Red Line Extension
Chicago, Illinois
New Starts Engineering
Rating Assigned July 2023

The information reflected in this profile was based on the information provided by the Chicago Transit Authority (CTA) with its Engineering request submitted to the Federal Transit Administration (FTA) in March 2023. The Engineering approval letter notified the CTA that the maximum amount of Capital Investment Grants (CIG) funding FTA will provide to the project should a Full Funding Grant Agreement (FFGA) be awarded is $1,973,978,348 (50 percent) rather than the amount requested and shown in the rating information below.

Summary Description	
Proposed Project:	Heavy Rail 5.6 Miles, 4 Stations
Total Capital Cost ($YOE):	$3,947.96 Million (Includes $299.1 million in finance charges)
Section 5309 CIG Share ($YOE):	$2,368.77 Million (60.0%)
Annual Operating Cost (opening year 2030)	$47.26 Million
Current Year Ridership Forecast (2019):	36,400 Daily Linked Trips 10,711,400 Annual Linked Trips
Horizon Year Ridership Forecast (2040):	41,500 Daily Linked Trips 12,194,900 Annual Linked Trips
Overall Project Rating:	Medium-High
Project Justification Rating:	Medium-High
Local Financial Commitment Rating:	Medium

Project Description: The Chicago Transit Authority (CTA) plans to extend the Red Line Dan Ryan branch on Chicago's Far South Side from the present 95th Street Terminal to the 130th Street area. The project includes parking facilities with 1,400 spaces, a new railyard and maintenance shop near 120th Street, and the purchase of 78 rail cars. Service is planned to operate 24 hours per day, seven days per week with trains every three to six minutes during weekday peak periods, every seven to eight minutes during weekday off-peak periods, every eight to 15 minutes during weekday evenings, and every seven to 15 minutes on weekends.

Project Purpose: Approximately 24 percent of residents in the project corridor live below the poverty level, 18 percent are unemployed, and 25 percent travel over 60 minutes to their jobs – all of which exceed citywide averages. The Project is intended to help remove these barriers, spur economic revitalization, and allow the Far South Side to share in Chicago's growth and prosperity. The Project is intended to reduce commute times, improve mobility and accessibility, and foster economic development. Activity centers in the project corridor include the Roseland Medical District, the Pullman National Monument, several schools and universities, and the Chicago Housing Authority's Altgeld Gardens housing development

Project Development History, Status and Next Steps: CTA selected the locally preferred alternative (LPA) in August 2009. The LPA was adopted into the fiscally constrained long-range transportation plan in October 2010. In 2018, CTA selected a preferred alignment. The project entered Project Development (PD) in December 2020. CTA completed the environmental review process with receipt of a Record of Decision from FTA in August 2022. In November 2022, FTA approved an extension to the PD phase until September 2023. CTA anticipates receipt of a FFGA in late 2024, and opening for revenue service in September 2030.

Locally Proposed Financial Plan		
Source of Funds	**Total Funds ($million)**	**Percent of Total**
Federal:		
Section 5309 CIG	$2,368.77	60.0%
FHWA Flexible Funds (Congestion Mitigation and Air Quality Program)	$130.00	3.5%
HUD Community Project Funding (Earmark)	$1.50	0.04%
FTA FY21 Areas of Persistent Poverty	$0.45	0.01%
Local:		
CTA Bond Proceeds (Tax Increment Finance District)	$836.50	21.2%
CTA Bond Proceeds (Sales Tax)	$377.59	9.6%
CTA Cash Contribution	$119.65	3.0%
Red Line Extension Tax Increment Finance District Revenues	$113.50	2.9%
Total:	**$3,947.96**	**100.0%**

NOTE: The financial plan reflected in this table has been developed by the project sponsor and does not reflect a commitment by DOT or FTA. The sum of the figures may differ from the total as listed due to rounding.

Illinois, Chicago, Red Line Extension Project
(Rating Assigned July 2023)

Factor	Rating	Comments
Local Financial Commitment Rating	**Medium**	
Non-Section 5309 CIG Share	**N/A**	The CIG share requested is 60.0 percent.
Summary Financial Plan Rating	**Medium**	
Current Capital and Operating Condition (25% of local financial commitment rating)	Medium-Low	• The average age of the bus fleet is 11.6 years, which is older than the industry average. • The most recent bond ratings for Chicago Transit Authority (CTA), issued in March 2022, are as follows: Standard & Poor's Global Ratings A+ and Kroll Bond Rating Agency AA-. • CTA's current ratio of assets to liabilities as reported in its most recent audited financial statement is 0.81 (FY 2021). • There have been no service cutbacks in recent years (pre-pandemic). • There have been no cash flow shortfalls in recent years.
Commitment of Capital and Operating Funds (25% of local financial commitment rating)	High	• Approximately 86 percent of the non-CIG capital funds are budgeted or committed, and the rest are considered planned. Sources of funds include Congestion Mitigation and Air Quality (CMAQ) Program, CTA Bond Proceeds repaid by Sales Tax, CTA Bond Proceeds repaid by Red Line Extension (RLE) Tax Incremental Finance (TIF) district revenue, RLE TIF District PayGo revenue, and CTA Cash Contributions. • Approximately 62 percent of the funds needed to operate and maintain the transit system in the first full year of operation are committed or budgeted, and the rest are considered planned or unspecified. Sources of funds include farebox revenue, other operating revenue, Regional Transportation Authority (RTA) funds, and unspecified future public funds.
Reasonableness of Capital and Operating Cost Estimates and Planning Assumptions/Capital Funding Capacity (50% of local financial commitment rating)	Medium-Low	• Assumed growth in capital revenues is optimistic for FTA Section 5307 funds, Transit Security Grant Program funds, and CTA's internal prior year funds. FTA Section 5339, FTA American Rescue Plan (ARP), State Transit Motor Fuel Tax (MFT), TIF Districts funds, and CTA bond proceed assumptions are reasonable. Assumptions about FTA Section 5303 and 5337, CMAQ, and CTA match for competitive grants are conservative compared to recent historical experience. • The capital cost estimate is reasonable. • Regarding growth in operating revenues, assumptions are optimistic compared to recent historical experience for reduced fare subsidy, other operating revenue, and future public funding. There is currently $8.1 billion in future public funding that has not been identified. Assumed growth

Factor	Rating	Comments
		in farebox revenues, advertising revenues, investment revenues, statutory contributions from the City of Chicago and Cook County, and public funding comprised of local and regional taxes are considered reasonable. Assumed growth from the Innovation, Coordination, and Enhancement (ICE) program funding is conservative. • Operating cost estimates are conservative compared to recent historical experience. • CTA has access to $3.1 billion in funds via additional debt capacity to cover unexpected cost increases or funding shortfalls equal to at least 50.0 percent of the estimated CIG capital cost and 50.0 percent (6 months) of annual system wide operating expenses.

Red Line Extension
Chicago, Illinois
New Starts Project Development
(Rating Assigned November 2022)

LAND USE RATING: Medium-High
The land use rating reflects population density within one-half mile of proposed stations, employment served by the line, and the share of legally binding affordability restricted (LBAR) housing in the station areas compared to the share in the surrounding county. • Average population density within one-half mile of all station areas is about 6,800 persons per square mile, corresponding to a Medium rating. An estimated 704,600 jobs would be served by a one-seat ride on the project, which corresponds to a High rating. Average daily parking in the central business district costs approximately $16 with an early-bird discount, which corresponds to a High rating. The ratio of station area to county LBAR housing units is 2.53, corresponding to a High rating. • The character of the area is described as a “traditional neighborhood” with a grid pattern and single-family and multifamily housing in three of the four station areas. The 130th Street area, unlike the others, is a disconnected community consisting of public housing, industrial land, public utilities, highways, and railways, with little pedestrian connectivity or transit access.
ECONOMIC DEVELOPMENT RATING: Medium
Transit-Supportive Plans and Policies: Medium-High
• *Growth Management*: Regional plan emphasizes focusing development in established urban areas and near transit. Efforts to preserve natural areas and agricultural lands are present but enforceability is unclear. • *Transit-Supportive Corridor Policies*: Some conceptual plans and policies have been adopted that propose to increase density and development around transit stations. Many plans propose to improve transit-friendly character and pedestrian connections in station areas to support transit investment. • *Supportive Zoning Near Transit Stations:* Zoning consists of medium- to low-density residential, medium- to low-density commercial, and parcels for planned developments. Commercial zones allow a mix of uses. The Connected Communities Ordinance (COO) allows flexibility in building uses, small-scale multi-family housing, promotion of affordable housing, and reductions of parking minimums for areas within one-half mile of a transit station. • *Tools to Implement Land Use Policies*: CTA is conducting community outreach and proactively working with developers. The Cook County Land Bank Authority (CCLBA) can enter into land banking agreements to support the project. State and local financial assistance programs generally support equitable transit-oriented development (ETOD) in station areas and infrastructure projects.
Performance and Impacts of Policies: Medium
• *Performance of Land Use Policies*: Redevelopment along the corridor is in very early stages. The ETOD Pilot Program has successfully promoted multifamily development near transit stations in other corridors. • *Potential Impact of Transit Investment on Regional Land Use*: The City and CCLBA have acquired more than 1,000 parcels within station areas, between four and 19 percent of each station area, as catalyst redevelopment sites. Infill development is widely encouraged in the project area. The average housing vacancy rate is about 17 percent and impacted by the condition of the housing stock.
Tools to Maintain or Increase Share of Affordable Housing: Medium-Low
• Unclear affordable housing need in corridor. The corridor contains roughly 900 LBAR housing units with restrictions expiring between 2031 and 2035. The City estimates that roughly 26 percent of housing units are naturally occurring affordable housing units and 10 percent of housing units are LBAR housing units. • The Affordable Requirements Ordinance, COO, and ETOD Policy Plan regulate and incentivize the provision of affordable housing throughout the City by leveraging density bonuses and parking reductions. Other programs provide financial subsidies to low-income renters and home buyers.

Chicago Transit Authority
Chicago, Illinois

Red Line Extension

Inset

Legend

- Preferred Alignment
- Proposed Rail Yard
- Proposed Rail Station
- Existing CTA Red Line
- Existing CTA Station
- Metra Stations
- Railroad
- Parks
- Water Bodies

All proposed stations are fully accessible and include Park & Ride facilities

Scale

0 0.4 0.8

Miles

1 inch = 3,600 feet

NICTD/CSS & SBRR = Northern Indiana Commuter Transportation District/Chicago South Shore & South Bend Railroad, CN/MED = Canadian National/Metra Electric District, UPRR = Union Pacific Railroad