CHICAGO TRANSIT AUTHORITY
2016 Chicago Investors Conference

Dorval R. Carter, Jr.
CTA President
Essential Public Service for the Chicago Region

- Second largest U.S. public transit system
- Bus and rail service to Chicago + 35 suburbs
- Eight rail lines and 130 bus routes
- More than 1.6M rides each weekday
- 516M rides in 2015
- Provides 83% of public transit trips in Chicago metro region
The CTA system addresses a critical transportation need.

CTA has seen long-term ridership growth since 2004, with most growth in rail.

Ridership recently softening, similar to trends seen by other transit agencies.
CTA Management Initiatives

- Negotiated a 4-year labor agreement with CTA’s largest employee union
- Eliminated annual borrowing from capital funds
- Continued investment in system assets
- Reduced discounts on passes and stabilized base fares
- Reduced costs associated with worker’s compensation and absenteeism
- Improved advertising and concession
- Completed over 23,000 camera installation & security project
- Supply chain reform resulting in savings by outsourcing supply chain management
- Red Line South Renewal
- Your New Blue – O’Hare branch revitalization of track and stations begins
- Fares frozen and service stable
- Finalize transition to open fare system
- New buses, trains continue to enter service
- New Cermak-McCormick Green Line station opened
- Loop Link Transit Project to improve bus service in the Loop completed
- Ventra App introduced
- Red and Purple Line Modernization project phase one started
- Continued investment in rail cars and buses
- Maintains service levels
- Fares held stable
- Reduces management overhead to streamline operations
- 7000- Series Rail Car Procurement
- Negotiation of the Amalgamated Transit Union contract (ATU)
Diversified Revenues

All funding distributed via formula or continuing appropriation except the reduced fare subsidy

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Total Farebox Revenue</th>
<th>Non-Farebox Revenue</th>
<th>Sales Tax + PTF</th>
<th>Real-Estate Transfer Tax + PTF</th>
<th>Reduced Fare Subsidy(state)</th>
<th>RTA Discretionary (state)</th>
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<tbody>
<tr>
<td>FY06</td>
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*Projected
**Operational Independence Provides Budget Flexibility**

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<tr>
<th>CTA controls its fares, routes, service frequency and staffing</th>
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<td>- CTA has considerable independence in driving financial results due to its control of farebox, advertising and other revenue</td>
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<td>- CTA has a proven track record of using this power to balance its operations and budget</td>
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<td>- CTA is statutorily obligated to submit and adopt a balanced budget</td>
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<tr>
<th>CTA’s share of funding is stable and predictable</th>
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<tr>
<td>- Formula-driven Sales Tax and Real Estate Transfer Tax</td>
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<td>- Public Transportation Fund Revenues (PTF) by continuing appropriation</td>
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<td>- Reduced fare subsidy is only funding source subject to appropriation</td>
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<td>- RTA discretionary funding historically has been stable with 94%-100% allocated to CTA</td>
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<td>- RTA’s ability to withhold CTA funding is solely intended to ensure compliance and has never been utilized</td>
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Through a proactive management team, CTA achieved pension reform in 2008 through state legislation.

Legislation allowed us to establish pension stability.

Contributions are set annually by an independent actuary.

CTA meeting all funding milestones and pension obligations are manageable.

CTA is legally prohibited from taking a “pension holiday”.
Building a New CTA for the 21st Century

- $2.3B, five-year capital plan
- Highlights include:
  - New rail car and bus purchases; overhaul “mid-life” rail cars, buses
  - Traction power replacement, upgrades to Blue/Brown/Red Lines
  - Rail signal system replacement for the Brown Line.
  - State of Good Repair program for track, structure and facilities improvements
  - Your New Blue project along the Blue Line O’Hare branch
  - Red and Purple Modernization, Phase 1
- Low-cost funding: Awarded three TIFIA loans from the US Department of Transportation
  - 95th Street Terminal
  - Your New Blue
  - Series 5000 and Series 7000 rail cars
Rail and Bus Fleet Modernization

- Purchase up to 846 new 7000-Series rail cars to replace cars past their useful life
  - Average age of cars in 2011: 26 years
  - Average age, 2015: 16 years
  - Average age by 2025: Approximately 7 years (Delivery of 846 New 7000 Series).
- CTA continues to overhaul 3200-Series car through 2017
- By October 2016 CTA will have 425 new clean diesel buses
2016: $600+ Million Investment in Key Projects – 95th Terminal, Wilson Transfer Station, Your New Blue (YNB) Stations
95th Street Terminal Improvement Project

- $280 million project to rebuild CTA’s largest bus/rail facility serving 20,000 people daily
- Improve efficiency and environment for buses and pedestrians
- Increase capacity for future ridership growth
- Become a gateway to downtown and serve as community anchor
Wilson Station Renovation

- $203M new Red-Purple transfer station
- Project nearly 50% complete; to be finished end of 2017
- New 10-car platforms, full platform canopies
- New main station & auxiliary entrances
- New elevated track structure

- Elevators, escalators, lighting, signage, fare control, security cameras, and artwork
In 2016, CTA will complete station work from Addison to Cumberland; and will start renewal of key power substations.
Red Purple Modernization Project

- Phase One consists of
  - Modernizing and expanding the Lawrence, Argyle, Berwyn and Bryn Mawr Red Line Stations
  - Reconstructing and expanding tracks and structures from Leland Avenue to Ardmore Avenue
  - Construct a bypass for the Brown Line at the Clark Junction to reduce capacity constraints

- Project Funding
  - Transit TIF funding
  - Full Funding Grant Agreement (FFGA)
  - CTA Bonds
  - CMAQ Funding

- Status
  - FFGA Core Capacity application submitted
  - $125 million CMAQ grant previously awarded
  - TIFIA Loan Letter of Interest submitted
  - TIF Legislation authorizing funding for transit projects passed by IL House and Senate
Red Line Extension

- Moving ahead in federal planning process
  - Red Line Extension would extend Red Line south by 5 miles to 130th Street, making Red Line span north-south length of city end to end
  - Four new stations
  - Transformational project provides improved, faster transit service to Far South Side
  - Provides access to jobs, education and promote economic development

- Status
  - Will seek federal New Starts financing
  - Publish Draft EIS this fall on two proposed alignments; public hearings
  - Next steps: Select final alternative, complete Final EIS and pursue funding (federal, transit TIF, other sources)
2016 Sales Tax Bonds:

- CTA intends to issue $175 million of Sales Tax Bonds to fund projects
  - $145 million to fund CIP Projects
  - $30 million to fund RPM expenses
- Bonds will be issued on parity with the outstanding Sales Tax Bonds
- Expected issuance: Third quarter 2016