



We get there together

RED AND PURPLE MODERNIZATION PHASE ONE PROJECT
ECONOMIC IMPACT REPORT 2021-2022





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“As we build our transit system for the next century, we’re also building our communities. We’ve established strong, ambitious goals for workforce participation as well as participation by small and diverse business enterprises.”

– Dorval R. Carter, Jr., President, CTA.



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 AND THE RPM CORRIDOR

The RPM corridor is a 9.6-mile stretch that needs to be rebuilt in multiple phases to replace the 100-year-old structures and increase capacity to add service.

CTA's Red Line is the busiest, historically providing more than **67 million rides annually¹**.



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.



To CTA, transit is more than getting people from Point A to Point B –
it's about investing in communities and in people.

WE GET THERE TOGETHER.

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

Red-Purple Bypass (RPB)



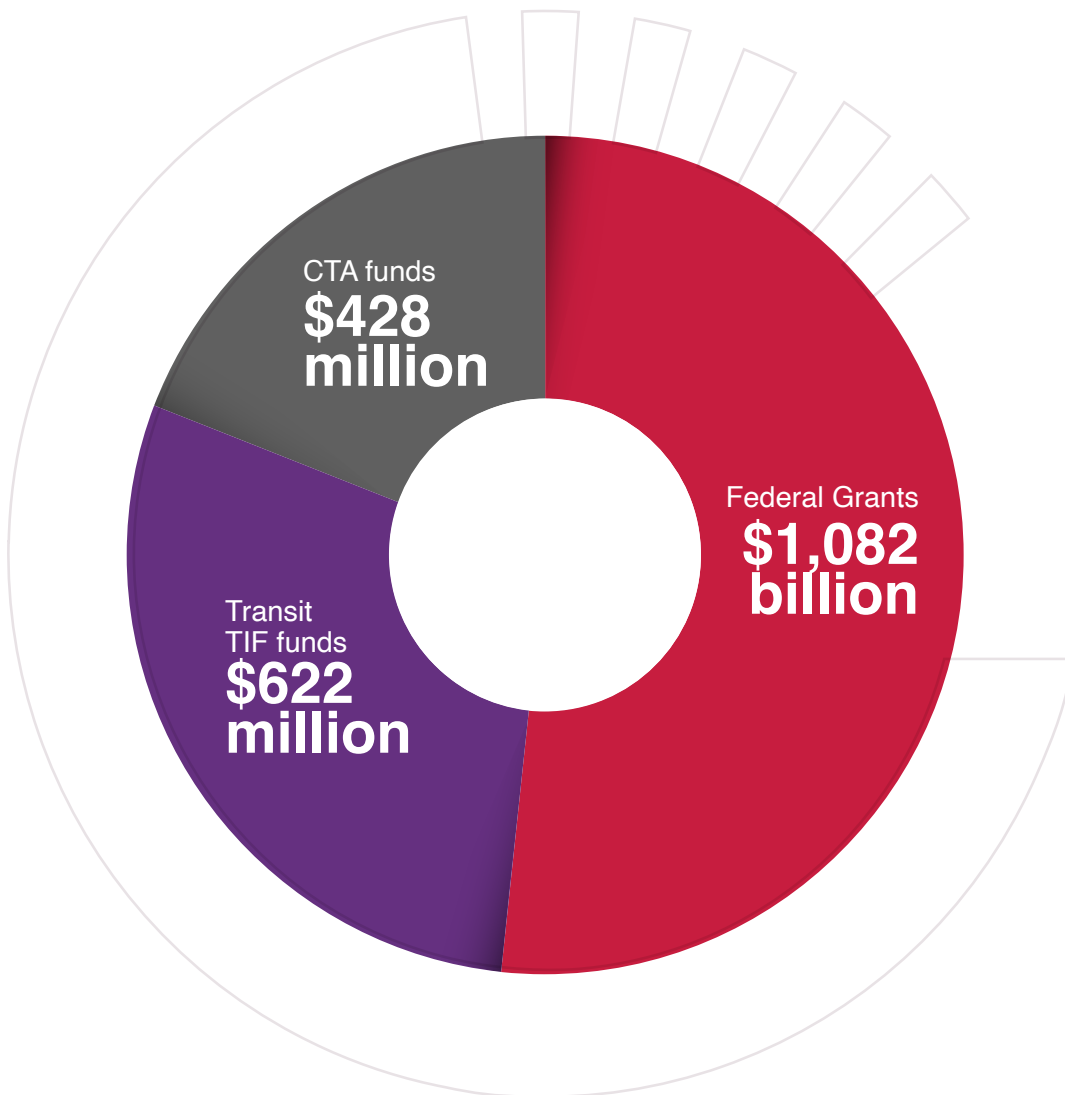
Lawrence to Bryn Mawr Modernization (LBMM)



TRANSIT CUSTOMER BENEFITS

- Increased service capacity
- More reliable and comfortable service
- New, modern CTA stations that are fully ADA accessible





PHASE ONE FUNDING

The \$2.1 billion RPM Phase One Project is the largest capital investment project now under way in CTA history, with funding coming from a variety of sources, including: \$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.

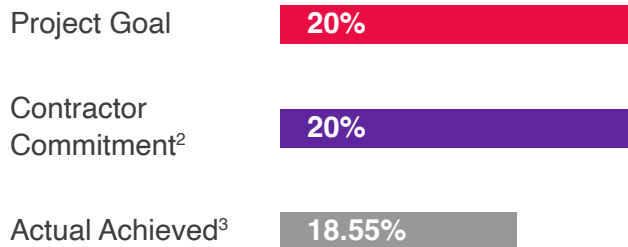
BUILDING SMALL AND DIVERSE BUSINESSES

A catalyst for equitable economic and social mobility

With the goal to ensure the RPM Phase One contractors and workforce is 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 assessed goals for Disadvantaged Business Enterprise (DBE) participation and has worked with Walsh-Fluor Design-Build Team, the RPM contractor, to maximize those opportunities. Diversity Programs also set DBE goals and set specific contracts aside for participation in the Small Business Enterprise (SBE) program for other contract on RPM Phase One.

DBE Goals vs. Commitments 2021 + 2022



As of December 31, 2022, 191 SBE and DBE contracts have been awarded. The procurement strategy was completed in 2020, which resulted in nine SBE contracts. The table below provides the total of contracts and contract amounts from 2021 and 2022, as well as for the entirety of the project.

SBE/DBE Contracts 2021 + 2022

Contract Category	Contracts	Contracts amount	Total Contracts	Total Contracts Amount
SBE	0	\$0	10	\$4.1M
DBE	35	\$80.4M	181	\$328M
Total	35	\$80.4M	191	\$332M

Building Small Businesses Program

In 2019, CTA piloted 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. The pilot resulted in over 20 firms receiving over \$5.6M in capital. In July of 2022, the BSB Program was launched as a full program to support all of CTA's contracting opportunities. Through 2022, the program has provided technical and funding assistance to more than 125 small businesses.

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

³ Reflects the total DBE dollars "through December 31, 2022.

SUCCESS STORY

Adrian Mobley,

Air & Wellness Safety Training

Adrian Mobley is an Englewood native and the owner of Air & Wellness Safety Training, a MBE-, WBE- and DBE-certified health and safety consulting firm based on Chicago's South Side. Adrian's dream is to help others realize their goals and provide employment to Chicagoans who face few options for economic and job stability. By participating in CTA's Building Small Businesses Program, Adrian's dream is becoming more of a reality every day. The program provided her with financial guidance and resources needed to compete for large-scale transportation construction and capital programs, allowing her to bid on and be awarded the contract to provide flagging services for the RPM Phase One Project. Flaggers are an important part of safety on a project, directing pedestrians and vehicles safely through work zones. Through this contract, Air & Wellness has been able to build a stronger business foundation through accounting and invoicing support from design-build contractor, Walsh-Fluor, allowing Adrian to provide even more Chicagoans with good jobs and wages.





“Working with the CTA has allowed me to provide jobs to Chicagoans. With this opportunity I have been able to hire over 25 people for this project working full-time.”

– Adrian Mobley, Owner of
Air Wellness Safety Training

WORKFORCE DEVELOPMENT

CTA has placed robust workforce goals on the RPM Phase One Project to ensure that Chicago's communities benefit from this historic investment. Going beyond just meeting hiring goals, RPM Phase One's mission has been to build 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 2.1M construction labor hours among its workforce, providing jobs to Chicagoans throughout the City.

The CTA Diversity Programs team contracts with two workforce assistance agencies – 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 one million labor hours through December 31, 2022, with almost 362,000 in 2021 and 437,000 in 2022. Additionally, since the project began in 2019, 8,225 individuals have worked on the project, with 985 in 2021 and 863 in 2022.

On the next page is the summary of RPM Phase One's workforce goals and attainment from 2021 and 2022. Please 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)



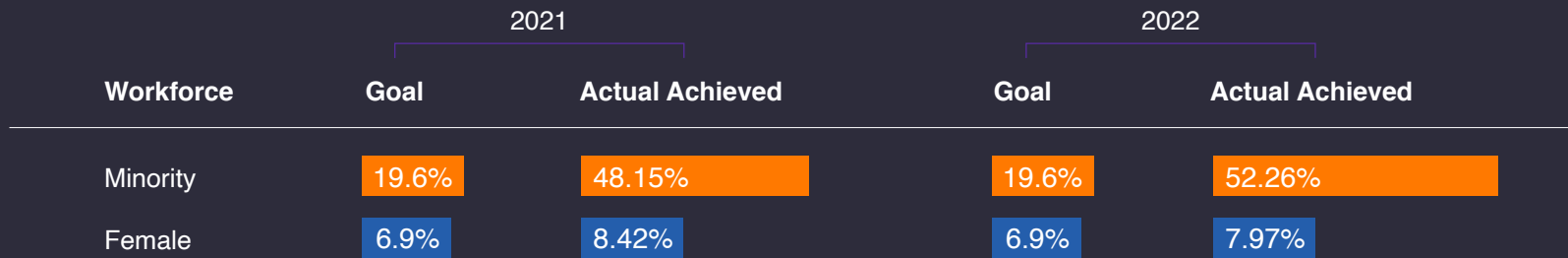
	WIOA	APPRENTICES	EDA
Candidate Percentage	10%	15%	35%
Projected Labor Hours	210,000	315,000	735,000

WORKFORCE GOAL ATTAINMENT 2021 & 2022

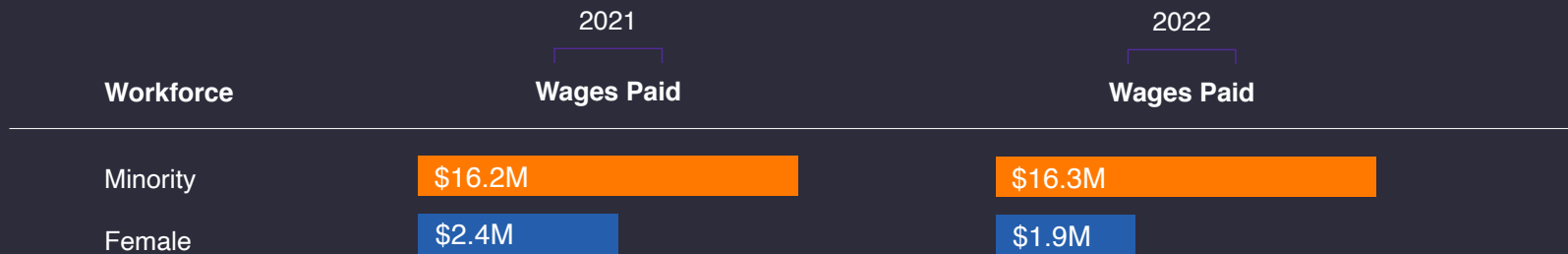
Workforce Category	2021				2022			
	Candidates Percentage	Labor Hours Worked	Hours Percentage	Wages Earned	Candidates Percentage	Labor Hours Worked	Hours Percentage	Wages Earned
WIOA	5.00%	61,920	10.03%	\$35,116,162	6.79%	53,665	11.41%	\$2,892,856
APPRENTICES	10.80%	74,632	12.06%	\$3,062,998	47.48%	61,727	14.85%	\$2,798,267
EDA	21.82%	166,138	27.50%	\$8,972,414	22.35%	138,370	29.41%	\$7,941,433

WALSH-FLOUR WORKFORCE EEO HOURS

GOALS VS ACTUALS



WALSH-FLOUR WORKFORCE WAGES






SUCCESS STORY

Tyra McWright,
Local 150 Operator, Drill Rig

Tyra McWright is an operator with Local 150 and is working as an oiler on the drill rig team for the Lawrence to Bryn Mawr Modernization portion of the RPM Phase One Project. She has been an operating engineer for nine years, having completed her four-year apprenticeship. She was inspired to get into this line of work by her mother and other family members, who have been in the industry for the past 30 years. Her mother has worked in the trades since Tyra was seven years old and is currently a laborer on the RPM project. Tyra is proud to have a career in the construction industry and feels the most rewarding part of working on RPM is sharing with her friends and family that she was a part of the historic project. Tyra lives in Chicago and has two children.



“Making a career in the construction field is better than just going to a regular nine to five. You set goals for yourself, [and] you have a better mindset knowing that you have a career.”

– Tyra McWright,
Local 150 Operator, Drill Rig

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 and events to break down barriers and provide paths to the trades, construction and engineering industries for Chicagoans.

In 2021, CTA and partners hosted seven workforce outreach events with a total of 397 attendees and in 2022 held five events with 239 attendees.

- RPM Virtual Employment Meet & Greet
- In-Person RPM Workforce Outreach Event
- Construction Talks with Local 597 (Pipefitters)
- Trades Info Sessions with HIRE360
- Trades info Sessions with Chicago Cook Workforce Partnership
- Construction Talks with Local 150 (Operating Engineers)
- Construction Talks with LiUNA: Chicagoland Laborers District Council
- Construction Talks with Paul Simon Chicago Job Corp Center
- Construction Talks with SMW Local 73 (Sheet Metal Workers)
- RPB DBE & Workforce Outreach Event
- Construction Talks with CD #14 (Painters)

CTA ELEVATING FUTURES SCHOLARSHIP FUND

In 2021 and 2022, CTA announced five new recipients of the CTA Elevating Futures Scholarship. The scholarship fund was developed by the CTA, Walsh-Flour and Chicago Scholars to provide a path for economically disadvantaged Chicago students to pursue STEM (science, technology, engineering and math) careers in 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.



SUCCESS STORY

Axel Hernandez,

Elevating Futures Scholarship recipient

Originally from Mexico, Axel lived in Back of the Yards for 12 years. He is an alumnus of Jones College Prep and a proud first-generation student attending college with the help of the CTA Elevating Futures Scholarship Fund. He is currently studying at Loyola University majoring in business management and administration. Following his graduation in 2023, he plans to start a construction business where he can support his family. He envisions a future of assisting with the construction-related development of Chicago.

“The Elevating Futures Scholarship has allowed me to bring my dreams to reality. I’ve always wanted to go to college. I just want to make my family proud and be the first person in my family to graduate from college so I can create a construction business for me and my family”.

- Axel Hernandez, Elevating Future Scholarship recipient



*ENJOY. LOCAL



OPEN FOR BUSINESS PROGRAM

While the RPM Phase One Project will significantly benefit the local economy, CTA recognizes that the long-term construction poses 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 annually during the life of the project with the goal to drive foot and digital traffic to the participating businesses.



From its launch in October 2020 through the end 2022, the program garnered 222 total business registrations⁵ – 180 from the LBMM community and 42 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).

⁵ Total business registrations include the businesses and organizations that were accepted in the program and does not include declined businesses and organizations.

OPEN FOR BUSINESS REGISTRATIONS BY BUSINESS CATEGORY

Business Category	Number of Registrations through December 2022
Shop	54
Eat	85
Play	34
Explore	15
Local Service	56

Note: Some Open for Business participants fall under more than one business category.

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. Walsh-Fluor spent more than \$2.4 million locally in 2021-2022 on office and storage leases, parking, local restaurants and other expenditures.





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