



CTA Capital Needs



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CTA has completed an assessment of its overall capital needs.

- In 2005, the Illinois House of Representatives directed the Illinois State Auditor General to review CTA's operations and management, including its capital program.
- In addition, CTA staff has been engaged in a rigorous effort to reassess the state of CTA's capital infrastructure
- As a result, in August 2006 CTA completed the first extensive examination of its capital infrastructure since 1998, which includes revising cost estimates, project schedules, and asset conditions.
- The result has been a thorough reassessment of the level of infrastructure investment needed to allow CTA to continue to provide safe and reliable service to help meet the region's growing transit needs.

CTA Capital Needs



Capital investment can decrease operating costs, increase reliability, and improve service quality.

- Investment in transit infrastructure provides jobs, supports economic growth, and helps ensure the future vitality of the region.
- As ridership increases, capital investments are essential to providing high-quality transit.
- As gas prices reach record levels, public transit is a necessary option for the traveling public.



CTA Capital Needs

CTA's aging infrastructure must be maintained continually to provide quality transit.

- **1892-1920** Majority of Elevated rail system
Archer and 77th Street Garages
South and West Shops
- **1940-1960** State and Dearborn Subways
Blue Line Congress Branch
North Park and Forest Glen Garages
- **1969-1970** Red Line Dan Ryan Branch
Blue Line O'Hare Branch (to Jefferson Park)
- **1983-1984** Blue Line O'Hare Branch (to O'Hare)
- **1993** Orange Line to Midway



Timely maintenance and replacement of CTA's aging capital assets are critical to running an efficient system and controlling future increases in capital and operating expenditures.





CTA Capital Needs

CTA established a State of Good Repair model in 1998.

- CTA's goal to reach a State of Good Repair is not merely to replace equipment and facilities in-kind, but to replace existing systems, where appropriate, with current, modern technology. CTA has based its State of Good Repair estimates on the following industry replacement and rehabilitation standards:
 - Buses should be rehabbed at 6 years and replaced at 12 years.
 - Railcars should be rehabbed at quarter- and mid-life intervals, and replaced at 25 years.
 - Rail stations should be comfortable and secure, and replaced or rehabbed at 40 years.
 - Rail lines should be free of slow zones, and should have reliable signal systems.
 - Maintenance facilities should be replaced at 40 years (or 70 years if rehabbed).
 - Service management systems should be modern and reliable.
- A State of Good Repair is consistent with current technology and standard business practices.
- Until CTA reaches a State of Good Repair, it will continue to face slow zones, occasional service interruptions, and increased operating and maintenance costs due to deferring capital projects.

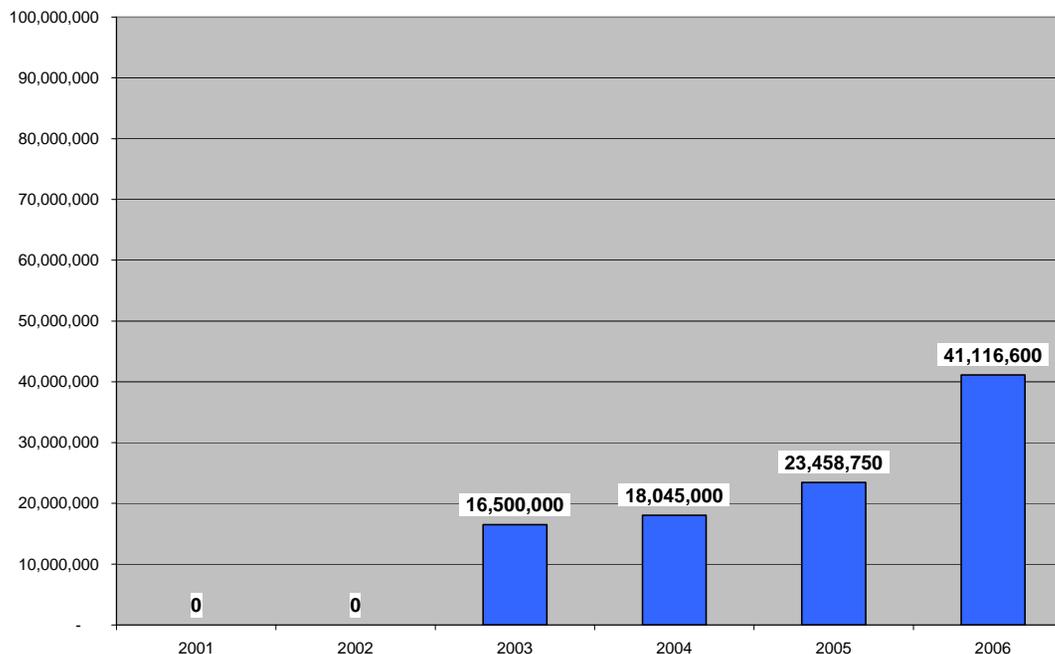


CTA Capital Needs

Without additional operating funds, CTA has been forced to divert capital funds.

- Since 2004, CTA has faced lower funding levels and greater unfunded need.
- CTA diverted \$16.5 million in capital funds to its operating budget for capital cost of contracting and preventive maintenance for the first time in 2003. This amount more than doubled to \$41 million by 2006.
- This measure was accepted as a prudent, interim step, but is not a satisfactory long-term funding strategy.

CTA Capital Funding Diverted to Operating Cost FY 2001-2006





CTA Capital Needs

A reassessment of CTA capital projects reveals an increase in unfunded need.

- A thorough reassessment shows that CTA currently requires **\$7.68 billion** in capital investment during FY 2007-2011 to reach a State of Good Repair.
- Only **\$1.88 billion** of capital funding for State of Good Repair is projected during the next five years (based on RTA funding marks); this amount is entirely from federal funds and CTA bonds with no state or RTA match.
- Thus the projected Unfunded Capital need to reach a State of Good Repair is **\$5.8 billion**.
- The FY2007- 2011 CIP is projected to fund **\$.78 billion** of this New Start Need
- In the 2007-2011 CIP, CTA needs an additional **\$300 million** in new state funds to capture available federal New Starts funds.

CTA Capital Needs



Summary of unfunded need

Asset Category	Unfunded Need FY 2006-2010
Bus Fleet	\$159,580,200
Bus Turnarounds & Terminals	\$40,213,950
Communications	\$199,228,637
Data Processing - Information Tech.	\$117,954,352
Maintenance and Support Facilities	\$661,063,577
Non-revenue Vehicles & Equipment	\$151,419,446
Automated Fare Control Systems	\$79,180,241
Traction Power & Substations	\$381,332,421
Rail Cars Fleet	\$666,594,480
Rail Stations & Park -n- Ride	\$773,433,586
Safety and Security	\$448,920,555
Rail Right of Way - Signals	\$727,146,906
Rail Right of Way - Structures	\$779,383,912
Rail Right of Way - Track	\$637,210,485
Total	\$5,822,662,748



CTA Capital Needs 2007-2011

Comparison of CTA Unfunded Need Projection
With RTA Moving Beyond Congestion Final Report

	Funded	Unfunded
Maintain (State of Good Repair)	1.88	5.8
Expand (New Starts)	0.78	0.3
Total	2.66	6.1
RTA Requested Funding Level		5.0
Required Reductions		1.1

Consequences of Capital Cuts

- Until CTA reaches a State of Good Repair, it will continue to face slow zones, occasional service interruptions, and increased operating and maintenance costs due to deferring capital projects.
- Specifically:
 - Buses will not be rehabbed at 6 years and replaced at 12 years.
 - Railcars will not be rehabbed at quarter- and mid-life intervals, and replaced at 25 years.
 - Rail stations will not be replaced or rehabbed at 40 years nor will additional stations be made accessible.
 - Rail lines will have slow zones, and aging signal systems.
 - Maintenance facilities will not be replaced at 40 years (or 70 years if rehabbed).