In May 1999, the Illinois General Assembly approved Illinois FIRST (Fund for Infrastructure, Roads, Schools and Transit). This historic, five-year program provided a sorely needed increase in funding to address highway and transit capital needs. The Illinois Department of Transportation’s (IDOT) highway program increased from $6.8 billion to $10.5 billion for the years 2000 to 2004. For the Regional Transportation Authority (RTA) and its three service boards – the Chicago Transit Authority (CTA), Metra Suburban Rail (Metra) and Pace Suburban Bus Service (Pace) – funding for the same period increased from $3.23 billion to $5.25 billion. The program is now in the fourth year of implementation.

This is the third annual report on one of Illinois’ most significant transportation investment initiatives. Our aim is to highlight what has been accomplished, but also point out issues – such as an absence of clear goals and selection criteria, weak links to land use planning, and inadequate public reporting – that must be
addressed in the next state transportation package. Illinois FIRST has made tremendous progress on maintaining the Chicago region’s and Illinois’ infrastructure, and provides a solid foundation for future projects.

Business Leaders for Transportation, a coalition co-led by the Chicagoland Chamber of Commerce, Chicago Metropolis 2020 and the Metropolitan Planning Council, and representing more than 10,000 area employers, advocated for and helped shape the transportation component of Illinois FIRST. As 2004 – the year Illinois FIRST expires – nears, Business Leaders for Transportation urges the Blagojevich administration and General Assembly to commit to continued investment in and rebuilding of Illinois’ transportation system, which is the cornerstone to the region’s competitiveness and livability.

Major Findings and Recommendations of Business Leaders for Transportation

Accomplishments of the Illinois FIRST Program

In 2002, Illinois FIRST continued to increase dramatically resources to make public transit a viable alternative to automobile travel.

Program advancements since July 1, 2001:

- CTA: 45 buses overhauled, 84 new Nova buses purchased, 25 percent of the Douglas Branch of the Blue Line rehabilitated and 18 inverters installed on railcars for better winter reliability.
- Metra: 40 percent of the cost of three New Start projects covered, paving the way for Federal Full Funding Grant Agreements, and
- Pace: eight “Greyhound-type” coaches purchased, 300 vans purchased to support popular vanpool program, and Intelligent Bus System implementation begun.

Illinois FIRST is reducing the serious backlog of deficient roads and bridges and making traffic congestion solutions a priority.

IDOT’s goal is to keep at least 85 percent of the roads and bridges under state jurisdiction in good to excellent condition. Through Illinois FIRST, the department is achieving this priority, reducing a backlog that developed in the mid-1990s due to a five-year lapse in a State transportation funding program. In FY 2002, in northeastern Illinois, IDOT rehabilitated or replaced 47 bridges and reconstructed or resurfaced 115 miles of roadway.

Illinois FIRST significantly increased funding for congestion relief. The FY 2002 IDOT program included 41 traffic congestion and safety improvements, including signal timing progression, grade crossing protection improvements and intersection recon
Maintenance of the existing transportation system – 80 percent of total funding – is an appropriate Illinois FIRST priority.

IDOT has committed approximately 75 percent of its capital funds to preserving and modernizing the highway system since FY 2000, compared to a five-year goal of 80 percent.

For transit in northeastern Illinois, of $780 million in Strategic Capital Improvement Program bond funds budgeted through June 2002, $752 million – roughly 96 percent – is allocated to system renewal. For CTA, 97 percent of all Illinois FIRST expenditures have gone for preservation of existing infrastructure. For Metra, 96 percent of its 2002 budget is dedicated to system preservation.

Agency programs are doing a better job of integrating land-use and transportation planning.
- RTA’s $1.5-million Regional Technical Assistance Program (RTAP) encourages transit-oriented development planning.
- The region’s five major New Start rail expansion or renewal projects include land-use plans to ensure future transit ridership objectives are achieved.
- RTA has established Corridor Planning Standards, emphasizing community input and transit-oriented development, for each of its ongoing corridor studies.
- IDOT is working to integrate transportation and local land-use planning by funding multi-municipal corridor planning councils.
- Two IDOT Balanced Growth pilot projects (the Northeast Chicago and Near North Suburb study and the Metra Southwest Extension study) encourage intergovernmental cooperation and coordination of land-use and transportation planning.
- IDOT is implementing the Illinois Tomorrow Corridor Planning Grant Program to support local efforts to coordinate land-use and transportation planning. In the first two years, this program has funded 76 projects, a total of $7 million, within urbanized areas.

Illinois FIRST Program Areas in Need of Improvement

Transportation investments are most effective when they help implement a coordinated land use plan – something northeastern Illinois lacks.

Much more needs to be done to expand the tools typically employed by transportation engineers and to more closely coordinate land use and transportation decisions. Two promising efforts are the Northeastern Illinois Planning Commission’s Common Ground initiative, which will create a new comprehensive, integrated regional plan, and Chicago Metropolis 2020’s Metropolis Plan for Growth and Transportation, which uses a regional land use and transportation model to identify, visualize and evaluate alternative growth scenarios. In addition, for the first time, the Chicago Area Transportation Study is beginning to compare alternative scenarios for the Regional Transportation Plan. A clear image of how and where the region and state should grow is a prerequisite to building a better functioning, affordable transportation network. Land use, transportation and infrastructure plans should be linked throughout the region, and investment decisions should be based on those plans.
Clear goals and evaluation criteria to guide investments are needed.

Illinois needs a 20-year, fully integrated transportation capital improvement plan that addresses the state’s goals for growth and development. Project evaluation criteria should be developed and used both in selection and assessment of completed projects that are part of any state funding program.

Criteria should be established that take into account congestion relief, accessibility, mobility, environment, economic development, planning and land use. Part of the new goals and criteria established by the State should also look at how infrastructure projects in Illinois are designed and implemented. More emphasis needs to be placed on roadway designs that are pedestrian- and transit-friendly, and sensitive to neighborhoods, communities and the built environment.

Aggressive and creative information dissemination on Illinois FIRST is overdue.

IDOT, RTA and the three service boards should be doing more to make information about Illinois FIRST available. As Business Leaders for Transportation has said in the past, transportation agencies should provide timely information to ensure that stakeholders – such as employers, local elected officials, media and the public – can assess the impact of Illinois FIRST, comparing project results with program objectives. The transportation agencies should provide advance warning of construction schedules to plan alternatives. Beyond project construction reports, commuters and businesses need information on results, such as travel time reduction and mobility expansion.

The region’s freight needs should be addressed through public-private partnership.

Business Leaders for Transportation recommends major improvements to the Chicago region’s freight network. This will not only speed the movement of goods, but will also help relieve congestion, improve community livability, contribute to cleaner air and expand economic development opportunities where they are most needed. Because the Chicago region is the nation’s freight hub, freight infrastructure improvements will not only make the Chicago region more efficient, but will help move goods through the rest of the country. Illinois FIRST dedicated approximately $10 million for freight rail improvements. With the cost of one grade separation at $10 million or more, the funding provided was not enough to meet the rail infrastructure needs of northeastern Illinois. A new freight program as a component of the next federal transportation bill is being discussed, but Illinois needs to address its critical freight issues now. The state must develop a comprehensive freight infrastructure plan and include freight improvements in any future state transportation funding package to help fund the region’s $1-billion-plus infrastructure needs.

"A transportation funding program at the state level, such as Illinois FIRST, is crucial to securing federal dollars for major infrastructure projects."

—U.S. Rep. William O. Lipinski (D-Ill.), ranking member of the Highways and Transit Subcommittee of the House Committee on Transportation and Infrastructure
Consistent investment in our transportation system is needed.
The bottom line is that it is difficult to maintain adequate renewal efforts with stop-and-start funding. While there are significant improvements that should be made to the transportation agencies’ procurement, engineering, scheduling, coordination and information dissemination processes, the most important ingredient to improved transportation networks in northeastern Illinois is stable and predictable funding.

Construction-related travel delays can be minimized by better capital programs coordination.
An assessment by David Schulz, director of Northwestern University’s Infrastructure Technology Institute, concludes that the dramatic increase in the number of Chicago-area highway improvement projects funded by TEA-21 and Illinois FIRST has caused traffic congestion problems during construction. Such impacts could be lessened if municipal, county and state projects were better coordinated. The Northwest Municipal Conference agrees that project coordination is an issue and identified it as a top concern regarding Illinois FIRST implementation.

The DuPage Mayors and Managers Conference’s primary concern is insufficient community input on the projects included in IDOT’s five-year program. The South Suburban Mayors and Managers Association wants more input on IDOT plans, and cites a need for better coordination and more emphasis on bicycle and pedestrian priorities. All organizations interviewed agree that Illinois FIRST, while helping address regional transportation priorities, is leaving a backlog of unmet needs, and the program should be renewed when it expires in 2004.

The Need for Future Federal and State Surface Transportation Funding Initiatives

Just prior to consideration of Illinois FIRST at the state level, the RTA and its service boards estimated that $6.6 billion would be needed to preserve the existing transit infrastructure, both to keep it in good condition and expand it to meet growing demand for service. Illinois FIRST’s funding increase for RTA was just over $2 billion, leaving approximately $4.6 billion in unfunded needs.

CTA’s unfunded capital need over the next five years (2003-2007) is at least $1.9 billion. Significant unfunded projects over the next ten years include improvements to the Red Line, Congress and O’Hare branches of the Blue Line, station rehabilitation projects and railcar replacements. In all future initiatives, new and more frequent service should continue to be the goal.

Metra’s unfunded capital needs for the existing system are at least $1 billion, not including needed expansion and new service. CTA and Metra’s five-year unfunded need of over $2.9 billion indicates that while Illinois FIRST and TEA-21 were important sources of increased funding for transit, they primarily addressed the backlog of capital needs. Current funding has been insufficient to stem the rate at which additional transit assets are deteriorating or address the need for transit expansion. Transit service to the region is in growing demand because it is a key ingredient of community livability. It must be a high priority in the State’s next transportation investment program.
TEA-21 Reauthorization Opportunity

The Transportation Equity Act for the 21st Century (TEA-21), enacted in 1998 to fund federal highway and mass transit programs, expires in 2003. Despite TEA-21’s overall 40 percent increase in federal highway and transit assistance, Illinois’ share of funding only increased 29 percent. If the funding distribution had not been changed from a needs-based formula, the state would have reaped an additional $600 million over the life of TEA-21.

Preliminary need numbers from transportation agencies indicate that highway and transit capital funding must increase at the federal as well as the local and state levels. However, insufficient revenue is flowing into the Highway Trust Fund to provide even a modest increase in federal funding. In fact, the Congressional Budget Office testified last spring that the highway account in the Highway Trust Fund would be depleted in 2006, and the balance in the mass transit account would fall to zero in 2009.

The Chicago region and the rest of Illinois need a coordinated strategy to benefit fully from the reauthorization of TEA-21. Serious consideration must be given to increasing revenues into the Highway Trust Fund for both highways and mass transit, and to creating a new dedicated funding program for freight infrastructure. Furthermore, a strong effort must be made to ensure that Illinois receives its fair share of any growth in funding. In January 2003, Business Leaders for Transportation released Getting the Chicago Region Moving: A Coordinated Agenda for the 2003 Federal Transportation Debate (www.businessleadersfortransportation.org), to guide TEA-21 reauthorization. Business Leaders will update these recommendations throughout the federal debate.

Need for Renewal of Illinois FIRST

Even if Congress finds a way to continue to grow the federal highway and mass transit programs and create funding for freight investments, it is clear that they will not fully address unfunded needs. If reauthorization repeats the increase in funding achieved by TEA-21, it would produce an approximately 30 percent increase in highway funding and 20 percent increase in transit funding. RTA currently projects receiving a future five-year annual average of $566 million in federal funding, $2.8 billion total. If the anticipated $2.8 billion grew by 20 percent, an additional $700 million – including local match funds – would be available. Such an increase would make only a minor dent in northeastern Illinois’ multi-billion-dollar unfunded transit needs. Clearly, even under the most optimistic scenario, federal funding will not adequately fund the region’s future transit capital needs.

A similar gloomy scenario can be painted for highways. One Illinois need that is unlikely to be adequately addressed in TEA-21 reauthorization is the quickly deteriorating condition of the federal Interstate Highway System. Illinois has 9,464 interstate lane miles, third in national share, behind only Texas and California. As the crossroads of the nation, northeastern Illinois’ interstate system supports jobs in the Chicago region and throughout the United States. Yet 86 percent of that system is over 30 years old and 96 percent is over 20 years old. Over the next five years, the state will need to reconstruct 100 miles of interstate at a cost of $1 billion. And the price tag grows in the future. Clearly additional state level action will be necessary to meet these needs.
Illinois FIRST was enacted as a five-year program. It expires in 2004. After 2004, funding for the RTA 2005-2009 transit capital program will drop by $1.6 billion, or $320 million per year. Also by the end of FY 2004, $2 billion in IDOT bonds will be fully programmed, dropping road funding by $400 million per year. Stable and ever-growing federal, state and local funding for transit, highway and freight is needed to keep the economy of the Chicago region and Illinois moving. Illinois deserves a predictable, ongoing transportation investment strategy. Business Leaders for Transportation is leading the call for renewal of Illinois FIRST in 2004, building on what is working and enhancing coordinated development and investment along with public accountability.

Northeastern Illinois Transit Program Summary
The RTA and its service boards have been meeting and exceeding their goals for the commitment and expenditure of Illinois FIRST funds. For example, in 2002 the service boards set a goal of obligating to contracts $712 million in Illinois FIRST related capital funds. They also set the goal of expending $779 million. By the end of the second quarter, the service boards were 17 percent ahead of their obligation goal and 14 percent ahead of their expenditure goal.

Highlights of FY 2002 Investment by the CTA Rail and Bus Network

Rehabilitate the Douglas Branch/Blue Line
This project provides for the reconstruction of the Douglas Branch as a federal New Start project. This will eliminate slow zones, rebuild and modernize all stations, and make stations fully compliant with the Americans with Disabilities Act. The newly rehabilitated line will provide safer, more efficient service. As of August 2002, 25 percent of the entire Blue Line budget of $482,679,160 had been expended.

Expand the Brown Line
This project provides for design engineering and preliminary real estate acquisition for the expansion of passenger capacity of the Brown Line. All station platforms will be extended to accommodate eight-car trains, thereby increasing ridership capacity in this ever-growing market area. The project is in final design. It is expected that a Full Funding Grant

FY 2002 Illinois FIRST Program Summary and Highlights
The remainder of Business Leaders for Transportation’s report on Illinois FIRST provides detailed information on progress between July 2001 and June 2002.

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Source: Regional Transportation Authority, 2002
Agreement (FFGA) committing future federal participation will be received in early 2003, and construction will follow.

Replace Buses
This project provides for the purchase of new, fully accessible, air-conditioned buses to replace buses within the fleet that are beyond their useful life. Illinois FIRST fully funded 108 buses, and matched federal funds for an additional 64.

Replace Financial Systems
This project will replace CTA’s multiple outdated financial systems with state-of-the-art technology to allow interface from various industry-standard computer software systems. The first phase of the project, replacing the financial and purchasing systems, is expected to go live in 2003.

Overhaul Buses
The scope of work for this project is to extend the useful life of all 490 buses within the bus fleet through scheduled tasks that will upgrade their mechanical and appearance features. Currently, 381 buses have been overhauled. The project is expected to be completed by March 2003.

Replace Bus Fareboxes
Current farebox equipment is 16 years old and beyond its useful life. As equipment ages, the failure rate causes increased malfunctions, revenue loss and customer inconvenience. This project will provide new, state-of-the-art equipment that will be compatible with CTA’s fare collection system implemented in 1997. Design specifications for new fare boxes have been established. The project is expected to be completed in September 2004.

Automated Bus Announcements
This project is for the purchase and installation of an on-board automated announcement system to improve service to CTA customers. The system will be used to announce and visually display the next stop on each bus route. It will also track customer information, count passengers and provide safety messages. The contract for this system was awarded in August 2002.

Highlights of FY 2002 Investments by Metra

Extend the Union Pacific (UP) West Line, Expand Service on the North Central Line and Expand Service and Extend the Southwest Line
The UP West Line is being extended to Elburn, Ill., with a new passenger stop at LaFox, Ill. The North Central project will increase the capacity of the Wisconsin Central railroad to handle more Metra commuter trains. The Southwest Line project will provide a similar service upgrade, and will extend the commuter line to Manhattan, Ill. Ground was broken on all three projects in 2002, and extended service and additional trains are scheduled to begin in 2005.

Provide New Information Systems
New passenger information display and train information management systems are being installed and implemented to increase Metra’s ability to collect and disseminate timely travel information to its customers.

Rebuild Randolph Street Station Facilities
This station enhancement project, located on the Electric District Line, will increase the terminal’s capacity to handle 28,000 daily customers with bet
ter comfort and convenience. Metra is securing space for an expanded entryway as part of the second phase of the project in spring 2003.

Improve Lake Street Interlocker
This will provide additional capacity at Chicago Union Station to handle more trains on the north side of the station. The project is on schedule to be completed in 2006.

Improve Bridges
Metra will upgrade and improve 14 bridges on the Union Pacific Northwest Line from Clybourn Avenue to Mayfair. This project will be completed by November 2003.

Highlights of FY 2002 Investments by Pace

- Purchased 88 fixed-route buses. Cost: $27,300,000
- Purchased 22 paratransit vehicles. Cost: $2,175,000
- Purchased up to 34 vans for the Municipal Vanpool Program. Cost: $1,258,000
- Purchased associated capital items for buses. Cost: $2,160,000
- Made improvements to facilities. Cost: $600,000
- Awarded the contract to construct a Pace bus transfer station at the UPS facility in Hodgkins. Cost: $2,050,000
- Renovated the Heritage Division garage. Cost: $1,100,000
- Began implementation of Intelligent Bus System-Phase II. Cost: $7,000,000
- Made improvements to facilities, such as roof replacements, at North and South Division garages. Cost: $2,775,000

Illinois Department of Transportation 2000-2004 Program Summary

Illinois FIRST enabled a dramatic expansion in the state’s annual road improvement program. The FY 2003 Highway Improvement Program totals $2.3 billion – equal to the FY 2002 and 2001 programs combined – an 18 percent increase over the FY 2000 program of $1.9 billion and a 101 percent increase over the FY 1999 program of $1.14 billion. Through a concerted effort, the anticipated FY 2002 program accomplishment rate is 95 percent.

Major Program Projects

Hillside Bottleneck: Interstate 290 (Eisenhower Expressway) from Interstate 88 to US 12/20/45
This improvement was opened to traffic in December 2001. The Hillside Bottleneck project is the initial step toward ultimate I-290 corridor improvements. It was a major component of the Illinois FIRST program, which IDOT put on an aggressive schedule. The project was designed and completed over a 34-month period, beginning in the spring of 2000, at a total cost of approximately $140 million.

Stevenson Expressway (Interstate 55)
In February 1999, the state began reconstruction of Interstate 55. During the fast-tracked, two-year project, titled “Mission I-55,” the state replaced deteriorating bridges; repaved the roadway, exit and entrance ramps; and improved overhead lighting. To date, $550.7 million has been accomplished toward this project. Another benefit of this project is alternate route project improvements on Archer and...
Ogden avenues. Major segments of these alternate routes were patched and resurfaced. Traffic signals were coordinated to minimize congestion.

**US 41 (Lake Shore Drive) from 23rd to 67th Streets**
This project was developed and implemented in cooperation with the City of Chicago. Reconstruction for 6.08 miles was included in the FY 2003 portion of the FY 2003-2007 program at a cost of $37 million. Construction is currently underway.

**Illinois 22 in Lake County**
Illinois FIRST included funding to add lanes to Illinois 22 across Lake County. This project is broken into five segments. During FY 2002, IDOT spent approximately $10.8 million on Phase II engineering and land acquisition for all five segments.

**Illinois 64 (North Avenue) from East of Illinois 53 to Villa Avenue**
Land acquisition was included in the FY 2002 program at a cost of $1.5 million. Construction of additional lanes for this 3.28-mile stretch of Illinois 64 is programmed in FY 2003 at a cost of $42 million.

**Palatine Road from East of US 12 (Rand Road) to US 45/Illinois 21 (Milwaukee Avenue)**
The FY 2002 program included $2.28 million for Phase II engineering for contract plans and land acquisition. Reconstruction of the 4.4 miles of Palatine Road has a total cost of approximately $60 million.

**Economic Development Initiatives**
Illinois FIRST provided over $100 million to make infrastructure improvements necessary for major economic development initiatives that will retain or create more than 10,000 jobs in northeastern Illinois. Details on two of the largest projects supported through Illinois FIRST follow.

"*Illinois FIRST was a critical piece in the development of the CenterPoint Intermodal Center at the former Joliet Arsenal. The center, with the Burlington Northern Santa Fe Railroad logistics park at its core, is an incredible economic engine for the entire Chicago region that would not have happened without Illinois FIRST. Period."

—John E. Greuling, president/CEO, Joliet/Will County Center for Economic Development

**The Ford Motor Company Plant and Supplier Campus – Cook County**
Ford Motor Company committed to invest $100 million to open the first automotive supplier manufacturing campus in North America on a former brownfield site near Ford's Chicago Assembly Plant on the Southeast Side. The Ford Millennium Project will retain 2,000 jobs and create 1,000 more. To make this innovative project possible, IDOT has committed $41.2 million for infrastructure improvements.

**Joliet Arsenal Redevelopment (BNSF Railroad Intermodal) – Will County**
The U.S. Army is transferring approximately 2,000 acres of the former Joliet Arsenal site for development of a new Deer Run Industrial Park and Intermodal Transit Hub by CenterPoint Properties. Upon completion, CenterPoint will have invested $1 billion and created 8,000 new jobs. To make this innovative project possible, IDOT has committed $46 million for various improvements to surrounding roads.
Business Leaders for Transportation was created in 1997 to operate as a collective voice for Chicago-area employers, providing advocacy for policy and funding on surface transportation issues critical to the region. Led by the Metropolitan Planning Council, Chicago Metropolis 2020 and Chicagoland Chamber of Commerce, Business Leaders for Transportation is a growing alliance of 100 business organizations representing more than 10,000 regional employers.

Written by Karyn Romano, MPC and Steve Schlickman, consultant, with contributions from Jim LaBelle, Chicago Metropolis 2020 and Rob Nash, Chicagoland Chamber of Commerce.

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