

**Double Track Northwest Indiana  
Gary to Michigan City, Indiana  
New Starts Engineering  
(Rating Assigned November 2019)**

*The rating reflected in this profile was based on the information provided by the Northern Indiana Commuter Transportation District (NICTD) with its initial Engineering request submitted to FTA in June 2019. Subsequent to the completion of FTA's evaluation, NICTD increased the total capital cost to \$460.37 million, with a Capital Investment Grants (CIG) program share request of \$172.96 million (37.6 percent) in September 2019. Those changes cannot be reflected in the project profile until FTA receives a complete revised submission from NICTD so the rating can be updated accordingly.*

Summary Description	
<b>Proposed Project:</b>	Commuter Rail 26.6 Miles, 5 Stations
<b>Total Capital Cost (\$YOE):</b>	\$456.05 Million <small>(Includes \$40.1 million in finance charges)</small>
<b>Section 5309 CIG Share (\$YOE):</b>	\$172.96 Million (37.9%)
<b>Annual Operating Cost (opening year 2024):</b>	\$6.87 Million
<b>Current Year Ridership Forecast (2018):</b>	6,000 Daily Linked Trips 1,683,100 Annual Linked Trips
<b>Horizon Year Ridership Forecast (2040):</b>	9,700 Daily Linked Trips 2,728,300 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) proposes to build a new second track on its South Shore commuter rail line in northern Indiana between Gary and Michigan City to allow for expanded service. The Project includes platform upgrades at five stations with additional parking. Two miles of the project corridor in Michigan City include construction of an exclusive right-of-way to replace the current single-track street-running segment, thus improving safety along the alignment. The service is planned to operate every 16 minutes during weekday peak periods and approximately every 75 minutes during weekday off-peak periods, evenings, and weekends in the opening year. In the horizon year, service is planned to operate every 14 minutes during weekday peak periods and approximately every 70 minutes during weekday off-peak periods, evenings, and weekends.

**Project Purpose:** The Project purpose is to improve transportation options for high-growth areas of northwest Indiana residents traveling to downtown Chicago and surrounding areas as well as to South Bend International Airport. The Project will improve operating flexibility; reduce delay; reduce travel time; improve system reliability, mobility, and safety; and promote economic development opportunities in the region.

**Project Development History, Status and Next Steps:** The project entered Core Capacity Project Development in May 2016. NICTD selected a locally preferred alternative and adopted it into the regional fiscally-constrained long-range transportation plan in May 2017. NICTD completed the environmental review process with receipt of a Finding of No Significant Impact from FTA in November 2018. NICTD withdrew the project from Core Capacity Project Development in February 2019 because the Project could no longer qualify as being at capacity due to declining ridership. NICTD continued working on the project while removed from the CIG program. The Project reentered the CIG program as a New Starts project in the Engineering phase in February 2020. NICTD anticipates receipt of a Full Funding Grant Agreement in June 2021, and the start of revenue service in April 2024.

<b>Locally Proposed Financial Plan</b>		
<b><u>Source of Funds</u></b>	<b><u>Total Funds</u></b> <b><u>(\$million)</u></b>	<b><u>Percent of Total</u></b>
<b>Federal:</b> Section 5309 New Starts	\$172.96	37.9%
<b>State:</b> State of Indiana General Fund Appropriations and Bond Proceeds	\$114.17	25.0%
State of Indiana Next Level Connection Fund Toll Revenue	\$85.90	18.9%
<b>Local:</b> Northwest Indiana Regional Development Authority Local Property and Income Tax Revenue and Bond Proceeds	\$43.32	9.5%
St. Joseph County General Revenue Bond Proceeds	\$18.25	4.0%
Michigan City South Tax Increment Financing District Revenue and Bond Proceeds	\$12.17	2.7%
LaPorte County Major Bridge and Emergency Reserve Funds	\$6.08	1.4%
Cash Contribution from St. Joseph County, Michigan City, and LaPorte County	\$3.20	0.7%
<b>Total:</b>	<b>\$456.05</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, Gary to Michigan City, Double Track Northwest Indiana  
(Rating Assigned November 2019)**

<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 37.9 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 not considered in the rating.</li> <li>NICTD's current ratio of assets to liabilities is 3.0 (FY 2018).</li> <li>NICTD has not issued bonds in the last two years. Thus, bond ratings are not considered in the rating.</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; toll revenue from the State of Indiana Next Level Connection Fund; Indiana Regional Development Authority (RDA) local property and income tax revenue and bond proceeds; tax increment financing district funds from Michigan City; cash funding from LaPorte County's Major Bridge Fund and Emergency Reserve Fund; and funds to be raised through a bond issuance by St. Joseph County.</li> <li>Approximately 87.4 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 RDA, fare revenues, parking lot revenues, service revenues from</li> </ul>

		Metra, facility use 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 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 9.2 percent of the estimated CIG capital cost and 9.5 percent of annual system wide operating expenses.</li> </ul>

# Double Track – Northwest Indiana

## Gary, Indiana

### Seeking Entry to New Starts Engineering

(Rating Assigned November 2019)

#### **LAND USE RATING: Medium-High**

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 counties.

- The station area average density is 1,500 people per square mile, corresponding to a Low rating by FTA benchmarks. Total employment served is about 290,000, 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 8.05, corresponding to a High rating.
- Station area development character varies greatly. Station areas include compact street grids, auto-oriented development, low-density subdivisions, forest, and farmland. Most of two station areas is in the Indiana Dunes National Lakeshore and the Indiana Dunes State Park.
- The urban street grids in Gary and Michigan City include connected sidewalks. In other station areas, sidewalks exist only in the residential areas.

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

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

- *Growth Management:* Northwest Indiana's Comprehensive Regional Plan calls for the development of walkable, mixed-use centers in already developed areas and the adoption of tax incentives in rural areas to accommodate growth while preserving remaining rural character. However, growth management policies are generally advisory, with limited implementation tools. State and national parks in the corridor serve as tools for land preservation.
- *Transit-Supportive Corridor Policies:* Plans for two of the five station areas recommend strongly transit-supportive densities. One station area has a somewhat transit-supportive conceptual plan, and two stations are largely surrounded by protected lands with little development potential.
- *Supportive Zoning Regulations Near Transit Stations:* Gary and Michigan City adopted form-based codes that apply to their respective station areas and support transit-oriented development. Densities generally rate in the Medium-Low to Medium-High range. The three other station areas are generally zoned for low densities. Parking requirements have been reduced or eliminated in one station area.
- *Tools to Implement Land Use Policies:* Regional entities have conducted dialogue and visioning exercises with corridor municipalities on public transportation, land development, and economic growth in Northwest Indiana. Tax increment finance (TIF) districts and Federal Opportunity Zones provide potential mechanisms for development and infrastructure finance in three station areas.

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

- *Performance of Land Use Policies:* No examples of recently completed transit-supportive developments in the project corridor were submitted. Michigan City has developed a plan for an integrated station, parking structure, and commercial building at the 11th Street Station.
- *Potential Impact of Transit Investment on Regional Land Use:* The Gary/Miller and Michigan City station areas have many vacant or underutilized properties that can accommodate higher levels of development under current zoning, although land assembly and/or environmental cleanup may be needed. Decreasing vacancy rates suggest a strengthening market.

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

- There is a high proportion of affordable housing in station areas, and over 80 percent of this existing housing will remain affordable for at least 20 years. The affordable housing is concentrated in Gary and Michigan City, and plans, tools, and development examples in other station areas are limited or non-existent.

# DOUBLE TRACK – NORTHWEST INDIANA PROJECT MAP – GARY, IN TO MICHIGAN CITY, IN

