Plan of Action for Regional Transit
Northeastern Illinois

March 15, 2023
Welcome and Roll Call
Approval of Minutes
CMAP Outreach and Engagement (as of 3.1. 2023)

CMAP Board & Board Advisors
RTA Board
Pace Board
Metra Senior Leadership Council
RTA meetings weekly
CTA, Metra & Pace leadership monthly
CTA, Metra & Pace staff (every three weeks)
County Engineers
County Administrators
County Board Chairs (late March)
Council of Mayors
CMAP Transportation Committee, Climate Committee, Regional Economy Committee
Eno Interviews: CMAP Board rep, RTA leadership & Board President, all Service Board Executives, MPO leadership, Civic, business, advocacy and labor representatives
Principles to guide recommendations

- Focus on ensuring the system is financially viable in 2026 and beyond
- Identify recommendations where the state has a role in implementing solutions
- Rebuild a system that is stronger than before COVID-19
- Center the users of the system
- Be bold
Criteria to assess tradeoffs

Policy considerations (is this an idea worth supporting?)

- Mobility
- Economic growth
- Financial sustainability
- Environmental sustainability
- Equity
- Regional benefit

Process considerations (what can we accomplish?)

- Administrative feasibility
- Political feasibility
- Timing
- State span of control
### Recommendation title

- Description of recommendation

### Primary rationale

- Prose discussion of reason for adoption
- Relevant benchmarks if applicable

### Implementation steps

- Legislative actions
- State agency actions
- Local/regional actions necessary to support

### Policy evaluation

<table>
<thead>
<tr>
<th>Mobility</th>
<th>High/Med/Low</th>
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<tbody>
<tr>
<td>Equity</td>
<td>High/Med/Low</td>
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<tr>
<td>Economy</td>
<td>High/Med/Low</td>
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<tr>
<td>Environment</td>
<td>High/Med/Low</td>
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<tr>
<td>Regional benefit</td>
<td>Regional/Suburban/Urban</td>
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### Process evaluation

<table>
<thead>
<tr>
<th>Admin. feasibility</th>
<th>High/Med/Low</th>
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<tr>
<td>Political feasibility</td>
<td>High/Med/Low</td>
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<tr>
<td>Timing</td>
<td>Near/Med/Long</td>
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<tr>
<td>State control</td>
<td>High/Med/Low</td>
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### Net cost / investment

<table>
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<tr>
<th>Year</th>
<th>'25</th>
<th>'26</th>
<th>'27</th>
<th>'28</th>
<th>'29</th>
<th>'30</th>
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<td>Ops.</td>
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### Risks

- Risks to implementation
The system we want
Better buses

**ON TO 2050:**
Invest in and protect transit’s core strengths by implementing bus rapid transit and other investments that improve on-road transit service.

**Transit is the Answer:**
Partner with roadway agencies to build more transit-friendly streets and advance bus rapid transit.
Buses are getting slower, especially on CTA

Bus speed in the CMAP region, 2002-2021.

- CTA bus
- Pace bus

Change in average bus speed vs. 2002

- CTA: -9%
- Pace: -4%

CMAP analysis of National Transit Database data.
The region has invested in dedicated bus infrastructure, but lags many peers.

Miles of dedicated busway for CTA Bus and Pace versus peer regions, 2021

Source: CMAP analysis of National Transit Database. Pace figures include “Bus on Shoulder” program.
And while Pace bus service has grown, CTA bus service has significantly declined.
## We can learn from peer examples

<table>
<thead>
<tr>
<th>Agency</th>
<th>Region</th>
<th>Program</th>
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</table>
| King County METRO       | Seattle, Washington     | • RapidRide routes  
                          • Increased frequency  
                          • Dedicated transitways |
| Massachusetts Bay       | Boston, Massachusetts   | • Dedicated bus priority municipal staff  
                          • Pilot pop-up bus lanes  
                          • Dedicated bus infrastructure in city, suburbs |
| Transportation Authority| New York City, New York | • Select Bus Service (dedicated lanes, pre-payment, automated enforcement)  
                          • NYC DOT played leading role in design, construction, planning |
| Metro Transit           | Minneapolis/St. Paul, Minnesota | • Extensive BRT network  
                          • Dedicated transit staff at state and local roadway agencies work closely with Metro Transit to plan and deliver projects |
We will review a menu of options

### Bus priority infrastructure
- State program to require planning and designation of priority bus corridors
- Dedicated state funding for bus priority improvements
- Requirement that street design manuals incorporate bus priority infrastructure; design standards adjusted on designated corridors
- ...and more

### Automated enforcement for bus lanes, stops
- Enable automated enforcement for bus lane and bus stop violations
- Grant authority to service providers (CTA, Pace) to administer enforcement
- ...and more

### Public sector capacity at roadway agencies
- Fund dedicated staff at IDOT regional offices to implement the new program of bus priority infrastructure
- Provide grant funding for local staff capacity
- ...and more
Fare integration

ON TO 2050:
Provide and improve seamless payment for multiple transit providers and other modes.

Transit is the Answer:
Make paying for transit more seamless and more affordable.
Despite progress, challenges remain for a seamless, multi-modal transit system

<table>
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<tr>
<th>Recent progress</th>
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<table>
<thead>
<tr>
<th>Challenges</th>
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<tr>
<td><strong>To the user</strong></td>
</tr>
<tr>
<td>• Multiple payment methods</td>
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<td>• Lack of discounts between some modes</td>
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<tr>
<td>• Same transit trip can have very different costs</td>
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<tr>
<td>• Connections rely on complementary modes (Divvy, South Shore Line) that are not integrated</td>
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</tbody>
</table>

| **To the system** |
| • Technology and fare collection methods are not compatible |
| • Farebox recovery ratio requirement incentivizes competition on overlapping services |
We can learn from peer examples

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<th>Agency/Program</th>
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<tr>
<td>ORCA</td>
<td>Seattle, Washington</td>
<td>100% free transfers across regional agencies, managed by a joint board. The highest fare among the services used is the only fare you pay.</td>
</tr>
<tr>
<td>Massachusetts Bay Transportation Authority</td>
<td>Boston, Massachusetts</td>
<td>Daily, weekly, and monthly commuter rail passes include local bus and subway (zone-based).</td>
</tr>
<tr>
<td>METROPOLITAN TRANSPORTATION COMMISSION</td>
<td>Bay Area, California</td>
<td>In development; free transfers to be coordinated by MTC between commuter/regional rail and local bus/subway, with discounted transfers between regional rail systems.</td>
</tr>
<tr>
<td>VBB</td>
<td>Berlin, Germany</td>
<td>100% free transfer between modes within a specific geographic area (zone-based).</td>
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We will review a menu of options

Fare integration is a primary area of focus

Enabling multi-modal journeys on regional transit
- Enabling free or discounted transfers on single journey and multi-day passes
- Providing a unified payment method (e.g., tap-on with Ventra)
- Setting timelines, metrics, and implementation requirements
- Funding to offset any reduced fare revenue and required capital investments

Establishing consistency across fare structures
- Different fare models that enable greater consistency (e.g., zones, learning from peer examples)
- Structures and decision-making processes to better align fare structures now and in the future
- ...and more

It will be supported by complementary fare reforms

Integration with complementary modes  Subsidized fares  Farebox recovery ratio reforms
Discussion

What is your reaction to these challenges and potential solutions?

Where can the state have the greatest impact to support these recommendations?
How to pay for it
Transit system operating expenses and revenues, 2023

Expenses
- CTA, 51.0%
- Metra, 27.4%
- Pace, 8.5%
- ADA Paratransit, 6.7%
- RTA debt service, 5.2%
- JSIF, 0.3%

Revenues
- Sales tax, 43.2%
- System-generated revenue, 18.2%
- Public Transportation Fund, 13.8%
- Federal relief funding, 18.7%
- Other revenue, 0.4%
- RETT, 2.3%
- Other State assistance, 3.2%

Source: RTA 2023 Budget
Note: RETT = Real Estate Transfer Tax; JSIF = Joint Self Insurance Fund
Components of transit system operating expense

Source: CMAP analysis of National Transit Database, adjusted to 2021 constant dollars
Components of transit system operating revenue

Source: CMAP analysis of RTA budget data, adjusted to 2022 constant dollars

Note: Budget figures for 2022 are unaudited as of March 2023

PTF: State Public Transportation Fund
RETT: Real Estate Transfer Tax
The sales tax base in Illinois is focused on goods

Sales taxes in Illinois generally are collected on the sale of goods rather than services.

Goods like groceries and prescription drugs are taxed at a lower rate.

The RTA sales tax base is identical to the State retailers’ occupation tax (“ROT”) base, except the RTA sales tax also applies to the sale of qualifying food and drugs.

In 2022, 80% of all RTA sales tax generated was from sales on general merchandise, 20% on sales of qualifying food and drugs.
Goods are shrinking as a share of economic activity

U. S. Personal Consumption Expenditures ($M)

Source: CMAP Analysis of U.S. Bureau of Economic Research data
RTA sales tax rate in Cook County

Composite State Sales Tax of 6.25% includes:
- 0.25% to the RTA
- 1% to Municipal Government where the sale originated (origin-based sales) or delivered to the purchaser (destination-based sales)
- 5% of the State sales tax is distributed to the State

Composite Rate: 9%-11%
- Municipal Home Rule & Non-Home Rule Sales Tax Range
- RTA Sales Tax
- County Home Rule Sales Tax

Aggregate RTA Rate: 1.25%

Source: IDOR Tax Rate Finder, SB Friedman
RTA sales tax rate in the collar counties

COMPOSITE SALES TAXES ON GENERAL MERCHANDISE IN COLLAR COUNTIES

- Composite State Sales Tax of 6.25% includes:
  - 1% to Municipal Government where the sale originated (origin-based sales) or delivered to the purchaser (destination-based sales)
  - 0.25% to the County
  - 5% of the State sales tax is distributed to the State

- Municipal Home Rule & Non-Home Rule Sales Tax Range
  - 0% to 1%
  - 0.25%
  - 0.75%
  - 1%
  - 1.75%

- RTA Sales Tax
  - 0.5% allocated to the RTA
  - 0.25% allocated to County for transportation projects

COMPOSITE RATE: 7%-8.75%
Aggregate RTA Rate: 0.5%

Source: IDOR Tax Rate Finder, SB Friedman
Options for adjustments to the sales tax

Expand what is taxed statewide to include more services and capture emerging sectors

Increase the RTA sales tax rate

Reallocate 0.25% of existing RTA sales tax currently set aside for transportation funding in Collar counties

Collect RTA sales tax on goods and services taxed locally (e.g., parking tax, Chicago Boat Mooring Tax)
Discussion

What is your reaction to these options?

Would changes be better made in the region alone or statewide?

What additional information would be needed to build the case for modifying the sales tax in Illinois?
How to implement it
Interview takeaways

1. Positive aspects
2. Issues and concerns
3. Benefits of more coordination
4. RTA powers and constraints
5. Recommendations and challenges
6. Strategies to gain support

*Interviewees include transit providers, Board & MPO members, agencies, steering committee members, civic, business, and transit stakeholders.*
Positive aspects

• "Fortunate to have what others are spending billions to create"
• Nuanced regional governance structure
• Agency leaders get along better than ever
• Can build on RTA's strategic plan, "Transit is the Answer"
Issues and concerns

- Safety
- Conditions of stations and trains
- Funding
- Coordination
Benefits of more coordination

• Customer information
• Fare integration
• Real-time coordination
• Capital and service planning
RTA's powers and constraints

RTA
- Insufficiently empowered and doesn't use all authority
- Risk adverse
- Constrained by allocations and super majority
  - Protects interests, but...
    - Mayor has effective veto powers
    - Together, members from Cook and collar counties can veto
Recommendations and challenges

Recommendations
- Tolling
- Reform governance structure
- State could have a greater role

Challenges
- Getting the General Assembly's attention
- Interests of Chicago and suburbs
- Highway interests
- Agency support
Strategies to gain support

• Education/lobbying campaign
  • Cost of inaction
  • Everyone has to win
  • Transit champions
  • Quick fixes
  • "Metra is the key"

• Other benefits (equity, climate, etc.)
Problem statement themes

Connecting problem: decision-making

- Service coordination
- Funding allocation
- Accountability
- Role of state and regional entities
Under the current governance model, these problems reinforce each other.
Criteria

Desired governance reform
(Will the recommendation help address the stated problem?)

Policy considerations
(Does the recommendation support the state mandate for PART?)

Decision-making
Service coordination
Funding allocation
Accountability
State & regional role

Financial sustainability
Equity
Mobility

Process considerations
(What is the path to implementation?)

Administrative feasibility
Political feasibility
Timing
State span of control
Discussion

What resonates with you from these themes?

Are there other issues not captured here?
Next Steps

May 24th meeting: In Person

• Deliver white papers
• Hold focus groups
• RTA/service board presentations & coordination
Public Comment

Limited to two minute per individual, unless the Chair designates a longer or shorter time period
Thank you!

Visit cmap.is/PART for information and resources.
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