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Chicago area, Union Station big winners in U.S. transportation deal

Greg Hinz | December 02, 2015



Photo by Rudy Balasko

Metropolitan Chicago, which likes to consider itself the nation's transportation center, appears to be a big winner in the new five-year surface-transportation funding bill agreed on yesterday by congressional negotiators, with Union Station alone potentially in line for up to \$1 billion in improvements.

Congressional and local government sources say the area will benefit from increased, long-term funding for both transit and road projects, reauthorization of Amtrak, and a new pot of funds that help Chicago's Create freight-rail decongestion program. And then there's the Union Station work.

"This is a good bill," said Sen. Dick Durbin, D-Ill, who sat on the conference committee that developed the bill, which now goes to the full House and Senate for final approval. "When you consider the mess we've been in for eight years now...."

Durbin was referring to the fact that budget fights left Congress unable to pass a long-term transportation bill since George W. Bush was in office. Instead, it has relied on short-term fixes that

sometimes extended just a few months. The new bill should clear the way for spending about \$300 billion nationally over the next five years, about 15 percent above the current level.

The fact that a long-term bill may soon be passed is itself a big gain, said another conferee, U.S. Rep. Dan Lipinski, D-Chicago. "The bill's not perfect. But it's much better than what we had."

Highway aid and money allocated by a formula to transit operators such as the Chicago Transit Authority and Metra will rise together, with transit keeping its traditional 20 percent share despite efforts by some Republicans to divert funds to highway projects in the South and West. But there also are some particular tweaks of local interest.

The biggest is that Union Station owner Amtrak will be eligible to apply for a little-used federal low-interest loan pool known as Railroad Rehabilitation and Infrastructure Funding (RRIF), using development in the station and air rights above it as collateral. Amtrak is in the initial stages of trying to rebuild the dilapidated and crowded Near West Side facility.

Mayor Rahm Emanuel strongly pushed for such action in recent trips to Washington, along with Rep. Bob Dold, R-Kenilworth, Sen. Mark Kirk, R-Ill., and other members of the area's congressional delegation. According to Durbin, the city believes the new eligibility for RRIF loans could lead to "\$750 million to \$1 billion" in work in and around the station. Chicago will have to compete for the funds, but \$35 billion is available nationally.

Freight projects here will qualify for some of the \$4.5 billion the new bill authorizes for freight projects, according to Lipinski and the Chicago Metropolitan Agency for Planning (CMAP). Illinois will have to compete for such money, but in the past it has received about 6 percent of such funds in a similar program. The money is discretionary, not allocated by formula, and will have to be appropriated every year, Lipinski said.

Amtrak, which has a major base here, will get \$10.7 billion in dedicated funding. Most of that is for operations, with some targeted specifically to the Northeast Corridor. About \$2.1 billion is reserved for capital projects nationally.

The CTA has been eyeing two pots of federal money—one called "core capacity," to rebuild the Red Line North, and another labeled "new start," to extend the line south to the city limits. Those programs will get \$11.5 billion nationally, about 10 percent more than in current years. But that money will have to be appropriated annually and is subject to cuts, so it "is likely that this full amount will not be met," according to Lipinski's office. But efforts to require Chicago to provide more local matching funds to get the federal dollars were beaten back, Durbin said.

Overall, local officials seem quite pleased and say they would be even happier if the state finally would pass its own multi-year capital program to provide matching funds.

"It appears that America will soon have what it has lacked for too long: a five-year transportation bill that provides some (planning) certainty," CMAP Executive Director Joe Szabo said in a statement. He noted that, just in formula funds, Illinois will receive \$1.5 billion a year for roads and \$600 million a year for transit. "While these federal funds are only a modest increase, they are targeted in ways that can significantly benefit the multi-modal movement of people and goods."