



**Regional
Transportation
Authority**

Capital Program Report Fourth Quarter 2004

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Capital Program Report

Fourth Quarter 2004

Introduction and Definitions

As required by the *RTA Act*, each year, after public hearings, the RTA must adopt a five-year capital program that describes, by year, the nature, location and cost of all capital projects. Subsequent amendments to the capital program may occur due to funding shifts and Service Board priority changes. The *Capital Program Report* describes the status and actions of *Previous Programs* and the current *Annual Program* (2004 for this report). Definitions associated with Program activities are described below.

Grant Awards

The Service Boards receive grants from funding agencies, primarily the RTA, the Illinois Department of Transportation (IDOT) and the Federal Transit Administration (FTA). These grant awards are for projects included in the RTA's *Annual Program*. The RTA issues grant agreements (or awards) to the Service Boards based on their applications that reflect their approved capital program and marks. The capital marks reflect funds available to the Service Boards. Grant awards also include projects funded with monies provided through the Service Boards' own budgets.

Obligations

In contrast to operating funds, which are used to provide mass transit services, the Service Boards use capital funds to repair, replace, and enhance their capital assets. The Service Boards *obligate* capital funds when they sign a contract with a third party (such as a vendor, consultant or contractor) or when they reserve the funds to pay the Service Boards' own labor to perform the work.

Expenditures

The Service Boards expend funds when they incur costs for the work completed by a third party (such as a vendor, consultant or contractor) or by the Service Boards' own labor.

Annual Program

The RTA five-year capital program is comprised of two elements: *Annual Program* that represents the current fiscal year, and an out-year program that represents future programming years.

Previous Programs

This section contains a collection of all previous *Annual Programs* as adopted yearly by the RTA Board. Please note that in this report the *Previous Programs* exclude completed and closed grants. Therefore, the total amount may be less than the originally approved amount per any given *Annual Capital Program*.

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Introduction and Definitions (continued)

SCIP bonds

The *Illinois FIRST* legislation of 1999 was directed towards improving the state's infrastructure. As part of the state's *Illinois FIRST* Program, the RTA's authorization to issue Strategic Capital Improvement Program (SCIP) bonds was increased by \$1.3 billion to \$1.8 billion. This authorization became effective in \$260 million increments each January 1, starting with 2000. The State of Illinois pays the RTA an amount equal to the debt service on these bonds. The Governor must approve a SCIP Plan prior to the use of SCIP bond proceeds to pay for any project in the Plan. In the *Capital Program Report*, SCIP bonds refer to the additional \$1.3 billion in SCIP bonds authorized by *Illinois FIRST*.

Un-obligated

The *Un-obligated* amount is the grant award total less the obligated amount.

Federal Un-obligated Balance

The *Federal Un-obligated Balance* is the un-obligated funding for all projects financed with federal and matching local grants. The *RTA Act* requires that the *Federal Un-obligated Balance* for the region must be below \$350 million to allow the RTA to submit SCIP projects to the Governor for approval. The *RTA Act* does allow the Governor to waive this requirement.

Un-expended

The *Un-expended* amount is the grant award total less the expended amount.

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(In millions of dollars)

Capital Program Activity

Once the capital program is adopted by the RTA Board, the Service Boards can apply for grants from various funding agencies, such as the Federal Transit Administration (FTA), Illinois Department of Transportation (IDOT) and the RTA. As a reminder, the State Fiscal Year (SFY) starts on July 1st, or six months prior to the RTA's calendar year, and the Federal Fiscal Year (FFY) starts on October 1st, or three months prior to the RTA's calendar year. Under normal circumstances, all funds (RTA, FTA, and IDOT) would be available on January 1st to issue grants to the Service Boards. However, in the last few years due to Congressional delays, the allocation of federal funds was delayed until after the beginning of the calendar year (February-March). The table below summarizes the last two years of capital program grant award activities versus the adopted capital program (new awards only).

	<u>2003 Annual Awards</u>	<u>Grant Programmed thru 12/31/04</u>
CTA	\$583.2	\$521.2
Metra	391.7	385.2
Pace	61.5	61.5
All Service Boards	\$1,036.4	\$967.9

	<u>2004 Annual Awards</u>	<u>Grant Programmed thru 12/31/04</u>
CTA	\$706.0	\$429.9
Metra	336.2	324.5
Pace	44.0	31.0
All Service Boards	\$1,086.2	\$785.4

As summarized in the table above, the capital grants issued to the Service Boards amount to 93 percent of the 2003 Annual Capital Program. Regarding the \$68.5 million un-awarded funds for 2003, nearly all are IDOT grants or reserved funds that will be used to match future federal grants, primarily for the CTA. The CTA expects that these grants will be executed in the near future.

Through December, the capital grants awarded to the Service Boards represent 72 percent of the 2004 Capital Program Annual Awards. At the end of 2004, the CTA and Pace had not received the 2004 SCIP grants due to delays in the approval of the 2004 Annual Capital Improvement Plan by the Governor. In addition, the CTA had not received grants for their 2004 RTA Bond funding. Finally, the CTA has not received a large portion of their 2004 federal funds as of December 31, 2004 due to the late award of the 2004 federal grants.

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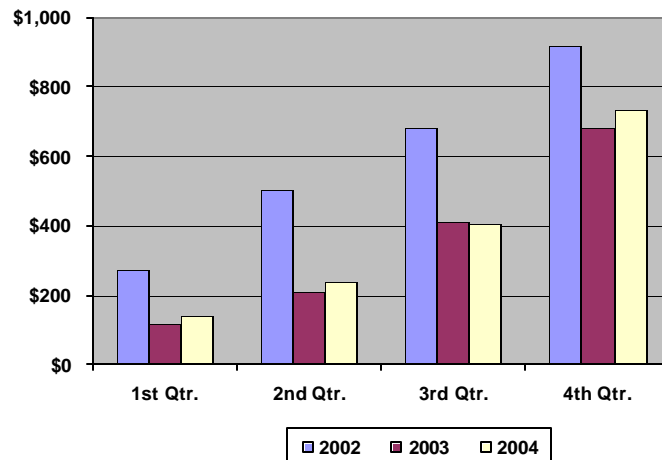
(In millions of dollars)

Regional Obligations

	Un-obligated as of 12/31/03	January-December Grant Awards	January-December Obligations	Un-obligated as of 12/31/04
2004 Capital Program	N/A	\$711.1	\$348.8	\$362.3
Previous Programs	801.7	53.9	383.8	471.8
Total	\$801.7*	\$765.0	\$732.6	\$834.1

*Total un-obligated amount excludes grants closed by the Service Boards through December 31, 2004.

Cumulative Regional Obligations by Quarter



The fourth quarter of 2004 obligations for the Service Boards totaled \$328.8 million of the \$732.6 million obligated for the year. The larger obligation total in the first quarter of 2002 as compared with 2003 and 2004 was due to Metra's award of contracts for its three New Start projects.

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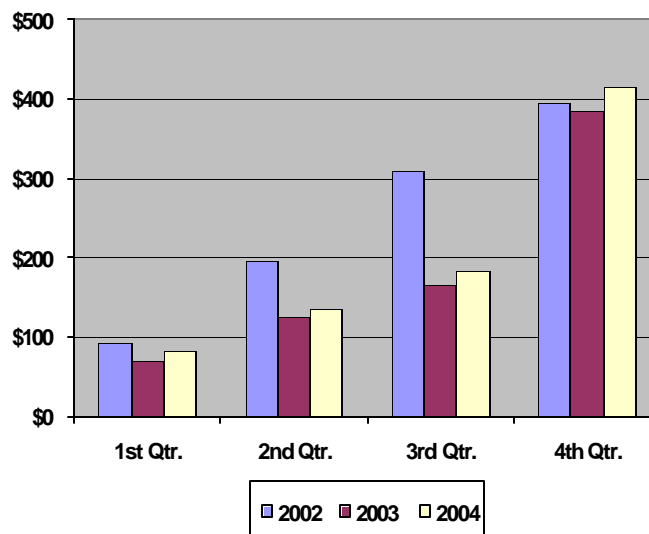
(In millions of dollars)

CTA Obligations

	Un-obligated as of 12/31/03	January-December Grant Awards	January-December Obligations	Un-obligated as of 12/31/04
2004 Capital Program	N/A	\$429.9	\$162.0	\$267.9
Previous Programs	490.0	35.1	252.1	273.0
Total	\$490.0*	\$465.0	\$414.1	\$540.9

*Total un-obligated amount excludes grants closed by the Service Boards through December 31, 2004.

CTA Cumulative Obligations by Quarter



The fourth quarter of 2004 obligations for the CTA totaled \$231.1 million of the \$414.1 million obligated for 2004. This includes \$81.9 million for the reconstruction of the Dan Ryan Branch of the Red Line, \$36.9 million for the purchase of 256 accessible buses, and \$37.1 million for the installation of a new signal system at Clark Junction and the upgrade of the signal system as a part of the Brown Line Capacity Expansion project. In addition, the CTA obligated \$22.4 million for the capacity expansion of the Brown Line and \$9.4 million to expand the Washington Street Station between the Red and Blue subway lines under Block 37 in the Chicago Loop.

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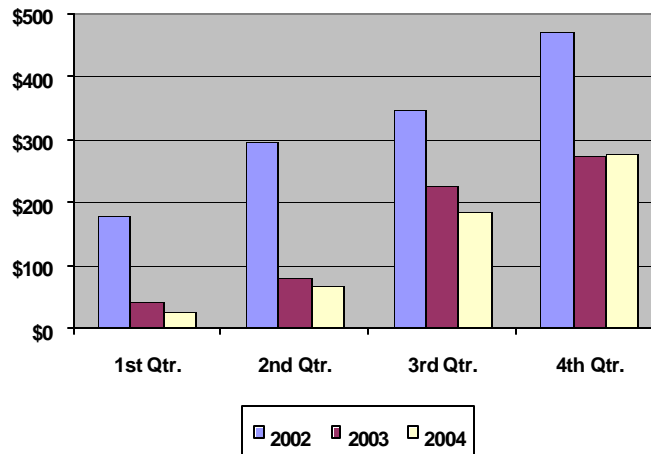
(In millions of dollars)

Metra Obligations

	Un-obligated as of 12/31/03	January-December Grant Awards	January-December Obligations	Un-obligated as of 12/31/04
2004 Program	N/A	\$250.2	\$184.8	\$65.4
Previous Programs	219.5	18.8	92.6	145.7
Total	\$219.5*	\$269.0	\$277.4	\$211.1

*Total un-obligated amount excludes closed grants through December 31, 2004.

Metra Cumulative Obligations by Quarter



The fourth quarter of 2004 obligations totaled \$92.7 million of the \$277.4 million obligated by Metra for this year. This includes \$34.8 million to purchase 26 accessible electric commuter cars, \$14.3 million to renew 24 bridges on the Rock Island District, \$6.2 million to rehabilitate 6 stations on the South Chicago Branch of the Electric District, \$3.8 million to improve the Randolph Street Station on the Electric District and \$3.5 million for the reconstruction of 22 bridges on the Union Pacific Northwest Line. The lower obligation total for 2003 and 2004 as compared to 2002 is due to several phased contracts for Metra's three New Start projects awarded in 2002.

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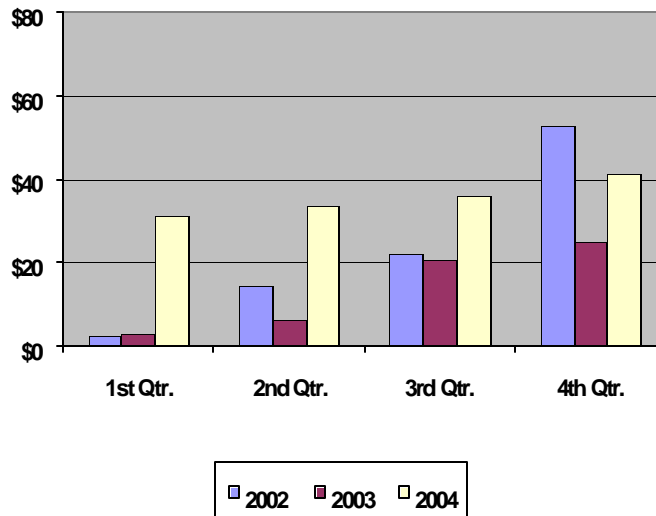
(In millions of dollars)

Pace Obligations

	Un-obligated as of 12/31/03	January-December Grant Awards	January-December Obligations	Un-obligated as of 12/31/04
2004 Program	N/A	\$31.0	\$2.0	\$29.0
Previous Programs	92.2	0.0	39.2	53.0
Total	\$92.2*	\$31.0	\$41.2	\$82.0

*Total un-obligated amount excludes closed grants through December 31, 2004.

Pace Cumulative Obligations by Quarter



Pace obligated \$6.9 million in the fourth quarter of the \$41.2 million obligated for the year. This includes \$2 million for bus overhauls, \$1.7 million for the purchase of bus repair and maintenance components and \$0.8 million for a consultant contract for the purchase of the Enterprise Resource Planning computer system (an integrated operating system).

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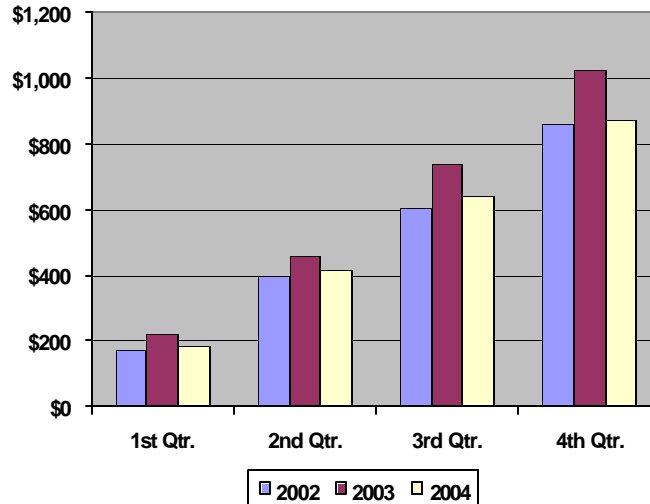
(In millions of dollars)

Regional Expenditures

	Un-expended as of 12/31/03	January-December Grant Awards	January-December Expenditures	Un-expended as of 12/31/04
2004 Program	N/A	\$785.4	\$110.3	\$675.1
Previous Programs	1,781.5	53.9	764.4	1,071.0
Total	\$1,781.5*	\$839.3	\$874.7	\$1,746.1

*Total un-expended amount excludes closed grants for the Service Boards through December 31, 2004.

Cumulative Regional Expenditures by Quarter



Expenditures in the fourth quarter of 2004 were \$232.9 million of the \$874.7 million for the Service Boards.

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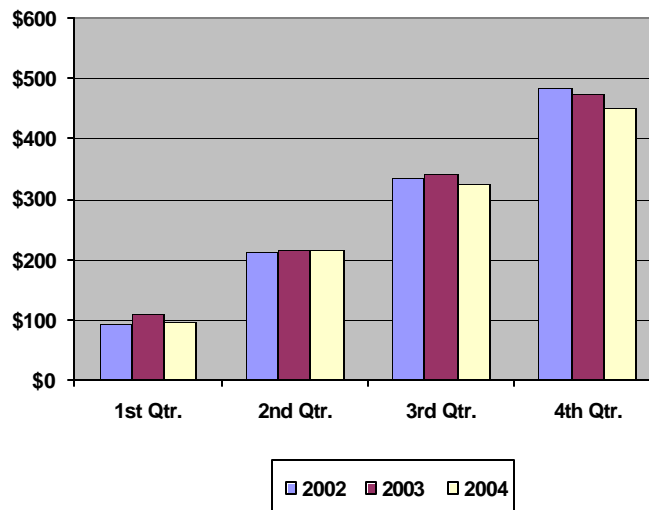
(In millions of dollars)

CTA Expenditures

	Un-expended as of 12/31/03	January-December Grant Awards	January-December Expenditures	Un-expended as of 12/31/04
2004 Program	N/A	\$429.9	\$42.0	\$387.9
Previous Programs	1,003.7	35.1	408.3	630.5
Total	\$1,003.7*	\$465.0	\$450.3	\$1,018.4

*Total un-expended amount excludes closed grants through December 31, 2004.

CTA Cumulative Expenditures by Quarter



The fourth quarter of 2004 expenditures for the CTA totaled \$125.8 million of the \$450.3 million expended for 2004. This includes \$42.5 million for the rehabilitation of the Dan Ryan Branch of the Red Line, \$16.8 million for the reconstruction of the Douglas Branch of the Blue Line, \$12.2 million for the purchase of low-floor articulated buses, and \$6.5 million for the capacity expansion of the Brown Line.

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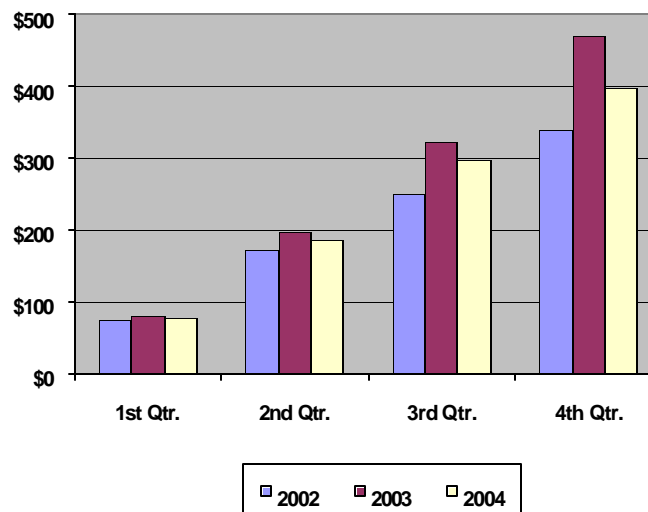
(In millions of dollars)

Metra Expenditures

	Un-expended as of 12/31/03	January-December Grant Awards	January-December Expenditures	Un-expended as of 12/31/04
2004 Program	N/A	\$324.5	\$ 66.3	\$258.2
Previous Programs	660.5	18.8	332.3	347.0
Total	\$660.5*	\$343.3	\$398.6	\$605.2

*Total un-expended amount excludes closed grants through December 31, 2004.

Metra Cumulative Expenditures by Quarter



The fourth quarter of 2004 expenditures for Metra totaled \$100.3 million of the \$398.6 million expended for 2004. This included \$13.4 million for the purchase of accessible bi-level commuter cars and \$9.1 million to replace 20 bridges between 18th and 55th streets on the Rock Island Line. It also included \$20.3 million for the upgrade of the North Central Service, \$8.7 million for the extension and upgrade of the Southwest Service, \$5.1 million for the extension of the Union Pacific West Line to Elburn, and \$6.1 million for improvements at the Randolph Street Station on the Electric District.

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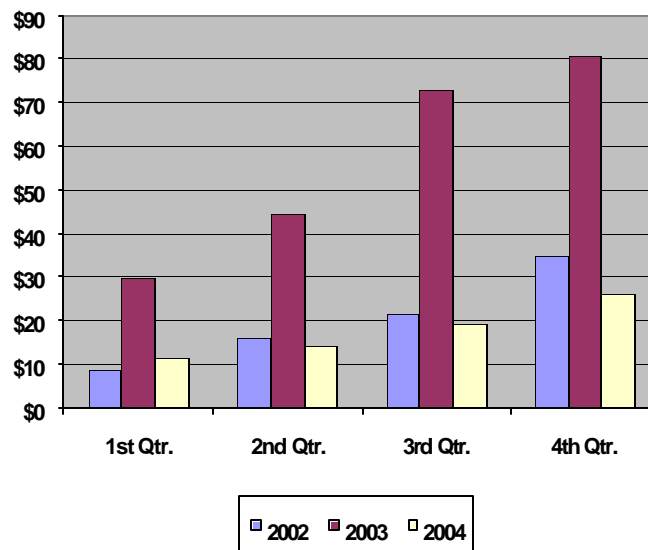
(In millions of dollars)

Pace Expenditures

	Un-expended as of 12/31/03	January-December Grant Awards	January-December Expenditures	Un-expended as of 12/31/04
2004 Program	N/A	\$31.0	\$2.0	\$29.0
Previous Programs	117.2	0.0	23.8	93.4
Total Funds	\$117.2*	\$31.0	\$25.8	\$122.4

*Total un-expended amount excludes closed grants through December 31, 2004.

Pace Cumulative Expenditures by Quarter



The fourth quarter of 2004 expenditures for Pace were \$6.9 million of the \$25.8 million expended for the year. This included \$2 million for bus overhauls, \$1.1 million for the purchase of paratransit vehicles and \$0.8 million for improvements at the West Division bus garage.

The large expenditure in 2003 was associated with Pace's purchase of 183 fixed route buses.

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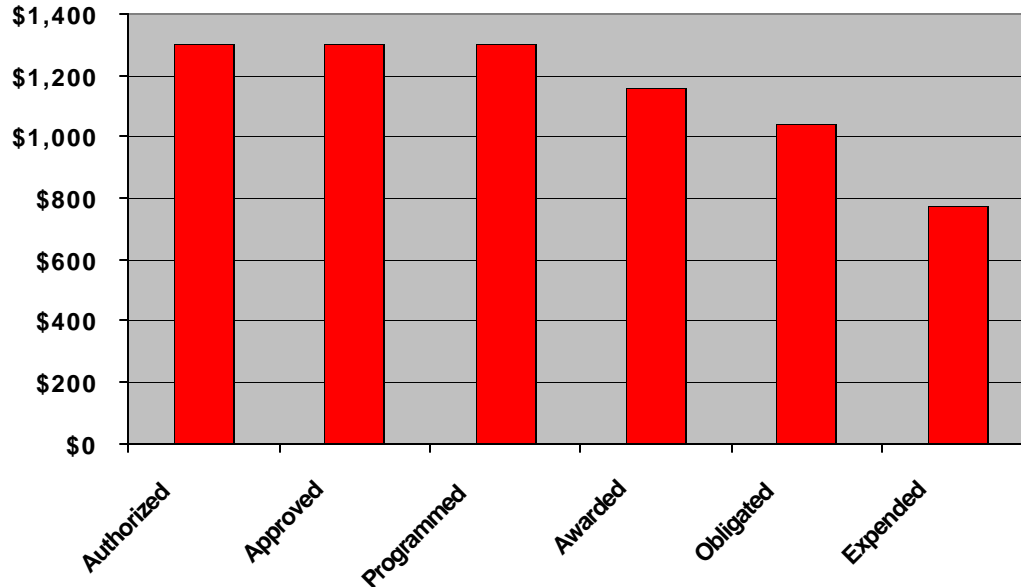
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(In millions of dollars)

Strategic Capital Improvement Program (SCIP) Status

Regional

<u>Year</u>	<u>Authorized</u>	<u>Approved</u>	<u>Programmed</u>	<u>Awarded</u>	<u>Obligated</u>	<u>Expended</u>
2000	\$260.0	\$260.0	\$260.0	\$260.0	\$256.0	\$246.9
2001	260.0	260.0	260.0	260.0	257.3	240.7
2002	260.0	260.0	260.0	260.0	230.4	190.6
2003	260.0	260.0	260.0	260.0	188.0	97.1
2004	260.0	260.0	260.0	117.0	110.2	0.4
Total	\$1,300.0	\$1,300.0	\$1,300.0	\$1,157.0	\$1,041.9	\$775.7



Approximately 80 percent of the SCIP approved budget has been obligated by the Service Boards, and 60 percent of the SCIP approved budget has been expended. The Governor approved the final \$260 million of SCIP projects on October 18, 2004.

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Project Highlights

CTA

Rehabilitate Dan Ryan Branch of the Red Line

The CTA awarded Phase II of its contract with Kiewit/Reyes (KR) for the rehabilitation of the Dan Ryan Branch of the Red Line. This phase of the contract includes the installation of a new signal system, traction power system and communication system. By the end of the fourth quarter, KR completed the installation of special trackwork at all ten locations on this line. KR has now set all the new signal houses and completed the installation and testing of the wiring and equipment at two of the new signal houses. The hook-up and testing is continuing at four other signal houses. KR continued construction for the substations at 55th Street and Pershing Road and completed the construction of the conduit from these substations to the Red Line right-of-way.

Purchase 226 Low-Floor Articulated Buses

During the fourth quarter, the CTA received an additional 31 articulated buses from North American Bus Industries (NABI). The CTA has now received a total of 203 of the 226 buses. The CTA expects to receive the remaining articulated buses under its contract with NABI in the near future.

Purchase 265 Low-Floor Buses

The CTA awarded a contract to New Flyer of America, Inc. for the purchase of 265 buses to replace buses purchased in 1991 that have reached the end of their useful lives. The new buses will be fully accessible, air conditioned and equipped with the automated announcement system. The purchase includes 20 environmentally friendly diesel hybrid buses that are powered by both diesel engines and electric motors to help reduce emissions.

Reconstruct Douglas Branch of the Blue Line

The CTA nearly completed all work for the reconstruction of the Douglas Branch of the Blue Line by the end of 2004. This included the installation of the public art at rail stations and the remaining work on the signal and communication systems. The CTA completed the remaining work on January 21, 2005.

Expand Capacity for the Brown Line

During the fourth quarter, the CTA awarded a contract to Aldridge/Mass Electric Joint Venture to upgrade the signal system on the Brown Line and at Clark Junction north of the Belmont Station where the Brown Line branches from the North Main Line towards the Kimball Terminal. The signal system upgrade will include the installation of six new crossing gates and circuitry where the Brown Line crosses Kedzie, Albany, Sacramento, Francisco and Rockwell streets.

The CTA nearly completed a review of the design for the capacity expansion of the Brown Line to identify areas of cost savings for the construction. Also, the CTA continued to acquire properties along the Brown Line needed for this project.

Construct Washington Subway Station

The CTA is currently in the design phase for the construction of a subway station below Block 37 in the Chicago Loop connecting the Red and Blue subway lines. This new CTA station will service as the main terminal for the proposed express rail service to both O'Hare and Midway airports.

The CTA previously awarded a contract to STV, Inc. for design and engineering services for this project. During this quarter, the CTA committed funds for this project for CTA personnel involved in the design and construction of this station and the connections with the Red and Blue Lines.

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Metra

Purchase 300 Accessible Bi-Level Commuter Cars

During the fourth quarter of 2004, Metra received 30 accessible commuter cars from Sumitomo Corporation. To date, Metra received a total of 208 of these commuter cars, and continues to be on schedule to receive all 300 cars by October 2005.

Renew 24 Bridges Between 18th and 60th Streets – Rock Island District

Metra is replacing 24 bridges between 18th and 60th streets on the Rock Island District in the City of Chicago. All of these bridges have reached the end of their useful lives and must be replaced to provide uninterrupted commuter service. Walsh Construction Company, the contractor for the bridge replacement, is now 87 percent complete with this work.

Extend and Upgrade Southwest Service

During the fourth quarter, Metra continued the installation of the new crossing signal gate mechanisms at various locations along the line and nearly completed the new Manhattan Yard. Also, Metra completed the new station at Chicago Ridge and nearly completed the new stations at Wrightwood and at 179th Street in Orland Park. On December 20, 2004, Metra opened the new Palos Heights Station for revenue service.

Overall, the project is 51 percent complete at the end of December. This is an increase of 6 percent from the completion percentage at the end of the third quarter. The project continues to be under budget and on schedule to be completed in December 2006.

Expand and Upgrade North Central Service

By the end of the fourth quarter, Metra had completed platform construction at the Lake Villa Station on the North Central Service (NCS). Metra nearly completed platform construction at the stations at Round Lake Beach, Mundelein and Schiller Park on the NCS and at Mars on the Milwaukee District-West Line (MWD-W). During this quarter, Metra began construction of the new station at Cicero on the MWD-W Line.

At the end of this quarter, Metra had completed 57 percent of the construction, an increase of 6 percent from the completion percentage from the previous quarter. Metra is under budget and on schedule to begin revenue operations for the expanded service by December 2006.

Extend Union Pacific West Line Service

During the fourth quarter, Metra worked on the installation of the new signal system and on the construction of the track bed for the new third main line and Elburn Yard. Metra continued construction of the new LaFox Station including work on the station house, pedestrian tunnel and the parking lot.

Metra completed 49 percent of the construction for the Union Pacific West Line extension. This is an 8 percent increase over the completion percentage at the end of the third quarter. This project is under budget and scheduled to be complete by December 2006.

Purchase 26 Accessible Electric Commuter Cars

During the fourth quarter, Sumitomo Corporation of America, the builder of these accessible electric commuter cars, continued the construction and testing of two prototype commuter cars. Sumitomo expects to complete these prototypes in early 2005. Metra anticipates receiving all these cars by June 2006.

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Metra (cont.)

Reconstruct Six Stations on the South Chicago Branch of the Metra Electric District

Metra awarded a contract to John Burns Construction Co. to reconstruct the Stony Island and Bryn Mawr stations on the South Chicago Branch of the Metra Electric District. These stations have become severely deteriorated. They will be rehabilitated in compliance with the *Americans with Disabilities Act*. Metra previously completed the reconstruction of the stations at 83rd and 87th streets of this line. Metra expects to complete the rehabilitation of all six stations by the end of 2006.

Renew 22 Bridges on the Union Pacific North Line

Metra awarded contracts to Alfred Benesch & Co. and to Edwards and Kelcey for Phase I of the final engineering and design to replace 22 bridges on the Union Pacific North Line in Chicago. All of these bridges are over 100 years old and have reached the end of their useful lives. They cannot be repaired economically and must be replaced to provide uninterrupted commuter service.

Improve Randolph Street Station on the Metra Electric District

Metra is rehabilitating the Randolph Street Station on the Metra Electric District in downtown Chicago. This includes the restoration of the pedestrian corridors, construction of a new waiting area, ticketing facilities and a brighter and larger concourse, the upgrade of all facility maintenance, electrical and plumbing infrastructure, and improved directional and informational signage along with a new public address system.

In December, 2004, Metra opened the new station area. At the end of year, Metra had completed 80% of the project and expects to complete all work by mid-2005.

Pace

Perform Bus Overhauls and Maintenance

Pace has an on-going program to perform regularly scheduled maintenance on their bus fleet. This is essential to keep the bus fleet in good operating condition and improving the reliability of service. This program involves the replacement of bus components such as air conditioner condensers, alternators, regulators, drive shafts, transmission coolers, fan motors, and steering shafts.

Purchase Associated Capital Items

Pace awarded 35 contracts for major bus coach components and parts such as power packs, engines, transmissions, front and rear axle assemblies, electric motors, compressors and brakes.

Purchase Enterprise Resource Planning System

Pace awarded a contract to Booz Allen Hamilton Inc. for consultant service to develop a plan and recommendations to migrate all of Pace's HP e3000 applications, data and related interfaces off of the HP e3000 proprietary technology onto a new technical infrastructure. Currently, the majority of Pace's core business applications (including financial, purchasing, grants management etc.) reside on the proprietary HP e3000 computing technology which will no longer be supported beyond 2006.

Purchase Paratransit Vehicles

Pace received 25 paratransit vehicles in the fourth quarter of 2004. Pace has now received all 212 paratransit vehicles from Midwest Transit.