



**Regional
Transportation
Authority**

Capital Program Report Second Quarter 2005

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Capital Program Report

Second Quarter 2005

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* (2005 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 (January-March). The table below summarizes the last two years of capital program grant award activities versus the adopted capital program (new awards only).

	<u>2004 Annual Program</u>	<u>Grant Awards thru 06/30/05</u>
CTA	\$706.0	\$690.7
Metra	336.4	329.2
Pace	44.0	44.0
All Service Boards	\$1,086.2	\$1,063.9

	<u>2005 Annual Program</u>	<u>Grant Awards thru 06/30/05</u>
CTA	\$621.4	\$42.9
Metra	187.3	128.3
Pace	7.2	1.5
All Service Boards	\$815.9	\$172.7

As summarized in the table above, the capital grants issued to the Service Boards amount to 98 percent of the 2004 Annual Capital Program. Through June, the capital grants awarded to the Service Boards represent only 21 percent of the 2005 Capital Program Annual Awards. The Service Boards have applied for their 2005 grants from the Federal Transit Administration. As of the end of June, they have been awarded only a portion of these grants.

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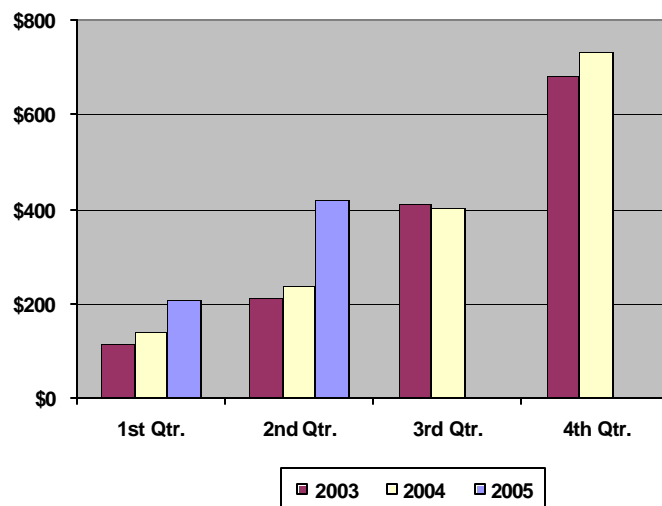
(In millions of dollars)

Regional Obligations

	Un-obligated as of 12/31/04	January-June Grant Awards	January-June Obligations	Un-obligated as of 06/30/05
2005 Capital Program	N/A	\$172.8	\$100.4	\$72.4
Previous Programs	834.1	218.5	319.2	733.4
Total	\$834.1*	\$391.3	\$419.6	\$805.8

*Total un-obligated amount excludes grants closed by the Service Boards through June 30, 2005. Un-obligated amounts reflect only the actual obligations for grants awarded to date.

Cumulative Regional Obligations by Quarter



The second quarter of 2005 obligations for the Service Boards totaled \$212.4 million of the \$419.6 million obligated through the first half of the year. The higher amount of obligations through the second quarter of 2005 is due to the CTA's contracts awards for the reconstruction of the Brown Line. It is also due to the obligation of 2005 federal funds by Metra. Metra was awarded these funds earlier this year as compared to the past two years.

Capital Program Report

Second Quarter 2005

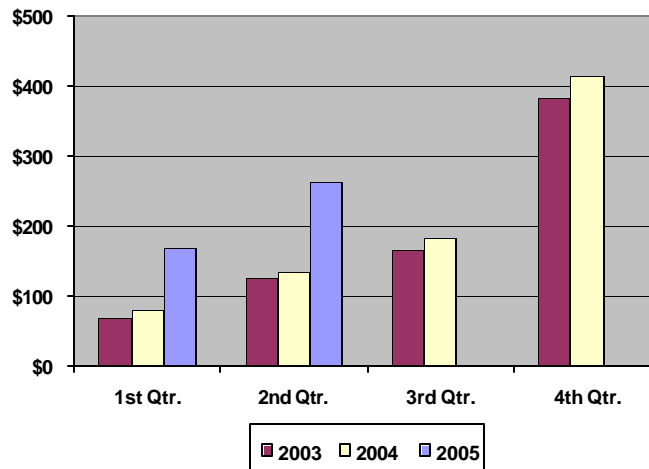
(In millions of dollars)

CTA Obligations

	Un-obligated as of 12/31/04	January-June Grant Awards	January-June Obligations	Un-obligated as of 06/30/05
2005 Capital Program	N/A	\$ 42.9	\$ 34.8	\$ 8.1
Previous Programs	541.0	203.9	228.5	516.4
Total	\$541.0*	\$246.8	\$263.3	\$524.5

*Total un-obligated amount excludes grants closed by the Service Boards through June 30, 2005. Un-obligated amounts reflect only the actual obligations for grants awarded to date.

CTA Cumulative Obligations by Quarter



The second quarter of 2005 obligations for the CTA totaled \$93.2 million of the \$263.3 million obligated through the first six months of 2005. This includes \$43 million for the rehabilitation of the Dan Ryan Branch of the Red Line, \$13.7 million to implement security projects, and \$8.3 million to perform rail car overhauls and mid-life rehabilitations. It also includes \$4.6 million for the Brown Line Capacity Expansion and \$4.8 million to renew track and structure.

Capital Program Report

Second Quarter 2005

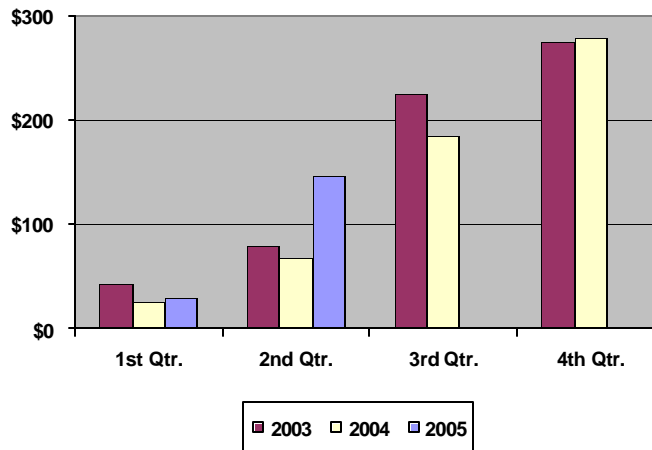
(In millions of dollars)

Metra Obligations

	Un-obligated as of 12/31/04	January-June Grant Awards	January-June Obligations	Un-obligated as of 06/30/05
2005 Program	N/A	\$128.3	\$65.6	\$62.7
Previous Programs	211.0	2.0	80.7	132.3
Total	\$211.0*	\$130.3	\$146.3	\$195.0

*Total un-obligated amount excludes closed grants through June 30, 2005.

Metra Cumulative Obligations by Quarter



The second quarter of 2005 obligations totaled \$116.0 million of the \$146.3 million in obligations for the first half of the year for Metra. This includes \$21.9 million for the extension and upgrade of the Southwest Service, \$20.2 million for the upgrade of the North Central Service, \$9.4 million for the extension of the Union Pacific West Line, \$8.4 million to replace 24 bridges between 18th and 60th streets on the Rock Island Line and \$4.7 million to upgrade the Lake Street interlocker north of the Chicago Union Station.

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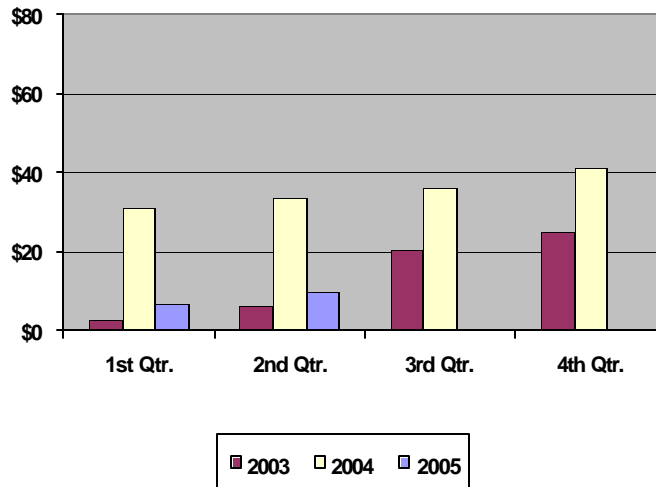
(In millions of dollars)

Pace Obligations

	Un-obligated as of 12/31/04	January-June Grant Awards	January-June Obligations	Un-obligated as of 06/30/05
2005 Program	N/A	\$ 1.5	\$0.0	\$1.5
Previous Programs	82.1	12.7	10.0	84.8
Total	\$82.1*	\$14.2	\$10.0	\$86.3

*Total un-obligated amount excludes closed grants through June 30, 2005.

Pace Cumulative Obligations by Quarter



Pace obligated \$3.1 million in the second quarter of the \$10 million obligated through the first half of 2005. This includes \$1.1 million for vanpool services and \$0.8 million for improvements at the South Division Garage in Markham.

The large obligation in the first quarter of 2004 was associated with the purchase of 243 fixed route buses and 190 vans for the vanpool.

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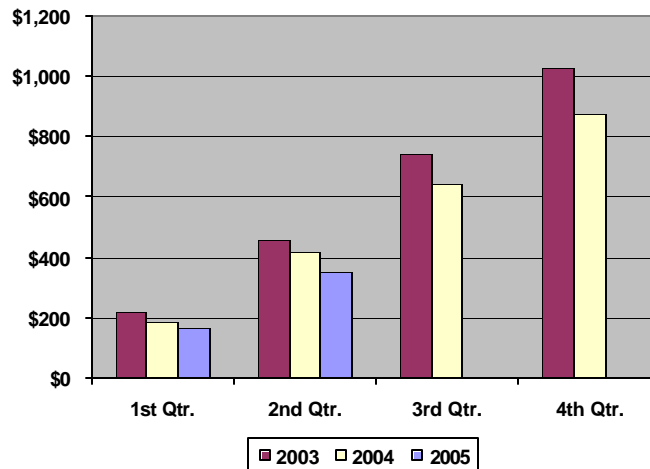
(In millions of dollars)

Regional Expenditures

	Un-expended as of 12/31/04	January-June Grant Awards	January-June Expenditures	Un-expended as of 06/30/05
2005 Program	N/A	\$172.7	\$24.4	\$148.3
Previous Programs	1,746.0	218.6	327.8	1,636.8
Total	\$1,746.0*	\$391.3	\$352.2	\$1,785.1

*Total un-expended amount excludes closed grants for the Service Boards through June 30, 2005.

Cumulative Regional Expenditures by Quarter



Expenditures in the second quarter of 2005 were \$188.1 million of the \$352.2 million of expenditures for the first half of 2005 for the Service Boards.

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Second Quarter 2005

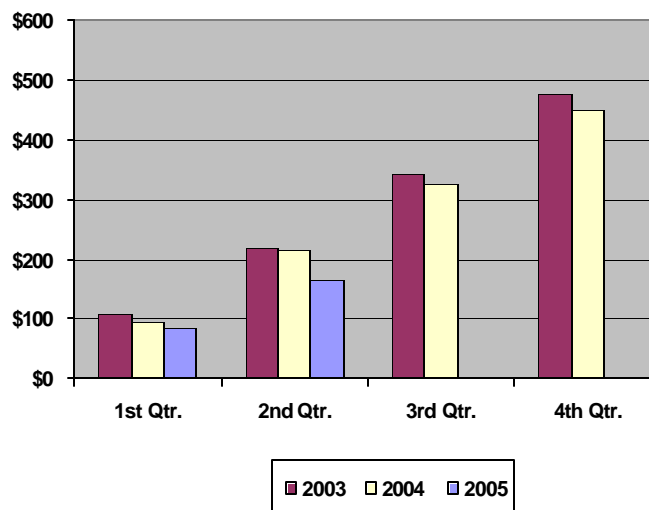
(In millions of dollars)

CTA Expenditures

	Un-expended as of 12/31/04	January-June Grant Awards	January-June Expenditures	Un-expended as of 06/30/05
2005 Program	N/A	\$42.9	\$12.5	\$30.4
Previous Programs	1,018.4	203.9	152.1	1,070.2
Total	\$1,018.4*	\$246.8	\$164.6	\$1,100.6

*Total un-expended amount excludes closed grants through June 30, 2005.

CTA Cumulative Expenditures by Quarter



The second quarter of 2005 expenditures for the CTA totaled \$79.9 million of the \$164.6 million expended for the first half of the year. This includes \$19.5 million for the rehabilitation of the Dan Ryan Branch of the Red Line, \$13.8 million for the capacity expansion of the Brown Line and \$5.1 million for the reconstruction of the Douglas Branch of the Blue Line. It also includes \$12.3 million for the rail car overhauls and mid-life rehabilitations and \$4.1 million for the rehabilitation of Clark Junction on the North Main Line.

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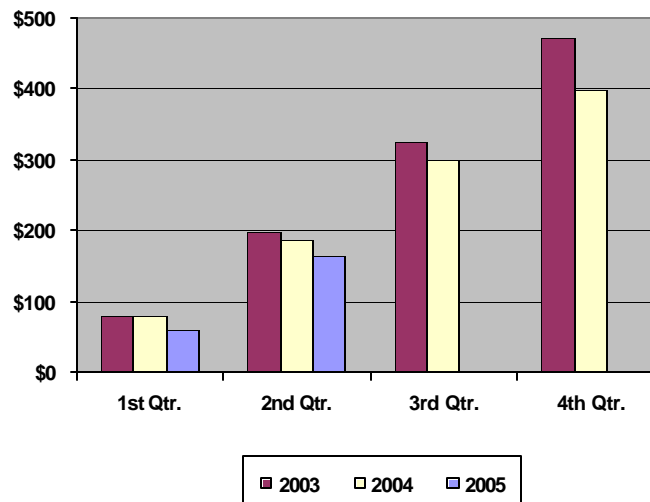
(In millions of dollars)

Metra Expenditures

	Un-expended as of 12/31/04	January-June Grant Awards	January-June Expenditures	Un-expended as of 03/31/05
2005 Program	N/A	\$128.3	\$ 12.0	\$116.3
Previous Programs	605.2	2.0	151.4	455.8
Total	\$605.2*	\$130.3	\$163.4	\$572.1

*Total un-expended amount excludes closed grants through June 30, 2005.

Metra Cumulative Expenditures by Quarter



The second quarter of 2005 expenditures for Metra totaled \$103.2 million of the \$163.4 million expended through the first half of 2005. This includes \$33.3 million for the purchase of accessible bi-level commuter cars, \$10.7 million for the upgrade of the North Central Service and \$7.8 million for the extension and upgrade of the Southwest Service. It also includes \$6.9 million for the extension of the Union Pacific West Line to Elburn and \$5.6 million for the purchase of 26 accessible bi-level electric cars.

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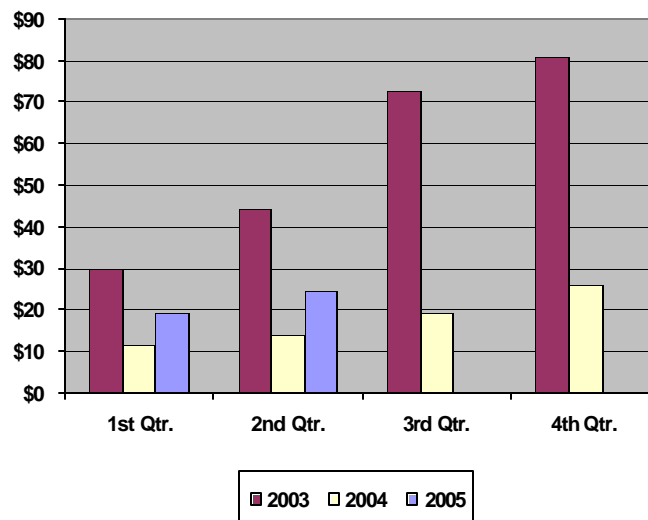
(In millions of dollars)

Pace Expenditures

	Un-expended as of 12/31/04	January-June Grant Awards	January-June Expenditures	Un-expended as of 06/30/05
2005 Program	N/A	\$1.5	\$0.0	\$1.5
Previous Programs	122.4	12.7	24.3	110.8
Total Funds	\$122.4*	\$14.2	\$24.3	\$112.3

*Total un-expended amount excludes closed grants through June 30, 2005.

Pace Cumulative Expenditures by Quarter



The second quarter of 2005 expenditures for Pace were \$3.1 million of the \$24.3 million expended in the first half of the year. This includes \$1.2 million for the purchase of the intelligent bus system, \$1.1 million for the purchase of fixed route buses and \$0.8 million for the purchase of vans for the vanpool.

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

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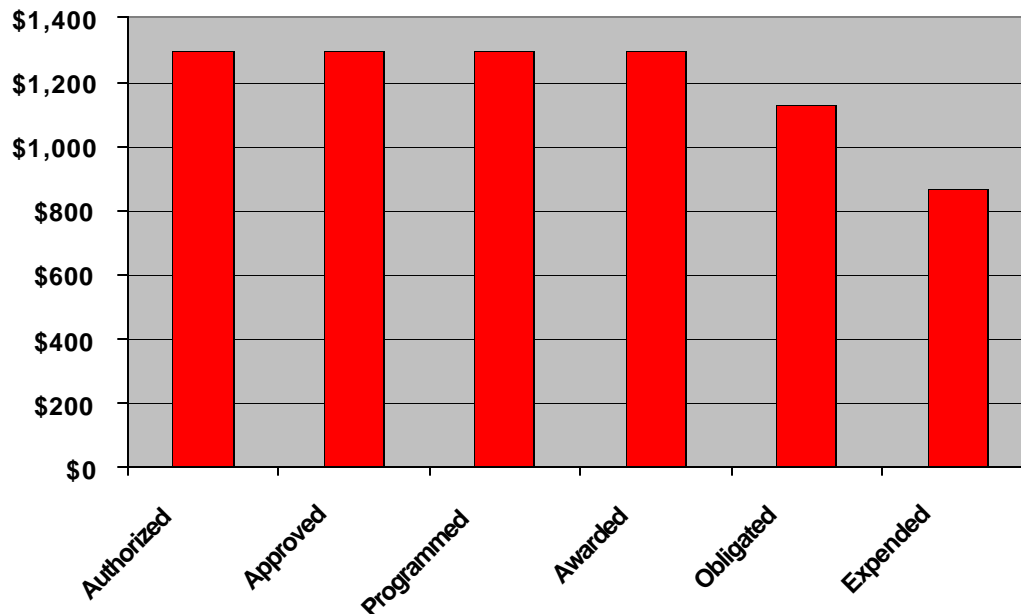
(In millions of dollars)

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	\$257.2	\$248.1
2001	260.0	260.0	260.0	260.0	259.8	248.9
2002	260.0	260.0	260.0	260.0	226.7	198.1
2003	260.0	260.0	260.0	260.0	202.1	127.2
2004	260.0	260.0	260.0	260.0	180.5	44.8
Total	\$1,300.0	\$1,300.0	\$1,300.0	\$1,300.0	\$1,126.3	\$867.1

*Projects remain identified with a specific bond issue for reporting purposes only. Actual payments use the earliest bond proceeds available.



Approximately 87 percent of the SCIP approved budget has been obligated by the Service Boards, and 67 percent of the SCIP approved budget has been expended. No SCIP Bonds have been authorized after 2004.

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Project Highlights

CTA

Rehabilitate Dan Ryan Branch of the Red Line

During the second quarter of 2005, the CTA gave Notice to Proceed to Kiewit Reyes (KR), the contractor for the construction, for the third and final phase of work for the rehabilitation of the Dan Ryan Branch. This phase of work largely focuses on station improvements on this line. Seven stations between 35th and 87th streets will be upgraded including new flooring, enhanced lighting, refurbished platform canopies, new customer assistant kiosks and improved signs. Eight escalators will be replaced and new elevators will be installed at the 47th Street and 69th Street stations.

During this quarter, KR completed the exterior masonry work and interior painting at the 50th Street Substation and final testing for the 55th Street signal interlocking. KD began work at the Sox/35th Street and the 63rd Street stations.

Expand Capacity for the Brown Line

In the second quarter, the CTA awarded a contract to FHP Tectonics Corporation for the reconstruction of the Belmont and Fullerton stations. This will include the construction of new stationhouses, track renewal at the stations, widening of the platforms and the realignment of the track. This contract is for \$93.4 million which is slightly below the cost estimate.

Aldridge Electric, the contractor for the construction and upgrade of substation, began construction of the Grace Substation. Aldridge/Mass (AM), the contractor for the upgrade of the signal system from Kimball to Western and the installation of a new signal system at Clark Junction, continued the development of plans and work schedules for this work. AM also began the installation of conduit for the signal system and the relocation of electric utilities needed for the construction.

The CTA also is nearly complete with the final review of the redesign for the other stations on this line to be rehabilitated.

Perform Rail Car and Bus Overhauls and Upgrades

The bus and rail car preventive maintenance programs continue to improve service through the regular replacement of major mechanical parts that are subject to extensive wear. These programs have the goals to increase service reliability, enhance the appearance of buses and rail cars, upgrade the quality of service, reduce maintenance costs and extend the useful lives of these vehicles.

Implement Security Projects

This project is for the purchase and installation of security and communication enhancements throughout the CTA system including rail stations, yards, garages, shops and terminals. The CTA awarded a contract to Divane Bros. Electric Co. to implement security systems in subway tunnels and stations.

Renew Track and Structure

The CTA continues its multi-year program to eliminate slow zones and preserve service quality on all of its rail lines through a program of making repairs to track and structural components throughout its system. In order to maintain safe and reliable service, the CTA must replace right-of-way components that have reached the end of their lives. The program ensures continued quality rail operations and minimizes delays to passengers.

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Metra

Purchase 300 Accessible Bi-Level Commuter Cars

During the second quarter of 2005, Metra received 30 accessible commuter cars from Sumitomo Corporation. To date, Metra received a total of 268 of these commuter cars, and continues to be on schedule to receive all 300 cars by October 2005.

Expand and Upgrade North Central Service

In the quarter, Metra completed station platform construction at Galewood and Mars on the Milwaukee District West Line (MDW) and at Mundelein on the North Central Service (NCS). Metra started platform construction at Grayslake and continued platform construction at Vernon Hills and Rosemont on the NCS. Construction continued on the new track and signals on portions of the NCS between Wheeling and Grayslake and on the new station at Cicero and Grand on the MWD.

At the end of this quarter, Metra had completed 72 percent of the construction, an increase of 5 percent from the completion percentage from the previous quarter. Metra is under budget and on schedule to begin expanded service in early 2006 and complete all the work for the project by December 2006.

Extend and Upgrade Southwest Service

During the quarter, Metra continued the installation of the new signal system near 74th Street in Chicago to Manhattan and surfaced 16 miles of track. Metra started station platform construction at Oak Lawn, Worth and Manhattan and continued platform construction at Ashburn and Palos Park.

Metra awarded a contract to George Allen Construction Company for the construction of the station and parking at 153rd Street in Orland Park. Construction continued at the stations at Palos Park, Worth and Ashburn.

Overall, the project is 64 percent complete at the end of June. This is an increase of 5 percent from the completion percentage at the end of the last quarter. The project continues to be under budget and on schedule to start service on the extension in early 2006 and complete all work for the extension and upgrade by December 2006.

Extend Union Pacific West Line Service

As a part of the new signal system for the extension, Metra now has installed all of the new signal bridges. At the LaFox Station, Metra is setting the canopy steel structure, installing the roofing, completing the masonry work. At the Elburn Yard, Metra is grading the access road, continuing the construction of the yard platforms and doing interior building work.

Metra completed 64 percent of the construction for the Union Pacific West Line extension. This is a 6 percent increase over the completion percentage at the end of the first quarter. This project is under budget and scheduled to be complete by December 2006. Metra anticipates that service on this extension will begin in early 2006.

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. This work includes replacing the deck, spans and substructure for each bridge and raising the embankment to increase the clearance over roadways. Walsh Construction Company, the contractor for the bridge replacement, completed all the work for the bridges during the quarter.

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Metra (cont.)

Purchase 26 Accessible Electric Cars

In the second quarter, Metra received two prototype accessible electric commuter cars for the Electric District from Sumitomo Corporation of America. These cars feature stainless-steel construction and state-of-the-art propulsion. They will replace highliner cars purchased in 1970 and 1971 that have reached the end of their useful lives and cannot be economically rehabilitated. All of these new cars will be fully ADA compliant. Metra expects to receive all of these cars by June 2006.

Pace

Purchase Vans for the Vanpool Program

During the second quarter 2005, Pace placed an order, under their contract with Citicapital Fleet, to purchase an additional 28 vans for the vanpool program. This brings the total number of vans to be purchased under this contract to 584. In addition, Pace took delivery of 61 vans during the 2nd quarter for a total of 254 vans delivered under the contract.

Purchase Intelligent Bus System

Pace made the final payment on the purchase of their intelligent bus system (IBS) during the 2nd quarter. The IBS is a state-of-the-art bus communication system and includes features such as automatic vehicle location, immediate on-board transfer information for on-time connections to other Pace buses and automated visual and verbal announcement of bus stops. The IBS also includes advanced vehicle system monitoring recording engine and transmission data and warning of mechanical problems. The IBS also monitors the bus' wheelchair lift.

Improve Bus Garages and Facilities

Pace awarded a contract to Oak Brook Mechanical Services, Inc. for the purchase and installation of five roof top heat recovery units at their South Division Garage in Markham. Pace also awarded a contract to A-1 Roofing Company for roof replacement at the Heritage Division Garage in Joliet.

Purchase 243 Fixed Route Buses

Pace has received all 243 fixed route buses from North American Bus Industries (NABI). Pace is now in the process of closing out this contract. These new buses are fully accessible and will replace buses that have exceeded their useful lives.