

**West Lake Corridor  
Lake County, Indiana  
New Starts Project Development  
(Rating Assigned November 2018)**

Summary Description	
<b>Proposed Project:</b>	Commuter Rail 7.8 Miles, 4 Stations
<b>Total Capital Cost (\$YOE):</b>	\$890.88 Million <small>(Includes \$126.6 million in finance charges)</small>
<b>Section 5309 CIG Share (\$YOE):</b>	\$440.10 Million (49.4%)
<b>Annual Operating Cost (opening year 2024):</b>	\$12.01 Million
<b>Current Year Ridership Forecast (2015):</b>	7,200 Daily Linked Trips 2,150,100 Annual Linked Trips
<b>Horizon Year Ridership Forecast (2037):</b>	10,100 Daily Linked Trips 3,028,500 Annual Linked Trips
<b>Overall Project Rating:</b>	Medium-High
<b>Project Justification Rating:</b>	Medium
<b>Local Financial Commitment Rating:</b>	High

**Project Description:** The Northern Indiana Commuter Transportation District (NICTD) is planning a new branch off NICTD’s existing South Shore Line providing travelers a one seat ride from downtown Chicago to Hammond, Munster, and Dyer, Indiana. The project includes the purchase of 32 rehabilitated rail cars and construction of 2,300 park and ride spaces. The service is planned to operate every 35 minutes for most of the weekday, every 90 minutes during late night and early morning hours, and every 120 minutes on the weekends.

**Project Purpose:** The West Lake Corridor project is planned to provide commuter rail service to communities that currently lack efficient transit service to major employment centers in the Chicago metropolitan area. NICTD expects that the project will lead to significant economic development in the corridor.

**Project Development History, Status and Next Steps:** The project entered New Starts Project Development in September 2016. NICTD selected and adopted a locally preferred alternative into the fiscally-constrained long-range transportation plan in May 2017. NICTD completed the environmental review process with receipt of a Record of Decision from FTA in March 2018. NICTD anticipates entry into Engineering in March 2019, receipt of a Full Funding Grant Agreement in late 2019, and the start of revenue service in September 2024.

## Locally Proposed Financial Plan

<u>Source of Funds</u>	<u>Total Funds (\$million)</u>	<u>Percent of Total</u>
<b>Federal:</b> Section 5309 New Starts	\$440.10	49.4%
<b>State:</b> State of Indiana General Fund Appropriations and Bond Proceeds	\$125.47	14.1%
<b>Local:</b> Northwest Indiana Regional Development Authority Local Property and Income Tax Revenue and Bond Proceeds)	\$325.31	36.5%
<b>Total:</b>	<b>\$890.88</b>	<b>100.0%</b>

**NOTE:** The financial plan reflected in this table has been developed by the project sponsor and does not reflect a commitment by DOT or FTA. The sum of the figures may differ from the total as listed due to rounding.

**IN, Lake County, West Lake Corridor  
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<b>Factor</b>	<b>Rating</b>	<b>Comments</b>
<b>Local Financial Commitment Rating</b>	<b>High</b>	
<b>Non-Section 5309 CIG Share</b>	<b>+1 level</b>	<ul style="list-style-type: none"> <li>The CIG share of the project is 49.4 percent.</li> </ul>
<b>Summary Financial Plan Rating</b>	<b>Medium-High</b>	
Current Capital and Operating Condition (25% of local financial commitment rating)	High	<ul style="list-style-type: none"> <li>The Northern Indiana Commuter Transportation District (NICTD) does not operate bus service. Thus, bus fleet age is considered in the rating.</li> <li>The most recent bond ratings for NICTD, issued in March 2016, are as follows: Standard &amp; Poor's Corporation AA-.</li> <li>NICTD's current ratio of assets to liabilities as reported in its most recent audited financial statement is 2.1 (FY2017).</li> <li>There have been no service cutbacks or cash flow shortfalls in recent years.</li> </ul>
Commitment of Capital and Operating Funds (25% of local financial commitment rating)	High	<ul style="list-style-type: none"> <li>All of the non-Section 5309 CIG capital funds are committed or budgeted. Sources of funds include cash contributions and bond proceeds repaid by State of Indiana general fund appropriations and Indiana Regional Development Authority local property and income tax.</li> <li>Approximately 86.9 percent of the funds needed to operate and maintain the transit system in the first full year of operation are committed or budgeted, and the rest are considered planned. Sources of funds include FTA Section 5307 Urbanized Area Formula funds, State sales tax revenues from the Commuter Rail Service Fund, State appropriations from the Public Mass Transportation Fund, revenues from distributable property tax on railroad companies from the State Electric Rail Service Fund, local property and income tax revenues from the Indiana Regional Development Authority, fare revenues, parking lot revenues, service revenues from Metra, facility use</li> </ul>

		revenues from Chicago South Shore, and interest income, rental income, and advertising income.
Reasonableness of Capital and Operating Cost Estimates and Planning Assumptions/Capital Funding Capacity (50% of local financial commitment rating)	Medium-Low	<ul style="list-style-type: none"> <li>• Assumed growth in capital revenues is reasonable compared to recent historical experience.</li> <li>• The capital cost estimate is optimistic.</li> <li>• Regarding growth in operating revenue assumptions, farebox collections and State sales tax revenues are optimistic compared to recent historical experience.</li> <li>• Operating cost estimates are reasonable compared to recent historical experience.</li> <li>• NICTD has access to funds via additional debt capacity, cash reserves, or other committed funds to cover unexpected cost increases or funding shortfalls equal to at least 10 percent of the estimated CIG capital cost and 12.3 percent of annual system wide operating expenses.</li> </ul>

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***LAND USE RATING: Medium***

The land use rating reflects population density within one-half mile of proposed stations, employment served by the line, and the share of legally binding affordability restricted (LBAR) housing in the station areas compared to the share in the surrounding county.

- The existing station area average density is 4,400 persons per square mile, which corresponds to a Medium-Low rating according to FTA benchmarks. Total employment served is 299,000, corresponding to a High rating. Daily parking costs in the Chicago central business district exceed \$16, corresponding to a High rating. The ratio of station area to county LBAR housing is 1.01, which corresponds to a Low rating. The rating for this subfactor increases to a Medium-Low because over five percent of housing units in the county through which the project travels are LBAR.
- The project corridor consists primarily of low density commercial and industrial development surrounded by off-street surface parking lots in the two stations within Hammond, and low density single-family detached housing in the final two stations in Munster and Dyer.
- The street network around each of the stations has a defined grid structure with sidewalks, except for the final station that includes subdivisions with meandering roads leading to cul-de-sacs.

***ECONOMIC DEVELOPMENT RATING: Medium-Low***

**Transit-Supportive Plans and Policies: Medium-Low**

- *Growth Management:* There is no framework in place to manage growth, though northwest Indiana's Comprehensive Regional Plan identifies transit-oriented development (TOD) as an approach to slow the conversion and consumption of agriculture and other open land. The plan also recommends the introduction of tax incentives to discourage the sale of farmland in the region.
- *Transit-Supportive Corridor Policies:* Munster's comprehensive plan supports creation of a denser, mixed-use area around one of the stations, while the Hammond and Dyer comprehensive plans do not recommend higher densities around the remaining stations. Regional agencies have led conceptual planning efforts with recommendations to increase station area development, enhance transit-friendly characteristics, and improve pedestrian infrastructure.
- *Supportive Zoning Regulations Near Transit Stations:* Existing zoning for the station areas includes mostly residential areas with densities in the Low to Medium-Low range per FTA benchmarks, and some industrial and commercial zones allowing up to Medium to High densities. There are several planned unit development zones in the corridor that allow mixed uses. Conceptual TOD planning for the corridor recommended a form-based zoning code that would foster development at higher densities and with a pedestrian-friendly design.
- *Tools to Implement Land Use Policies:* Recent State legislation authorized the Northwest Indiana Regional Development Authority (RDA) to implement tax-increment financing districts in the corridor to generate revenue for TOD-supportive infrastructure near stations. Conceptual TOD planning for the corridor included engagement with the three corridor municipalities and the public, and the RDA has engaged developers to understand the potential market for TOD.

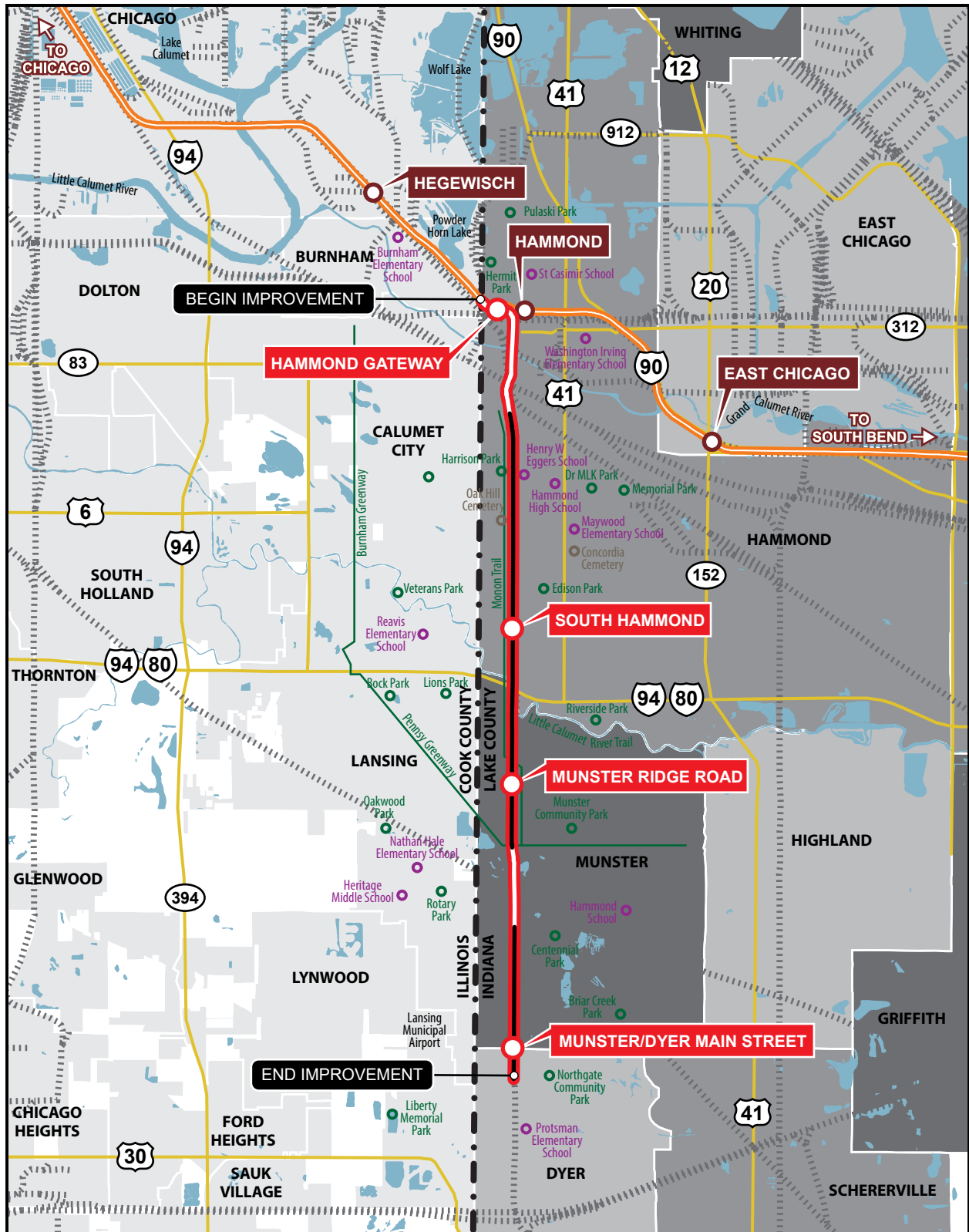
**Performance and Impacts of Policies: Medium-Low**

- *Performance of Land Use Policies:* Most recent and planned development in the corridor is low-density and automobile-oriented. A planned redevelopment of a large industrial site in Munster would include mixed uses and street-facing buildings, albeit with considerable parking between buildings.
- *Potential Impact of Transit Investment on Regional Land Use:* The four station areas include more than 239 acres of vacant or underutilized land that is available for redevelopment, though only minimal growth is anticipated by 2035. A market study indicated that TOD is likely to occur gradually given the current development character and modest demand for denser development.

**Tools to Maintain or Increase Share of Affordable Housing: Low**

- Of the three corridor municipalities, only Hammond has an affordable housing plan, as part of the city's receipt of Federal housing funds. No significant affordable housing strategies or non-Federal funding sources were noted, though Hammond's housing plans characterize the city's existing housing supply as adequate and affordable. A 1940s public housing complex near the South Hammond station was recently redeveloped into mixed-income housing with affordable units.

# WEST LAKE CORRIDOR PROJECT MAP - HAMMOND, IN TO DYER, IN



- Existing Station
- Locally Preferred Alternative (At-Grade)
- Proposed Station
- South Shore Line
- Locally Preferred Alternative (Elevated - Open Underpass Structure)
- Existing Railroad Track
- State Line
- Stream and Water Body
- Major Roadway



0 Miles 1 1/2