



**Regional
Transportation
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For immediate release

DATE: May 24, 2007

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RTA BUILDING SUPPORT AROUND FUNDING PLAN FOR TRANSIT OPERATIONS AND PARATRANSIT

Chicago – A nearly two-year public outreach campaign by the Regional Transportation Authority (RTA), and its partner transit agencies, CTA, Metra and Pace, has generated growing consensus around the need for a funding plan that will meet the operating needs of the three transit agencies in northeastern Illinois, pay for paratransit services and partially address a pension funding shortfall at the Chicago Transit Authority (CTA).

The plan generates \$452 million annually through four sources:

- A quarter cent sales tax hike in the six counties of northeastern Illinois served by CTA, Metra and Pace. (\$280M)
- A three-tenths percent tax on real estate transfers in the City of Chicago (\$42 million)
- The accompanying state match (\$80.5M)
- State paratransit assistance (\$50M) - not a new tax – simply a change to reflect the commitment the Governor has made in this year's budget and the previous two years.

An innovative, local government empowerment fund would also be created through an additional 0.25% increase in the five collar county sales tax rates. The extra increase would bring the collar county RTA sales tax rate to a total of 0.75% if approved and would produce \$120 million for transportation improvement projects.

The funds would be under the control of the county governments and provide local government with the flexibility to meet road or transit needs and could fund capital or operational enhancements.

RTA Chairman Jim Reilly and Executive Director Steve Schlickman outlined the plan at a press conference today at RTA headquarters. Reilly and Schlickman have been advocating intensively in Springfield and with local elected officials in the collar counties of DuPage, Kane, Lake, McHenry, and Will.

Reilly said, "Everyone understands the need to better fund transit. Everyone understands we need new revenues, and everyone just wants to be sure that this revenue package is fair to taxpayers in the city and the suburbs and relatively stable during economic shifts."

Of the \$452 million in revenue, \$322 million will be dedicated to CTA, Metra and Pace for mainline operations. The final \$100 million in funds would support paratransit services for the elderly and disabled, which is administered by Pace.

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The plan further dedicates \$30 million annually for an “innovation fund” that supports both short-term capital and operating needs. RTA Executive Director Steve Schlickman said the innovation fund, “Gives the RTA and the Service Boards the flexibility to quickly plan and execute key short-term capital projects or new operational needs.”

“Our suburbs are always growing and our neighborhoods are always changing. We need to be nimble and responsive if we want more people using transit. That’s where the innovation fund comes in,” Schlickman said. Examples include such things as the recently launched “Sunrise Service,” which provides early morning reverse commute options to Chicago’s northern suburbs on Metra.

The RTA proposal would be the first change to the RTA sale tax rate since 1979 and helps address an operating deficit that totals \$226 million this year. The Illinois Auditor General, William Holland, recently conducted a comprehensive audit of the RTA, and the Service Boards and concluded that they are underfunded and in need of new revenues.

The RTA has also identified a \$10 billion capital need over the next five years and continues to push for a state initiative to meet these pressing infrastructure needs. While the revenue proposal issued today by the RTA would address the current operating funding gap, it would not address critical capital needs like fixing slow zones, replacing aging vehicles, upgrading track, stations or other upgrades. The state has not had a capital program for the last three years.

“Without these critical capital investments, our system will continue to deteriorate,” noted Schlickman. “Keeping the trains and buses running day to day is important for millions of riders. But we have to think long-term and make needed investments to improve the system. Today’s announcement addresses only one side of the equation,” said Schlickman.

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About the RTA: The RTA provides financial oversight, funding and regional planning for the three public transit operations in northeastern Illinois: The Chicago Transit Authority (CTA) bus and train, Metra commuter rail and Pace suburban bus and paratransit. For more information, visit www.rtachicago.com and www.MovingBeyondCongestion.org.