

CiC'16

CHICAGO TRANSIT AUTHORITY

2016 Chicago Investors Conference



Dorval R. Carter, Jr.
CTA President

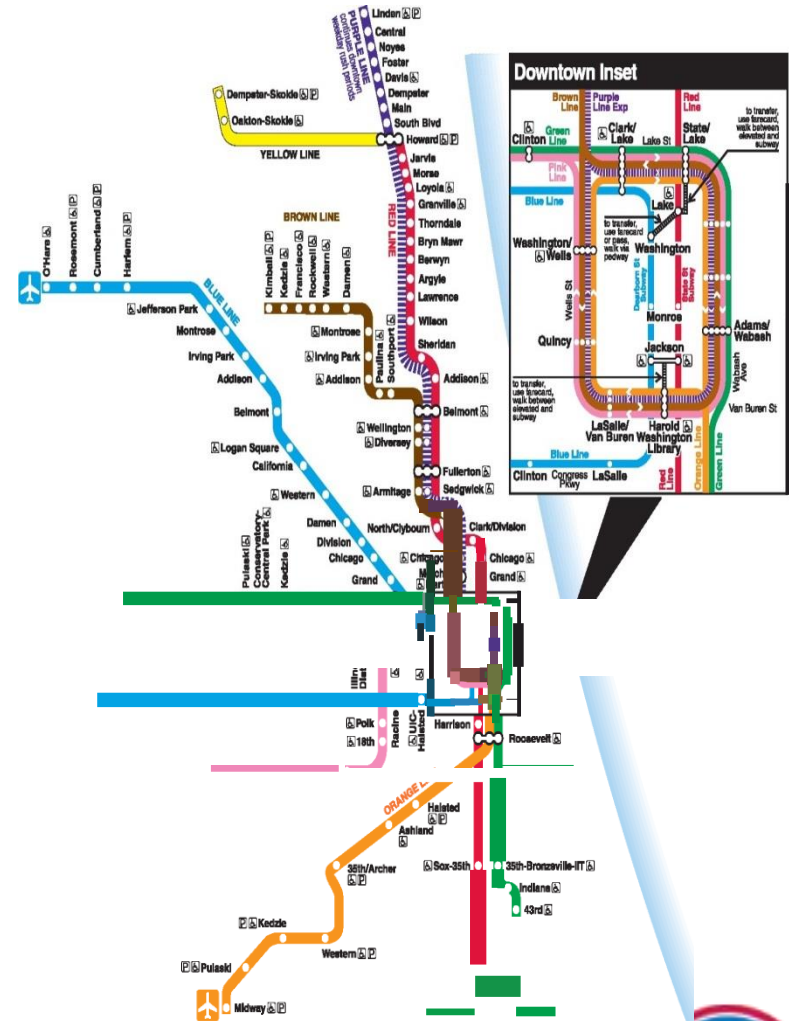


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Essential Public Service for the Chicago Region

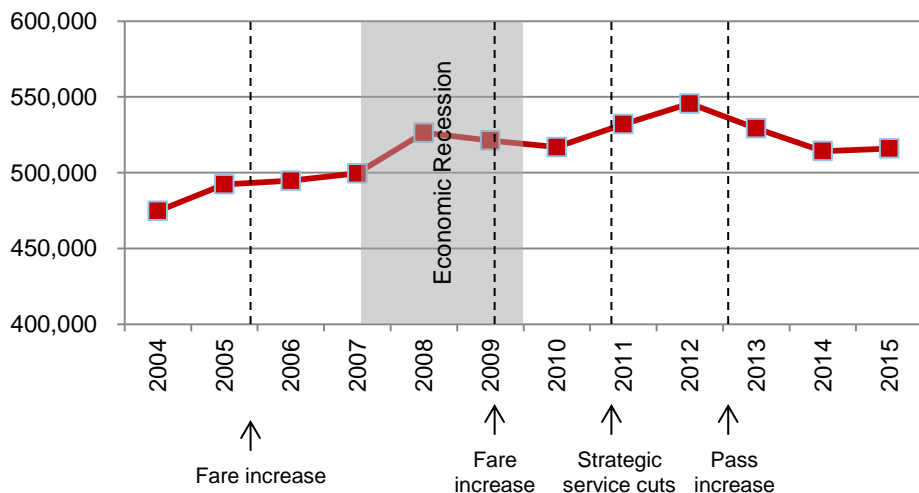
- Second largest U.S. public transit system
- Bus and rail service to Chicago + 35 suburbs
- Eight rail lines and 130 bus routes
- More than 1.6M rides each weekday
- 516M rides in 2015
- Provides 83% of public transit trips in Chicago metro region



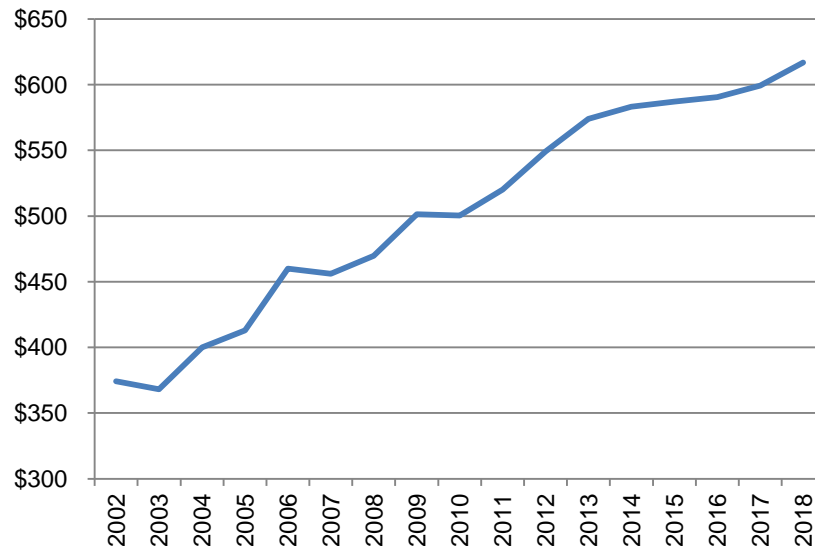
Steady Growth in Fare and Pass Revenues

- 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

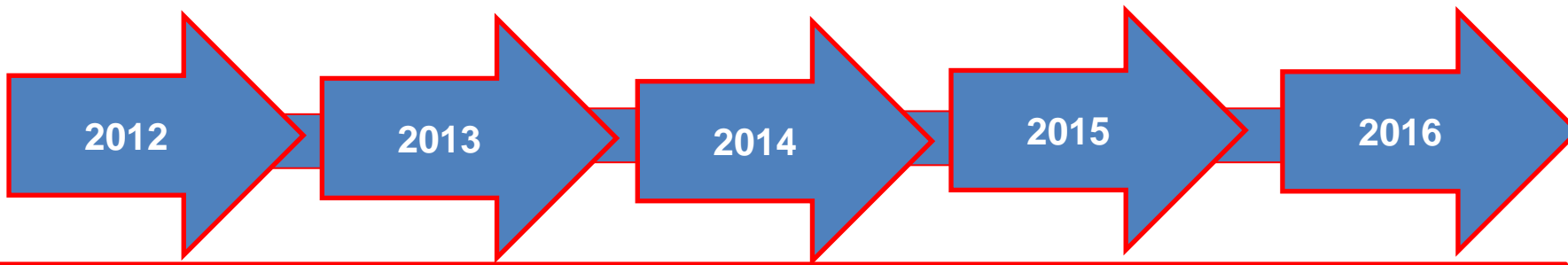
CTA Ridership
(in thousands)



Fare and Pass Revenue
(\$MM)



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

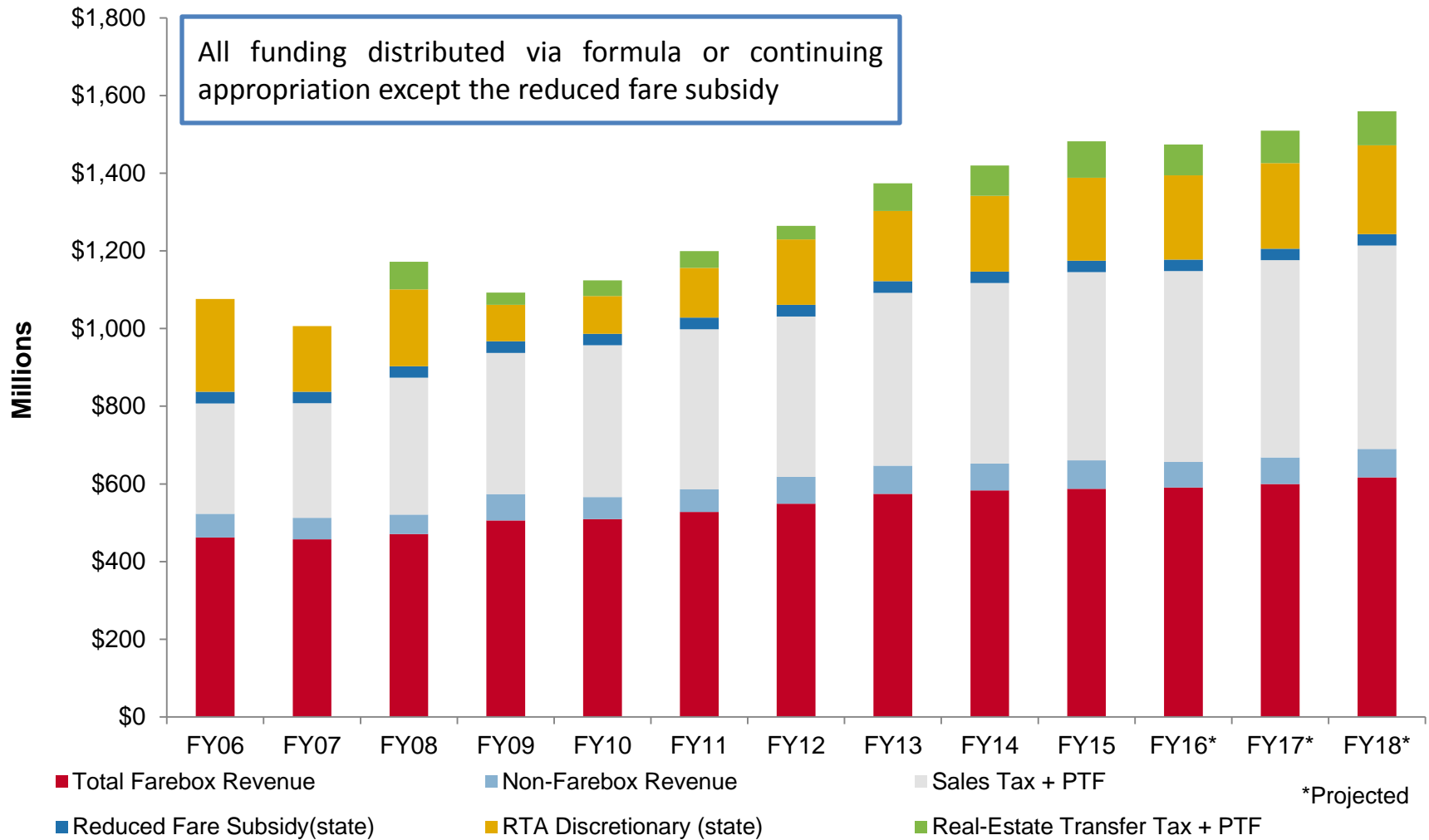
- Reduced discounts on passes and stabilized base fares
- Reduced costs associated with worker's compensation and absenteeism
- Improved advertising and concession
- Completed over 23,000 camera installation & security project
- Supply chain reform resulting in savings by outsourcing supply chain management
- 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



CTA controls its fares, routes, service frequency and staffing

- CTA has considerable independence in driving financial results due to its control of farebox, advertising and other revenue
- CTA has a proven track record of using this power to balance its operations and budget
- CTA is statutorily obligated to submit and adopt a balanced budget

CTA's share of funding is stable and predictable

- Formula-driven Sales Tax and Real Estate Transfer Tax
- Public Transportation Fund Revenues (PTF) by continuing appropriation
- Reduced fare subsidy is only funding source subject to appropriation
- RTA discretionary funding historically has been stable with 94%-100% allocated to CTA
- RTA's ability to withhold CTA funding is solely intended to ensure compliance and has never been utilized



2008 Pension Reform Stabilized CTA's Pension Outlook

- 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”



- \$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

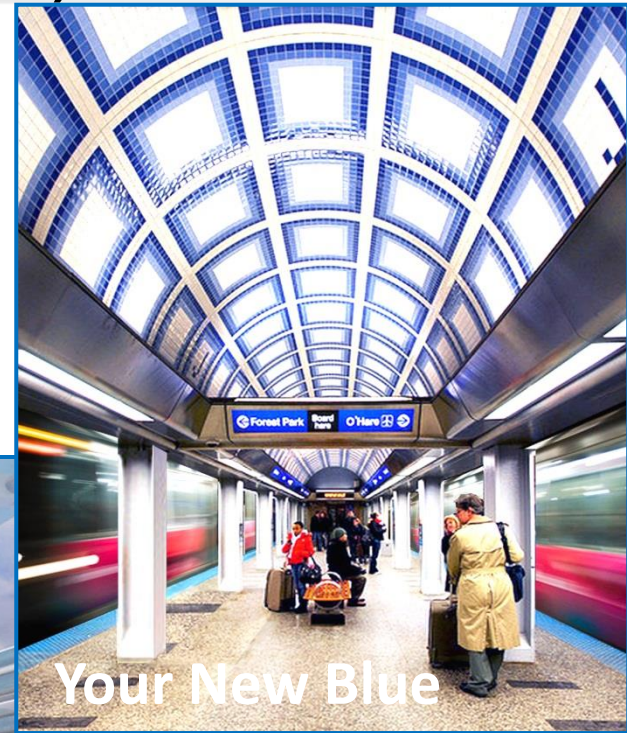
Rail and Bus Fleet Modernization



- 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

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2016: \$600+ Million Investment in Key Projects – 95th Terminal, Wilson Transfer Station, Your New Blue (YNB) Stations



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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

Your New Blue



In 2016, CTA will complete station work from Addison to Cumberland; and will start renewal of key power substations.

Track Work: \$49 M

- Milwaukee Elevated: Improvements to existing track to reduce slow zones (\$30 M).
- Approaching O'Hare and in Rosemont Yard: Replace special track work (\$17 M).
- Jefferson Park and UIC-Halsted Turn Backs: Improvements to allow for one additional turnback train at Foster Middle Track (north of Jefferson Park) and one at Morgan Middle Track (west of UIC-Halsted) during AM Peak Hours (\$2M).

Signal Upgrades: \$180 M

- Full signal replacement between O'Hare and Jefferson Park.

Power Upgrades: \$44 M

- East Lake and Milwaukee substations: Improvements to add power and eliminate obsolete equipment, which improves reliability and allows for increased service, reducing crowding and dwell time (\$35 M).
- Tactical Cable and Enclosure Upgrades at four substations (\$9 M).

Station Improvements: \$141 M

- Jefferson Park: Signature Station (\$25 M).
- Grand, Chicago and Division: Safe & Dry station renovation (\$33 M).
- Damen: Safe & Dry station renovation (\$20 M).
- Western: Street-level improvements and public art program (\$1 M).
- California: Safe & Dry station renovation (\$12 M).
- Logan Square: Mixed-Use TOD (Third Party Investment: \$1.3 M, CTA Subsidy: \$2 M).
- Logan Square: Station repairs (CTA \$6 M).
- Addison: Accessibility Upgrade and Platform Repairs (\$5 M).
- Irving Park to Cumberland: Priority Repairs (\$24 M).

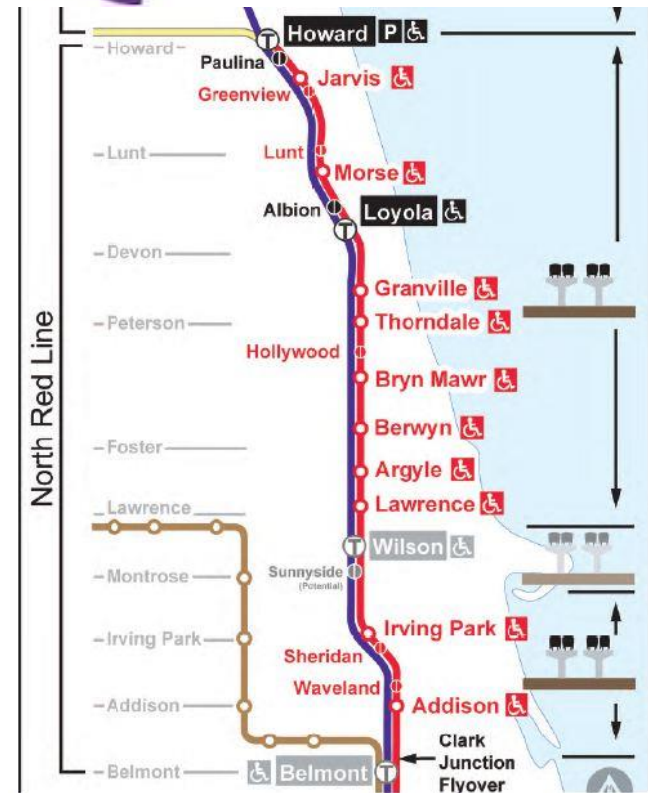
Subway Improvements: \$78 M

- Milwaukee-Dearborn Subway: Installation of a water management system and repairs to station damage (\$31 M).
- Kimball Subway: Installation of a water management system and repairs to station damage (\$20 M).
- 4G Cellular Service (\$27 M).



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



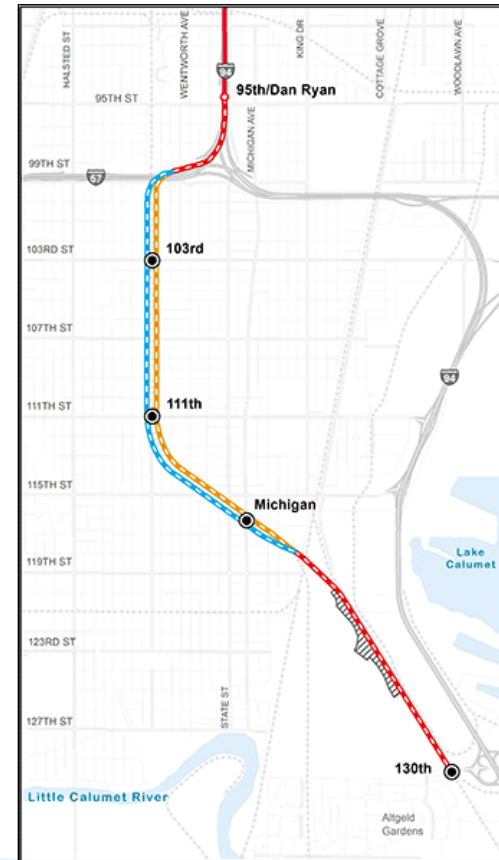
Red Line Extension

- **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

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