



We get there together

RED AND PURPLE MODERNIZATION (RPM) PHASE ONE
ECONOMIC IMPACT REPORT 2023





TABLE OF CONTENTS

Background	4
Building Small and Diverse Businesses	10
Workforce Development	13
Open for Business Program	22
Project Footprint Spending	23

“RPM is a historic investment in Chicago, going beyond transportation to serve as a catalyst for equitable and social mobility. I believe this project can be exemplary within and outside of Chicago for how future mega-projects can ignite inclusive economic growth.”

– 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 has made a commitment to leverage the RPM Phase One Project to invest in all of Chicago's communities to enhance the lives of Chicagoans beyond transportation.

WE GET THERE TOGETHER.

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.

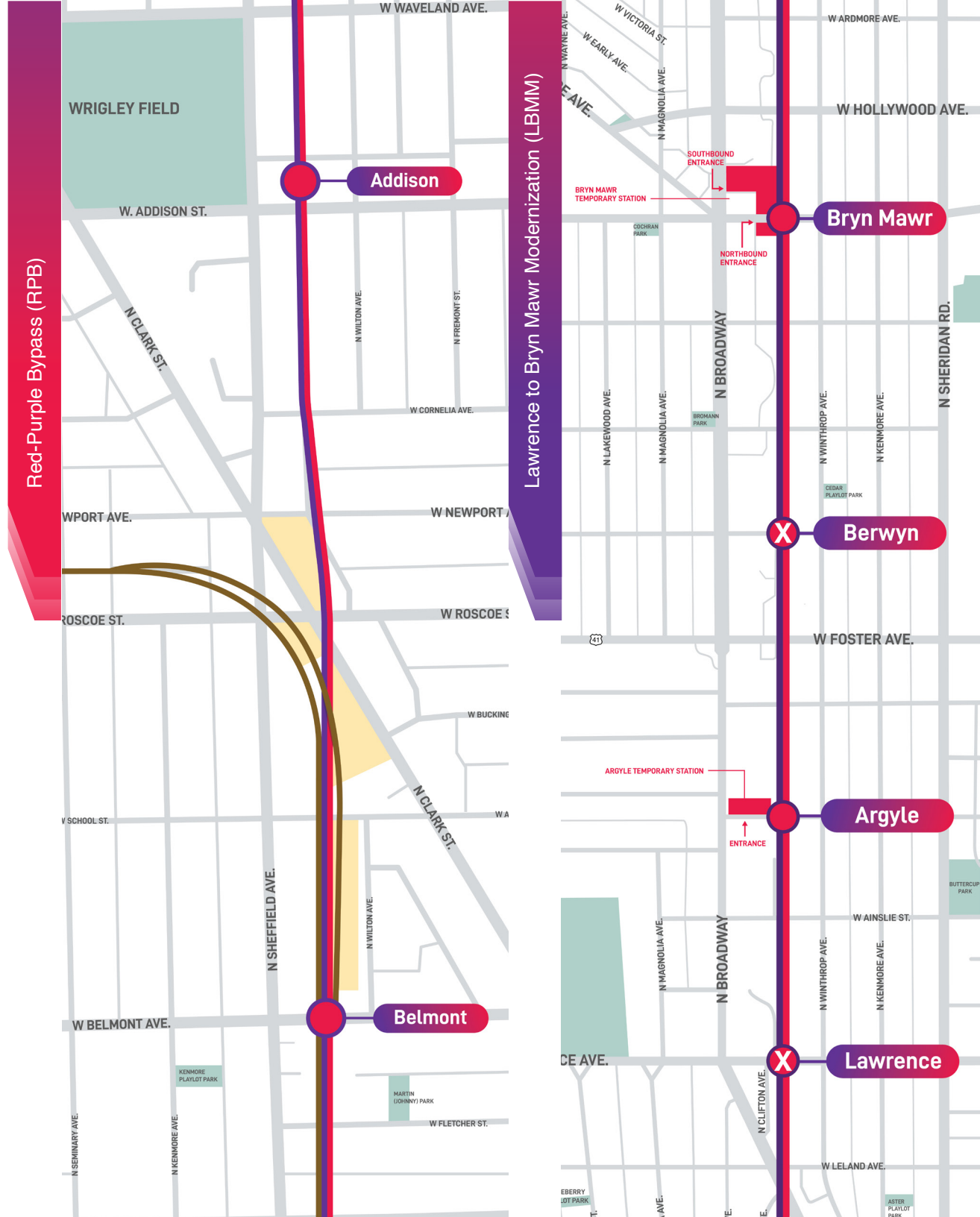
CTA's Red Line is the busiest rail line, running 24/7, and historically providing more than

67 million rides annually¹, while serving some of the most densely populated neighborhoods in the U.S.

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.

RPM PHASE ONE PROJECT COMPONENTS

- Lawrence to Bryn Mawr Modernization (LBMM):** Reconstruction of the Lawrence, Argyle, Berwyn and Bryn Mawr Red Line stations into larger, 100-percent accessible stations; and replacement of track structure totaling six track miles (ongoing).
- Red-Purple Bypass (RPB):** New Red-Purple Bypass construction (completed in 2021) and the reconstruction of Red and Purple Line track structure between Belmont and Newport/Cornelia (ongoing).
- Corridor Signal Improvements (CSI):** Installation of a new signal system on 23 track miles between Howard and Belmont that, similar to roadway traffic signals, will improve train flow and service reliability (ongoing).



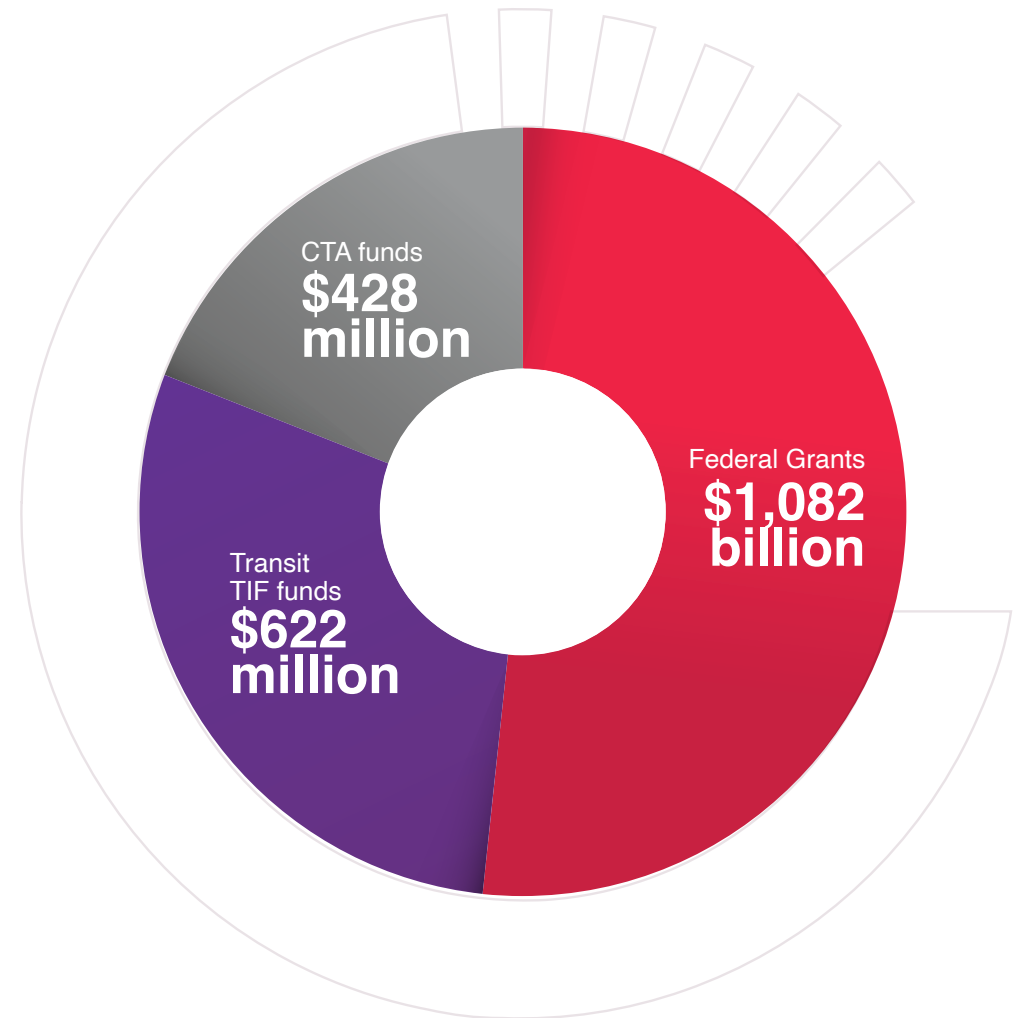


TRANSIT CUSTOMER BENEFITS

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

RPM PHASE ONE FUNDING

The \$2.1 billion RPM Phase One Project is the largest capital investment project now underway 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.

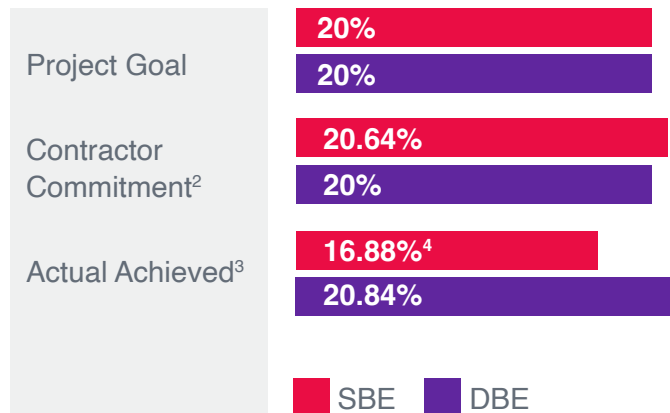


BUILDING SMALL AND DIVERSE BUSINESSES

In an effort for RPM to serve as a catalyst for equitable economic and social mobility, CTA created goals to ensure the RPM Phase One contractors and workforce are as diverse as CTA’s customers and the City of Chicago. Managing these efforts is **CTA Diversity Programs**, a dedicated team that 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 RPM contractor Walsh-Fluor Design-Build Team, to develop Small Business Enterprise (SBE) and Diverse Business Enterprise (DBE) goals specifically for contractors working on RPM Phase One.

Goals vs. Commitments vs. Actuals Achieved



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

³ Reflects the total DBE dollars “through December 31, 2023.

⁴ The attainment for the SBE contracts is a percentage of paid vs. awarded and that 100% of the dollars paid have gone to SBEs

As of December 31, 2023, 131 SBE and DBE contracts have been awarded, totaling more than \$320 million. In 2023 alone, 30 DBEs were awarded contracts, totaling more than \$32 million.

SBE & DBE Contracts

Contract Category	2023 Contracts	2023 Contracts amount	Total Contracts	Total Contracts Amount
SBE	0	N/A	13	\$5.7M
DBE	30	\$32.3M	118	\$314.9M
Total	30	\$32.3M	131	\$320.5M

Building Small Businesses Program

In 2019, CTA piloted its Building Small Businesses (BSB) Program through the RPM Phase One Project, aiming to help small businesses develop their capacity to bid on large projects. 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 program was a success, and in 2023, it became a fully developed CTA program. Since the pilot program’s launch, the BSB program has assisted more than 125 small businesses with technical and funding assistance, including helping more than 30 firms in securing \$13 million in capital funding.



SUCCESS STORY

Richard Pinto, Jr.

Pinto Construction Group

Richard Pinto, Jr. is a second-generation business owner of Pinto Construction Group. Working closely with his father, Richard Pinto Sr., he serves as the Project Manager for his team as they provide carpentry and fiberglass installation services for RPM Phase One. Richard's team helped build the temporary Argyle and Bryn Mawr Red Line stations for Stage B of the Lawrence to Bryn Mawr Modernization project, as well as the award-winning Bryn Mawr Stage A temporary station.

Richard grew up alongside his father running the business with some of his earliest memories playing with his Tonka trucks at the office. He's watched his father cultivate and build the company to where it's at today, and he intends to continue growing it.

Since being awarded the contract for RPM Phase One, the Pinto Construction Group has improved its internal and external operations through the Walsh-Fluor Mentor-Protégé program, revamped its painting division and developed a civil division allowing the company to bid competitively in other markets. For the future, Richard plans to add engineers so that Pinto Construction Group can provide fully engineered systems for its contracts.

“I’m very grateful for the CTA. The DBE program has given us an opportunity to competitively bid and land work that we otherwise would not have an advantage gaining.”

– Richard Pinto, Jr.
Pinto Construction Group



WORKFORCE DEVELOPMENT

With a mission to build a workforce pipeline that connects people who face barriers to training and employment, CTA set robust workforce goals for RPM Phase One to ensure that the benefits of this project are felt throughout the City of Chicago. Over the project's five-year life cycle, RPM Phase One is expected to produce **2.1 million construction labor hours** among its workforce, providing jobs to Chicagoans across Chicago.

To identify, train, recruit and retain diverse workforce candidates for RPM Phase One, the CTA Diversity Programs team has partnered with two workforce assistance agencies – **HIRE360** and the **Chicago-Cook Workforce Partnership**. **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 agency. **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.

Furthermore, 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 for and encourage 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 union’s signatory to CTA’s Project Labor Agreement. 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 has produced over 1.6 million labor hours through December 31, 2023, with over 453,000 labor hours in 2023. Additionally, since the project began, more than \$94 million in wages have been paid to 2,476 workers, with over \$27 million in wages paid in 2023 to 761 workers.

The following is a summary of RPM Phase One’s workforce goals and attainment from 2023. Note: one candidate may meet multiple workforce goals for RPM, therefore, CTA measures goal attainment in labor hours.

RPM WORKFORCE GOALS⁵

(2019-2025)



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

WORKFORCE GOAL ATTAINMENT⁶

Workforce Category	2023				TOTAL			
	Candidates Percentage	Labor Hours Worked	Hours Percentage	Wages Earned	Candidates Percentage	Labor Hours Worked	Hours Percentage	Wages Earned
WIOA	7.12%	55,192	12.23%	\$3.1M	-%	186,374	11.58%	\$10.0M
APPRENTICES	12.75%	52,618	11.66%	\$2.4M	-%	193,147	12.01%	\$8.4M
EDA	24.87%	138,531	30.52%	\$7.9M	-%	476,920	29.64%	\$26.8M

⁵ These goals are specific to Design Build

⁶ The labor hours and wages represented contain data from Design Build contracts and contracts without workforce goals on them

WALSH-FLOUR WORKFORCE WAGES

Workforce	Hiring Goal	Actual Achieved ⁸ in 2023	Total ⁹ Actual Achieved
Minority	19.6%	53.3%	52.7%
Female	6.9%	5.7%	7.1%

WALSH-FLUOR WORKFORCE HIRING GOALS

Workforce	Hours Worked in 2023	Total Hours Worked	Wages Paid in 2023	Total Wages Paid
Minority	240,834	848,123	\$14.0M	\$47.4M
Female	25,842	114,371	\$1.4M	\$5.7M

⁸ Actual Achieved is based off hours worked by each group

⁹ Reflects totals through December 31, 2023



SUCCESS STORY

Victoria Anderson

Apprentice, MEADE Electric

In early 2020, after spending 10 years in the service industry, Victoria Anderson made the decision to change careers for something more dependable. And when the COVID-19 pandemic hit a couple months later, she assessed how she wanted to move forward. Her father was a Local 9 journeyman, and when the apprenticeship opportunity opened up, he suggested Victoria get her Class A CDL so she could apply to the union. Following her father's advice, she landed the apprenticeship, and by 2023, she was a third-level apprentice for MEADE Electric through Local 9 working on the RPM Phase One Project.

As a woman, Victoria didn't know that the trades could be a career path for her. But now that she's in it, she's been in love with it and enjoys going to work and learning every day. Victoria also values the benefits that a trade career has offered her. At 32, she had never had a retirement plan before, but now, she has a pension and is saving for retirement. Additionally, she was able to save enough money and put in an offer on a house for the first time with her husband.

“I'm so happy I went into this. I didn't know at first, but I'm honestly so excited that I made this choice.... It's something that has provided so much for me and my family.”

– Victoria Anderson
Local 9 Apprentice, MEADE Electric



RPM PHASE ONE WORKFORCE DEVELOPMENT PROGRAMS

In addition to the programs and partnerships previously mentioned, 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 2023, CTA and partners hosted XX workforce outreach events with a total of XXX attendees.

CTA ELEVATING FUTURES SCHOLARSHIP FUND

In 2023, CTA announced the final three recipients of the CTA Elevating Futures Scholarship. Since the scholarship began, more than \$225,000 has been awarded to 10 students who are pursuing degrees in the engineering and construction fields. The scholarship fund was developed by the CTA, Walsh-Fluor 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

Austin Washington

Austin Washington, a student from the Kenwood neighborhood, attended Kenwood Academy where he was enrolled in several STEM courses including pre-engineering and construction and AP classes and was a member of the National Society of Black Engineers. He participated in several sports and a variety of STEM and leadership organizations including SMASH STEM Scholars, Obama Youth Job Corp/Urban Alliance, Jack and Jill of America, NAACP and The Fellowship Initiative through JP Morgan Chase. He is the president of his chapter for Top Teens of America and is involved in numerous other experiences in volunteering and leadership. Austin is attending Morehouse College, majoring in mechanical or construction engineering. He hopes to travel the country and build affordable housing for those in need as an engineering consultant.



SUCCESS STORY

Jonathan Vazquez

Jonathan Vazquez, a student from the West Elsdon neighborhood, graduated from John Hancock College Prep in spring 2023. He was on the honor roll and studied advanced pre-engineering, construction and several STEM courses. In his high school career, he was a member of the Spanish Honor Society, participated in Model UN and played on the varsity soccer team. Jonathan also worked several jobs outside of school and is a participant in the ACE (Architecture, Construction and Engineering) Mentor Program. Since childhood, Jonathan has helped his uncle every summer on construction projects. Through his experiences and learning how engineering can be environmentally focused while helping communities, his passion grew. Jonathan is attending the University of Illinois at Chicago and wants to major in civil engineering and hopes to one day own his own construction company.



OPEN FOR BUSINESS PROGRAM

While the RPM Phase One Project will significantly benefit the local economy, CTA recognizes that the long-term construction impacts will pose challenges to the small businesses within the project footprint. In an effort to minimize disruptions and negative impacts on these businesses, CTA developed, launched and maintains the Open for Business Program. The completely free program aims to support businesses impacted by RPM Phase One by deploying marketing campaigns with the goal to drive foot and digital traffic to the participating businesses.

The Open for Business Program manager actively recruits businesses, and in 2023, a new recruitment campaign was deployed to add new businesses in the area to the program. Recognizing the diversity of the businesses, CTA developed all 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 2023, the program garnered 213 active participants. In 2023, the program received 21 new participant applications, 12 resulting from the recruitment campaign.

Additionally, the program featured 175 businesses in various marketing efforts, including summer and winter campaigns, and provided 12 free photo shoots to qualifying businesses.

¹⁰ Total active participants represents the number of businesses and organizations that qualified for and were accepted into the program.

YOU
CAN
BE
SEEN
TOO.



In a survey distributed shortly in early 2023, a majority of respondents (85.4%) who have been featured in an Open for Business marketing campaign said they 'somewhat agreed,' 'agreed' or 'strongly agreed' that the campaign increased exposure to their business.

Furthermore, in 2023, CTA received a Golden Trumpet Award from the Publicity Club of Chicago for its 2022 Enjoy Local! Open for Business campaign.



OPEN FOR BUSINESS REGISTRATIONS BY BUSINESS CATEGORY

Business Category	Active Participants ¹¹
Shop	58
Eat	100
Play	36
Explore	15
Local Service	58

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

¹¹ Total active participants as of December 31, 2023

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 including lunch breaks or company-wide events and celebrations.

In 2023, Walsh-Fluor spent more than \$1.4 million locally on office and storage leases, parking, local restaurants and other expenditures.





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