Red and Purple Modernization Phase One Project Redevelopment Project Area Transit Tax Increment Financing

Public Meeting

September 13, 2016

CHICAGO DEPARTMENT OF PLANNING & DEVELOPMENT

SB Friedman Development Advisors

Welcome and Introductions

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Public Meeting Presentation

- **Red and Purple Modernization (RPM) Phase One Project**
- **Introduction to Transit Tax Increment Financing (Transit TIF)**
  - What Is a Transit TIF?
  - How Does a Transit TIF Work?
- **Proposed Transit TIF Boundary**
- **Proposed Project & Preliminary Transit TIF Budget**
- **Public Approval Process**
- **Public Questions/Comments**

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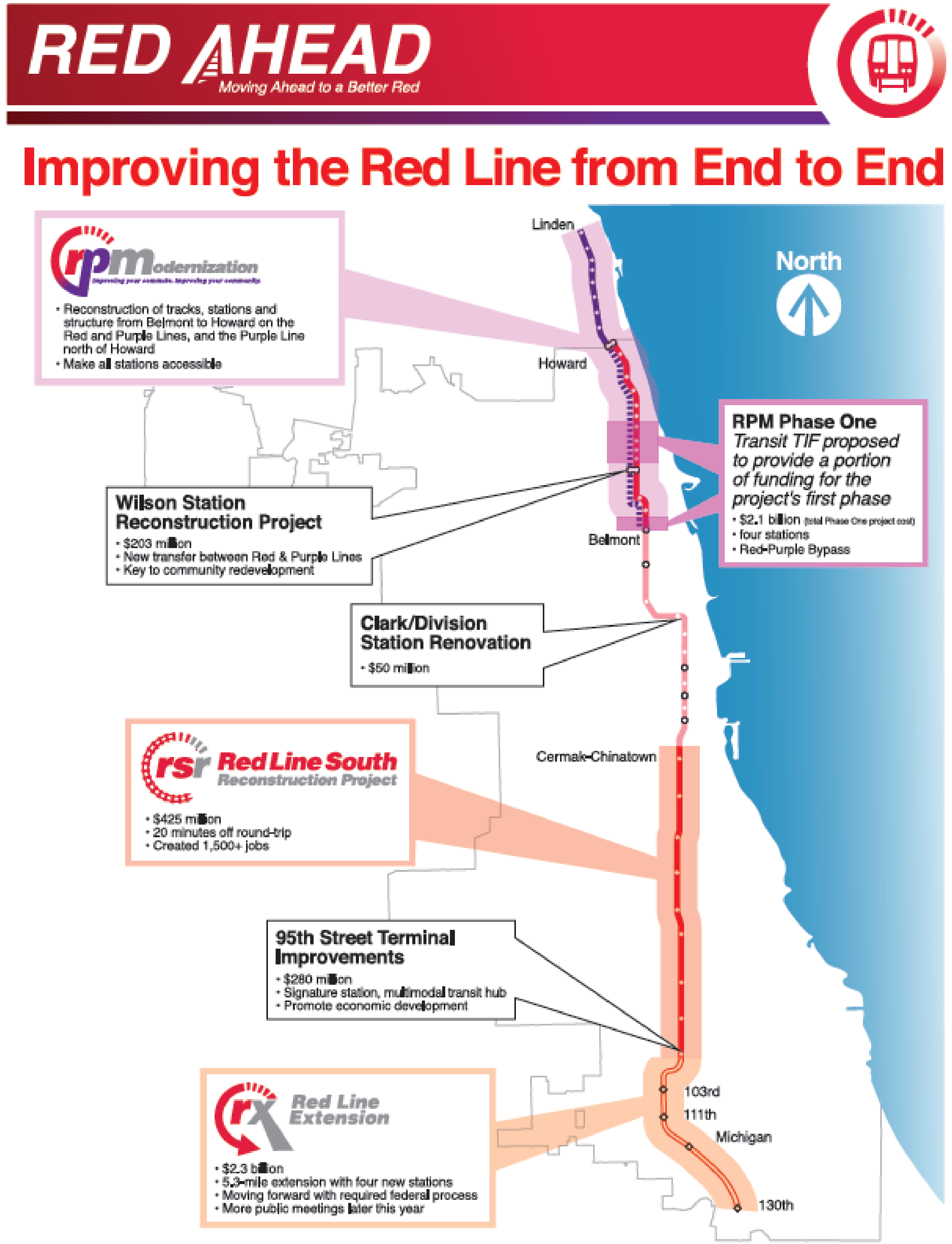
Modernizing the Red Line
NEXT STEPS

Investing in the Red Line—the Backbone of the CTA Rail System

- **22-mile line carries more than 30 percent of CTA rail customers**
  - More than 78 million station entries in 2015
  - 240,000 average weekday riders
  - One of a handful of U.S. transit lines that run 24/7
  - 33 rail stations in dozens of neighborhoods
  - 400+ Red Line trains daily

Red Ahead—Announced in 2012



Investing in the Red Line—the Backbone of the CTA Rail System

- **Mayor has prioritized Red Line investment**
  - $425 Million Red Line South Reconstruction
    - Shaved 20 minutes off daily commutes
    - Rehabbed 8 stations
    - Added elevators to make entire Red Line South accessible
    - **More than $82 million in DBE contracts out of $260 million+ in construction projects**
    - **Over 1,500 jobs created—including more than 400 full-time bus drivers**

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Investing in the Red Line—the Backbone of the CTA Rail System

- **Mayor has prioritized Red Line investment**
  - $280 Million 95th Street Terminal Reconstruction
    - Biggest station investment in CTA history
    - Signature, architecturally significant station; new South Side landmark
    - Better service; improved pedestrian environment
    - Spur local economic development
    - **30 percent DBE commitment**
    - **More than 700 jobs will be created**

Investing in the Red Line—the Backbone of the CTA Rail System

- **Additional investments**
  - Wilson Station
  - Clark/Division Station
  - Red Line North: 7 Interim Station Improvements

(Above right) Aerial view of new west island platform as part of historic Wilson Station Reconstruction Project

(Right) New Wilson platform under construction

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Next Step: RPM Need

- **Track structure and some stations are up to 100 years old**
  - Red Line North more than twice as old as Red Line South was at reconstruction
  - Some of the track structure and stations were built when Theodore Roosevelt was President

(Above right) Belmont platform, early 1950s

(Right) Lawrence Avenue station, 1940s

Next Step: RPM Need

- Maintenance work has been done, but complete rebuild needed
- Largest gap in ADA station accessibility on the Red Line
  - Only 5 of 14 stations accessible between Belmont and Howard

(Above right) Crumbling viaduct at Hollywood Ave. between Bryn Mawr and Thorndale Stations

(Right) Crumbling retaining wall near Bryn Mawr Station

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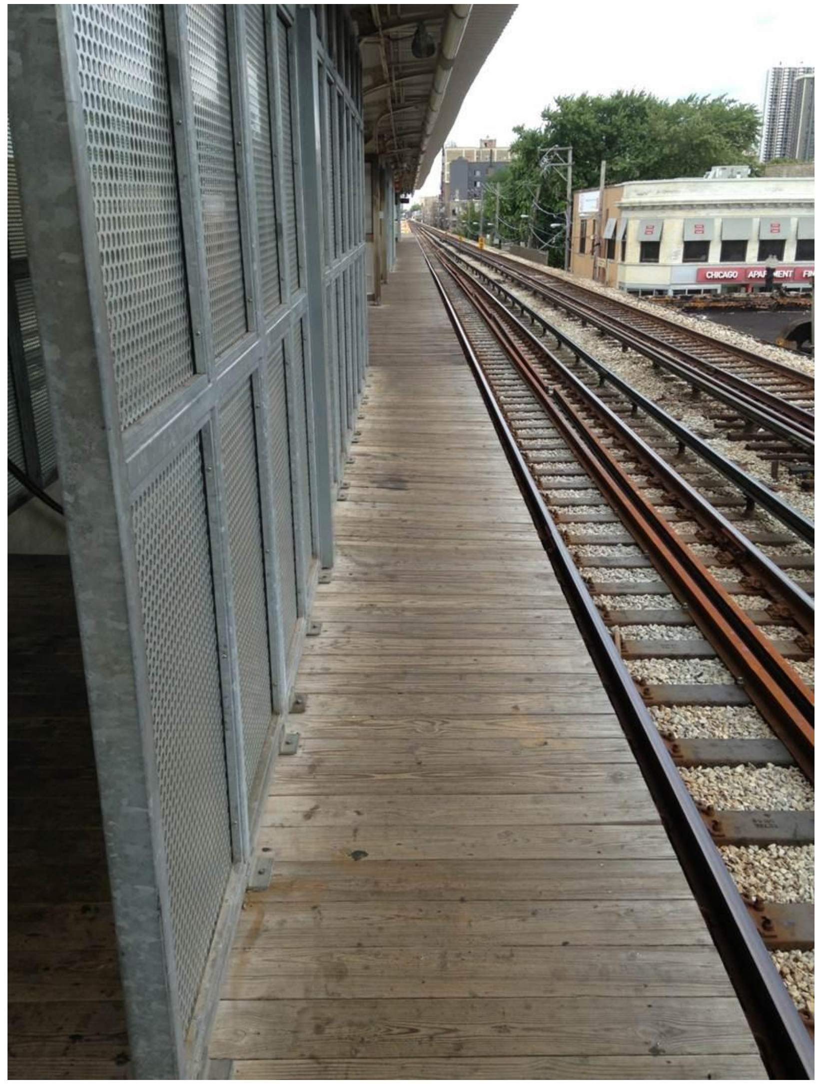
Next Step: RPM Need

- Growing ridership demand
  - Overcrowding on trains – riders can’t board until next train
  - Impacts riders throughout the line
  - 40 percent growth in rush-hour ridership over past five years
  - Busiest stretch of CTA rail system
  - Existing infrastructure can’t accommodate more trains

Next Step: RPM Scope

- Rebuild or replace all structures
  - Viaducts
  - Embankments
  - Steel ‘L’ structure
- Rebuild stations
  - ADA accessibility
  - Wider platforms
  - Better lighting
  - Longer canopies
  - More benches
  - Real-time information screens

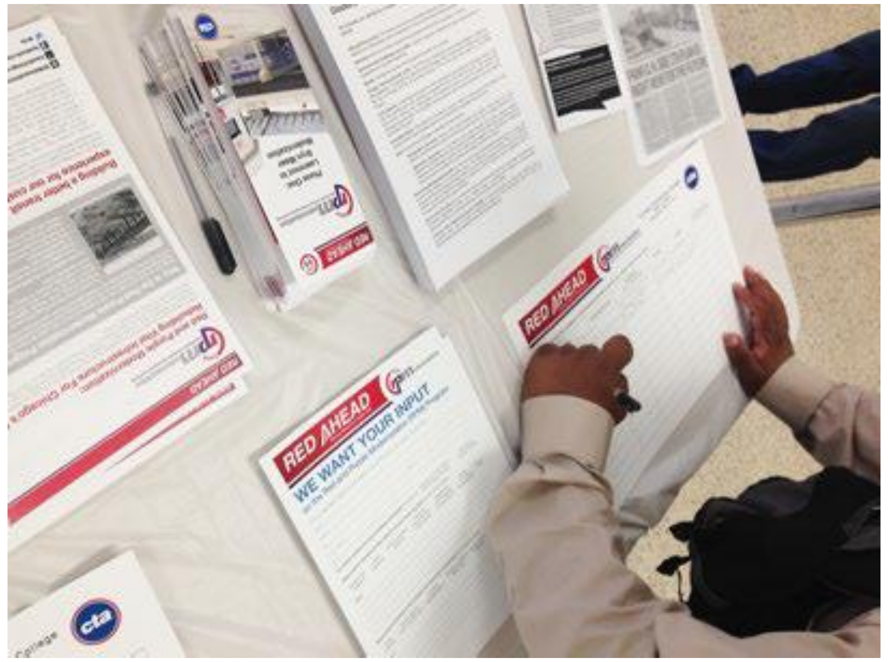


Narrow Platforms

Deteriorating Embankment

RPM Public Engagement Process

- The CTA initiated development of the RPM Program in 2009
- Since then, CTA has hosted 14 large public meetings and many small community meetings to gather input and shape the program
- In 2015 the Federal Transit Administration issued Findings of No Significant Impact for the RPM Phase One Project after reviewing the Environmental Assessments and public comments



2009-2010	2011	2012	2013	2014-2015
RPM Vision Study	NEPA Scoping Process	Alternatives Refinement	Research and Concept Design Process	RPM Phase One Definition and NEPA Reviews

New Stations Are Transformative

Fullerton Station before modernization (1999)

Fullerton Station after Brown Line Capacity Expansion Project completed in 2010

Next Step: RPM Phase One

- **Rebuild four stations/tracks/structures from Lawrence to Bryn Mawr, and create Red-Purple Bypass to improve service**
- Station improvements
  - Wider platforms, better lighting
  - Longer canopies
  - Fully accessible with elevators
- Modernization of signal system to allow for more frequent service

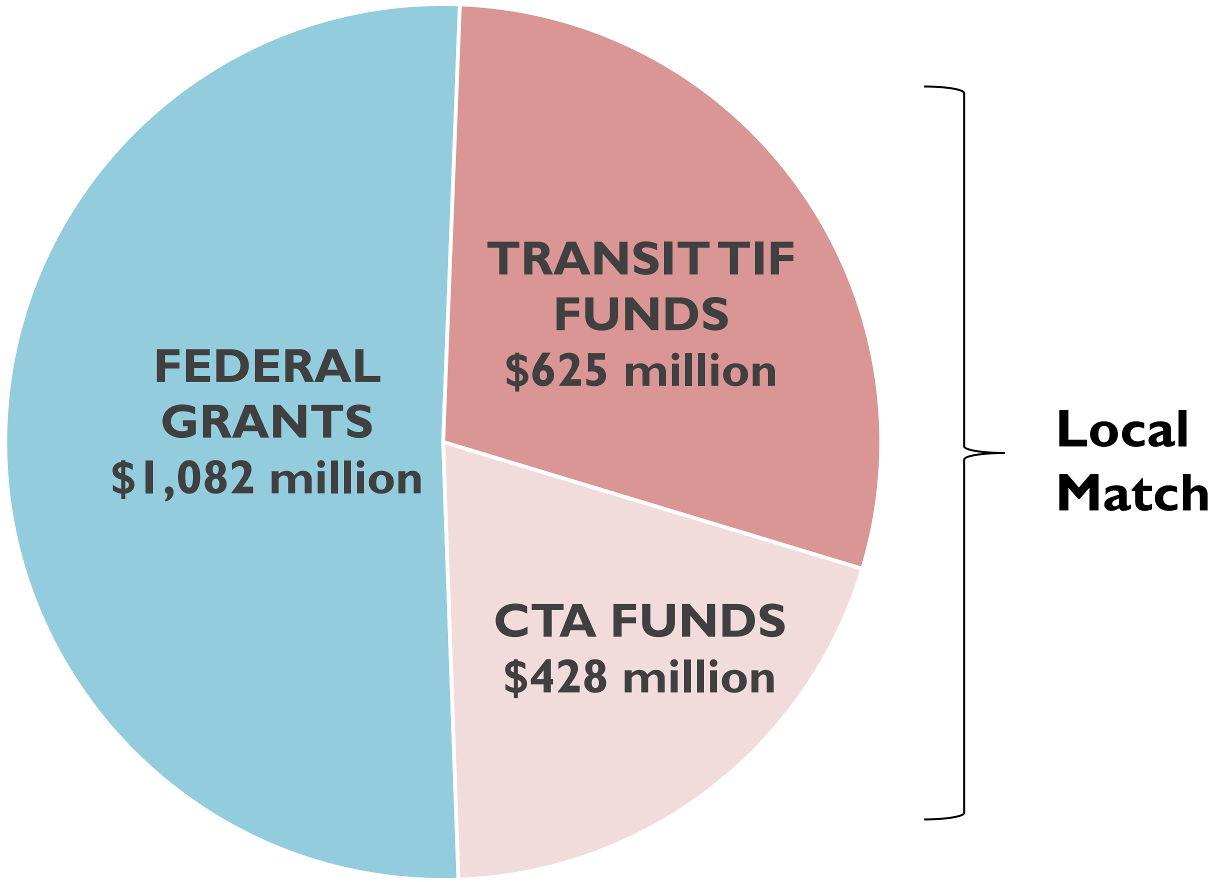
Conceptual renderings of new Bryn Mawr Station

Next Step: RPM Phase One

- Red-Purple Bypass
  - Bypass is crucial to unlocking greater capacity
  - Needed to meet recent ridership growth
    - Anticipate adding four additional trains on Red and Purple Lines during the rush hours at the conclusion of Phase One to meet current demand
  - Needed to prepare for future increase service demand
    - Project will allow up to 15 additional trains per hour (combined) on the Red, Brown and Purple Lines as demand requires
    - Additional trains will accommodate more than **7,200 additional riders per hour** during the rush hours—30 percent more than today

Need for Transit TIF Funding

- Approximately $2.1 billion total cost
- **Need local match** to secure $1.1 billion in federal grants
  - Transit TIF would finance a portion of the local match
- No State of Illinois capital funding available for local match



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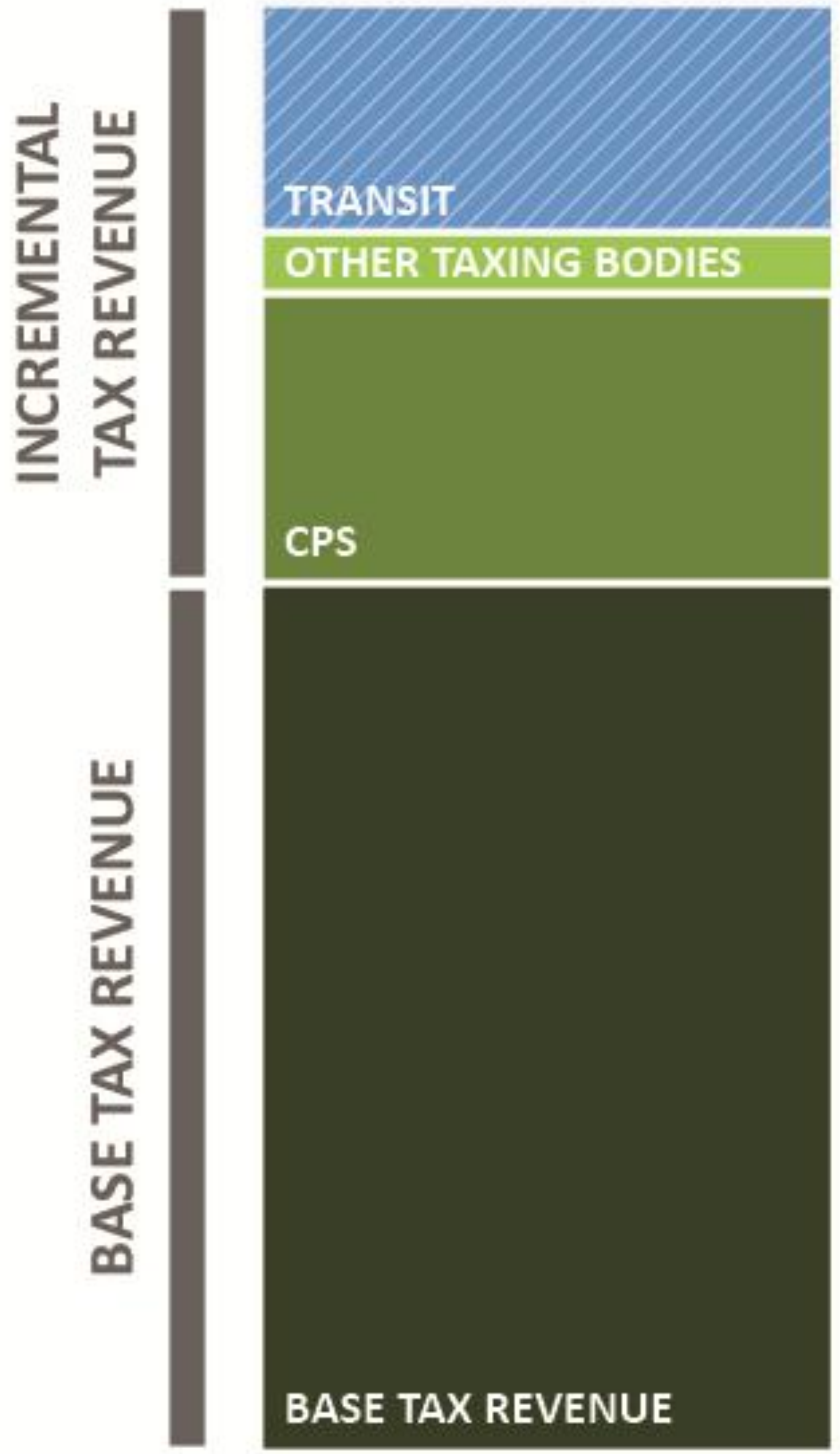
Transit TIF Funding

What Is a Transit TIF?

- Transit tax increment financing (Transit TIF) is an innovative funding mechanism **for transit**
  - Authorized by State legislation in August 2016
  - Captures portion of taxes from growth in property values
    - *Chicago Public Schools is not included in a Transit TIF*
  - Can extend up to a half-mile from specific transit facilities
  - Can be authorized for up to 35 years
- Requires public process for designation
- **Can only be used for transit improvements**

How Does a Transit TIF Work?

- Transit TIF captures a portion of the taxes from growth in property values
  - ***Chicago Public Schools keeps its entire share of the base tax revenue as well as its entire share of the incremental tax revenue growth***
  - All other taxing bodies keep their entire share of the base tax revenue, and 20% of their share of the incremental tax revenue growth
  - Remaining incremental tax revenue may only be used for transit
- Assessment practices and tax rate calculation are the same – inside or outside of a Transit TIF



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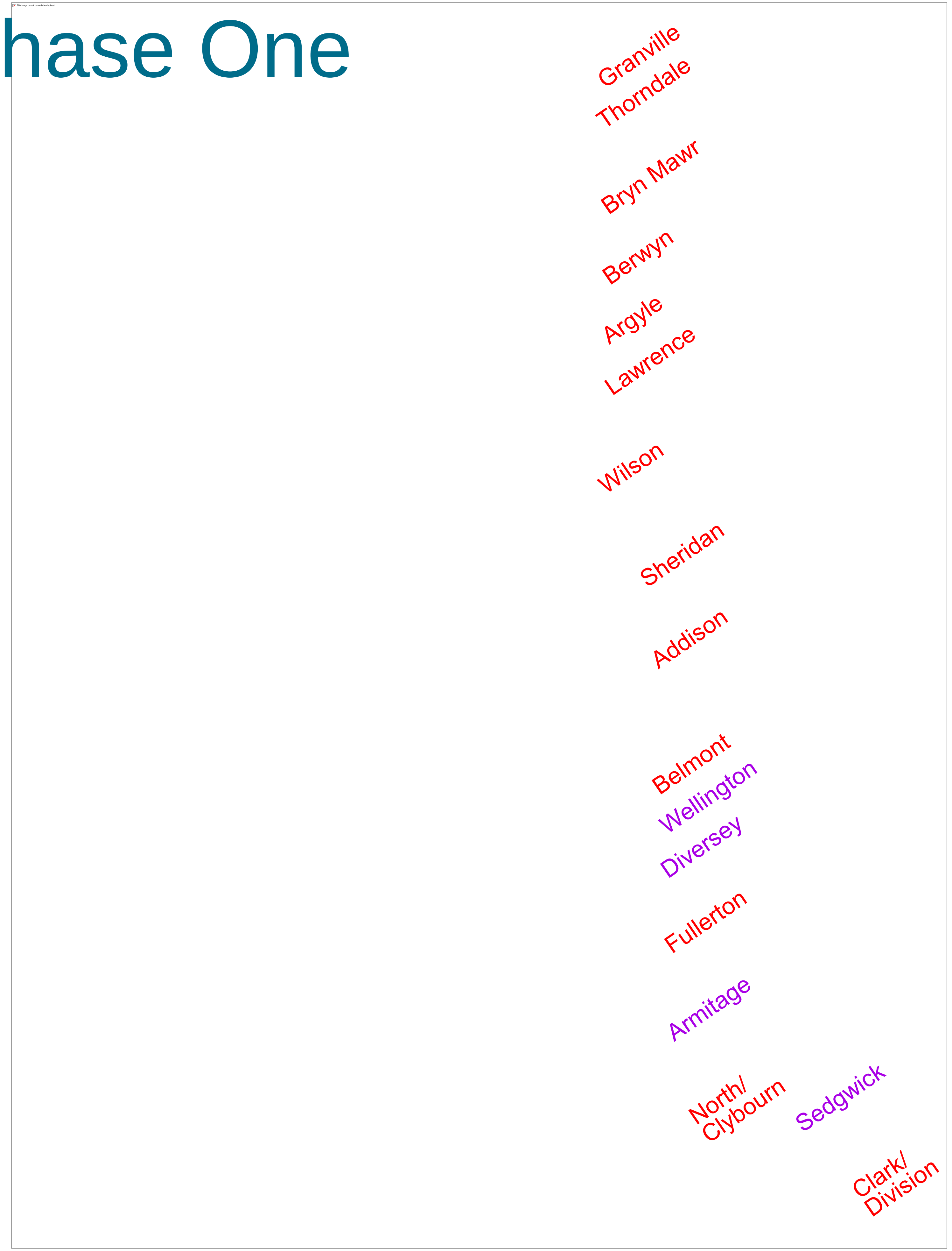
Proposed Boundary: RPM Phase One Project Transit TIF District

- No larger than:
  - Devon Avenue on north
  - Division Avenue on south
  - ½ mile east and west of Red and Purple lines
- Excludes all existing TIF districts
  - Limited number of parcels within existing TIFs may be added to the Transit TIF



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Proposed Project and Preliminary Transit TIF Budget

- Transit TIF funds limited to RPM Phase One Project costs
  - Modernization and expansion of four stations
  - Reconstruction of tracks, structure and viaducts to improve operating speeds
  - Construction of Red-Purple Bypass
  - Modernization of signal systems throughout area
- Total projects costs for RPM Phase One are $2.1 billion
- Transit TIF share of total project costs is $625 million

Transit TIF Public Approval Process

August	Community Development Commission (CDC) authorized preparation of Feasibility Study (8/25)
September	Public Meeting
	Redevelopment Plan Available
	Introduction to CDC
October	Joint Review Board
November	***CDC Public Hearing***
	Chicago Plan Commission
	City Council Finance Committee
	City Council

Public comment welcome

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Public Questions/Comments

- For more information:
  - 1-888-YOUR-CTA (1-888-968-7282)
  - www.transitchicago.com/RPMproject
  - feedback@transitchicago.com

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