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Contact: Dave Wellman
Communications Manager
219-644-3506
dwellman@rda.in.gov

Study Reveals Billion-Dollar Impact of RDA Investment

Investment by the Northwest Indiana Regional Development Authority since 2006 has had – and is having – a substantial impact on the region’s economy.

Crown Point, IN (November 20, 2012) – Investments by the Northwest Indiana Regional Development Authority (RDA) since 2006 will have a cumulative economic impact of more than \$1.1 billion by 2015, according to a study conducted by an independent economic research firm. That represents a return on investment (ROI) of \$5.11 for every \$1 of RDA spending.

Conducted at the request of the RDA, the study also found that the approximately \$210 million the RDA has invested to date in shoreline redevelopment, the Gary Chicago International Airport, commuter transportation and economic development has created or supported more than 2,000 jobs in Northwest Indiana.

These figures represent the results of the “construction phase” of the RDA’s current initiatives in Northwest Indiana. “All of our investments are catalytic in nature and are designed to attract new businesses and improve our quality of life,” says Bill Hanna, President and CEO of the RDA. “So they will continue to generate additional return on investment in the years to come.”

By 2025, the RDA’s investments are projected to generate \$770 million in economic output annually (in 2012 dollars). This increased economic output in 2025 will support approximately 4,000 jobs in the Lake and Porter County region. More than 2,000 of these jobs will be supported by industrial and commercial investment in and around the airport. The increase in economic activity and employment will increase personal income in Northwest Indiana by an estimated \$383 million annually.

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Highlights of the report, conducted by Indianapolis-based Policy Analytics LLC, include:

- Shoreline construction activity is projected to generate \$425 million in economic output and a total of 891 jobs in 2012. This includes 475 direct jobs in construction-related industries, 145 indirect jobs from supply chain purchasing, and 270 induced jobs from increased household spending. Over the course of the planned construction period, 2007-2014, one dollar in RDA contribution results in \$3.47 of local impact throughout the economy.
- By 2025, the ongoing economic impact of the shoreline development projects funded currently are projected to generate a combined \$93 million annually in total economic output to the Northwest Indiana region. The total amount of projected disposable personal income in the region is estimated to increase by approximately \$91 million (\$140 per capita) annually, and the total annual employment impact is projected at 1,010 jobs, by 2025.
- The Gary Chicago International Airport (GYI) runway extension project is projected to generate \$277 million in total economic impact over the course of the runway extension project. At its peak, this will generate approximately 1,040 annual jobs. Because of the type of investment, a majority of jobs will be concentrated in construction-related industries, but approximately 475 jobs will be produced in industries throughout the economy from indirect and other household spending.
- These jobs will generate an estimated \$56 million in labor income in 2013. Overall, \$1 of RDA investment in the GYI runway extension project generates \$5.32 in total economic output
- Ongoing airport and business operations are projected to result in approximately 2,430 new jobs for the northwest Indiana region by 2025. The same activity is projected to generate \$527 million in economic output and \$169 million in disposable income.
- Based on the economic modeling done for this report, the total State sales and income taxes generated by the RDA's investments will total \$8.3 million annually by CY 2015, and \$23.8 million by CY 2025. Although the fiscal impacts for local units of government in increased property tax and excise tax revenue are beyond the scope of this analysis, the RDA is certainly having an impact on the revenue streams of the local governments throughout the region.

For a copy of the report, contact Dave Wellman at dwellman@rda.in.gov or 219-644-3506.

“We have only taken our first steps in transforming the region,” Hanna says. “There remains a great deal of work to be done. It is imperative that the RDA and public and private officials continue to work together to capitalize on Northwest Indiana’s geographic advantage, including

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its proximity to Chicago, the Lake Michigan shoreline and its position as a transportation and logistics hub. We have tremendous momentum right now and are positioning the region for growth as the national economy recovers.”

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About the Northwest Indiana Regional Development Authority

Established in 2005 through a bipartisan effort including Governor Mitchell E. Daniels, Congressman Peter J. Visclosky, key state legislators, and local elected officials, the RDA is quasi-governmental development entity entrusted to make public investment decisions within a regional framework for supporting catalytic infrastructure projects and inducing private sector investment. Its mission is to be a catalyst for transforming the economy and quality of life for Northwest Indiana. For more information, visit www.in.gov/rda and www.rdatransformation.com.