



We get there together

RED AND PURPLE MODERNIZATION (RPM) PHASE ONE
ECONOMIC IMPACT REPORT





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“Public transportation is a critical link to employment, education, and opportunity. This historic project serves as a catalyst for equitable economic and social mobility,” said **Dorval R. Carter, Jr., President, CTA.**

CUT OUT →

→ CUT OUT

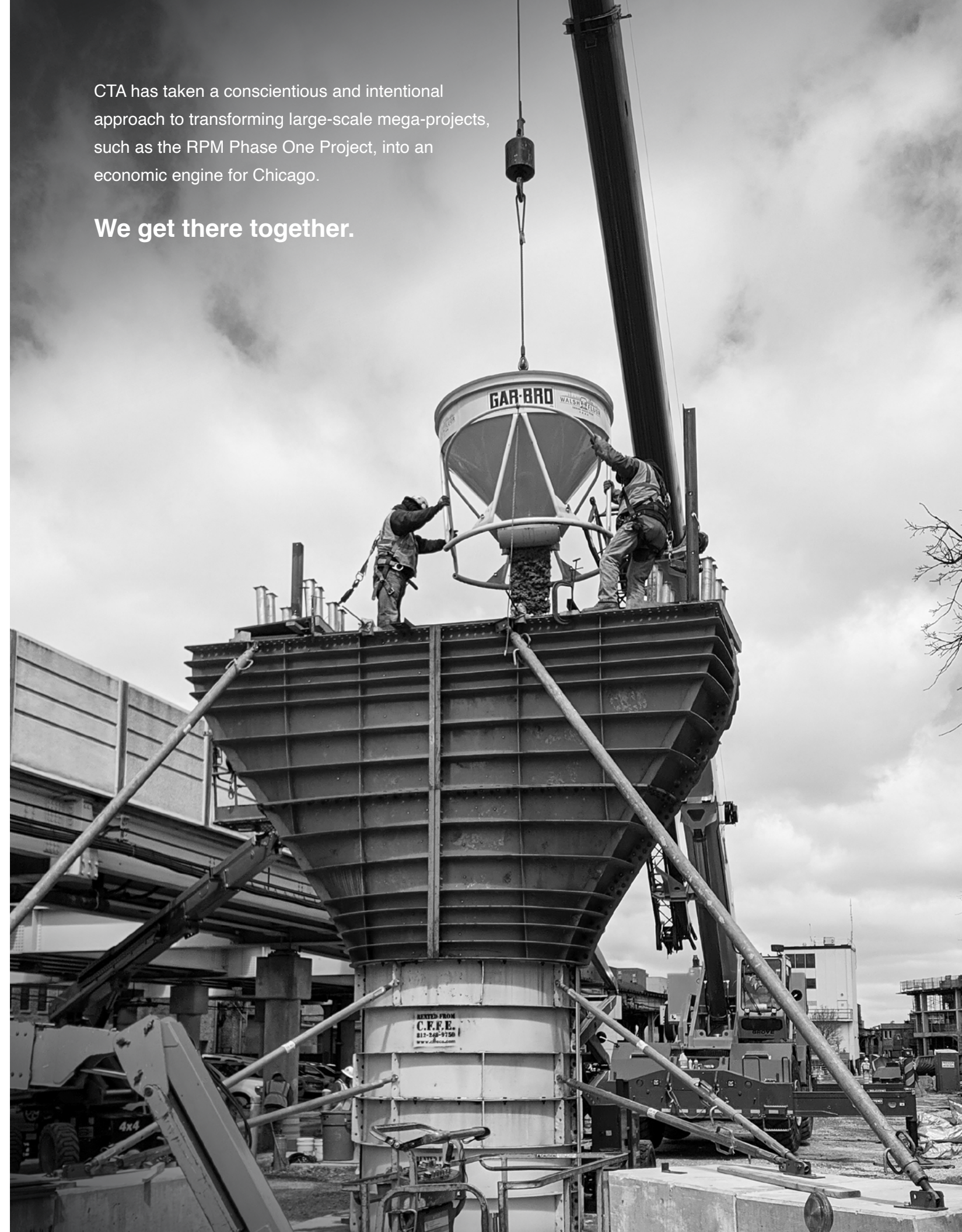
Background

The Red and Purple Modernization (RPM) Phase One Project (2019-2025) goes beyond modernizing Chicago's public transportation to strengthen communities, serve riders, and stimulate economic growth.

The project integrates the rebuilding of a 100-year-old structure with programs that engender equitable economic and social mobility by ensuring that the project's contractors and workforce are as diverse as CTA's customers and the City of Chicago.

CTA has taken a conscientious and intentional approach to transforming large-scale mega-projects, such as the RPM Phase One Project, into an economic engine for Chicago.

We get there together.

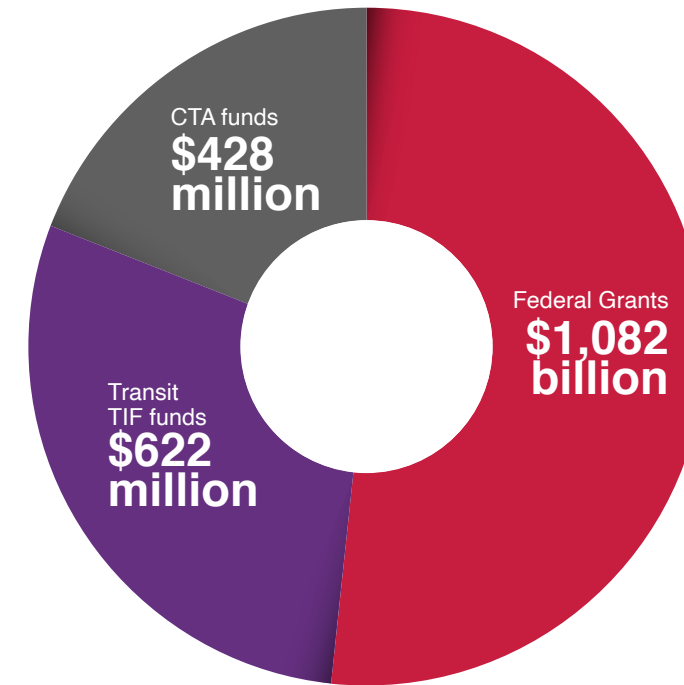


CTA and the RPM Corridor

- CTA's Red Line is the busiest, providing more than 67 million rides annually¹.
- The RPM corridor is a 9.6-mile stretch that needs to be rebuilt in multiple phases to replace 100-year-old structures and increase capacity to add service

RPM Phase One Project Components

- **Red-Purple Bypass (RPB):** A rail bypass and track realignment to increase speed, reliability, and capacity
- **Lawrence to Bryn Mawr Modernization (LBMM):** Reconstruction of 1.3 miles of track structure and transformation/rebuild of four Red Line stations into modern, fully accessible stations
- **Corridor Signal Improvement (CSI):** Signal system upgrades covering 23 miles of track, improving service reliability



Phase One Funding

The \$2.1 billion RPM Phase One Project is the largest capital investment project in CTA history, with funding coming from a variety of sources. \$428 million from the CTA supported with federal sources including \$957 million Core Capacity funding and a \$125 million Congestion Mitigation and Air Quality Improvement (CMAQ) grant.

¹Note: This figure reflects pre-pandemic ridership and is sourced from the 2019 CTA ridership report and is based on total Red Line station entries.



Transit Customer Benefits



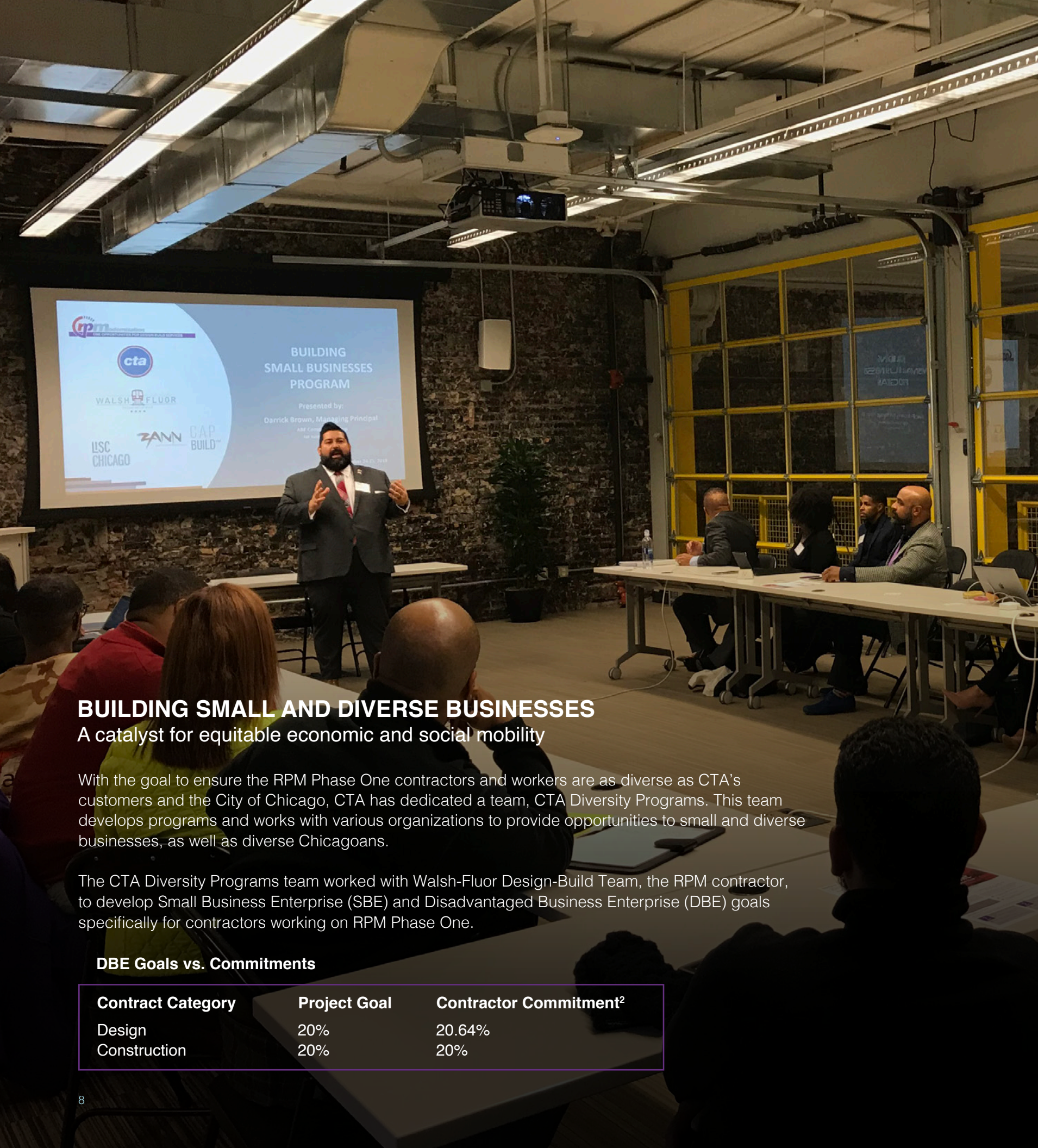
Increased service capacity



More reliable and comfortable service



New, modern CTA stations that are fully ADA accessible



BUILDING SMALL AND DIVERSE BUSINESSES

A catalyst for equitable economic and social mobility

With the goal to ensure the RPM Phase One contractors and workers are as diverse as CTA's customers and the City of Chicago, CTA has dedicated a team, CTA Diversity Programs. This team develops programs and works with various organizations to provide opportunities to small and diverse businesses, as well as diverse Chicagoans.

The CTA Diversity Programs team worked with Walsh-Fluor Design-Build Team, the RPM contractor, to develop Small Business Enterprise (SBE) and Disadvantaged Business Enterprise (DBE) goals specifically for contractors working on RPM Phase One.

DBE Goals vs. Commitments

Contract Category	Project Goal	Contractor Commitment ²
Design	20%	20.64%
Construction	20%	20%

As part of the RPM Phase One Communications and Outreach procurement strategy, CTA hosted Roadshow and Procurement events to assist agencies interested in working on the project. A total of 35 of these events were hosted across Chicagoland and virtually with more than 800 attendees. CTA also hosted the RPM Small Business Educational Series (SBES) to help small businesses learn about the procurement process and how to engage with the project. The RPM SBES was a cohort series with one cohort meeting on the northside of the City, in the RPM footprint, and one cohort meeting on the southside of the City, along the Red Line. The series consisted of 8 classes led by CTA prime contractors and DBE firms with topics ranging from procurement strategies, invoicing, safety plans, and technology, to name a few. Sixteen firms graduated from the RPM Small Business Educational Series.

The procurement strategy was completed in 2020, which resulted in 11 SBE contracts, totaling more than \$5.6M. Additionally, more than \$169 million of contracts have been awarded to DBE-certified firms, which is expected to exceed \$200M in 2021.

SBE/DBE Contracts

Contract Category	Contracts	Contract Amount
SBE	10	\$4.4M
DBE	53	\$155M

Building Small Businesses Program

In 2019, CTA launched the Building Small Businesses (BSB) Program to help small businesses develop their capacity to bid on large projects, like the RPM Phase One Project. The program was designed to help DBEs secure loans for working capital, equipment, and other cash-flow needs through events and one-on-one sessions. Through 2020, CTA has provided technical and funding assistance to about 100 small businesses.

With participating businesses being hit hard by COVID-19, CTA wanted to ensure they were receiving the relevant and timely support they needed to survive the pandemic. Therefore, in direct response to the unprecedented challenge, CTA expanded the BSB Program support to include assistance to companies applying for federal CARES Act loans, such as the Paycheck Protection Program and Economic Injury Disaster Loans. As part of this initiative, and with the support of LISC-Chicago, SOUL, and HACIA, CTA helped secure more than \$5M in CARES Act funding for these businesses.

² Commitment is defined as the contractor's contractual DBE obligation.



Success Story

AMS Elite Solutions

AMS Elite Solutions, a WBE³/DBE construction hauling and material supplier company led by President Julie Savitt, participated in the CTA BSB Program to learn about funding opportunities to tap into the support offered by the program. Savitt received mentoring and support, which led to the opportunity to bid on and be awarded a contract to provide trucking and aggregate hauling services for RPM Phase One. The program helped her network and connect, helping her to be successful in acquiring additional business opportunities. Through RPM, AMS Elite Solutions is providing services that are outside of its “norm,” which Savitt says is exciting and a great experience for the staff. Overall, Savitt is thankful for the experience and attributes the program with helping her business grow, taking AMS Elite Solutions to the next level.

“Working with the team gives us a lot of confidence that we can do this work and have the capacity. I’m very thankful for the mentoring and support.”
 – Julie Savitt, President of AMS Elite Solutions

³ Woman-Owned Business Enterprise



WORKFORCE DEVELOPMENT

CTA has developed and implemented workforce goals to ensure that Chicago's communities benefit from this historic investment, going beyond placing hiring goals by also building a workforce pipeline that connects people who face barriers to training and employment. Over the course of the project's life cycle, RPM Phase One is expected to produce 1.9M construction labor hours among its workforce, providing jobs to Chicagoans throughout the City.

The CTA Diversity Programs team utilizes two workforce partners – HIRE360 and the Chicago-Cook Workforce Partnership – to identify, train, recruit, and retain diverse candidates for RPM Phase One. HIRE360 is an innovative cross-industry partnership between labor unions, apprentice schools, and hiring companies to provide sustainable careers through programs and financial support. Representatives from the Chicago Federation of Labor, Building and Construction Council, and local Association of Contractors all work in partnership with HIRE360 to provide wrap-around services to all candidates seeking a career in the construction industry. The Chicago-Cook Workforce Partnership operates the public workforce system in Chicago and suburban Cook County. The Partnership works directly with the regional American Job Centers and other delegate agencies closely involved with uplifting impoverished communities to provide career services to individuals that have historically been underrepresented in the trades. Together, CTA, HIRE360, and the Chicago-Cook Workforce Partnership work to eliminate barriers to employment for potential candidates.

Additionally, CTA has a Multi-Project Labor Agreement in place with the Chicago and Cook County Building and Construction Trades Council. This agreement ensures CTA contractors and local unions work together to accomplish the maximum ratio of apprentice-to-journey workers on job sites. Through these partnerships, Walsh-Fluor has access to an abundance of resources and support to meet CTA's workforce goals.

In conjunction, the following workforce goals ensure candidates from diverse socioeconomic backgrounds and economically disadvantaged individuals have access to construction trades opportunities related to RPM Phase One. The goals also allow existing workers in the trades to advance and grow within their career fields.

Workforce Innovation & Opportunity Act (WIOA) Goal – This goal targets hiring dislocated and economically disadvantaged workers as defined under the federal Act.

Labor-Apprentice Goal – This goal targets hiring apprentices from unions signatory to CTA's Project Labor Agreement (PLA). These apprenticeship programs afford new generations of trade workers the opportunity to receive on-the-job training and education relevant to their field while also earning a living wage.

Economically Disadvantaged Area (EDA) Goal – This goal targets hiring individuals that reside in ZIP codes with a median household income of \$40k or less.

Construction for RPM Phase One began in late 2019 and produced over 255,769 labor hours through December 31, 2020. On the next page is the summary of RPM Phase One's workforce goals and attainment through 2020. Note: One candidate can meet multiple workforce goals for RPM; therefore, CTA measures goal attainment in labor hours.



RPM Phase One Workforce Goals (2019-2025)

	WIOA	APPRENTICES	EDA
Candidate Percentage	10%	15%	35%
Labor Hours	210,000	315,000	735,000

Workforce Goal Attainment through December 2020



Candidates Percentage



Labor Hours Worked



Wages Earned

WIOA	8.48%	25,050	\$1,248,323
APPRENTICES	13.24%	34,236	\$1,448,277
EDA	23.45%	61,034	\$3,447,606

Walsh-Flour Workforce Hiring Goals

Goals vs Actuals

Minority

Goal 19.6%

Actual Achieved 50.2%

Female

Goal 6.9%

Actual Achieved 9.72%

Walsh-Flour Workforce Hours

Workforce Hours Worked

Female 25,487

Veteran 2,652

Walsh-Flour Workforce Wages

Workforce Wages Paid

Minority \$12.9M

Female \$1.92M

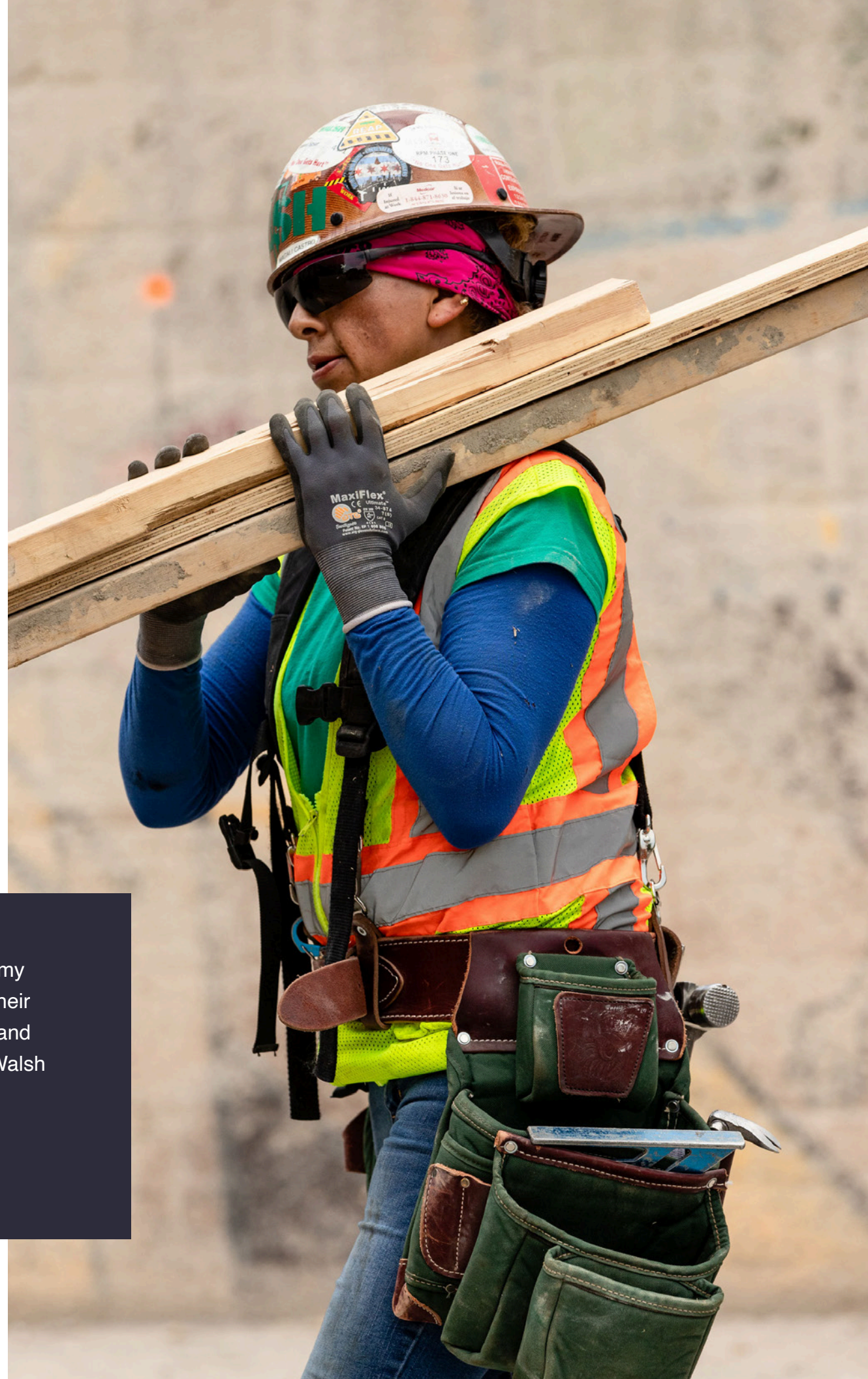
Success Story

Magali Castro, Walsh-Fluor Apprentice

Magali Castro moved to Chicago from Mexico when she was 13 years old. When she lived in Mexico, she worked on her family's farm, where she developed a strong work ethic that ultimately led her to work in the construction industry. Magali followed that dream, and now she is a tradeswoman and a third-year apprentice with Walsh-Fluor working on the RPM Phase One Project. Through the apprenticeship, she continues with her training while also getting hands-on experience on the RPM Phase One work sites, furthering her along her career path. Magali attributes this opportunity to being able to buy her first home and help her kids with their school tuition.

“Because of [this] opportunity I will be able to buy my first home, and I will be able to help my kids with their tuition... I want to thank Walsh for believing in me and giving me this amazing opportunity... Thank you Walsh for making my dream come true.”

– Magali Castro, Walsh-Fluor Apprentice



RPM Phase One Workforce Development Programs

In addition to the programs and partnerships previously mentioned, CTA, Walsh-Fluor, and various partners have developed and implemented workforce development programs to break down barriers and provide paths to the trades, construction, and engineering industries for Chicagoans. The following are programs that were implemented in 2020 as part of the RPM Phase One Project.

CTA Elevating Futures Scholarship Fund

In early 2020, CTA, Walsh-Fluor, and Chicago Scholars launched the CTA Elevating Futures Scholarship fund to provide a path for economically disadvantaged Chicago students to pursue STEM (science, technology, engineering, and math) careers for engineering and construction-related fields. The scholarship offers each student \$5,500 per year for four years, mentoring support, and career guidance, as well as internship opportunities to work on the historic RPM Phase One Project.

Donated by Walsh-Fluor to help offset tuition costs for CPS graduates, the \$250,000 'CTA Elevating Futures Scholarship Fund' will provide 10 financial aid scholarships from 2020 through 2023 for students who plan on majoring in construction management or civil engineering, industrial, or systems engineering. Students who are awarded scholarships will also be eligible to apply for paid summer internships with Walsh-Fluor and the CTA.

In June of 2020, the first-ever recipients of the scholarship were announced:



Jasmine Jackson,
Greater Grand Crossing

Jasmine ranked first in her class of nearly 200 students at Noble Street Charter – Gary Comer College Prep and is studying engineering at Howard University. Her goal is to become a civil engineer because it will allow her to merge her two passions: math and art. She loves the challenge of solving a difficult math problem and the satisfaction of expressing her creativity through art. As a civil engineer, she will bring her creative side to her projects while ensuring everything is mathematically correct. Jasmine plans to use her profession to make the world a better place. She envisions a project that would build tiny homes for people who are experiencing homelessness.



Jorge Vargas,
Humboldt Park

Jorge graduated near the top of his class at Lake View High School and is pursuing a degree in civil engineering at the University of Illinois at Chicago. He is passionate about engineering and fell in love with trains as a young child, when he would travel back and forth between New York and Chicago on the Amtrak. He believes the innovative power that civil engineers have can be of immense benefit to society, and he hopes to use his engineering skills for positive social impact. In the future, he aspires to combine his interest in civil engineering with his entrepreneurial spirit by developing an international high-speed transit company that works to combat climate change. His goals also include providing more accessible and affordable transportation around the city in order to address needs in transportation deserts and promote economic development.



George Vintila,
Portage Park

After excelling at Lane Tech College Prep in advanced courses such as Advance Placement Physics C Electricity and Mechanics, AP Calculus BC, and AP Computer Science, George is studying computer engineering at the Illinois Institute of Technology. He believes that engineers hold the power to implement ideas to help ease economic inequality. He is excited about what he will learn through studying engineering in college and hopes that his efforts "will contribute to a cycle where new students learn to engineer and apply their new-found proficiency to help others in need, who will then learn and do the same thing." In high school, George tutored other students through the Physics Club and focused on promoting renewable energies and recycling through the Environmental Club.



Construction Talks

While the COVID-19 pandemic challenged individuals looking for training and workforce opportunities, CTA hosted a series of webinars called Construction Talks to connect Chicago's job seekers to training and workforce opportunities in the construction industry. The virtual program was developed in direct response to the pandemic to ensure that, while social distancing measures were implemented, individuals still had access to workforce development resources. Each webinar provided apprenticeship details and a Q&A portion for the attendees to ask questions in real-time, as well as virtual tours of the hosting organizations, which included workforce assistance and community organizations and government agencies. CTA hosted seven webinars with over 150 attendees collectively.

Tracks to Trades

With the goal to connect Chicago students to career opportunities in the trades industry, CTA and Walsh-Fluor hosted a four-part webinar series called Tracks to Trades. The virtual program educated CPS high school students about the construction industry and entering the building trades industry after high school. The sessions focused on apprentice program requirements, safety in construction, and resume and interview preparation.



OPEN FOR BUSINESS PROGRAM

While the RPM Phase One Project will significantly benefit the local economy, CTA recognizes that the long-term construction will pose challenges to small businesses within the project footprint. To help minimize disruptions and negative impacts on the local businesses, CTA developed and launched the Open for Business Program. The free program aims to support businesses impacted by RPM Phase One by deploying marketing campaigns during the next five years with the goal to

drive foot and digital traffic to the participating businesses.

With businesses being extremely diverse in RPM communities, CTA developed Open for Businesses recruitment assets in English, Spanish, Vietnamese, and Mandarin Chinese, as those are the most common languages spoken in the project footprint.

From its launch in October 2020 through the end of the year, the program garnered 79 total business registrations⁴ – 53 from the LBMM community and 26 from the RPB community. On the next page is a breakout of businesses by promotional category – Shop, Eat, Play, Explore and Local Services (i.e., hair salons, dental practices, etc.). Note, some businesses and organizations fall into two categories (i.e., eat + play or shop + eat).



⁴ Total registrations includes the businesses and organizations that were accepted in the program.



Open for Business Registrations by Business Category

Business Category	Number of Registrations
Shop	25
Eat	24
Play	10
Explore	7
Local Service	23

Project Footprint Spending

In addition to supporting businesses through the Open for Business Program, CTA, Walsh-Fluor, and the additional organizations working on the RPM Phase One Project have been supporting businesses by patronizing businesses in the project footprint and encouraging staff to frequent these businesses when an opportunity arises, such as for lunch breaks or shopping. In 2020, project employees spent more than \$1.5 million locally.



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