



Civic Committee
COMMERCIAL CLUB OF CHICAGO

Civic Committee
Transportation Task Force Update
March 8, 2021

Transportation Task Force Meetings

The Civic Committee's Transportation Task Force met on February 2nd to discuss federal transportation policy and COVID-19 relief with Congressman Chuy Garcia. Congressman Garcia discussed his new role as the Chair of the Future of Transportation Caucus and the most senior Democratic Member from Illinois on the House Transportation Committee.

Congressman Garcia received the task force's 2021 federal agenda and discussed ways he can support our project and policy priorities. The task force will follow-up with Congressman Garcia on his offer to work more closely with us on O'Hare modernization, completing the CREATE rail program, and improving the project selection and investment strategies at the Illinois Department of Transportation (IDOT).

Illinois Department of Transportation (IDOT) Reforms

Promoting performance-based programming -- the use of data-driven, transparent project selection -- is a major policy priority of the task force. We have made positive strides in promoting this policy in the past six months, with highlights from the past quarter below.

In 2021, we are following through on an action plan with our allies in the business, labor, and the transportation industry to promote legislation and administrative actions that will improve the way IDOT chooses projects and invests transportation dollars.

On February 23rd, Tom Kotarac participated in a press conference with Members of the General Assembly announcing new legislation to require IDOT to reform their antiquated investment and project selection programs. The press conference was organized with our assistance and led by the authors of the bill, Rep. Kam Buckner (D-Chicago), the Chairman of the House Black Caucus and Ram Villivalam (D-Skokie), the Chairman of the Senate Transportation Committee.

The press conference received positive news coverage and we expect the bill to pass out of the relevant state transportation committees this spring.

Design-Build Authority for IDOT

IDOT lacks many tools other state DOTs use to plan, design, and build projects in the most efficient manner. For example, IDOT is just one of five states without authority to use design-build contracting methods for its projects. Design-build authority allows a state DOT to execute a single contract for both architectural/engineering services and construction. This type of project delivery offers significant time and cost savings over traditional methods that require separate contracting for design and construction.

The IDOT Secretary asked the task force for help gaining legislative authority to use design-build project delivery methods when he visited the transportation task force last year. Deputy Governor Christian Mitchell also signaled the Administration's support for the policy, if it were limited in scope, during our December task force meeting.

IDOT requires state legislative authority to deliver projects with a design-build approach. We have worked with IDOT and Mayer Brown to draft a bill to grant IDOT design-build procurement authority and address the Administration's interest in improving participation of disadvantaged business enterprises. Promoting this legislation is a task force priority for 2021.

The enormous fiscal pressure the state is facing (as well as the delays and cost overruns on the high-profile Eisenhower interchange project) should make design-build project delivery attractive to IDOT and other agencies because projects can be built more quickly and efficiently than traditional procurement methods.

Mass Transit Reforms

Last year, we led a successful effort to convince the RTA Board to re-evaluate its static capital allocation methodologies and move toward a more transparent, data-driven, performance-based programming system. The RTA adopted an ordinance to reform their capital allocation and project selection process, an effort that is currently underway.

Our capital allocation reform efforts evolved into a larger initiative to support and realign mass transit service during the COVID-19 pandemic. This broader reform effort has been led by us and several planning, business, environmental, and community-based organizations. This coalition is focused on: improving the communication and transparency of funding and operations changes; promoting the adoption of public health best practices, such as full compliance for mask wearing requirements; protecting mass transit service for essential workers; and incentivizing shared services and efficiencies among CTA, Metra, and Pace that will help the system weather the historical fiscal challenges facing mass transit.

Last fall, the RTA released a new, three-phased approach to better manage the challenges facing transit over the next two years. This new approach is a major improvement from the RTA's previous efforts which reinforced the status quo and avoided consideration of major reforms. Kirk Dillard, the RTA Chairman, has thanked Kelly Welsh and our coalition during their

board meetings for pushing the RTA to lead with bold recommendations to mitigate the multiple crises facing our transit system.

Last month, the RTA released a new data-driven methodology to distribute \$472 million in federal emergency funds the region recently received for mass transit. The previous allocation of \$1.4 billion from the CARES Act was distributed to CTA, Metra, and Pace via a political formula the agency has used since 1983 to distribute federal funding. We led a coalition of groups calling for major reforms to this approach and the new method is a significant and positive change in how the RTA distributes funding.

The RTA's new transparent and accountable process for allocating these funds was based on input from us and our coalition, best practices from other transit agencies, peer-reviewed research, and public input. The RTA also used new and more accurate data on ridership and transportation than it used previously.

The RTA's funding proposal is open for public comment and we are working with our partners to support this new approach that, when implemented, will represent an important milestone in our task force's policy priority of bringing a performance-based funding approach to the region's transit system.

Federal Transportation Agenda

The task force is engaging with our national coalition of CEO-led organizations – the Metropolitan Civic Leadership Alliance – and participating in virtual Capitol Hill meetings with Members of Congress and the Administration to present our priorities for the next emergency COVID-19 relief package and the upcoming multi-year transportation bill.

The COVID-19 emergency legislation passed into law in December included \$45 billion in transportation-related funding, supporting air carriers, mass transit providers, state DOTs, airports, and Amtrak. When combined with the \$68 billion these entities received in the CARES Act of March 2020, the total transportation specific COVID relief provided will be \$113 billion.

Chicago's airports will receive \$72 million (\$56M for ORD and \$16M for MDW), the Illinois Department of Transportation (IDOT) will receive \$355 million, and CTA/Metra/Pace will receive \$470 million (allocation to each agency will be determined by the RTA). The federal aid for mass transit will be sufficient to avoid severe service reductions in the Chicago region for 2021, but with ridership forecasted significantly lower than pre-COVID levels for several years, the transit agencies will face operating budget shortfalls for some time to come.

The House of Representatives will consider the next relief package this month, with \$57 billion of the \$1.9 trillion emergency spending set-aside for transportation. Our mass transit systems will receive \$1.4 billion in formula funds from this bill, enough assistance to maintain current operations through the end of 2022.

The last round of emergency transportation aid and the upcoming House bill are more focused on major urban areas than the first federal COVID-19 relief bill, the CARES Act: funding distribution formulas for mass transit and airports, for example, weighed the number of users and revenues more in this emergency relief package. Refocusing federal transportation investment and policy on major metropolitan areas has been a major priority of our task force and the Metropolitan Civic Leadership Alliance, the coalition of major-CEO organizations we created last year.

Metra Electric Line Pilot

On January 4th, Cook County, Metra, and Pace launched a new pilot program to improve transit service on the south side and south suburbs. The task force has been a leading advocate and strategic advisor for the pilot and Civic Committee President Kelly Welsh was featured in a video shown at the press conference announcing the start of the pilot.

The pilot project is led by Cook County and will increase frequencies of Metra trains along the Metra Electric and Rock Island lines and reduce fares so they are equal to the cost of a CTA ride within the City of Chicago. The pilot will also improve the frequencies of the Pace Halsted bus – Pace’s most heavily used line -- which connects to Metra’s Electric and Rock Island lines and the CTA Red Line at 95th Street.

CTA has declined participating in the pilot program launch but has said they will continue to evaluate whether or not to participate at a later date. CTA’s reluctance to participate in this pilot comes despite Cook County’s offer to subsidize improved CTA bus service feeding the Metra lines and cover any lost revenue from CTA riders who choose to switch to Metra. Our advocacy coalition is continuing to encourage CTA to join this pilot, which at full implementation, will be the most significant attempt to coordinate service between CTA, Metra, and Pace since the late 1970s.

Our task force has taken a leadership role in developing this pilot project and implementing it. Last year, we jumpstarted a new 30-plus member coalition in support of the pilot program. We also helped recruit former IDOT Secretary and CMAP Executive Director Randy Blankenhorn to act as project manager for this pilot program. Lastly, we helped organize local business and Illinois Congressional Delegation support for a \$330,000 U.S. DOT federal grant for the pilot program.

O’Hare Airport

Chicago Department of Aviation Commissioner Jamie Rhee presented an update on the airports at the City Club on January 6th. During her remarks, Commissioner Rhee recognized the long-standing support the Civic Committee has given to O’Hare and Midway.

Rhee announced additional COVID-19 testing capacity will be made available at both O’Hare and Midway airports. The Centers for Disease Control and Prevention implemented a new rule requiring all air passengers entering the United States to provide a negative COVID-19 test before boarding their flight. The new rule was effective Jan. 26.

Rhee also announced negotiations with the Illinois Tollway over the new Elgin-O'Hare Western Access road are going well. The Tollway's original design and placement of the roadway would interfere with operations of the southern runway at O'Hare. CDA Commissioner Jamie Rhee requested our help with this dispute last year.

South Suburban/Peotone Airport

We continue to monitor any developments related to the proposed South Suburban airport near Peotone in Will County. Late last year, local supporters shared a draft proposal calling for a cargo-focused airport near Peotone in Will County. The proposal names several potential funders for the project, but few details and no commitments were available from any of the organizations named in the proposal.

IDOT has committed \$205 million for a new interchange from I-57 to the location of the proposed airport. We have raised concerns with this unnecessary interchange with Deputy Governor Christian Mitchell and the IDOT Secretary. We have also brought this project to the attention of national policy groups like the Center for American Progress and the Public Interest Research Group (PIRG). In December, the PIRG included this interchange project in their annual Boondoggle Report, which helped bring some national visibility to this unnecessary project.

There is little objective analysis or justification for a new South Suburban airport: no major air carriers are interested; air cargo demand will be sufficiently met with new capacity at O'Hare and Rockford (Airports Council International named Rockford the fastest growing cargo airport in the world in 2018); and Gary airport has untapped capacity for both passenger and freight traffic. The current shock the aviation industry is going through makes building a new airport even harder to justify.

The task force has mobilized a coalition to monitor efforts to develop a new major airport near Peotone. The coalition includes representatives from the airlines, environmental groups, the Chicagoland Chamber of Commerce, the Chicago Department of Aviation, Rockford Airport, and Gary Airport. We are collectively drafting a report outlining the risks in building a new major airport in the south suburbs. The report will also include alternative economic development projects that could be considered instead of investing in the infrastructure for a new airport that likely never will be built.