build America Bonds) in the amount of \$550 million to fund or reimburse the Authority for prior expenditures of the “2010 Project,” capitalize a portion of interest on the bonds, fund a portion of the consolidated debt service reserve fund on the bonds, and to pay costs of issuance on the bonds. The Series 2010B Bonds were issued as bonds designated as “Build America Bonds” under the provisions of the American Recovery and Reinvestment Act of 2009. The 2010 Project means, collectively, capital improvements to the transportation system and specifically the purchase of rail cars, rail car overhaul and rehabilitation, and the replacement and upgrade of rail track and structure.

The Series 2010A bonds fully matured on December 1, 2019. The Taxable Series 2010B bonds bear interest ranging from 5.07 percent to 6.20 percent with interest payable semi-annually on June 1 and December 1, commencing December 1, 2010. Further, CTA pays 35 percent of the Build America Bond interest directly from a federal subsidy CTA receives from the federal government, however, this subsidy is subject to a sequestration rate reduction of 5.7% for federal fiscal years 2021-2030. The Taxable Series 2010B bonds mature annually each December 1, 2020 through December 1, 2040.

2014 Sales Tax Receipts Revenue Bonds

On July 10, 2014, CTA issued the Sales Tax Receipts Revenue Bonds, Series 2014, in the amount of \$555,000,000, along with a premium of \$45,153,612. The bonds were issued to pay for the (i) purchase of rail cars to replace existing cars and (ii) financing of any other capital project designated by the CTA Board as part of the 2014 project. The Series 2014 bonds bear interest ranging from 5 percent to 5.25 percent. Scheduled interest on the 2014 bonds was funded through June 1, 2016 with proceeds of the 2014 bonds and interest thereon. Interest is payable semiannually on June 1 and December 1, and the bonds mature annually on December 1, 2041 through December 1, 2049.

2017 Sales Tax Receipts Subordinate Revenue Bonds

On January 24, 2017, CTA issued the Sales Tax Receipts Subordinate Revenue Bonds, Series 2017, in the amount of \$296,220,000, and are subordinate to the Sales Tax Bonds: Series 2008 A&B, Series 2010B, and Series 2014. The bonds were issued to pay for projects included in the Capital Improvement Plan. The Series 2017 bonds bear interest ranging from 4 percent to 5 percent. Scheduled interest on the

2017 bonds was funded through December 1, 2018 with proceeds of the 2017 bonds and interest thereon. Interest is payable semiannually on June 1 and December 1, and the bonds mature annually on December 1, 2041 through December 1, 2051.

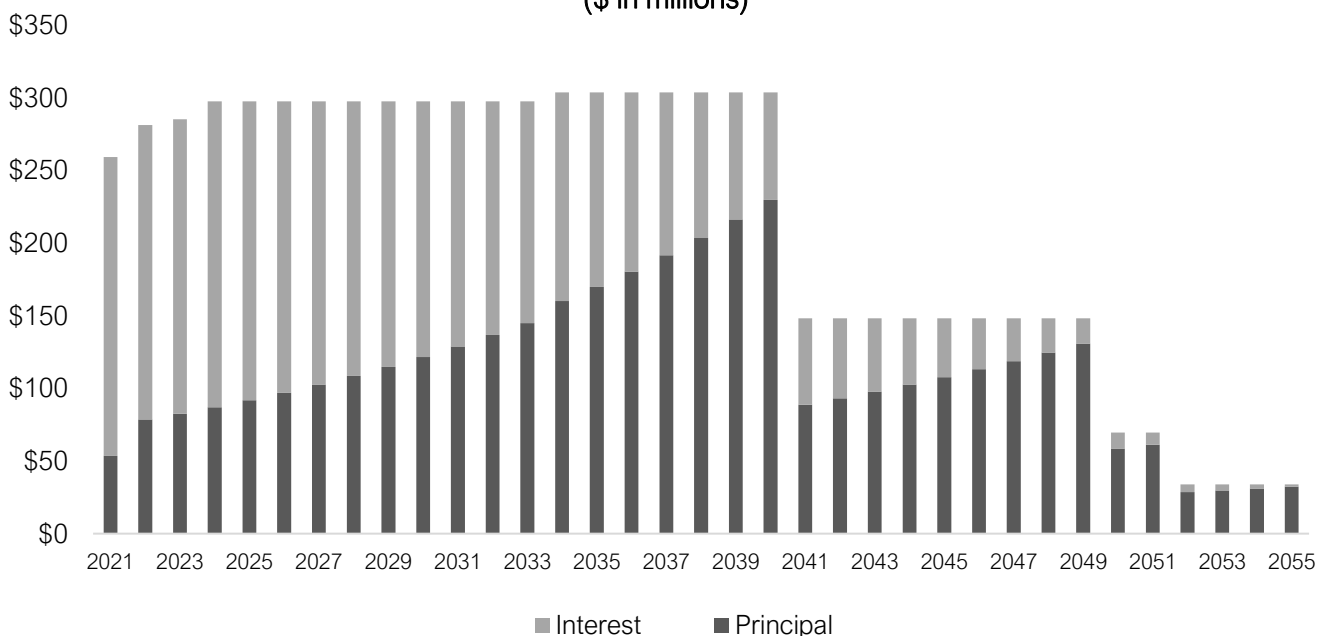
2020A Sales Tax Receipts Subordinate Revenue Bonds

On September 3, 2020, CTA issued the Sales Tax Receipts Subordinate Revenue Bonds, Series 2020A in the amount of \$367,895,000, and these bonds are subordinate to the Sales Tax Bonds Series 2008 A&B, Series 2010B, Series 2014, and Series 2020B. The bonds were issued to pay for projects included in the Capital Improvement Plan and repay a portion of CTA's Second Lien Sales Tax Receipts Capital Improvement Notes. The Series 2020A bonds bear interest ranging from 4 percent to 5 percent. Scheduled interest on the 2020A bonds was funded through September 1, 2023 with proceeds of the 2020A bonds and interest thereon. Interest is payable semiannually on June 1 and December 1, and the bonds mature annually on December 1, 2041 through December 1, 2055.

2020B Sales Tax Receipts Revenue Refunding Bonds (Taxable)

On September 3, 2020, CTA issued the Sales Tax Receipts Revenue Refunding Bonds, Series 2020B (Taxable) in the amount of \$534,005,000. The bonds were issued to refund outstanding Sales Tax Receipts Revenue Bonds Series 2011. The Series 2020B bonds bear interest ranging from 1.708 percent to 3.912 percent. Scheduled interest on the 2020B bonds was funded through June 1, 2021 with proceeds of the 2020B bonds and interest thereon. Interest is payable semiannually on June 1 and December 1, and the bonds mature annually on December 1, 2022 through December 1, 2040.

**Chicago Transit Authority
Sales Tax Receipts Revenue Bonds Debt Service
(\$ in millions)**



Sales Tax Senior Lien Bonds Debt Service Schedules

SCHEDULE I: \$1,936,855,000 Sales & Transfer Tax Receipts Revenue Bonds (Public Acts 94-839 and 95-0708) Series 2008A and 2008B Total Debt Service 2021-2040				
PAYMENT YEAR	PRINCIPAL PAYMENT	INTEREST PAYMENT	TOTAL DEBT SERVICE	DEBT OUTSTANDING (as of 12/31)*
2021	41,465,000	115,108,769	156,573,769	1,630,620,000
2022	44,080,000	112,496,474	156,576,474	1,586,540,000
2023	47,120,000	109,455,395	156,575,395	1,539,420,000
2024	50,370,000	106,204,586	156,574,586	1,489,050,000
2025	53,845,000	102,729,560	156,574,560	1,435,205,000
2026	57,560,000	99,014,793	156,574,793	1,377,645,000
2027	61,530,000	95,043,729	156,573,729	1,316,115,000
2028	65,775,000	90,798,774	156,573,774	1,250,340,000
2029	70,310,000	86,260,957	156,570,957	1,180,030,000
2030	75,165,000	81,410,270	156,575,270	1,104,865,000
2031	80,350,000	76,224,636	156,574,636	1,024,515,000
2032	85,895,000	70,681,290	156,576,290	938,620,000
2033	91,820,000	64,755,394	156,575,394	846,800,000
2034	98,150,000	58,420,732	156,570,732	748,650,000
2035	104,925,000	51,649,364	156,574,364	643,725,000
2036	112,165,000	44,410,588	156,575,588	531,560,000
2037	119,905,000	36,672,324	156,577,324	411,655,000
2038	128,170,000	28,400,078	156,570,078	283,485,000
2039	137,015,000	19,557,630	156,572,630	146,470,000
2040	146,470,000	10,104,965	156,574,965	-
Total:	\$1,672,085,000	\$1,459,400,308	\$3,131,485,308	

* Based on debt outstanding as of 10/1/2020

SCHEDULE II: \$550,000,000 Sales Tax Receipts Revenue Bonds Series 2010B Total Debt Service 2021-2040				
PAYMENT YEAR	PRINCIPAL PAYMENT	INTEREST PAYMENT	TOTAL DEBT SERVICE	DEBT OUTSTANDING (as of 12/31)*
2021	12,095,000	30,214,444	42,309,444	481,750,000
2022	12,720,000	29,583,085	42,303,085	469,030,000
2023	13,405,000	28,900,021	42,305,021	455,625,000
2024	14,135,000	28,166,767	42,301,767	441,490,000
2025	14,930,000	27,372,380	42,302,380	426,560,000
2026	15,855,000	26,446,720	42,301,720	410,705,000
2027	16,835,000	25,463,710	42,298,710	393,870,000
2028	17,880,000	24,419,940	42,299,940	375,990,000
2029	18,985,000	23,311,380	42,296,380	357,005,000
2030	20,155,000	22,134,310	42,289,310	336,850,000
2031	21,400,000	20,884,700	42,284,700	315,450,000
2032	22,725,000	19,557,900	42,282,900	292,725,000
2033	24,135,000	18,148,950	42,283,950	268,590,000
2034	31,820,000	16,652,580	48,472,580	236,770,000
2035	33,785,000	14,679,740	48,464,740	202,985,000
2036	35,875,000	12,585,070	48,460,070	167,110,000
2037	38,090,000	10,360,820	48,450,820	129,020,000
2038	40,455,000	7,999,240	48,454,240	88,565,000
2039	42,955,000	5,491,030	48,446,030	45,610,000
2040	45,610,000	2,827,820	48,437,820	-
Total:	\$493,845,000	\$395,200,607	\$889,045,607	

* Based on debt outstanding as of 10/1/2020

SCHEDULE III: \$555,000,000 Sales Tax Receipts Revenue Bonds Series 2014 Total Debt Service 2021-2049				
PAYMENT YEAR	PRINCIPAL PAYMENT	INTEREST PAYMENT	TOTAL DEBT SERVICE	DEBT OUTSTANDING (as of 12/31)*
2021	-	28,596,788	28,596,788	555,000,000
2022	-	28,596,788	28,596,788	555,000,000
2023	-	28,596,788	28,596,788	555,000,000
2024	-	28,596,788	28,596,788	555,000,000
2025	-	28,596,788	28,596,788	555,000,000
2026	-	28,596,788	28,596,788	555,000,000
2027	-	28,596,788	28,596,788	555,000,000
2028	-	28,596,788	28,596,788	555,000,000
2029	-	28,596,788	28,596,788	555,000,000
2030	-	28,596,788	28,596,788	555,000,000
2031	-	28,596,788	28,596,788	555,000,000
2032	-	28,596,788	28,596,788	555,000,000
2033	-	28,596,788	28,596,788	555,000,000
2034	-	28,596,788	28,596,788	555,000,000
2035	-	28,596,788	28,596,788	555,000,000
2036	-	28,596,788	28,596,788	555,000,000
2037	-	28,596,788	28,596,788	555,000,000
2038	-	28,596,788	28,596,788	555,000,000
2039	-	28,596,788	28,596,788	555,000,000
2040	-	28,596,788	28,596,788	555,000,000
2041	50,180,000	28,596,788	78,776,788	504,820,000
2042	52,690,000	26,087,788	78,777,788	452,130,000
2043	55,325,000	23,453,288	78,778,288	396,805,000
2044	58,090,000	20,687,038	78,777,038	338,715,000
2045	60,995,000	17,782,538	78,777,538	277,720,000
2046	64,195,000	14,580,300	78,775,300	213,525,000
2047	67,565,000	11,210,063	78,775,063	145,960,000
2048	71,115,000	7,662,900	78,777,900	74,845,000
2049	74,845,000	3,929,363	78,774,363	-
Total:	\$555,000,000	\$725,925,826	\$1,280,925,826	

* Based on debt outstanding as of 10/1/2020

SCHEDULE IV: \$534,005,000 Sales Tax Receipts Revenue Bonds Series 2020B Total Debt Service 2021-2040				
PAYMENT YEAR	PRINCIPAL PAYMENT	INTEREST PAYMENT	TOTAL DEBT SERVICE	DEBT OUTSTANDING (as of 12/31)*
2021	-	16,961,205	16,961,205	534,005,000
2022	21,795,000	17,214,337	39,009,337	512,210,000
2023	22,170,000	16,842,078	39,012,078	490,040,000
2024	22,590,000	16,434,594	39,024,594	467,450,000
2025	23,060,000	15,968,336	39,028,336	444,390,000
2026	23,565,000	15,457,788	39,022,788	420,825,000
2027	24,160,000	14,873,140	39,033,140	396,665,000
2028	24,825,000	14,213,330	39,038,330	371,840,000
2029	25,560,000	13,480,496	39,040,496	346,280,000
2030	26,345,000	12,700,405	39,045,405	319,935,000
2031	27,175,000	11,883,183	39,058,183	292,760,000
2032	28,075,000	10,985,865	39,060,865	264,685,000
2033	29,030,000	10,030,753	39,060,753	235,655,000
2034	30,055,000	9,014,123	39,069,123	205,600,000
2035	31,130,000	7,946,569	39,076,569	174,470,000
2036	32,255,000	6,825,266	39,080,266	142,215,000
2037	33,525,000	5,563,451	39,088,451	108,690,000
2038	34,845,000	4,251,953	39,096,953	73,845,000
2039	36,210,000	2,888,816	39,098,816	37,635,000
2040	37,635,000	1,472,281	39,107,281	-
Total:	\$534,005,000	\$225,007,968	\$759,012,968	

* Based on debt outstanding as of 10/1/2020; net of capitalized interest

Sales Tax Subordinate Bonds Debt Service Schedules

SCHEDULE V: \$296,220,000 Sales Tax Receipts Revenue Bonds Subordinate				
Series 2017 Total Debt Service 2021-2051				
PAYMENT YEAR	PRINCIPAL PAYMENT	INTEREST PAYMENT	TOTAL DEBT SERVICE	DEBT OUTSTANDING (as of 12/31) *
2021	-	14,711,000	14,711,000	296,220,000
2022	-	14,711,000	14,711,000	296,220,000
2023	-	14,711,000	14,711,000	296,220,000
2024	-	14,711,000	14,711,000	296,220,000
2025	-	14,711,000	14,711,000	296,220,000
2026	-	14,711,000	14,711,000	296,220,000
2027	-	14,711,000	14,711,000	296,220,000
2028	-	14,711,000	14,711,000	296,220,000
2029	-	14,711,000	14,711,000	296,220,000
2030	-	14,711,000	14,711,000	296,220,000
2031	-	14,711,000	14,711,000	296,220,000
2032	-	14,711,000	14,711,000	296,220,000
2033	-	14,711,000	14,711,000	296,220,000
2034	-	14,711,000	14,711,000	296,220,000
2035	-	14,711,000	14,711,000	296,220,000
2036	-	14,711,000	14,711,000	296,220,000
2037	-	14,711,000	14,711,000	296,220,000
2038	-	14,711,000	14,711,000	296,220,000
2039	-	14,711,000	14,711,000	296,220,000
2040	-	14,711,000	14,711,000	296,220,000
2041	20,910,000	14,711,000	35,621,000	275,310,000
2042	21,945,000	13,680,600	35,625,600	253,365,000
2043	23,025,000	12,599,000	35,624,000	230,340,000
2044	24,160,000	11,464,050	35,624,050	206,180,000
2045	25,350,000	10,273,000	35,623,000	180,830,000
2046	26,600,000	9,023,150	35,623,150	154,230,000
2047	27,910,000	7,711,500	35,621,500	126,320,000
2048	29,310,000	6,316,000	35,626,000	97,010,000
2049	30,775,000	4,850,500	35,625,500	66,235,000
2050	32,310,000	3,311,750	35,621,750	33,925,000
2051	33,925,000	1,696,250	35,621,250	-
Total:	\$296,220,000	\$389,856,800	686,076,800	

* Based on debt outstanding as of 10/1/2020

SCHEDULE VI: \$367,895,000 Sales Tax Receipts Revenue Bonds Subordinate				
Series 2020A Total Debt Service 2021-2055				
PAYMENT YEAR	PRINCIPAL PAYMENT	INTEREST PAYMENT	TOTAL DEBT SERVICE	DEBT OUTSTANDING (as of 12/31) *
2021	-	-	-	367,895,000
2022	-	-	-	367,895,000
2023	-	4,069,713	4,069,713	367,895,000
2024	-	16,278,850	16,278,850	367,895,000
2025	-	16,278,850	16,278,850	367,895,000
2026	-	16,278,850	16,278,850	367,895,000
2027	-	16,278,850	16,278,850	367,895,000
2028	-	16,278,850	16,278,850	367,895,000
2029	-	16,278,850	16,278,850	367,895,000
2030	-	16,278,850	16,278,850	367,895,000
2031	-	16,278,850	16,278,850	367,895,000
2032	-	16,278,850	16,278,850	367,895,000
2033	-	16,278,850	16,278,850	367,895,000
2034	-	16,278,850	16,278,850	367,895,000
2035	-	16,278,850	16,278,850	367,895,000
2036	-	16,278,850	16,278,850	367,895,000
2037	-	16,278,850	16,278,850	367,895,000
2038	-	16,278,850	16,278,850	367,895,000
2039	-	16,278,850	16,278,850	367,895,000
2040	-	16,278,850	16,278,850	367,895,000
2041	17,590,000	16,278,850	33,868,850	350,305,000
2042	18,470,000	15,399,350	33,869,350	331,835,000
2043	19,395,000	14,475,850	33,870,850	312,440,000
2044	20,360,000	13,506,100	33,866,100	292,080,000
2045	21,380,000	12,488,100	33,868,100	270,700,000
2046	22,450,000	11,419,100	33,869,100	248,250,000
2047	23,345,000	10,521,100	33,866,100	224,905,000
2048	24,280,000	9,587,300	33,867,300	200,625,000
2049	25,250,000	8,616,100	33,866,100	175,375,000
2050	26,265,000	7,606,100	33,871,100	149,110,000
2051	27,315,000	6,555,500	33,870,500	121,795,000
2052	28,515,000	5,355,900	33,870,900	93,280,000
2053	29,765,000	4,102,950	33,867,950	63,515,000
2054	31,075,000	2,794,450	33,869,450	32,440,000
2055	32,440,000	1,427,600	33,867,600	-
Total:	\$367,895,000	\$420,944,513	\$788,839,513	

* Based on debt outstanding as of 10/1/2020; net of capitalized interest

Capital Grant Receipt Revenue Bonds – Section 5307 and Section 5337 (5309) Formula Funds

Capital Grant Revenue Bonds, also known as “GARVEEs” (Grant Anticipation Revenue Vehicles). Federal Transit Administration Formula Funds from Section 5307 and Section 5309 secure the Capital Grant Receipt Revenue Bonds under Section 5307 and Section 5309, respectively. The passage of MAP-21 in 2012 replaced Section 5309 grants with Section 5337 grants. All debt service obligations are prefunded and paid by capital funds. Several series have been refunded, as summarized below, followed by details and uses per issue.

Refunding Series 2010 refunded the maturities dated June 1, 2010 through June 1, 2011 of the 5307 (Series 2004A, 2004B and 2006A) and 5309 (Series 2008 and 2008A) bonds.

Refunding Series 2011 refunded the maturity dated June 1, 2016 of the 5307 Series 2004B bonds and the maturities dated June 1, 2012 and June 1, 2016 through June 1, 2020 of the 5307 Series 2006A bonds.

Refunding Series 2015 5307 bonds refunded the maturity dated June 1, 2016 of the 5307 Series 2004B bonds and the maturities dated June 1, 2018 through June 1, 2021 of the 5307 Series 2006A bonds. Refunding Series 2015 5337 bonds refunded the maturities dated June 1, 2024 thru 2026 of the 5337 Series 2008A bonds.

Refunding Series 2017 5307 bonds refunded the Series 2008A 5307 bonds maturing June 1, 2022 through 2026. Refunding Series 2017 5337 bonds refunded the Series 2008 5337 bonds maturing June 1, 2019 through 2026 and the Series 2008A 5337 bonds maturing June 1, 2019 through 2023.

Capital Grant Receipts Revenue Bonds, Refunding Series 2010 (5307) and Refunding Series 2010 (5309)

On May 19, 2010, the CTA issued Capital Grant Receipts Revenue Bonds, Refunding Series 2010 (Federal Transit Administration Section 5307 Formula Funds) (Federal Transit Administration Section 5309 Formula Funds) in the amount of \$90.7 million. The bonds were issued to refund a portion of the outstanding 5307 and 5309 bonds and to pay costs of issuance.

The Refunding Series 2010 bonds bear interest of 5.0 percent. Interest is payable semi-annually on June 1 and December 1, and the bonds mature on June 1, 2027 and June 1, 2028.

Capital Grant Receipts Revenue Bonds, Refunding Series 2011 (5307)

On November 4, 2011, the CTA issued the tax-exempt Capital Grant Receipts Revenue Bonds backed by the pledge of Federal Transit Administration Section 5307 Urbanized Area Formula Program in the amount of \$56,525,000. The bonds were issued

to provide funds to refund a portion of the outstanding 5307 (Series 2004B and 2006A) bonds.

The Series 2011 bonds bear interest ranging from 4.5 percent to 5.25 percent. Interest is payable semiannually on June 1 and December 1, and the bonds mature serially from June 1, 2022 to June 1, 2029, except for years 2027 and 2028 when there is no principal amortization.

Capital Grant Receipts Revenue Bonds, Refunding Series 2015 (5307 and 5337)

On September 16, 2015, CTA issued the tax-exempt Capital Grant Receipts Revenue Bonds backed by the pledge of Federal Transit Administration Section 5307 Urbanized Area Formula Funds, and Section 5337 State of Good Repair Formula Funds in the total amount of \$176,920,000, along with a premium of \$21,568,633. The bonds were issued to provide funds to refund a portion of the outstanding 5307 (Series 2004B and 2006A) and 5337 (Series 2008A) bonds.

The Series 2015 bonds bear interest of 5.0 percent. Interest is payable semiannually on June 1 and December 1, and the bonds mature serially from June 1, 2018 to June 1, 2026.

Capital Grant Receipts Revenue Bonds, Refunding Series 2017 (5307 and 5337)

On August 16, 2017, CTA issued tax-exempt Capital Grant Receipts Revenue Bonds backed by the pledge of Federal Transit Administration Section 5307 Urbanized Area Formula Funds, and Section 5337 State of Good Repair Formula Funds in the total amount of \$225,795,000, along with a premium of \$31,278,763. The bonds were issued to provide funds refunding the Series 2008A 5307 bonds maturing June 1, 2022 through 2026 as well as refunding the Series 2008 5337 bonds maturing June 1, 2019 through 2026 and the Series 2008A 5337 bonds maturing June 1, 2019 through 2023. The Series 2017 bonds bear interest ranging from 2 percent to 5 percent. Interest is payable semiannually on June 1 and December 1, and the bonds mature serially from June 1, 2018 to June 1, 2026.

SCHEDULE VII: \$90,715,000 Capital Grant Receipts Revenue Bonds Refunding Series 2010 Total Debt Service 2021-2028 (FTA Section 5307 & 5309 Formula Funds)				
PAYMENT YEAR	PRINCIPAL PAYMENT	INTEREST PAYMENT	TOTAL DEBT SERVICE	DEBT OUTSTANDING (as of 12/31)*
2021	-	4,535,750	4,535,750	90,715,000
2024	-	4,535,750	4,535,750	90,715,000
2025	-	4,535,750	4,535,750	90,715,000
2026	-	4,535,750	4,535,750	90,715,000
2027	44,255,000	4,535,750	48,790,750	46,460,000
2028	46,460,000	2,323,000	48,783,000	-
Total:	\$ 90,715,000	\$ 34,073,250	\$124,788,250	

* Based on debt outstanding as of 10/1/2020

SCHEDULE VIII: \$56,525,000 Capital Grant Receipts Revenue Bonds Refunding Series 2011 Debt Service 2021-2029 (FTA Section 5307 Urbanized Area Formula Funds)				
PAYMENT YEAR	PRINCIPAL PAYMENT	INTEREST PAYMENT	TOTAL DEBT SERVICE	DEBT OUTSTANDING (as of 12/31)*
2021	-	2,864,525	2,864,525	56,525,000
2024	7,285,000	2,171,475	9,456,475	35,725,000
2025	7,665,000	1,789,013	9,454,013	28,060,000
2026	8,060,000	1,398,150	9,458,150	20,000,000
2027	-	975,000	975,000	20,000,000
2028	-	975,000	975,000	20,000,000
2029	20,000,000	975,000	20,975,000	-
Total:	\$56,525,000	\$16,547,463	\$73,072,463	

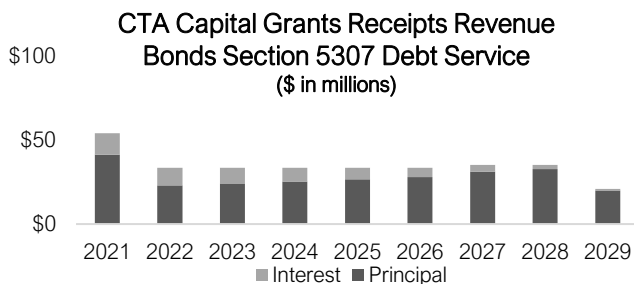
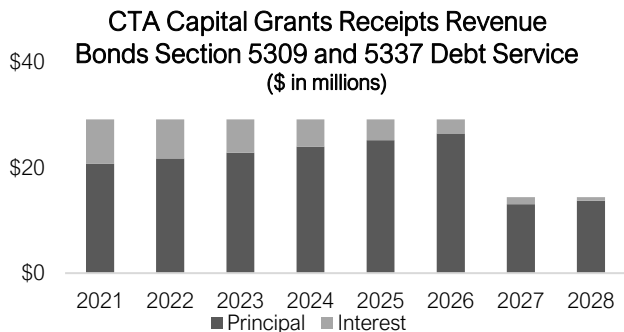
* Based on debt outstanding as of 10/1/2020

SCHEDULE IX: \$176,920,000 Capital Grant Receipts Revenue Bonds Refunding Series 2015 Debt Service 2021-2026 FTA Section 5307 Urbanized Area Formula Funds FTA Section 5337 State of Good Repair Formula Funds				
PAYMENT YEAR	PRINCIPAL PAYMENT	INTEREST PAYMENT	TOTAL DEBT SERVICE	DEBT OUTSTANDING (as of 12/31)*
2021	41,745,000	4,307,250	46,052,250	44,400,000
2022	350,000	2,220,000	2,570,000	44,050,000
2023	370,000	2,202,500	2,572,500	43,680,000
2024	13,855,000	2,184,000	16,039,000	29,825,000
2025	14,550,000	1,491,250	16,041,250	15,275,000
2026	15,275,000	763,750	16,038,750	-
Total:	\$86,145,000	\$13,168,750	\$99,313,750	

* Based on debt outstanding as of 10/1/2020

SCHEDULE X: \$225,795,000 Capital Grant Receipts Revenue Bonds Refunding Series 2017 Debt Service 2021-2026 FTA Section 5307 Urbanized Area Formula Funds				
PAYMENT YEAR	PRINCIPAL PAYMENT	INTEREST PAYMENT	TOTAL DEBT SERVICE	DEBT OUTSTANDING (as of 12/31)*
2021	20,385,000	9,336,750	29,721,750	166,350,000
2022	37,790,000	8,317,500	46,107,500	128,560,000
2023	39,680,000	6,428,000	46,108,000	88,880,000
2024	28,195,000	4,444,000	32,639,000	60,685,000
2025	29,605,000	3,034,250	32,639,250	31,080,000
2026	31,080,000	1,554,000	32,634,000	-
Total:	\$186,735,000	\$33,114,500	\$219,849,500	

* Based on debt outstanding as of 10/1/2020



TIFIA Loans

The Federal government passed the Transportation Infrastructure Finance and Innovation Act (TIFIA) in 1998 to provide federal credit assistance to surface transportation public entities wishing to advance qualified, large-scale surface transportation projects that might otherwise be delayed because of size, complexity, or uncertainty over the timing of revenues.

TIFIA financing is a highly recommended form of government borrowing because it improves the affordability of the debt and maximizes borrowing capacity. TIFIA loans are provided through the United States Department of Transportation (U.S. DOT) and allow municipalities to secure a loan at interest rates equal to the federal government’s rate, which has been 1.0-1.5 percent lower than traditional financing, and saves additional interest costs. Municipalities are also able to draw TIFIA funds on an “as needed” basis during a project, similar to a line of credit, and do not have to pay interest on funds that are issued all at once, further saving interest costs.

A TIFIA loan must not exceed one-third of the reasonably anticipated Eligible Project Total Costs, and the total federal funding for the project, inclusive of the TIFIA Loan and all federal direct or indirect grants, shall not exceed eighty percent (80 percent) of reasonably anticipated Eligible Project Costs. TIFIA loans can be secured by a variety of sources, depending on the transportation system. CTA currently has three TIFIA loans and is applying for a fourth. All CTA TIFIA loans are secured by CTA Farebox Receipts.

TIFIA Loan 1 – 2014 95th Street Terminal Improvement Project

On April 24, 2014, CTA entered into a definitive loan agreement with U.S. DOT acting by and through the Federal Highway Administration under the TIFIA loan program. The principal amount of the TIFIA Loan shall not exceed \$79,200,000 or 33 percent of reasonably anticipated Eligible Project Costs for the 95th Street Terminal Improvement Project. As evidence of CTA’s obligation to repay the TIFIA Loan, CTA has issued to the lender a registered farebox receipts revenue bond in the amount of \$79.2 million dated April 24, 2014. The TIFIA loan matures annually beginning December 1, 2020 through December 1, 2050 bearing an interest rate of 3.5 percent. The TIFIA loan was fully drawn as of September 2018. The final loan amortization and debt service schedule is provided below. The TIFIA loan is estimated to save the CTA approximately \$20 million.

TIFIA Loan 2 – 2015 Your New Blue Improvement Project

On February 3, 2015, CTA entered into a definitive loan agreement with the U.S. DOT acting by and through the Federal Highway Administration under the TIFIA loan program. The principal amount of the Your New Blue TIFIA Loan is an aggregate total not to exceed \$120,000,000, in two tranches (Series 2015A-1 for \$42,631,692 and Series 2015A-2 for \$77,368,308) or 33 percent of reasonably anticipated Eligible Project Costs for the Your New Blue Improvement Project. As evidence of CTA’s obligation to repay the TIFIA Loan, CTA issued to the lender two registered farebox receipts revenue bonds in the following amounts (Series 2015A-1 Bond for \$42,631,692 with a final maturity date of December 1, 2029 bearing an interest rate of 2.02 percent and Series 2015A-2

Bond for \$77,368,308 with a final maturity date of December 1, 2052 bearing an interest rate of 2.31 percent). The estimated loan amortization and service schedule is provided below. Once the funds are fully drawn, the final debt service schedule will be provided. For this project, TIFIA financing is estimated to save the CTA approximately \$50 million.

TIFIA Loan 3 – 2016 Rail Cars

On March 30, 2016, CTA entered into a third definitive loan agreement with the U.S. DOT, and through the Federal Highway Administration under the TIFIA loan program to finance certain projects that are part of CTA’s Rail Car Purchase Program. The principal amount of the Rail Cars TIFIA Loan is an aggregate total not to exceed \$254,930,402, in two tranches (Series 2016A-1 for \$147,018,363 and Series 2016A-2 for \$107,912,039) or 33 percent of reasonably anticipated Eligible Project Costs for the new rail cars.

As evidence of CTA’s obligation to repay the TIFIA Loan, CTA issued to the lender two registered farebox receipts revenue bonds in the following amounts (Series 2016A-1 Bond for \$147,018,363 with a final maturity date of December 1, 2049 bearing an interest rate of 2.64 percent and Series 2016A-2 Bond for \$107,912,039 with a final maturity date of December 1, 2056 bearing an interest rate of 2.64 percent). The estimated loan amortization and debt service schedule is provided below. Once the funds are drawn down for the redevelopment project, the final debt service schedule will be provided. For this project, TIFIA financing is estimated to save the CTA approximately \$100 million.

SCHEDULE XI: 79,200,000 TIFIA Loan 1 - 2014 95th Street Terminal Improvement Project				
PAYMENT YEAR	PRINCIPAL PAYMENT	INTEREST PAYMENT	TOTAL DEBT SERVICE	DEBT OUTSTANDING (as of 12/31)*
2021	1,732,746	3,130,715	4,863,461	87,716,244
2022	1,793,392	3,070,069	4,863,461	85,922,852
2023	1,856,161	3,007,300	4,863,461	84,066,691
2024	1,921,127	2,942,334	4,863,461	82,145,565
2025	1,988,366	2,875,095	4,863,461	80,157,199
2026	2,057,959	2,805,502	4,863,461	78,099,240
2027	2,129,987	2,733,473	4,863,461	75,969,253
2028	2,204,537	2,658,924	4,863,461	73,764,716
2029	2,281,696	2,581,765	4,863,461	71,483,020
2030	2,361,555	2,501,906	4,863,461	69,121,465
2031	2,444,209	2,419,251	4,863,461	66,677,256
2032	2,529,757	2,333,704	4,863,461	64,147,499
2033	2,618,298	2,245,162	4,863,461	61,529,201
2034	2,709,939	2,153,522	4,863,461	58,819,262
2035	2,804,787	2,058,674	4,863,461	56,014,475
2036	2,902,954	1,960,507	4,863,461	53,111,521
2037	3,004,557	1,858,903	4,863,461	50,106,964
2038	3,109,717	1,753,744	4,863,461	46,997,247
2039	3,218,557	1,644,904	4,863,461	43,778,690
2040	3,331,207	1,532,254	4,863,461	40,447,483
2041	3,447,799	1,415,662	4,863,461	36,999,684
2042	3,568,472	1,294,989	4,863,461	33,431,213
2043	3,693,368	1,170,092	4,863,461	29,737,844
2044	3,822,636	1,040,825	4,863,461	25,915,208
2045	3,956,428	907,032	4,863,461	21,958,780
2046	4,094,903	768,557	4,863,461	17,863,876
2047	4,238,225	625,236	4,863,461	13,625,651
2048	4,386,563	476,898	4,863,461	9,239,088
2049	4,540,093	323,368	4,863,461	4,698,996
2050	4,698,996	164,465	4,863,461	-
Total:	\$89,448,990	\$56,454,831	\$ 145,903,821	

* Based on debt outstanding as of 10/1/2020
Note: Principal includes the loan amount plus accrued interest

SCHEDULE XII: 120,000,000 TIFIA Loan 2 - 2015 Your New Blue Improvement Project				
PAYMENT YEAR	PRINCIPAL PAYMENT	INTEREST PAYMENT	TOTAL DEBT SERVICE	DEBT OUTSTANDING (as of 12/31)*
2021	-	2,821,209	2,821,209	127,799,927
2022	-	2,821,209	2,821,209	127,799,927
2023	-	2,821,209	2,821,209	127,799,927
2024	7,155,750	2,821,209	9,976,959	120,644,177
2025	7,300,296	2,676,662	9,976,959	113,343,881
2026	7,447,762	2,529,196	9,976,959	105,896,118
2027	7,598,207	2,378,752	9,976,959	98,297,911
2028	7,751,691	2,225,268	9,976,959	90,546,220
2029	7,908,275	2,068,684	9,976,959	82,637,945
2030	-	1,908,937	1,908,937	82,637,945
2031	-	1,908,937	1,908,937	82,637,945
2032	-	1,908,937	1,908,937	82,637,945
2033	-	1,908,937	1,908,937	82,637,945
2034	-	1,908,937	1,908,937	82,637,945
2035	-	1,908,937	1,908,937	82,637,945
2036	-	1,908,937	1,908,937	82,637,945
2037	-	1,908,937	1,908,937	82,637,945
2038	-	1,908,937	1,908,937	82,637,945
2039	-	1,908,937	1,908,937	82,637,945
2040	-	1,908,937	1,908,937	82,637,945
2041	6,054,804	1,908,937	7,963,740	76,583,141
2042	6,194,670	1,769,071	7,963,740	70,388,471
2043	6,337,767	1,625,974	7,963,740	64,050,705
2046	6,787,198	1,176,543	7,963,740	44,145,385
2047	6,943,982	1,019,758	7,963,740	37,201,403
2048	7,104,388	859,352	7,963,740	30,097,015
2049	7,268,499	695,241	7,963,740	22,828,516
2050	7,436,402	527,339	7,963,740	15,392,114
2051	7,608,182	355,558	7,963,740	7,783,931
2052	7,783,932	179,809	7,963,740	-
Total:	\$127,799,927	\$57,088,637	\$184,888,564	

* Based on debt outstanding as of 10/1/2020
Note: Principal includes the loan amount plus accrued interest

SCHEDULE XIII: 254,930,402 TIFIA Loan 3 - 2016 CTA Rail Fleet Replacement Project				
PAYMENT YEAR	PRINCIPAL PAYMENT	INTEREST PAYMENT	TOTAL DEBT SERVICE	DEBT OUTSTANDING (as of 12/31)*
2021	-	1,645,879	1,645,879	275,146,072
2022	-	2,894,741	2,894,741	275,146,072
2023	-	3,927,647	3,927,647	275,146,072
2024	-	3,927,647	3,927,647	275,146,072
2025	-	3,927,647	3,927,647	275,146,072
2026	-	3,927,647	3,927,647	275,146,072
2027	-	7,263,856	7,263,856	275,146,072
2028	-	7,263,856	7,263,856	275,146,072
2029	-	7,263,856	7,263,856	275,146,072
2030	4,174,447	7,263,856	11,438,304	270,971,625
2031	4,554,723	7,153,651	11,708,373	266,416,903
2032	4,945,037	7,033,406	11,978,443	261,471,866
2033	5,345,656	6,902,857	12,248,513	256,126,210
2034	5,756,851	6,761,732	12,518,583	250,369,359
2035	6,448,971	6,609,751	13,058,723	243,920,387
2036	6,619,224	6,439,498	13,058,723	237,301,163
2037	10,609,887	6,264,751	16,874,637	226,691,276
2038	11,119,389	5,984,650	17,104,039	215,571,887
2039	11,642,343	5,691,098	17,333,441	203,929,544
2040	12,449,173	5,383,740	17,832,913	191,480,371
2041	13,007,233	5,055,082	18,062,314	178,473,139
2042	13,809,427	4,711,691	18,521,118	164,663,711
2043	14,173,996	4,347,122	18,521,118	150,489,716
2044	14,777,591	3,972,928	18,750,520	135,712,124
2045	15,167,720	3,582,800	18,750,520	120,544,405
2046	15,568,147	3,182,372	18,750,520	104,976,257
2047	16,208,548	2,771,373	18,979,922	88,767,709
2048	16,636,454	2,343,468	18,979,922	72,131,255
2049	17,075,656	1,904,265	18,979,922	55,055,598
2050	7,263,801	1,453,468	8,717,268	47,791,798
2051	7,455,565	1,261,703	8,717,268	40,336,233
2052	7,652,392	1,064,877	8,717,268	32,683,841
2053	7,854,415	862,853	8,717,268	24,829,426
2054	8,061,772	655,497	8,717,268	16,767,654
2055	8,274,602	442,666	8,717,268	8,493,052
2056	8,493,052	224,217	8,717,268	-
Total:	\$275,146,072	\$151,368,151	\$426,514,223	

* Based on debt outstanding as of 10/1/2020
Note: Principal includes the loan amount plus accrued interest

Lease Agreements

The CTA executed several economically advantaged lease agreements in fiscal years 2008 through 2013. These agreements were entered into with various third parties and pertain to certain assets of the CTA, including facilities, buses and related parts and equipment. Under the lease financings, the CTA executed a long-term lease for applicable assets with trusts established by equity investors – trusts which concurrently leased the respective assets back to CTA under sublease agreements. Each sublease contains a fixed date and a fixed price purchase option that allows the CTA, at its option, to purchase the assets back from the lessor.

Public Building Commission Lease (2003/2006)

On October 26, 2006, the Public Building Commission of Chicago (PBC) issued \$91.3 million of Building Revenue Refunding Bonds for the benefit of the CTA to refund the amount outstanding originally issued in 2003. The proceeds of the bonds were used to advance refund to the PBC, Series 2003 bonds. The original, executed lease in connection with the Series 2003 bonds was amended accordingly.

The PBC used the proceeds of the 2003 bonds, among other things, to acquire the site for and construct a 12-story office building. The PBC leased the building to the CTA to be used as CTA headquarters. Rent payments due to the PBC from the

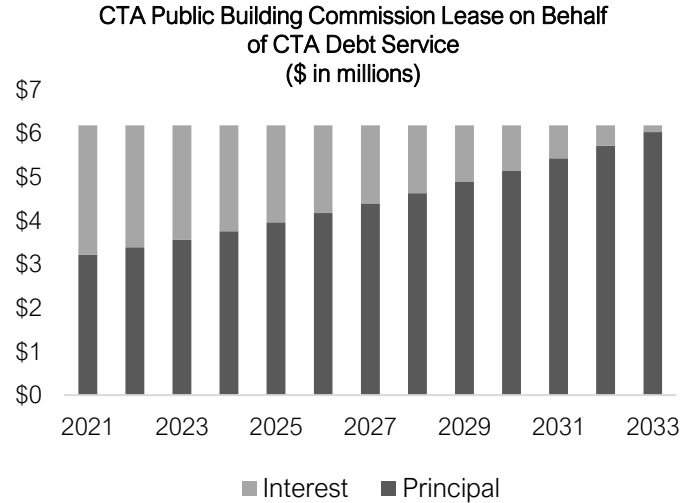
CTA under the lease are general obligations of the CTA payable from any lawfully available funds. Upon satisfaction of all of the obligations of the CTA under the lease and payment, or provision for payment, of the PBC Bonds in full, the PBC will transfer title of the leased premises to the CTA.

The CTA is obligated to pay to the Trustee on behalf of the PBC on or before February 15 of each year in which the headquarters lease is in effect, rent which equals the debt service on the PBC bonds due through and including September 1 of that calendar year.

New Flyer Low Floor Bus Lease (2008 COPs)

In August 2008, the Bank of New York Mellon issued Certificates of Participation (COPs) totaling \$78.4 million on behalf of the CTA with an interest rate of 4.725 percent. The COPs were used to finance the purchase of 200 (40-foot) New Flyer low floor buses and certain related parts and equipment. On August 1, 2008, the CTA entered into an installment purchase agreement with the Bank of New York Mellon. The obligation of the CTA to make installment payments is an unconditional obligation and is payable from legally available funds. The installment agreement requires the CTA to make annual COP payments to the Bank of New York Mellon, which are remitted to the COP holders. Scheduled maturity dates occur at various

times through December 1, 2020. During 2013, CTA amended the original 2008 agreement that amended terms and reduced interest rates. The total principal remaining to be paid on the COPs as of August 1, 2020 was \$3.9 million. A full debt service schedule has not been included as the New Flyer Low Floor Bus Lease is a private placement.



SCHEDULE XIV: \$91,340,000 Building Revenue Bonds Series 2006 Lease Payment Schedule 2021-2033 (Public Building Commission on behalf of Chicago Transit Authority)				
PAYMENT YEAR	PRINCIPAL PAYMENT	INTEREST PAYMENT	TOTAL DEBT SERVICE	DEBT OUTSTANDING (as of 12/31)*
2021	3,225,000	2,965,163	6,190,163	55,105,000
2022	3,390,000	2,799,788	6,189,788	51,715,000
2023	3,565,000	2,621,456	6,186,456	48,150,000
2024	3,760,000	2,429,175	6,189,175	44,390,000
2025	3,960,000	2,226,525	6,186,525	40,430,000
2026	4,175,000	2,012,981	6,187,981	36,255,000
2027	4,400,000	1,787,888	6,187,888	31,855,000
2028	4,635,000	1,550,719	6,185,719	27,220,000
2029	4,890,000	1,300,688	6,190,688	22,330,000
2030	5,150,000	1,037,138	6,187,138	17,180,000
2031	5,430,000	759,413	6,189,413	11,750,000
2032	5,720,000	466,725	6,186,725	6,030,000
2033	6,030,000	158,288	6,188,288	-
Total:	\$58,330,000	\$ 22,115,947	\$ 80,445,947	

* Based on debt outstanding as of 10/1/2020

Economic Indicators

CTA's ridership and revenues are heavily influenced by overall local employment levels, economic spending, and relative transportation costs. The local labor market and commuting costs are, in turn, influenced by national economic conditions. Long-term ridership and public funding trends can also provide additional context for national economic conditions.

Through the first two months of 2020, local and national employment levels have improved since the 2008-2010 Great Recession but have since retracted substantially due to the current economic recession because of the COVID-19 pandemic. As a result, the total number of people employed is substantially lower, and the unemployment rate is near historical highs. Chicago-area employment levels have retracted to employment levels below the 2008-2010 Great Recession levels.

Prior to the COVID-19 health pandemic, growing employment levels combined with high downtown parking costs increase the relative value of public transportation. As a result of the COVID-19 health pandemic that began in March 2020, stay-at-home orders were mandated at the state level for non-essential activities to help slow the spread of COVID-19. This led to a substantial increase in telework and procurement of online services, which reduced trips taken across all transportation modes.

Prior to the COVID-19 health pandemic, the number of visitors coming to Chicago has increased substantially in the past few years, with a record 58 million visitors to the city in 2018, an increase of 2.4 percent over 2017. Visitors have a positive impact on ridership and local sales tax revenue and can be seen particularly at the airport stations and stations near major attractions during the summer months. As a result of the national COVID-19 health pandemic, travel has been substantially curtailed because of stay-at-home orders and other measures that have been put into place to help slow the spread of COVID-19.

Employment Levels

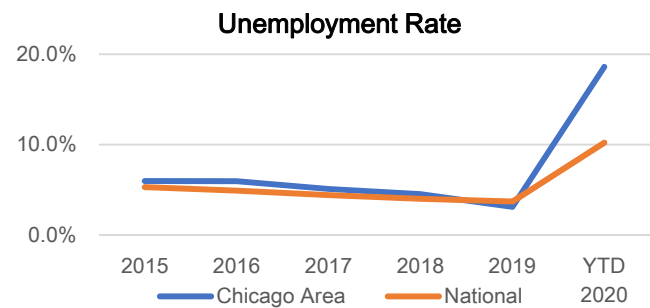
The seasonally adjusted non-farm employment in the Chicago metropolitan area decreased to a monthly average of 4,353,000 through July 2020, the lowest levels since 4,302,000 in January 2011. The 9.1 percent decrease in payroll in the Chicago area from 2019 to 2020 year-to-date is slightly higher than the national 8.2 percent decrease during the same period.

Total Non-Farm Employment 2015-2020 (in thousands) (2020 is YTD monthly average, seasonally adjusted)					
	2016	2017	2018	2019	2020
National	144,306	146,624	148,584	152,000	139,580
% Change	1.8%	1.6%	1.3%	2.3%	-8.2%
Chicago Area	4,653	4,699	4,725	4,791	4,353
% Change	1.3%	1.0%	0.6%	1.4%	-9.1%

Source: Bureau of Labor Statistics

Unemployment Rate

The Chicago metropolitan area seasonally adjusted unemployment rate averaged 18.6 percent through July 2020, an increase of 15.5 percentage points compared to 2019. The national average of 10.2 percent increased by 6.5 percentage points compared to 2019. Both the Chicago area and national average unemployment rate are the highest rates since the 2008-2010 Great Recession.

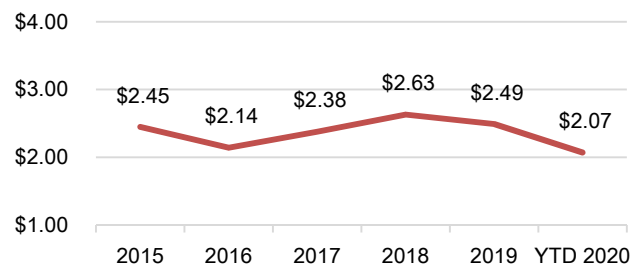


Source: Bureau of Labor Statistics

Fuel Prices

Nationally, consumer gas prices reached an average of \$2.63 per gallon in 2018, the highest level in the last five years. Prices plunged in the spring of 2020, coinciding with the spread of COVID-19. The average price in 2020 through August is \$2.07, a 27 percent drop from the 2018 peak.

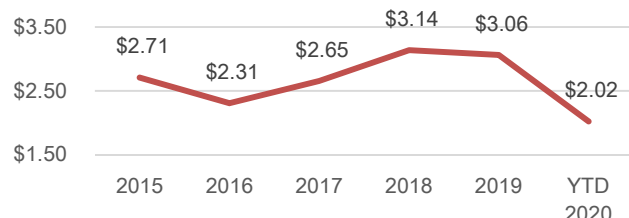
Unleaded Regular Gasoline Price per Gallon (National Average)



Source: US Energy Information Administration

Diesel fuel prices showed a similar pattern. The average price per gallon reached \$3.14 in 2018. Year-to-date in 2020, the average price fell to \$2.02, a 36 percent drop from 2018.

No 2 Diesel Retail Price per Gallon (National Average)

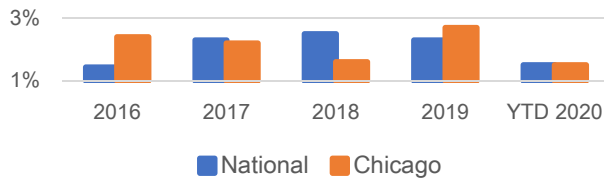


Source: US Energy Information Administration

Consumer Price Index (CPI)

The CPI measures the average change over time in the prices paid by urban consumers for a fixed set of goods and services. An increase in the index, such as the one experienced from 2016 to 2018, means consumers must pay more dollars to buy the same goods and services. Through July 2020, the average CPI decreased by 1.2 percent in the Chicago-area and by 0.8 percent nationally compared to 2019.

Consumer Price Index Percent Change, YOY

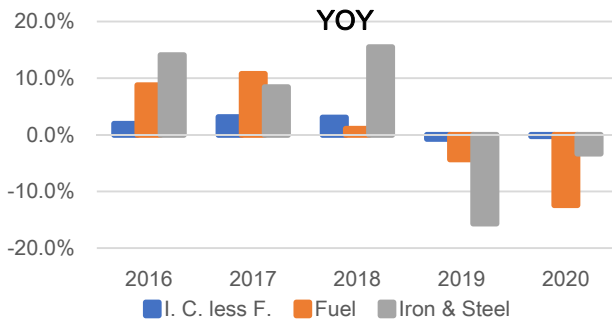


Source: Bureau of Labor Statistics

Producer Price Index (PPI)

The PPI measures average changes in prices received by domestic producers for their output. Three commodity categories are selected for trend illustration: industrial commodities less fuel, fuel, and iron and steel. From 2019-2020, industrial commodities decreased 0.2 percent, fuel decreased 12.4 percent. Iron and steel have decreased by about 3.3 percent. The year-over-year decrease with these commodities is largely attributed to decreased demand during the current recession due to the COVID-19 health pandemic.

Producer Price Index Percent Change, YOY

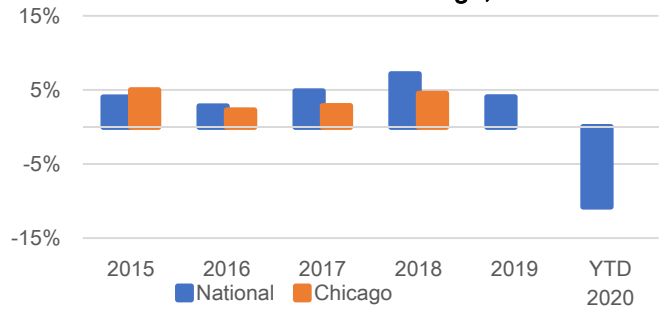


Source: Bureau of Labor Statistics

Gross Domestic Product (GDP)

GDP measures the value of goods and services produced in an area each year. National Real GDP grew steadily from 2010 to 2019. From 2015 to 2019, the rate of growth has been about 5 percent per year. So far this year, GDP contracted by over 10%, coinciding with the spread of COVID-19. GDP data at the local level lag the national data, so the impact of COVID-19 on Chicago's GDP is not yet known.

GDP Growth Rate Change, YOY

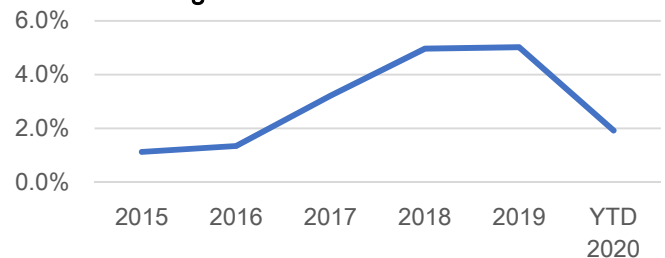


Source: Bureau of Economic Analysis

Federal Funds Rate (FFR)

The FFR is the interest rate at which banks lend balances at the Federal Reserve to other depository institutions. The Federal Open Market Committee (FOMC) is tasked with setting a target for the FFR. In March of 2020, the FOMC decreased the FFR twice, first on March 3rd by 50 basis points to a target range of 1.75-2.00 percent, then again on March 16th by 100 basis points to a target range of 0-0.25 percent. This decrease was the fifth reduction since the beginning of 2019. The ongoing public health crisis will weigh heavily on economic activity, employment, and inflation in the near term, and poses considerable risks to the economic outlook over the medium term and the Committee has decided to maintain the target range for the federal funds rate at 0-0.25 percent and expects to maintain this target range until it is confident that the economy has weathered recent events and is on track to achieve its maximum employment and price stability goals.

Average Annual Federal Funds Rate

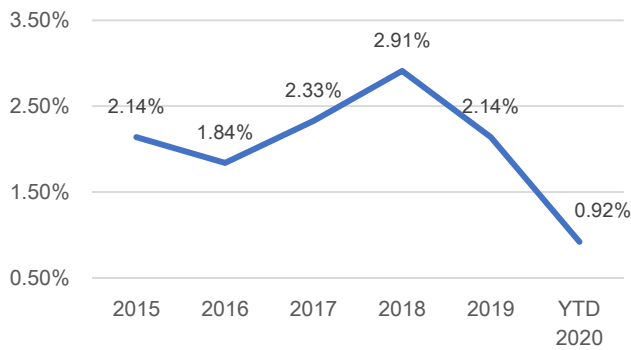


Source: Board of Governors of the Federal Reserve System

Ten-Year U.S. Treasury Yield

The Ten-Year Treasury note is the most frequently quoted security for analysis of the U.S. government. At the beginning of 2020, the 10-year yield peaked at 1.82 percent and by March 2020 at the beginning of the economic recession due to the health pandemic, yields had fallen to 0.76 percent. As of September 2020, the Ten-Year yield has continued to see downward trends and is currently at 0.69 percent. Long-term bonds are experiencing a great deal of uncertainty with the US economy currently in a recession because of the COVID-19 health pandemic and prolonged escalation of the trade war with China.

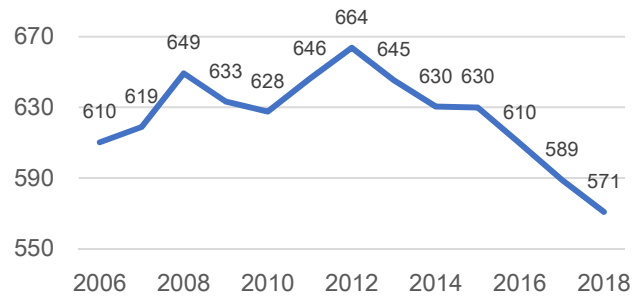
Average 10-year US Treasury Yield



Source: US Department of Treasury

The Chicago Metropolitan Area's ridership has trended upward since the early 2000s, peaking in 2012 with almost 664 million trips taken. From 2012-2018, ridership decreased 16.2 percent to 571 million trips partly due to new mobility competitors and other demographic factors taking place during that period. Like national trends, 2018's ridership decreased 3.1 percent compared to 2017.

Chicago Area Historical Ridership (in millions)

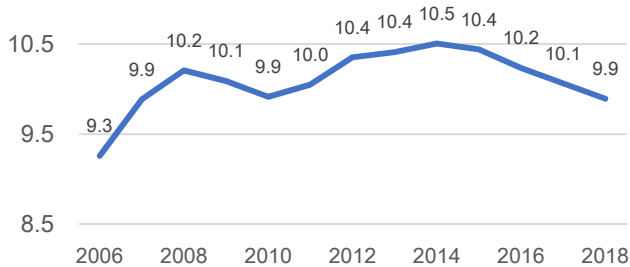


Source: National Transit Database

Historical Ridership

Over the last 20 years, ridership has been trending up nationally despite dips associated with recessions in the early 2000s, 2009-2010 and 2020. National ridership reached a high of 10.5 billion trips in 2014 and have retracted each year since in part due to historically low gas prices and additional mobility competition in many areas of the country. While national ridership in 2018 is about flat with 2010 levels, several metropolitan areas have reported ridership increases over the same period due to a variety of factors.

National Historical Ridership (in billions)



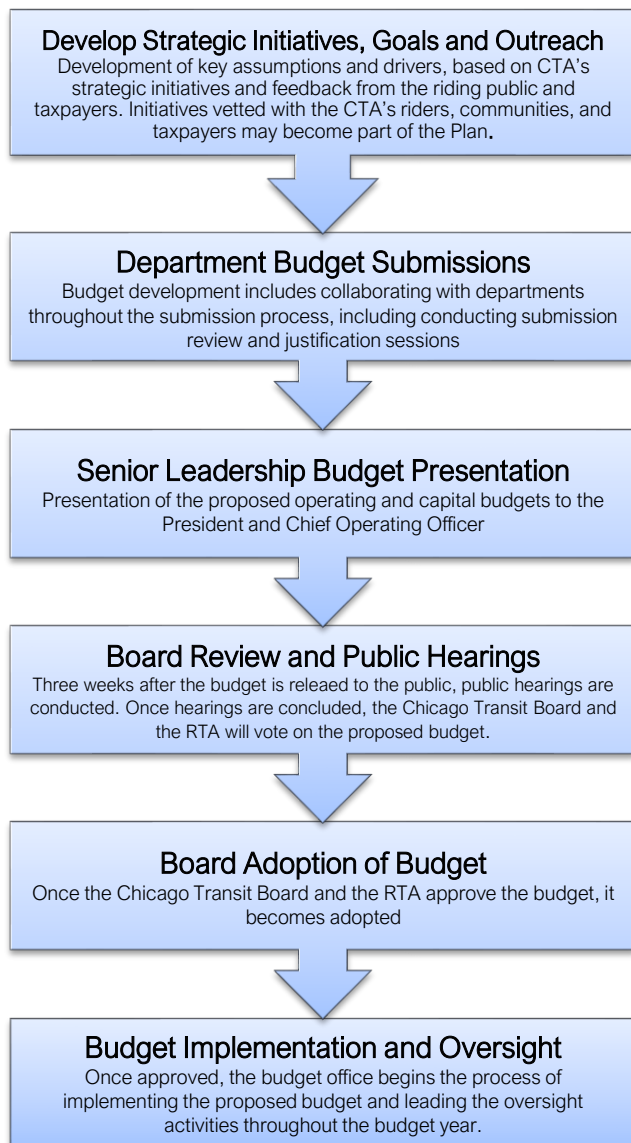
Source: National Transit Database

Annual Budget Process

The Regional Transportation Authority (RTA) Act requires the RTA Board to adopt an annual budget and two-year financial plan, a strategic plan, and a five-year capital program. The budgetary process contains three phases: budget development, budget adoption, and budget execution and administration.

Budget Development Process

The CTA's annual budget development process serves as the foundation for its financial planning and control. The Chief Financial Officer and staff prepare and submit the budget to the Board of Directors for consideration and approval. The annual budget includes both the operating and capital budgets. It is the responsibility of each department to adhere to approved spending levels and manage its operations efficiently and in alignment with CTA's goals and programs authorized by the Board. The budget development process is a collaborative effort and includes the following phases:



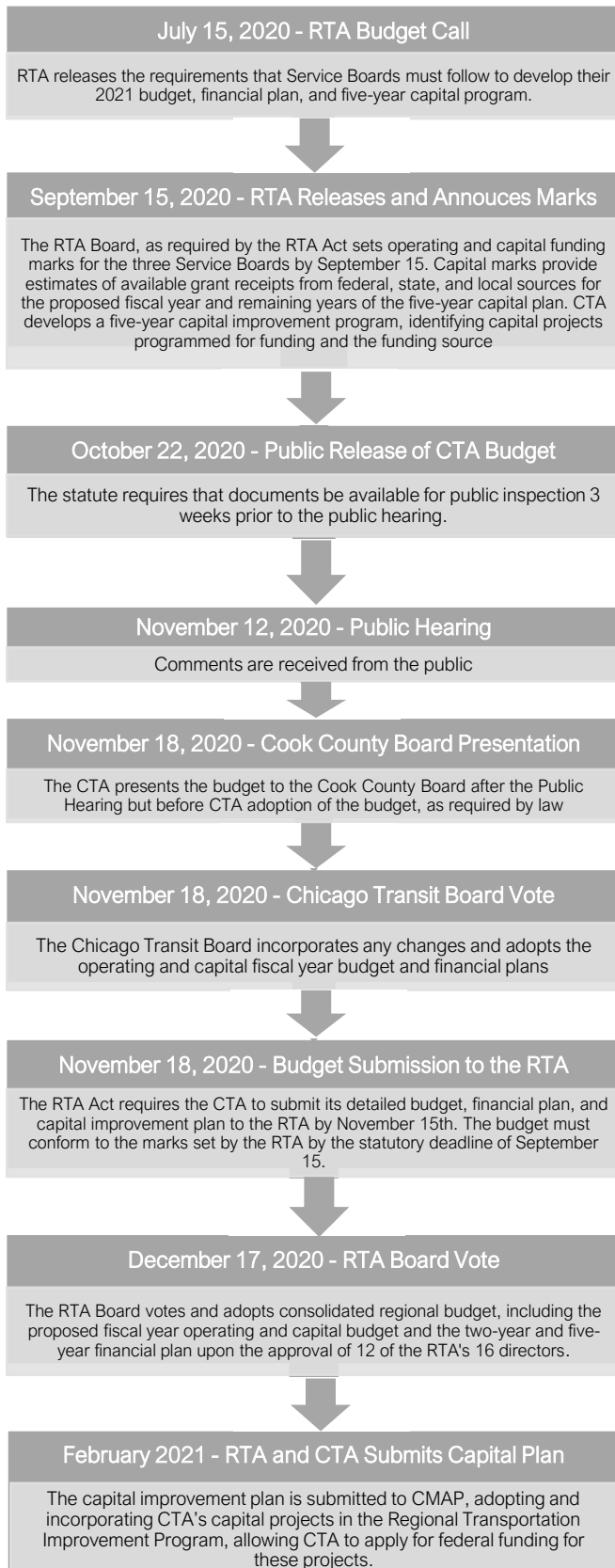
RTA Statutory Requirements for Budget Approval

The RTA Board adopts the proposed budget and plan upon the approval of 12 of the RTA's 16 directors. If the budget meets the RTA's criteria, which are identified in the RTA Act and outlined below, then the RTA is required to adopt the budget. If the RTA Board does not approve the budget, the RTA Board cannot release any funds for the periods covered by the budget and two-year financial plan, except the proceeds of sales taxes due by the statutory formula to the CTA, until the budget conforms to the criteria specified in the Act.

The RTA's criteria for budget and plan approval are:

- Balanced Budget:** The budget and plan show a balance between (A) anticipated revenues from all sources including operating subsidies and (B) the costs of providing the services specified and of funding any operating deficits or encumbrances incurred in prior periods, including provision for payment when due of principal and interest of outstanding indebtedness.
- Cash Flow:** The budget and plan show cash balances, including the proceeds of any anticipated cash flow borrowing sufficient to pay with reasonable promptness all costs and expenses incurred.
- Recovery Ratio:** The budget and plan provide a level of fares or charges and operating or administrative costs for the public transportation provided by or subject to the system-generated revenue recovery ratio.
- Assumptions:** The budget and plan are based upon and employ assumptions and projections, which are reasonable and prudent.
- Financial Practices:** The budget and plan have been prepared in accordance with sound financial practices as determined by the RTA Board.
- Other Requirements:** The budget and plan meet such other financial, budgetary, or fiscal requirements that the RTA Board may by rule or regulation establish.
- Strategic Plan:** The budget and plan are consistent with the goals and objectives adopted by the RTA Board in the Strategic Plan.
- Capital Budget:** The capital improvement plan submitted to the RTA outlines projects, including budgets, schedules, and funding sources and are eligible for Federal and RTA funding and meet all requirements.

Budget Calendar



Budget Execution and Administration

After the proposed budget and financial plan are adopted, the budget execution and administration phase begin. Detailed budgets of operating revenues and expenses calendarized for the 12 months of the budget year are forwarded to the RTA. The CTA's actual monthly financial performance is measured against the monthly budget and reported to the RTA Board. Detailed capital grant applications are prepared and submitted to funding agencies. Quarterly capital program progress reports, along with milestones, are provided to the RTA Board to monitor expenditures and obligations for capital program items. RTA meets with CTA quarterly to review the status of capital projects.

Amendment Process

As the CTA monitors actual performance, changes may be required to the budget. When the RTA amends a revenue estimate because of changes in economic conditions, governmental funding, a new program, or other reasons, the CTA has 30 days to revise its budget to reflect these changes. The RTA's Finance Committee must approve all amendments before they are recommended to the RTA Board for approval. The budget may also be amended based on the financial condition and operating results if the CTA is significantly out of compliance with its budget for a given quarter. The RTA Board, by a vote of 12 members, may require the CTA to submit a revised financial plan and budget, which show that the marks will be met in a period of less than four quarters. If the RTA Board determines that the revised budget is not in compliance with the marks, the RTA will not release discretionary funds. RTA discretionary funds include monies from the Public Transportation Fund (PTF), discretionary sales tax, and other state funding. If the Authority submits a revised financial plan and budget showing the marks will be met within a four-quarter period, then the RTA Board shall continue to release funds.

As capital projects proceed, changes may be required to project budgets. Capital funding marks may be revised based on actual federal or state appropriations actions. When revisions are necessary, the five-year capital program will be amended and submitted to the RTA for RTA Board action.

Accounting Systems, Financial Controls & Policy

The CTA was formed in 1945 pursuant to the Metropolitan Transportation Authority Act passed by the Illinois Legislature. The CTA was established as an independent governmental agency (an Illinois municipal corporation) “separate and apart from all other government agencies” to consolidate Chicago’s public and private mass transit carriers. The City Council of the City of Chicago granted the CTA the exclusive right to own and operate a unified, local transportation system.

The Regional Transportation Authority Act provides for the funding of public transportation in the six-county region of Northeastern Illinois. The Act established a regional oversight board, the Regional Transportation Authority (RTA), and designated three Service Boards: the CTA, the Commuter Rail Board, and the Suburban Bus Board. The Act requires, among other things, that the RTA approve the annual budget of the CTA; that the CTA obtain agreement from local governmental units to provide an annual monetary contribution of at least \$5 million for public transportation; and that the CTA, collectively with the other Service Boards, finance at least 50 percent of operating costs, excluding depreciation and certain other items, from system-generated sources on a budgetary basis.

Financial Reporting Entity

As defined by U.S. generally accepted accounting principles (GAAP), the financial reporting entity consists of a primary government, as well as its component units, which are legally separate organizations for which the elected officials of the primary government are financially accountable.

Financial accountability is defined as:

- 1) Appointment of a voting majority of the component unit’s board and either (a) the ability to impose will by the primary government or (b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.
- 2) Fiscal dependency on the primary government.

In conformance with Governmental Accounting Standards Board (GASB) standards, the CTA includes in its financial statements all funds over which the Chicago Transit Board exercises oversight responsibility. Oversight responsibility is defined to include the following considerations: selection of governing authority, designation of management, ability to significantly influence operations, accountability for fiscal matters, and scope of an organization’s public service and/or special financing relationships.

The CTA participates in the Employees’ Retirement Plan, which is a single-employer, defined benefit plan covering substantially all full-time permanent union and nonunion employees. The Employees’ Plan is governed by state statute (40 ILCS 5/22-101). The fund, established to administer the Employees’ Retirement Plan, is not a fiduciary fund or component unit of the CTA. This fund is a legal entity separate and distinct from the CTA. This plan is administered by its own board of trustees comprised of five union representatives, five representatives appointed by the CTA, and a professional fiduciary appointed by

the RTA. The CTA has no direct authority and assumes no fiduciary responsibility with regards to the Employees’ Retirement Plan. Accordingly, the accounts of this fund are not included in the CTA’s financial statements.

The Retiree Health Care Trust (RHCT) provides and administers health care benefits for CTA retirees and their dependents and survivors. The RHCT is not a fiduciary fund or a component unit of the CTA. This trust is a legal entity separate and distinct from the CTA. This trust is administered by its own board of trustees comprised of three union representatives, three representatives appointed by the CTA, and a professional fiduciary appointed by the RTA. The CTA has no direct authority and assumes no fiduciary responsibility with regards to the RHCT. Accordingly, the accounts of this fund are not included in the CTA’s financial statements.

Based upon the criteria set forth by the GASB, the CTA is not considered a component unit of the RTA because the CTA maintains separate management, exercises control over all operations, and is fiscally independent from the RTA. Because governing authority of the CTA is entrusted to the Chicago Transit Board, comprised of four members appointed by the Mayor of the City of Chicago and three members appointed by the Governor of the State of Illinois, the CTA is not financially accountable to the RTA and is not included as a component unit in the RTA’s financial statements. As statutorily required, the CTA is combined in pro forma statements with the RTA.

Budget and Budgetary Basis of Accounting

The CTA is required under Section 4.01 of the RTA Act to submit for approval an annual budget to the RTA by November 15th of each year. The budget is prepared on a basis consistent with generally accepted accounting principles (GAAP), except for the exclusion of certain income and expenses, and consistent with the basis of accounting and required recovery ratio. The excluded income and expense amounts include the following:

- Provision for injuries and damage in excess of (or under) budget,
- Depreciation expense,
- Pension expense in excess of pension contributions,
- Actuarial adjustments,
- Revenue and expense from bond transactions,
- Revenue and expense from sale/ leaseback transactions, and
- Capital contributions.

The Act requires that expenditures for operations and maintenance in excess of budget cannot be made without the approval of the Chicago Transit Board. All annual appropriations lapse at fiscal year-end.

Public funding assistance, administered by the RTA, provides public funding revenue for the budgets of the Service Boards. Favorable variances from budget remain as operating assistance to the CTA.

The RTA approves the proposed budget based on four criteria:

- The budget is in balance with regard to anticipated revenues from all sources, including operating subsidies, costs of providing services, and funding operating deficits.
- The budget provides sufficient cash balances to pay, with reasonable promptness, costs, and expenses when due.
- That the budget provides for the CTA to meet its required system-generated revenue recovery ratio; and
- That the budget is reasonable and prepared in accordance with sound financial practices and complies with such other RTA requirements as the RTA Board of Directors may establish.

The RTA monitors the CTA's performance against the budget on a quarterly basis. If, in the judgment of the RTA, this performance is not substantially in accordance with the CTA's budget for such period, the RTA shall so advise the CTA and the CTA must, within the period specified by the RTA, submit a revised budget to bring the CTA into compliance with the budgetary requirements listed above.

Financial Reporting

The CTA's financial statements are prepared in conformity with GAAP. GASB is the accepted standard-setting body for establishing governmental accounting and reporting principles. The CTA applies Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case the GASB prevails.

Basis of Presentation

The financial statements provide information about the CTA's business-type and fiduciary (Qualified Supplemental Retirement Plan) activities. Separate financial statements are presented for each category. The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

The financial statements for CTA's business-type activities are used to account for the operations of the CTA and are accounted for on a proprietary (enterprise) fund basis. This basis is used when operations are financed and operated in a manner similar to a private business enterprise, where the intent of the governing body is that the costs of providing services to the general public be financed or recovered primarily through user charges such as fares.

Accordingly, the CTA maintains its records on the accrual basis of accounting. Under this basis, revenues are recognized in the period in which they are earned, expenses are recognized in the period in which they are incurred, depreciation of assets is recognized, and all assets and liabilities associated with the operation of the CTA are included in the balance sheet.

The financial statements for the fiduciary activities are used to account for the assets held by the CTA in trust for the payment of future retirement benefits under the Qualified Supplemental

Retirement Plan. The assets of the Qualified Supplemental Retirement Plan cannot be used to support CTA operations.

Fiscal Year

The operating cycle of the CTA is based on the calendar year. Prior to 1995, the CTA operated on a 52-week fiscal year composed of four quarters of "four-week, four week, and five week" periods. Periodically, a 53-week fiscal year was required to keep the fiscal year aligned with the calendar.

Internal Controls

CTA management is responsible for establishing and maintaining an internal control system designed to ensure that the assets of the CTA are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with GAAP. The internal control system is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of internal control should not exceed the benefits likely to be derived, and that the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. The CTA's internal accounting controls are reasonable under the existing budgetary constraints and adequately safeguard assets as well as provide reasonable assurance of proper recording of all financial transactions.

Each year, the CTA conducts internal and external audits to test the adequacy of its internal control system. Where weaknesses are identified, the CTA takes immediate action to correct such weaknesses to ensure a sound internal control system.

Single Audit

As a recipient of federal, state, and RTA financial assistance, the CTA is responsible for ensuring that an adequate internal control system is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control system is subject to periodic evaluation by management and the internal audit staff of the CTA, as well as external auditors.

As part of the CTA's single audit, tests are performed to determine the adequacy of the internal control system, including the portion related to federal financial assistance programs, as well as to determine that the CTA has complied with applicable laws and regulations.

Budgeting Controls

In addition, the CTA maintains budgetary controls to ensure compliance with legal provisions embodied in the annual budget appropriated by the Chicago Transit Board and approved by the RTA. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established for total operating expenses. The CTA also maintains a position control system, which requires that every job that is not part of scheduled transit operations be budgeted on an annual basis.

Financial Policy

Financial planning policies incorporate both short- and long-term strategies focused on the principles of a balanced budget. These policies ensure proper resource allocation and the continued financial viability of the organization. The CTA reviews the policies on an annual basis as part of the budget process to ensure continued relevance to the organization's goals and objectives.

A Balanced Budget

The budget reflects the short-term goals of the agency. Following development, adoption, and implementation of the annual budget, the CTA continually monitors actual monthly financial performance against the budget. Each month, the CTA performs a detailed line-by-line analysis of revenues and expenses to determine operating variances. This includes reviewing position headcount, analyzing material and other expenses, examining revenue scenarios for potential shortfalls, applying seasonality spread in relation to business activities, and conducting continuous audits to ensure a balanced budget. Where potential year-end variances to budget are projected, the CTA uses various strategies to manage them. A monthly financial performance report is produced and submitted to the CTA and RTA boards for their review.

The RTA Act requires the CTA to have a balanced budget each year. As such, the CTA takes care in the development of its budget to ensure that assumptions and estimates used to develop the budget are reasonable. The CTA analyzes data from recent years and develops forecasts that are built on actual expense trends. The CTA also researches market trends and consultants' studies that could impact fuel and healthcare expenses. All expenses match available revenues at the time of the budget, including system-generated and other revenues, as well as public funding.

Long-Range Planning

The CTA also develops a longer-range plan for the period beyond the current budget and two-year financial plan. This ten-year plan assesses the implications of current and proposed budgets, policy priorities, and financial assumptions. Additionally, external economic studies, demographics, and traffic patterns are used to estimate the future transit needs of the Chicago metropolitan area, and to establish the future system requirements of the CTA. Current infrastructure needs, as well as system growth needs, are developed, prioritized, and incorporated into the long-term plan.

Capital Investment Planning

The CTA continuously maintains an inventory and assessment of the condition of all major capital assets. A detailed five-year capital program prioritizes the short-term capital needs that are necessary to bring the system to a state of good repair, as well as to maximize customer benefits in the regional transit system. CTA is also developing a Transit Asset Management system to assist in prioritizing future capital projects. A 20-year capital program condition and assessment report provides a broader list of the CTA's capital investment needs.

Revenue Policies

The principal operating revenues of the CTA are bus and rail passenger fares, which are established by the CTA's Board. The CTA also recognizes as revenue the rental fees received from concessionaires, the fees collected from advertisements on CTA property, and other miscellaneous operating revenues. A clear understanding of CTA revenue sources is essential to maintaining a balanced budget and for providing quality service to customers.

Revenue Diversification

Organizational units are encouraged to submit revenue ideas for consideration. The CTA has embarked upon numerous alternative revenue enhancements, such as vending machines and ATMs on the system, wireless communications in the subway tunnels, digital communications, and parking under the elevated rights-of-way. The CTA continues to find ways to enhance system advertising, charters, and concession revenues, as well as revenue from investments.

Use of One-Time Revenues

Extraordinary revenues from the sale of surplus assets provide one-time benefits to the CTA. These additional revenues are used to fund non-recurring expense items.

Expenditure Policies

CTA expenditures include the costs of operating the mass transit system, administrative expenses, and depreciation on capital assets. Prudent expenditure planning, monitoring, and accountability are key elements of fiscal stability.

Debt Capacity, Issuance, and Management

These policies serve as a management tool to ensure that the CTA:

- May utilize leverage as part of its overall funding strategy to speed up investment in the system;
- Utilizes debt in the most efficient and effective manner to fund operating and capital improvement programs; and
- Makes full and timely repayment of all borrowings.

Moreover, the policy provides broad guidelines to ensure that the agency achieves the lowest possible cost of capital within prudent risk parameters, secures ongoing access to the capital markets, and authorizes the appropriate amount, type, and structure of debt for various financing situations.

Expenditure Accountability

Each month, the CTA compares its operating and capital performance to budget. Any deviations from budget are reviewed and corrective measures are implemented by the appropriate organizational units. Each unit is responsible for maintaining budget compliance. Actual capital expenditures are also reviewed monthly and adjustments to capital projects spending are made accordingly.

Sustainability Initiatives

Sustainable Transportation and Climate Resilience

CTA continues to fulfill its core mission of delivering quality, affordable transit services that link people, jobs, and communities. CTA’s transit services provide benefits across all three of the areas required to support a sustainable city: society, the economy, and the environment.

CTA’s train and bus systems help reduce traffic congestion, support compact development, and lower per-capita energy consumption and expense. Ensuring equitable access to these advantages is central to the City of Chicago’s first-ever Equitable Transit-Oriented Development policy plan, released in September 2020. The plan offers a roadmap for mixed-use neighborhood development around walkable, pedestrian-oriented CTA stations and high-capacity bus routes. The goal of new development is to mitigate the effects of residential housing segregation, build community wealth, improve the community’s resilience to the extreme weather impacts of climate change, and improve the overall health of residents.

2020-2021 Key Sustainability Initiatives

- Developing a strategic plan for electrification of CTA’s entire bus fleet by 2040
- Launching 23 new electric buses in service
- Installing five high-powered, overhead chargers for electric buses
- Testing prototypes of new 7000-series rail cars
- Upgrading to LED lighting at two bus garages and at rail stations systemwide
- Replacing boilers at two major facilities
- Procuring a master developer to design and construct equipment for renewable energy generation on CTA properties

CTA’s ongoing investment in large-scale infrastructure improvements, such as the Your New Blue and Red-Purple Modernization projects, bolsters the strength and resilience of Chicago’s transit services today and for decades to come. CTA takes into consideration exposure to extreme heat, cold, precipitation, and wind when planning, designing, and constructing new infrastructure and rehabs to existing facilities, as well as when determining protocols for operations. In practice, this means testing and selecting materials and equipment based on durability and building redundancy into systems ranging from vehicle power and fuel supply to control center communications.

Clean Vehicles and Efficient Operations: Bus System

The Chicago City Council passed a resolution in April 2019 establishing the year 2040 as the goal for electrifying CTA’s entire fleet of over 1,850 buses. CTA has been working steadily toward this goal, achieving 2020 milestones in electric bus integration, charging infrastructure build-out, a strategic planning process, and electric bus training for bus operators and maintenance personnel. As a result, in 2021, CTA passengers

will have the opportunity to enjoy quieter, smoother, zero-emissions bus rides on bus routes #66 (Chicago) and #63 (63rd Street). To date, CTA’s electric bus program has been awarded about \$90 million in funding, primarily from competitive federal grant sources including the Congestion Mitigation and Air Quality Improvement Program, and the Low or No Emission Vehicle Program.

In late 2019, CTA launched the development of a strategic plan to serve as a roadmap for full bus fleet electrification. Through 2020, CTA conducted analyses to evaluate the purchasing timeline for buses, required upgrades to bus garages, suitability of charging technologies and charging locations, and impacts to operations and maintenance practices. CTA also partnered with the Chicago Department of Public Health to utilize data from their Air Quality and Health Index to analyze where the emissions reductions from electric buses can provide the greatest benefit to vulnerable populations at risk for respiratory illnesses and chronic diseases. The final phase of the strategic planning process will determine high-level estimates for the costs to achieve full bus fleet electrification, depending on several different scale-up scenarios.

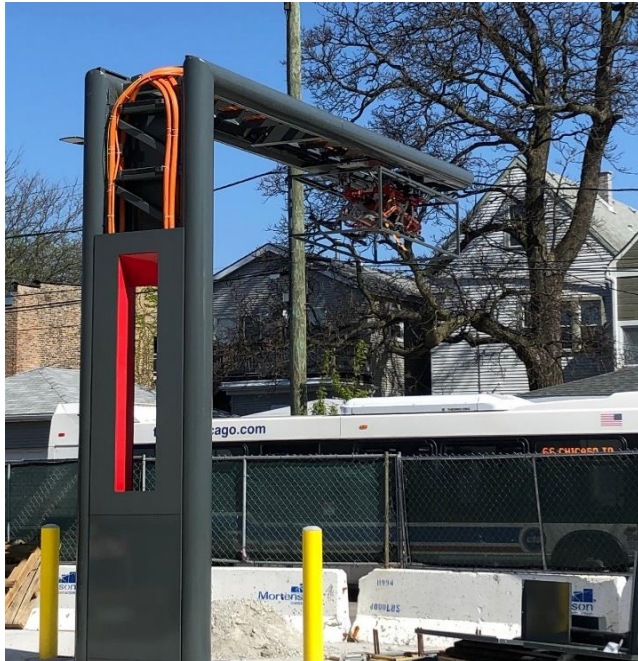


One of CTA’s electric New Flyer Buses

CTA was at the forefront of adopting new battery bus technology when the agency introduced two all-electric New Flyer buses in October 2014. Now six years later, these two buses have been retrofitted with more advanced batteries and the capability to charge using a high-powered overhead fast-charger. CTA completed the installation of this fast-charger at the Midway Terminal in Q3 2020. The electric buses will utilize the charger during their layover time at the terminal between runs on route #63 (63rd Street). Testing and commissioning of the fast-charger, as well as bus operator training at the 74th Street Garage, will take place in Q4.

The contract for CTA’s next generation of electric buses was awarded to Proterra in the summer of 2018. In early 2020, CTA received the first six electric buses under this new contract and began testing and preparing them for transit operations. CTA will run the Proterra electric buses primarily on route #66 (Chicago) and will conduct extensive bus monitoring, particularly for performance in cold weather. The buses will charge on high-powered overhead fast-chargers, which are being installed at the eastern and western terminals of the route: the Navy Pier

Terminal and the bus turn-around at Chicago Avenue and Austin Boulevard. In Q4 2020, CTA will roll out bus operator training for the Proterra electric buses at CTA's Chicago Bus Garage. An additional 17 Proterra buses are scheduled to be delivered in 2021.



Installation of an overhead charger at CTA's Chicago & Austin bus turn-around

CTA is participating in a nationwide, U.S. Department of Energy-funded, electric bus data collection project led by CALSTART, a non-profit organization that works with public and private sector members to advance new clean transportation technologies and policies. CALSTART will be gathering data from CTA, as well as numerous other transit agencies and operators of medium- and heavy-duty fleets, on their electric vehicle operations. Vehicle data from on-board data recorders, charging data, facility data, and maintenance data will be used to analyze the characteristics of electric vehicle technologies and operations under real-world conditions and usage patterns. As a study participant, CTA will receive a report of major findings at the conclusion of the project.

While CTA's new electric buses help improve the fuel efficiency of the overall fleet by replacing the oldest diesel buses, the continuous aging of existing buses is the most significant factor affecting fuel performance, as observed over the past several years (table below). Fuel consumption is also sensitive to weather. The 2020 forecast for fuel efficiency reflects higher usage during the unusually hot summer months.

CTA Bus Fuel Efficiency	
Year	Bus Miles Traveled per Gallon of Diesel Fuel
2015 Actual	3.59
2016 Actual	3.60
2017 Actual	3.51
2018 Actual	3.45
2019 Actual	3.38
2020 Forecast	3.26

Clean Vehicles and Efficient Operations: Rail System

Prototypes of CTA's next generation of rail cars, the 7000-series, arrived in 2020 from CRRC Sifang's new manufacturing facility on the Southeast Side of Chicago. These prototypes are expected to be tested through most of 2021 to ensure that they function well during Chicago's harsh winter and summer weather conditions. After successful testing, production of additional cars will begin. The 7000-series rail cars are CTA's second model of rail cars (following the 5000-series) with the capability to regenerate electricity as they brake, sending that electricity back to the third rail to power the acceleration of other trains on the system. CTA's testing and modeling studies indicate that rail cars with regenerative braking reduce overall rail-system energy consumption by at least 10 percent. The new 7000-series rail cars will also have other energy efficient features including LED lights and advanced controls for the air comfort systems.

Travel on electrified rail cars is a very energy efficient mode of transportation. Similarly to buses, though, the efficiency gains from new rail cars are offset by the continuous aging of existing cars. Severe cold and freezing precipitation also require more electricity use to warm up rail cars prior to service (for passenger comfort and to ensure doors and other systems function properly), heat tracks at switch points, and deploy special trains to apply anti-icing fluid on the third rail to avoid ice buildup. In hot weather, additional energy is consumed to cool the rail cars. The modest uptick in rail energy efficiency forecasted in 2020 is likely due to less passenger weight on trains as ridership declined due to the pandemic (table below).

CTA Rail Energy Efficiency	
Year	Rail Miles Traveled per Megawatt-Hour of Electricity
2015 Actual	185
2016 Actual	177
2017 Actual	179
2018 Actual	168
2019 Actual	168
2020 Forecast	173

Through 2020, CTA continued a comprehensive study and evaluation of the power infrastructure serving the rail system. Following completion of phase one of the study, focusing on the Blue Line, CTA expanded the modeling and analysis to all rail lines and added a sub-study of new power infrastructure requirements for the Red Line Extension project. Results of the study will guide investments in rail power infrastructure, ensuring the continued resiliency of CTA's train service to local power outages, equipment issues, and other potential disruptions.

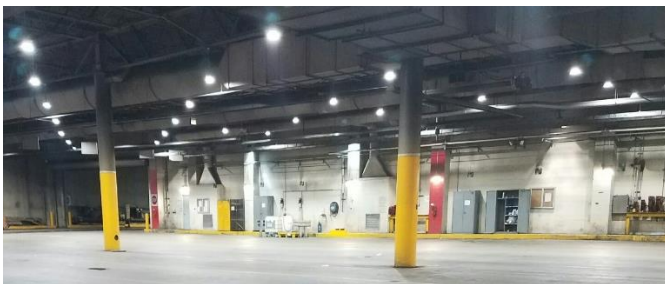
In mid-2020, CTA procured the services of a consultant for the Blue Line Capacity Study and commenced the study. The study is funded in part by an IDOT Statewide Planning and Research Grant award. This comprehensive study will prepare, evaluate, and document potential capacity improvements for CTA's Blue Line. It will involve an analysis of existing capacity constraints (including the condition of existing transit infrastructure), current and future market conditions, and ridership trends. The

objective is to identify a program of recommended improvements that, over both the near-term and the long-term, will add service and increase reliability to the capacity-constrained Blue Line during peak travel periods.

Energy Efficiency in Facilities

CTA’s ongoing programs for rail station renewal, major renovation, and facilities maintenance include energy efficiency upgrades that yield energy cost savings, greater customer experience, and improved work environments for CTA personnel. Year-to-date in 2020, CTA has replaced over 4,200 older inefficient lights with high-efficiency LEDs. Many of the new LEDs have been installed at rail stations, where they enhance the station’s safety and security with brighter, broader lighting coverage. CTA received a total discount of more than \$20,000 on the LEDs through ComEd’s “Instant Discount” program – a cost reduction of about 36% from listed pricing.

In February 2020, CTA received a rebate of over \$94,000 from ComEd for completing an energy efficient LED lighting upgrade throughout the storage and maintenance bays of the 74th Street Bus Garage. The project involved the replacement of nearly 1,000 high-bay fixtures that illuminate the garage lanes where servicers clean, maintain, and store buses overnight. The value of the electricity savings from this project phase is calculated to be over \$60,000 annually. A similar comprehensive lighting upgrade is now underway at the Chicago Bus Garage and will continue through most of 2021. This project includes the installation of about 580 new LEDs and is pre-approved for a ComEd rebate of about \$90,000 upon completion of the project.



New LED lighting at CTA’s 74th Street Bus Garage

CTA is continuing to upgrade antiquated boiler systems, including current projects to replace two steam boilers at the North Park Bus Garage and a hot water boiler at the Beverly Maintenance Shop. The old boilers at these facilities date back to 1949 and 1900 respectively. CTA is also upgrading and automating controls to better regulate the input of natural gas to the boiler system at South Shops. These projects are anticipated to receive custom rebates from Peoples Gas.

In addition to improving the energy efficiency of facilities, CTA is taking steps to avoid waste and reduce the consumption of natural resources. This past year, CTA analyzed its inventory and use of printing, copying, scanning, and fax devices throughout the Headquarters building at 567 West Lake Street. Based on the analysis, CTA is now implementing a process to eliminate outdated and inefficient older devices, and replace them with new multi-function devices. This approach will

achieve significant consolidation of devices, enable better management of device use, decrease paper and toner consumption, and reduce related costs. In late 2020 and into 2021, CTA is also piloting a new recycling service for paper and cardboard at all of the bus garages plus the three largest maintenance facilities.

Energy Management

January 2020 marked the start of CTA’s new five-year contracts for electric supply: Dynegy is CTA’s electric supplier for the rail system (traction power), and MP2 is CTA’s electric supplier for facilities (non-traction power). Both contracts provide CTA with fixed prices per kilowatt-hour of electricity and include commitments assuring that 100 percent of CTA’s electricity supply comes from non-coal sources. The MP2 contract also includes the purchase of 70,000 megawatt-hours of Green-e certificated renewable energy certificates (RECs) per year for 2020 and 2021. A REC is a tradeable, market-based instrument that represents the environmental attributes of one megawatt-hour of renewable electricity generation. CTA’s purchase of RECs effectively offsets about half of CTA’s annual non-traction electricity use with energy from renewable sources.

CTA’s third-party property manager, JLL, is conducting a process to select a master developer for renewable energy systems on CTA properties. In late 2019, JLL released a request for qualifications (RFQ) to identify firms that demonstrate the experience and technical and financial capacity to install, construct, reconstruct, use, operate, maintain, replace, and remove renewable energy infrastructure. In Q1 2020, the JLL/CTA project team interviewed respondents regarding their proposed approaches to developing renewable energy systems – in particular, solar photovoltaic systems – on CTA’s properties. JLL plans to invite selected RFQ respondents to submit full proposals under a subsequent request for proposals (RFP) stage of the procurement process.

Acronyms

AA	Alternatives Analysis	JARC	Job Access and Reverse Commute Program
ADA	Americans with Disabilities Act	LACMTA	Los Angeles County Metropolitan Transportation Authority
APB	Accounting Principles Board	LPA	Locally Preferred Alternative
APTA	American Public Transportation Association	MAP-21	Moving Ahead for Progress in the 21 st Century
ASAP	All Stations Accessibility Plan	MBTA	Massachusetts Bay Transportation Authority
AVAS	Automated Voice Annunciation System	NEPA	National Environmental Policy Act
BAB	Build America Bonds	NTD	National Transit Database
BRT	Bus Rapid Transit	NYCT	New York City Transit
BUILD	Better Utilizing Investments to Leverage Development	PBC	Public Building Commission of Chicago
CAC	Capital Advisory Committee	PBV	Positive Budget Variance
CARES	Coronavirus Aid, Relief and Economic Security Act	PE	Preliminary Engineering
CBO	Congressional Budget Office	PMP	Project Master Plans
CDOT	Chicago Department of Transportation	POB	Pension Obligation Bond
CIG	Capital Investment Grant	PPI	Producer Price Index
CIP	Capital Improvement Program	PTF	Public Transportation Fund
CMAP	Chicago Metropolitan Agency for Planning	RETT	Real Estate Transfer Tax
CMAQ	Congestion Mitigation and Air Quality	RHCT	Retiree Health Care Trust
COP	Certificate of Participation	RLE	Red Line Extension
CPD	Chicago Police Department	ROW	Right of Way
CPI	Consumer Price Index	RPM	Red and Purple Modernization Project
CSL	Chicago Surface Lines	RTA	Regional Transportation Authority
CTA	Chicago Transit Authority	SCADA	Supervisory Control and Data Acquisition
DBE	Disadvantaged Business Enterprise	SCIP	Strategic Capital Improvement Program
DHS	Department of Homeland Security	SEPTA	Southeastern Pennsylvania Transportation Authority
EIA	Energy Information Administration	SFY	State Fiscal Year
EIS	Environmental Impact Statement	SMS	Safety Management System
EPA	Environmental Protection Agency	SOGR	State of Good Repair
FASB	Financial Accounting Standards Board	SPR	Statewide Planning & Research
FAST	Fixing America's Surface Transportation (FAST) Act	STIP	State Transportation Improvement Program
FEJA	Future Energy Jobs Act	STO	Scheduled Transit Operations
FFGA	Full Funding Grant Agreement	SWAP	Sheriff's Work Alternative Program
FFR	Federal Funds Rate	TAM	Transit Asset Management
FFY	Federal Fiscal Year	TIF	Tax Increment Financing
FHWA	Federal Highway Administration	TIFIA	Transportation Infrastructure Finance and Innovation Act
FOMC	Federal Open Market Committee	TIGGER	Transit Investments for Greenhouse Gas and Energy Reduction
FTA	Federal Transit Administration	TIP	Transportation Improvement Program
FY	Fiscal Year	TOD	Transit-Oriented Development
GAAP	Generally Accepted Accounting Principles	TSGP	Transit Security Grant Program
GARVEE	Grant Anticipation Revenue Vehicles	TSP	Traffic Signal Prioritization
GASB	Governmental Accounting Standards Board	ULB	Useful Life Benchmark
GDP	Gross Domestic Product	UPRR	Union Pacific Railroad
GFOA	Government Finance Officers Association	UPS	Uninterrupted Power Supply
GTT	City of Chicago Ground Transportation Tax	USDOT	United States Department of Transportation
HTF	Highway Trust Funds	UWP	Unified Work Program
ICE	Innovation, Coordination and Enhancement Fund	UZA	Urbanized Area
IDOT	Illinois Department of Transportation	WMATA	Washington Metropolitan Area Transit Authority
IT	Information Technology	YNB	Your New Blue

Glossary

2008 Legislation - The amendments to the RTA Act in 2008 included the following policies affecting the CTA budget: 1) Increased the RTA sales tax to 1.25 percent in Cook County and 0.75 percent in the collar counties; 2) Prescribed a new distribution of revenues for the incremental sales tax increase and Public Transportation Fund match; 3) Established an Innovation, Coordination, and Enhancement (ICE) Fund, an ADA Paratransit Fund, and a Suburban Community Mobility Fund; and 4) The chair of the CTA no longer was on the RTA Board.

Accessible – A site, building, facility, or portion thereof that complies with defined standards and that can be approached, entered, and used by persons with disabilities.

Accounting Principles Board (APB) - The prior authoritative body of the American Institute of Certified Public Accountants (AICPA). It was created by the AICPA in 1959 and issued pronouncements on accounting principles until 1973, when it was replaced by the Financial Accounting Standards Board (FASB).

Accrual Basis - A method of accounting in which revenues are reported in the fiscal period when they are earned, regardless of when they are received, and expenses are deducted in the fiscal period they are incurred, whether they are paid or not.

All Stations Accessibility Plan (ASAP) - A comprehensive plan to make CTA's rail stations 100% accessible in the next 20 years. The plan outlines short-term and long-term accessibility projects including a blueprint for making the remaining 42 rail stations fully accessible over the next two decades, along with repairs and upgrades to existing 160 rail station elevators.

Alternatives Analysis (AA) Study – This study is the first step of the FTA's process to qualify for New Starts funding and is designed to examine all the potential transit options available and to determine a locally preferred alternative.

Americans with Disabilities Act (ADA) – Federal law that prohibits discrimination against people with disabilities in several areas, including employment, transportation, public accommodations, communications and access to state and local government programs and services.

Americans with Disabilities Act (ADA) Paratransit Fund - A fund created by the 2008 Legislation to fund regional paratransit services provided by Pace.

American Public Transportation Association (APTA) – A nonprofit international association that representing all modes of public transportation, including bus, paratransit, light rail, commuter rail, subways, waterborne services, and intercity and high-speed passenger rail. APTA serves and leads its diverse membership through advocacy, innovation, and information sharing.

Articulated Bus - A flexible high-capacity passenger bus.

Automated Voice Annunciation System (AVAS) – An on board announcement system that coordinates with both global positioning (satellite-based) and logical positioning (distance-based) systems to determine the location of a bus and make the appropriate next-stop announcement.

Better Utilizing Investments to Leverage Development (BUILD) - A federal discretionary grant program previously known as Transportation Investment Generating Economic Recovery, or TIGER Discretionary Grants dedicated to funding critical freight and passenger projects that have a significant local or regional impact.

Big Gap - When the time in between buses is more than double the scheduled interval and creates a gap of more than 15 minutes.

Bond – A type of loan issued that provides a fixed rate of return over a set period.

Build America Bonds (BAB) - taxable municipal bonds that featured federal tax credits or subsidies for bondholders or state and local government bond issuers. The Build America Bonds program expired in 2010.

Bureau of Labor Statistics (BLS) - A federal agency responsible for measuring labor market activity, working conditions, and price changes in the economy. Its mission is to collect, analyze, and disseminate essential economic information to support public and private decision-making.

Bus Rapid Transit (BRT) - An enhanced bus system that operates on bus lanes or transitways that combines the flexibility of buses with the efficiency of rail. By doing so, BRT operates at faster speeds and provides greater service reliability and customer convenience.

Capital Advisory Committee (CAC) - Comprised of members from local universities as well as leaders from the business community whose purpose is to solicit expert advice from external professionals in carrying out the CTA's capital process, including the selection of projects for funding and advising the CTA in closing the funding gap.

Capital Budget - A plan of action for a specified period for purchases of assets using capital grants or bonds.

Capital Expense – Expense associated with buying, maintaining, or improving its fixed assets, such as buildings, vehicles, equipment, or land. It is considered a capital expense when the asset is newly purchased or when money is used towards extending the useful life of an existing asset.

Capital Investment Grant - Funds received from grantor funding agencies used to finance construction, renovation, and major repairs or the purchase of machinery, equipment, buildings, or land.

Capital Improvement Program (CIP) - a short-range plan, usually four to ten years, which identifies capital projects and equipment purchases, provides a planning schedule and identifies options for financing the plan.

Certificate of Participation (COP) - Type of financing where an investor purchases a share of the lease revenues of a program rather than the bond being secured by those revenues and are secured by lease revenues.

Chicago Department of Transportation (CDOT) - responsible for public way infrastructure, including planning, design, construction, maintenance, and management within the City of Chicago.

Chicago Metropolitan Agency for Planning (CMAP) - The Chicago region's comprehensive planning organization responsible for long-range planning to help the seven counties and 284 communities of northeastern Illinois implement strategies that address transportation, housing, economic development, open space, the environment, and other quality-of-life issues.

Collar Counties - The five Illinois counties that surround Cook County: Will, Kane, DuPage, Lake, and McHenry counties.

Congestion Mitigation & Air Quality Improvement Program (CMAQ) - a federally funded program of surface transportation improvements designed to improve air quality and mitigate congestion.

Congressional Budget Office - a federal agency within the legislative branch of the United States government that provides budget and economic information to Congress.

Consumer Price Index (CPI) - a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services.

Coronavirus Aid, Relief, and Economic Security Act (CARES Act) – A federal economic stimulus bill passed in March 2020 in response to the economic fallout of the COVID-19 pandemic in the United States.

Corridor - A defined study area considered for significant transportation projects such as highway improvements, bus transitways, rail lines, or bikeways (e.g. Dan Ryan corridor, Western Avenue corridor).

CTA Board Member Terms of Office - Board member terms are in seven-year increments. Board members may be appointed to terms already in progress, in which case they may serve until the end of that term.

Department of Homeland Security (DHS) – Federal agency responsible for anti-terrorism, border security, immigration and customs, cyber security, and disaster prevention and management.

Depreciation - An accounting term that recognizes the loss in value of a tangible fixed asset over time attributable to deterioration, obsolescence, and impending retirement. Applies particularly to physical assets like vehicles, equipment, and structures.

Disadvantaged Business Enterprise (DBE) - The DBE program is intended to ensure nondiscrimination in the award and administration of contracts.

Discretionary Funds - Funds that the RTA allocates, at its discretion, to the Service Boards. These funds include Public Transportation Funds and a portion of the 15 percent of the RTA Sales Tax.

Employees' Retirement Plan - A single-employer, defined benefit pension plan covering substantially all full-time permanent union and nonunion employees.

Energy Information Administration (EIA) – Federal agency that collects, analyzes, and disseminates independent and impartial energy information to promote sound policymaking, efficient markets, and public understanding of energy and its interaction with the economy and the environment.

Environmental Impact Statement (EIS) – A document prepared to describe the effects for proposed activities on the environment. "Environment," in this case, is defined as the natural and physical environment and the relationship of people with that environment.

Environmental Protection Agency (EPA) – A federal agency created for the purpose of protecting human health and the environment by writing and enforcing regulations based on laws passed by Congress.

Fare - The amount charged to passengers for bus and rail services.

Farebox - Equipment used for the collection of bus fares.

Farecard - Electronic fare media used for payment of fares.

Federal Fiscal Year (FFY) - The accounting period for the federal government beginning on October 1 and ending September 30.

Federal Funds Rate - Target interest rate set by the Federal Open Markets Committee (FOMC) at which commercial banks borrow and lend their excess reserves to each other overnight. FOMC sets a target federal funds rate eight times a year, based on prevailing economic conditions.

Federal Highway Administration (FHWA) – A federal agency provides stewardship over the construction, maintenance and preservation of the Nation's highways, bridges and tunnels, while also conducting research and providing technical assistance to state and local agencies to improve safety, mobility, and to encourage innovation.

Federal Open Market Committee (FOMC) – Committee within the Federal Reserve responsible for reviewing economic and financial conditions, determines the appropriate stance of monetary policy, and assesses the risks to its long-run goals of price stability and sustainable economic growth.

Federal Transit Administration (FTA) - An agency within the U.S. Department of Transportation that provides financial and technical assistance to local public transit systems.

Federal Insurance Contributions Act (FICA) - Social Security payroll taxes are collected under the authority of FICA.

Financial Accounting Standards Board (FASB) - Establishes and improves standards of financial accounting and reporting for the guidance and education of the public, including issuers, auditors, and users of financial information.

Financial Plan - In addition to an annual budget, the Regional Transportation Authority Act, as amended in 2008, requires that all transit agencies prepare a financial plan encompassing the two years after the budget year. This provides a three-year projection of expenses, revenues, and public funding requirements.

Fiscal Year (FY) - A 12-month period used for calculating annual financial reports in organizations. The CTA's fiscal year runs concurrent to the calendar year, beginning on January 1 and ending on December 31.

Fixing America's Surface Transportation (FAST) Act – Federal legislation passed in 2015 that authorizes \$305 billion over fiscal years 2016 through 2020 for highway, highway and motor vehicle safety, public transportation, motor carrier safety, hazardous materials safety, rail, and research, technology, and statistics programs.

Full Funding Grant Agreement (FFGA) - Grant agreements authorized under federal transit law that establish the terms and conditions for federal financial participation in a New Starts project.

Fund Balance (See Unrestricted Net Assets)

Funding (Budget) Marks - The Regional Transportation Authority Act, as amended in 1983, calls for the RTA to advise each of its Service Boards by September 15th of the public funding to be available for the following year, as well as the required recovery ratio.

Future Energy Jobs Act (FEJA) - FEJA went into effect as Illinois law on June 1, 2017. It expands energy efficiency programs, provides job training in renewable energy, and increases investment in solar and wind power in Illinois.

Generally Accepted Accounting Principles (GAAP) - Standard framework of guidelines for financial accounting, mainly used in the United States. It includes the standards, conventions, and rules accountants follow in recording and summarizing transactions, and in the preparation of financial statements.

Governmental Accounting Standards Board (GASB) - The GASB establishes and improves standards of state and local governmental accounting and financial reporting.

Government Finance Office Association (GFOA) – Organization that enhances and promotes the professional management of governments for the public benefit by identifying and developing financial policies and best practices, and promoting their use through education, training, facilitation of member networking, and leadership.

Grant Anticipation Revenue Vehicles (GARVEE) - A debt instrument issued when funds are anticipated from future federal reimbursement of debt service and related financing cost under Section 122 of Title 23, United States Code.

Gross Domestic Product (GDP) - is a monetary measure of the market value of all the final goods and services produced in a specific period.

Ground Transportation Tax (GTT) - The City of Chicago Ground Transportation Tax applies to businesses that provide ground transportation vehicles for hire in Chicago to passengers to partially fund CTA capital improvements. (See Ride-hailing Fee.)

Headway - The time span between when one service vehicle (bus or rail) leaves a stop/station and when the following vehicle arrives at the same stop/station on specified routes. Also called service frequency.

Heavy Rail - An electric railway with the capacity for a heavy volume of traffic. Heavy rail is characterized by high-speed passenger rail cars and trains operating on fixed rails in separate rights-of-way from which all other vehicular and foot traffic is excluded.

Hedge - A type of investment activity used to reduce the risk of adverse price movement. Normally, a hedge consists of taking an offsetting position in a related security to minimize unwanted risks associated with price fluctuation.

Highway Trust Fund (HTF) - A transportation fund in the United States which receives money from a federal fuel tax of 18.4 cents per gallon on gasoline and 24.4 cents per gallon of diesel fuel and related excise taxes.

Hybrid Bus - A hybrid bus combines a conventional internal combustion engine propulsion system with an electric propulsion system and uses a diesel-electric powertrain.

Illinois Jobs Now Program - A \$31 billion capital improvement program created in 2009 designed to improve bridges and roads, transportation networks, schools, and communities.

Illinois' Low-Income Circuit Breaker Program - The official name of the Program is the Senior Citizens and Disabled Persons Property Tax Relief and Pharmaceutical Assistance Act, governed by the Illinois Department on Aging, helps offset the cost of property taxes and other costs by providing low-income, senior, or disabled residents with yearly grants.

Infrastructure - Assets that make up CTA's transportation system, including maintenance facilities, rail track, signals, stations, elevated structures, and power substations.

Innovation, Coordination and Enhancement Fund (ICE) - A fund established by the 2008 amendments to the RTA Act for operating or capital grants or loans to Service Boards, transportation agencies, or units of local government that advance the goals and objectives identified by the RTA's Strategic Plan. Unless an emergency is determined by the RTA Board that requires some or all amounts of the Fund, it can only be used to enhance the coordination and integration of public transportation and develop and implement innovations to improve the quality and delivery of public transportation.

Intermodal - Transport by more than one mode in single journey.

Interval - The time between when one service vehicle (bus or train) leaves a stop/station to the time when the following vehicle leaves the same stop/station.

Job Access and Reverse Commute Program (JARC) - A FTA program to address transportation challenges faced by welfare recipients and low-income persons seeking to obtain and maintain employment, which often is located in a less accessible area and/or requires late at night or weekend schedules when conventional transit services are not sufficiently provided.

Job Order Contracting (JOC) - A collaborative construction project delivery method that enables organizations to get numerous, commonly encountered construction projects done quickly and easily through multi-year contracts. JOC reduces unnecessary levels of engineering, design, and contract procurement time and construction project procurement costs by awarding long-term contracts for a wide variety of renovation, repair, and construction projects.

Locally Preferred Alternative (LPA) - The final selected scope and design for a major corridor investment. Alternatives analysis is considered complete when a locally preferred alternative is selected by local and regional decision makers and adopted by the Metropolitan Planning Organization (MPO) into the financially constrained, long-range metropolitan transportation plan.

London Interbank Offered Rate (LIBOR) - serves as a globally accepted key benchmark interest rate that indicates borrowing costs between banks. The rate is calculated and published each day by the Intercontinental Exchange (ICE).

Major Rail Delay - An instance where a train experiences a delay to service of ten minutes or more.

Mean Miles Between Defects - The average mileage a train accrues before experiencing a defect.

Metra - Commuter Rail division of the RTA responsible for the day-to-day operation of the region's commuter rail service (except for services provided by the CTA). Metra was created in 1983 by an amendment to the RTA Act.

Moving Ahead for Progress in the 21st Century (MAP-21) - A funding and authorization bill enacted in 2012 to govern United States federal surface transportation spending.

National Environmental Policy Act (NEPA) - is a United States environmental law that promotes the enhancement of the environment and established the President's Council on Environmental Quality.

National Transit Database (NTD) - The FTA's primary national database for transit statistics.

New Starts - FTA discretionary program that is the federal government's primary financial resource for supporting locally planned, implemented, and operated transit "guideway" capital investments.

Non-Farm Payroll - A compiled employment level of goods-producing, construction, and manufacturing companies. It is released monthly by the United States Department of Labor to represent the number of jobs added or lost in the economy over the last month.

Non-Operating Funds - Capital grant monies to fund expenses.

Non-Revenue Vehicle - Vehicles that do not carry fare-paying passengers and are used to support transit operations.

Operating Budget - Annual revenues and expenses forecast to maintain operations.

Operating Expenses - Costs associated with the day-to-day operations of the delivery of service for a transit agency. Examples of operating expenses include labor, material, fuel, power, security, and professional services.

Operating Revenues - Revenues generated from user fees (in the form of farebox revenues) or other activities directly related to operations, such as advertising, concessions, parking, investment income, etc.

Organization of Petroleum Exporting Countries (OPEC) - Organization headquartered in Vienna made up of 12 countries: Algeria, Angola, Ecuador, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, the United Arab Emirates, and Venezuela.

Pace - The Suburban Bus Division of the RTA, responsible for suburban bus service and all paratransit service. Pace was created in 1983 by an amendment to the RTA Act.

Paratransit Service - Demand-response service utilizing wheelchair-accessible vans and small buses to provide pre-arranged trips to and from specific locations within the service area to certified participants. Paratransit includes demand-response transportation services, subscription bus services, and shared-ride taxis.

Passenger Miles - The sum of the distances traveled by passengers.

Pay-As-You-Go Funding - Financing expenditures with funds that are currently available rather than borrowed.

Pension Obligation Bonds (POB) - Debt instruments issued to fund all or a portion of the Unfunded Actuarially Accrued Liabilities (UAAL) for pension and/or Other Post-Employment Benefits (OPEB).

Performance Management - The process of assessing and acting upon progress toward achieving predetermined measures and metrics. All operating and most support departments are held accountable to these measures and metrics. CTA implemented a performance management program in May 2007.

Positive Budget Variance (PBV) - The amount by which a service board comes in favorable to available funding from the RTA in a given budget

year. RTA policy allows the service boards to retain these funds in an unrestricted fund balance which can be used for capital projects or one-time operating expenses.

Power Washing – Facilities - The deep cleaning of a station or facility using pressure washing equipment.

Preliminary Engineering (PE) - Analysis and design work to produce construction plans, specifications and cost estimates that brings plans to 30 percent complete. The next step, Final Design, brings plans to 100 percent completion.

Preventive Maintenance - The maintenance of equipment and facilities to ensure satisfactory operating condition. Preventive maintenance provides for systematic inspection, detection, and correction of incipient failures either before they occur or before they develop into major defects.

Producer Price Index (PPI) - Measures the average change over time in the selling prices received by domestic producers for their output. The prices included in the PPI are from the first commercial transaction for many products and some services.

Proprietary Fund - One of three broad classifications of funds used by state and local governments. Proprietary funds include enterprise funds and internal service funds. Enterprise funds are used for services provided to the public on a user charge basis.

Public Building Commission (PBC) - City of Chicago organization that provides professional management of the city's public construction projects.

Public Funding - Funding received from the RTA or other government agencies.

Public Transportation Funds (PTF) - As authorized by the RTA Act, the Illinois State Treasurer transfers from the State General Revenue Fund an amount equal to 25 percent of RTA sales tax collections to a special fund, called the Public Transportation Fund (PTF), and then remits it to the RTA on a monthly basis. All funds deposited are allocated to the RTA to be used at its discretion for the benefit of the Service Boards.

Real Estate Transfer Tax (RETT) - A source of public funding for the CTA collected by the City of Chicago. The 2008 legislation authorized a \$1.50 per \$500 increase in RETT, and the CTA receives 100% of the RETT increase.

Real Time Bus Management (RTBM) - The RTBM system polls the IVN on each bus every thirty seconds for location updates. The buses also send up events when new operators logon, start a new trip, or pass a time point. A complex system in a database keeps track of logons and routes and archives the data in real-time.

Recovery Ratio - Measures the percentage of expenses that a Service Board must pay against revenues that it generates. The RTA Act mandates that the RTA region must attain an annual recovery ratio of at least 50 percent.

Reduced Fare - Discounted fare for children ages 7 through 11, grade school and high school students (with CTA ID), seniors 65 and older (with RTA ID), and riders with disabilities (with RTA ID) except paratransit riders.

Reduced Fare Reimbursement - Reimbursement of revenue lost by the Service Boards due to providing reduced fares to students, elderly and the disabled. The CTA recovers a portion of the cost of trips with both the fare revenue and operating subsidies. The reimbursements are made from the State of Illinois to cover a portion of the difference between the standard and reduced fare. Reimbursement amounts are allocated to the Service Boards based on reduced fare passenger trips taken during the year.

Regional Transportation Authority (RTA) - The financial oversight and regional planning body for the three public transit operators in northeastern Illinois: the CTA, Metra commuter rail, and Pace suburban bus.

Regional Transportation Authority Act (RTA Act) - An Act that regulates which public funds may be expended and authorizes the state to provide financial assistance to units of local government for distribution to providers of public transportation, including the CTA. It authorizes the distribution of sales tax revenue collected by the City of Chicago and collar counties, Public Transportation Funds, State Assistance, and other funding streams for the CTA and outlines criteria that must meet for budget approval.

Retiree Health Care Trust (RHCT) - Provides and administers health care benefits for CTA retirees and their dependents and survivors. The trust is a legal entity separate and distinct from the CTA. It is not a fiduciary fund or a component unit of the CTA.

Revenue Bond - A municipal bond supported by the revenue from a specific project. Revenue bonds that finance income-producing projects are thus secured by a specified revenue source.

Revenue Equipment - Vehicles that carry fare-paying passengers and equipment used for the collection of fares.

Ride - A trip taken by passengers on the bus or rail system.

Ride-hailing Fee - A \$0.15 per-ride fee starting in 2018 with a \$0.05 increase starting in 2019 on ride-hailing services such as Uber and Lyft to be collected by the City of Chicago as part of the Ground Transportation Tax (GTT) to fund CTA improvements.

Ridership (Unlinked Passenger Trips) - Total number of rides. Each passenger is counted each time that person boards a vehicle.

Right-of-Way (ROW) - A strip of land that is granted, through an easement or other mechanism, for transportation purposes, such as for a trail, driveway, rail line, or highway. A right-of-way is reserved for the purposes of maintenance or expansion of existing services within the right-of-way.

Rolling Stock - Public transit vehicles, including rail cars and buses.

RTA Sales Tax - The primary source of operating revenue for the RTA, the CTA, Metra, and Pace. The RTA retains 15 percent of the original one percent RTA sales tax authorized in 1983. Of that which remains, the CTA receives 100 percent of the taxes collected in the City of Chicago and 30 percent of those taxes collected in suburban Cook County. Of the funding available from the 0.25 percent sales tax and PTF authorized by the 2008 legislation, the CTA receives 48 percent of the remaining balance after allocations are made to fund various programs.

Run - A rail/bus operator's assigned work on a given day.

Safety Management System (SMS) - A comprehensive, collaborative approach that brings management and labor together to build on the transit industry's existing safety foundation to control risk better, detect and correct safety problems earlier, share and analyze safety data more effectively, and measure safety performance more carefully.

Scheduled Transit Operations (STO) - Classification includes bus operators, motormen, and conductors.

Service Boards - CTA, Metra commuter rail, and Pace suburban bus system, as referred to by the Regional Transportation Authority Act.

Sheriff's Work Alternative Program (SWAP) - A program where persons convicted of Driving Under the Influence and other low-level offenses are required to provide community services for municipalities throughout Cook County.

Slow Zone - Sections of track where trains must reduce speed to safely operate rail service.

State Assistance - The supplemental funding provided by the RTA Act in the form of additional state and financial assistance to the RTA in connection with its issuance of Strategic Capital Improvement Program (SCIP) bonds. It equals the debt service amounts paid to the bondholders of the SCI bonds plus any debt service savings from the issuance of refunding or advanced refunding SCIP bonds, less the amount of interest earned on the bonds' proceeds.

State Fiscal Year (SFY) - The State of Illinois' Fiscal year begins July 1 and ends June 30.

State of Illinois' Public Transportation Fund (PTF) - As authorized by the RTA Act, the Illinois State Treasurer transfers from the State General Revenue Fund an amount equal to 25 percent of RTA sales tax collections. The treasurer transfers this amount to a special fund, called the Public Transportation Fund (PTF), and remits it to the RTA monthly. The RTA uses these funds to fund the service board needs, RTA operations, debt service, and capital investment.

Statewide Planning & Research Funds (SPR) - An Illinois Department of Transportation competitive grant program funding projects related to studying or implementing a goal, strategy, or objective within the State's Long-Range Transportation Plan or modal plans.

Suburban Community Mobility Fund - Outlined by the RTA Act, grants and appropriations from the state, which the RTA distributes to the Suburban Bus Board for operating transit services, other than traditional fixed-route services, that enhance suburban mobility, including, but not limited to, demand-responsive transit services, ride sharing, van pooling, service coordination, centralized dispatching and call taking, reverse commuting, service restructuring, and bus rapid transit.

Supervisory Control and Data Acquisition (SCADA) - A control system that collects and operational data and is used to control and manage rail service.

System-Generated Revenue - Revenue generated by the CTA, including fare revenue, advertising, investment income, income from local governments by provision of the Regional Transportation Authority Act, and subsidies for reduced fare riders per 1989 legislation.

Tax Increment Financing (TIF) - TIF is a special funding tool used by the City of Chicago to promote public and private investment across the city.

Transit Asset Management System (TAM) - A system for procuring, operating, inspecting, maintaining, rehabilitating, and replacing assets to manage their performance, risks, and costs over their life cycles to provide safe, cost-effective, and reliable transportation. TAM uses transit asset condition to guide how to manage assets and prioritize funding to improve or maintain a state of good repair.

Transit-Oriented Development (TOD) - A type of economic development which includes a mixture of housing, office, retail, and/or other amenities integrated into a walkable neighborhood and located within a half-mile of public transportation.

Transit Security Grant Program (TSGP) - Administrated by FEMA to support transit infrastructure security activities.

Transportation Infrastructure Finance and Innovation Act (TIFIA) - Federal program provides credit assistance for qualified projects of regional and national significance. Many large-scale surface transportation projects - highway, transit, railroad, intermodal freight, and port access - are eligible for assistance. Eligible applicants include state and local governments, transit agencies, railroad companies, special authorities, special districts, and private entities. The TIFIA credit program is designed to fill market

gaps and leverage substantial private co-investment by providing supplemental and subordinate capital.

Transit Investments for Greenhouse Gas and Energy Reduction (TIGGER) - The TIGGER Program has been continued in FY2011 through the Department of Defense and Full-Year Continuing Appropriations Act 2011 (Pub. L. 112-10). \$49.9 million was appropriated for grants to public transit agencies for capital investments that will reduce the energy consumption or greenhouse gas emissions of their public transportation systems.

Transportation Improvement Plan (TIP) - A six-year financial program that describes the schedule for obligating federal funds to state and local projects. The TIP contains funding information for all modes of transportation, including highways and high-occupancy vehicles, as well as transit capital and operating costs.

Top Operator Rate - The top hourly rate paid to CTA bus and rail operators, based on employee seniority within the job, as specified by the union contract.

Trip - A one-way bus or train trip from origin to destination.

Traffic Signal Prioritization (TSP) - Operational strategy where communication between a transit bus and a traffic signal alters the timing of the traffic signal to give priority to the transit vehicle.

Useful Life Benchmark (ULB) - The measure agencies use to track the performance of revenue vehicles (rolling stock) and service vehicles (equipment) to set their performance measure targets. Assets beyond their ULB are at greater risk of failing and causing unplanned service disruptions.

Unified Work Program (UWP) - The Unified Work Program lists the planning projects the Chicago Area Transportation Study and other agencies undertake each year to enhance transportation in northeastern Illinois and to fulfill federal planning regulations.

Unlinked Passenger Trip - An unlinked passenger trip is a single boarding of any transit vehicle. Thus, unlinked passenger trips for any transit system are the number of passengers boarding public transportation vehicles. A passenger is counted each time he boards a vehicle, even if the boarding is part of the same trip.

Unrestricted Net Assets - The portion of net assets that is neither restricted nor invested in capital assets net of related debt. These funds are considered by CTA to represent the available fund balance.

Vehicle Revenue Hours - Hours that vehicles travel while in revenue service and include recovery time but exclude travel to and from storage facilities.

Vehicle Revenue Miles - Miles that vehicles travel while in revenue service. Vehicle revenue miles exclude travel to and from storage facilities.

Ventra - Payment system for CTA, Metra and Pace that allows customers to pay for train and bus rides with the same methods used for everyday purchases and also allows them to manage their accounts online and choose from several different contactless payment methods.



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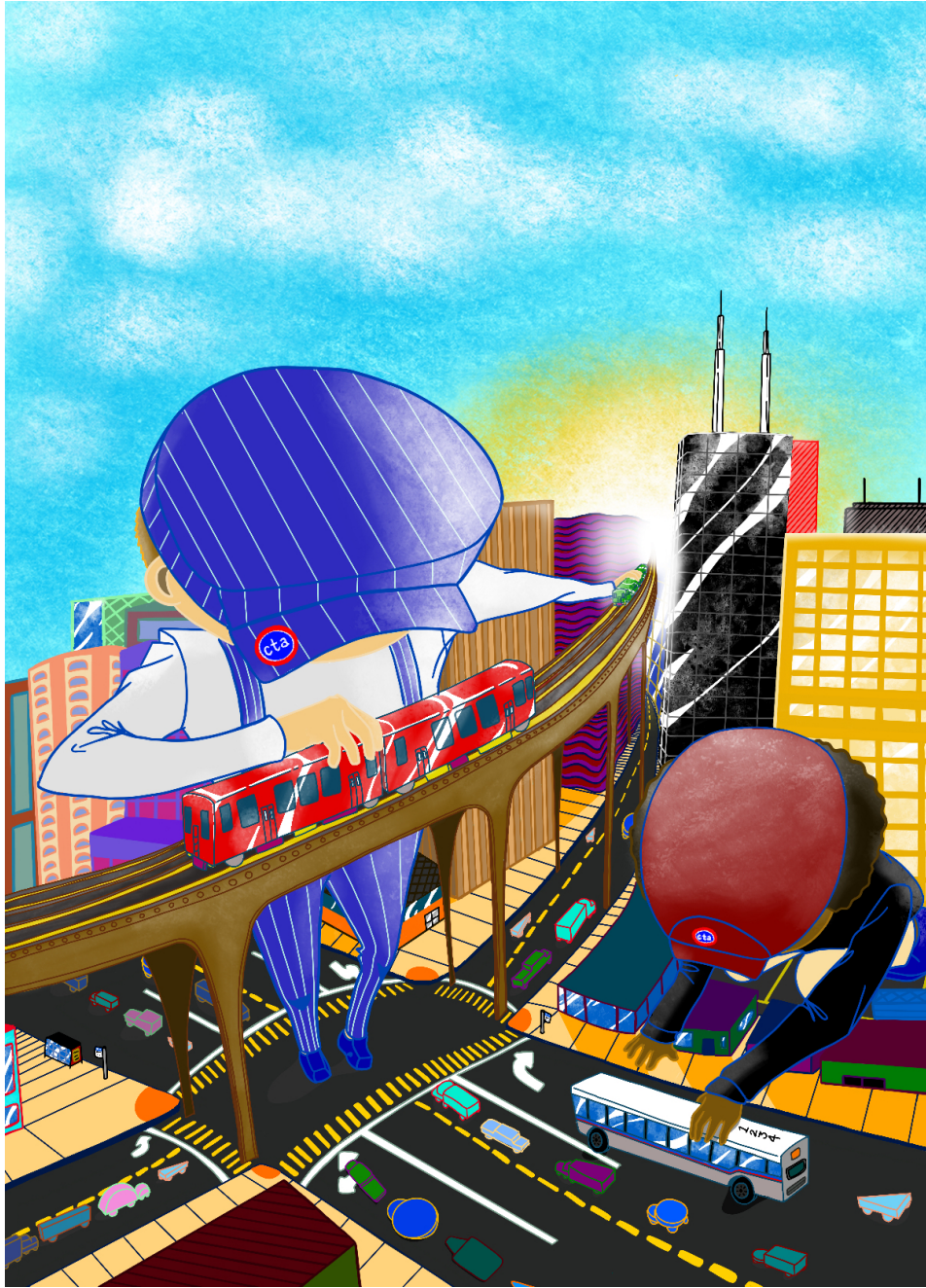
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