



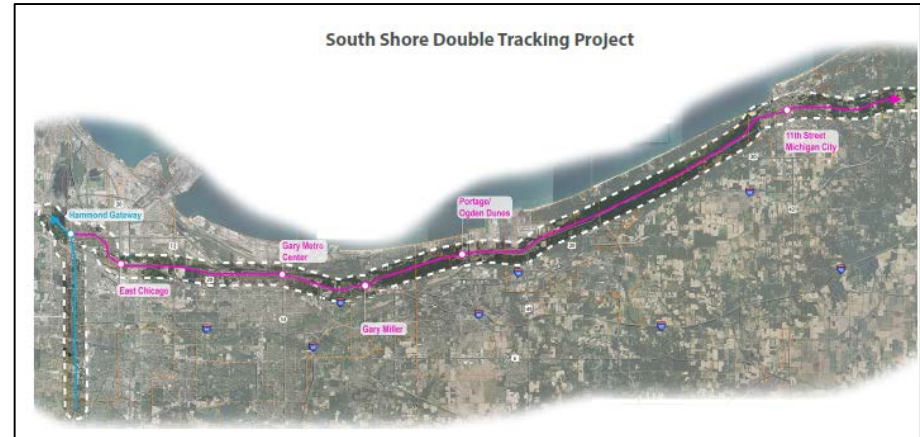
Northwest Indiana Regional Development Authority

Real Estate Tax Projections: Peer Review

April 2017

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Proposed Project Maps



- The West Lake Corridor (WLC) project includes relocating the existing Hammond Station and the development of new track and stations at Hammond Gateway, Hammond South, Munster Ridge Road, and Munster/Dyer Main Street. Station areas analyzed as part of the WLC project include Hammond Gateway, Hammond South, Munster Ridge Road, and Munster/Dyer Main Street.
- The South Shore Double Tracking (SSDT) Project includes the double tracking of 25 miles of line between Tennessee Street in Gary, just east of the Gary Metro Center, and Michigan Boulevard, in Michigan City. Station areas analyzed as part of the SSDT project include East Chicago, Gary Metro Center, Gary Miller, and Portage/Ogden Dunes.

Source: Comprehensive Strategic Plan, August 2016



Real Estate Tax Projections: Peer Review

Real Estate Tax Projections: Peer Review

- KPMG Economic and Valuation Services (EVS) completed a real estate tax analysis, as a peer review of Policy Analytics' estimates, for the proposed eight stations in Northwest Indiana in conjunction with our feasibility analysis.
- EVS estimated future tax expenses from the eight stations via the sales comparison approach.
- From a public records search, EVS was able to analyze the taxes paid at different building types around the Subject stations on a per square foot basis.
- EVS then estimated taxes on a per square foot basis for the requisite building types around the Subject stations and projected the taxes out for each station.
- Our tax projections for the discrete buildings correspond with their associated square feet and construction timelines from our feasibility analysis.
- Policy Analytics estimated its tax expense based on their construction estimates and municipal tax rates.
- The results of our analysis as compared to Policy Analytics' are outlined in the following slides, with the sum of the estimated taxes for all of the stations in the first section and each underlying station broken out thereafter.

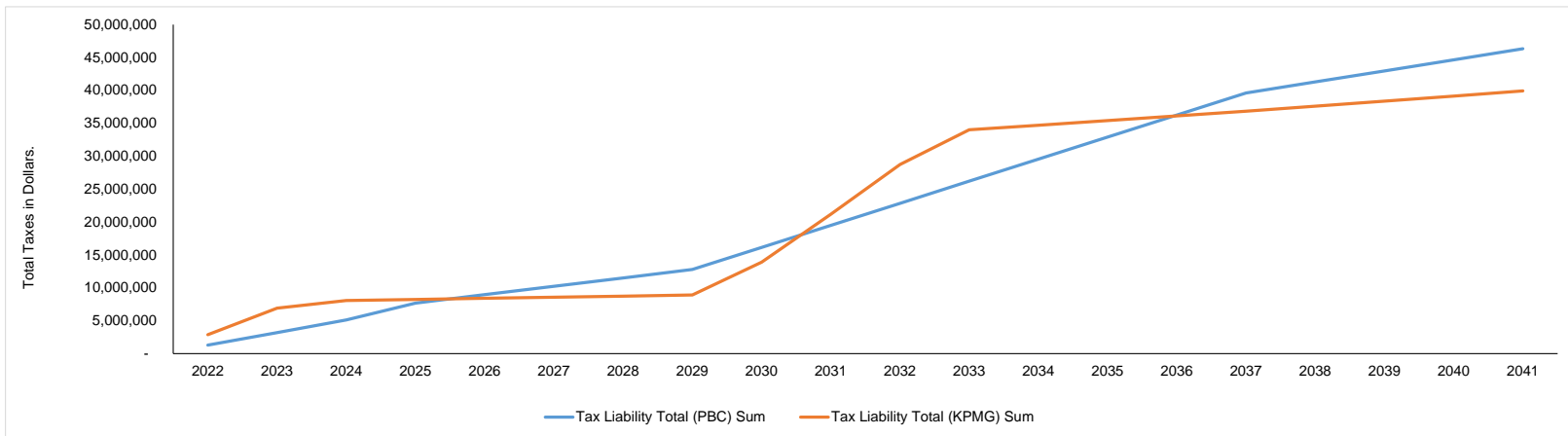


Sum of All Stations

Comparison of KPMG's vs. Policy Analytics' estimated taxes for the sum of all of the stations

Sum of All Stations - Real Estate Tax Analysis

	Phase I				Phase II							
	Year 6	Year 7	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 22	Year 23	Year 24	Year 25
	2022	2023	2028	2029	2030	2031	2032	2033	2038	2039	2040	2041
Hammond Gateway	150,342	372,831	484,652	494,345	926,755	2,216,493	3,557,450	4,951,156	5,466,476	5,575,806	5,687,322	5,801,069
Hammond South	130,561	399,518	588,135	599,897	726,303	863,643	1,006,248	1,154,275	1,311,317	1,345,295	1,380,185	1,416,012
Munster Ridge	673,841	1,657,675	2,142,706	2,185,560	3,210,129	4,274,804	5,380,784	5,853,946	6,463,229	6,592,494	6,724,344	6,858,831
Munster Dyer	1,063,555	2,541,197	3,215,901	3,280,220	4,092,803	4,936,594	5,812,520	6,391,645	7,069,580	7,213,636	7,360,654	7,510,695
East Chicago	0	0	0	0	1,217,912	2,484,546	3,801,352	3,965,470	4,378,199	4,465,763	4,555,078	4,646,180
Gary Metro	273,224	671,513	867,421	884,769	1,131,244	1,847,679	2,592,316	3,366,000	3,716,337	3,790,663	3,866,477	3,943,806
Gary Miller	124,519	306,034	395,316	403,222	667,787	1,752,671	2,880,680	4,053,109	4,474,959	4,564,458	4,655,748	4,748,862
Portage / Ogden - Dunes	461,697	941,862	1,039,891	1,060,689	1,910,309	2,793,488	3,711,230	4,266,197	4,710,226	4,804,431	4,900,519	4,998,530
Tax Liability Total (KPMG) Sum	2,877,739	6,890,630	8,734,022	8,908,701	13,883,241	21,169,919	28,742,581	34,001,797	37,590,323	38,352,547	39,130,326	39,923,984
Hammond Gateway	221,442	553,604	1,992,975	2,214,417	2,620,668	3,026,919	3,433,170	3,839,421	5,667,552	5,870,677	6,073,803	6,276,929
Hammond South	111,545	278,864	1,003,909	1,115,455	1,231,314	1,347,174	1,463,033	1,578,893	2,100,261	2,158,190	2,216,120	2,274,050
Munster Ridge	234,411	586,028	2,109,702	2,344,113	2,652,695	2,961,278	3,269,860	3,578,442	4,967,061	5,121,352	5,275,643	5,429,935
Munster Dyer	251,360	628,401	2,262,243	2,513,604	2,753,615	2,993,626	3,233,638	3,473,649	4,553,700	4,673,706	4,793,711	4,913,717
East Chicago	0	0	0	0	783,595	1,567,191	2,350,786	3,134,382	6,660,561	7,052,359	7,444,156	7,835,954
Gary Metro	224,940	562,351	2,024,463	2,249,403	2,830,436	3,411,468	3,992,500	4,573,532	7,188,177	7,478,693	7,769,209	8,059,725
Gary Miller	128,115	320,288	1,153,038	1,281,154	1,912,447	2,543,739	3,175,032	3,806,325	6,647,143	6,962,789	7,278,435	7,594,082
Portage / Ogden - Dunes	106,405	266,012	957,642	1,064,047	1,350,465	1,636,883	1,923,301	2,209,719	3,498,600	3,641,809	3,785,018	3,928,227
Tax Liability Total (PBC) Sum	1,278,219	3,195,548	11,503,973	12,782,193	16,135,235	19,488,278	22,841,320	26,194,363	41,283,055	42,959,576	44,636,097	46,312,618



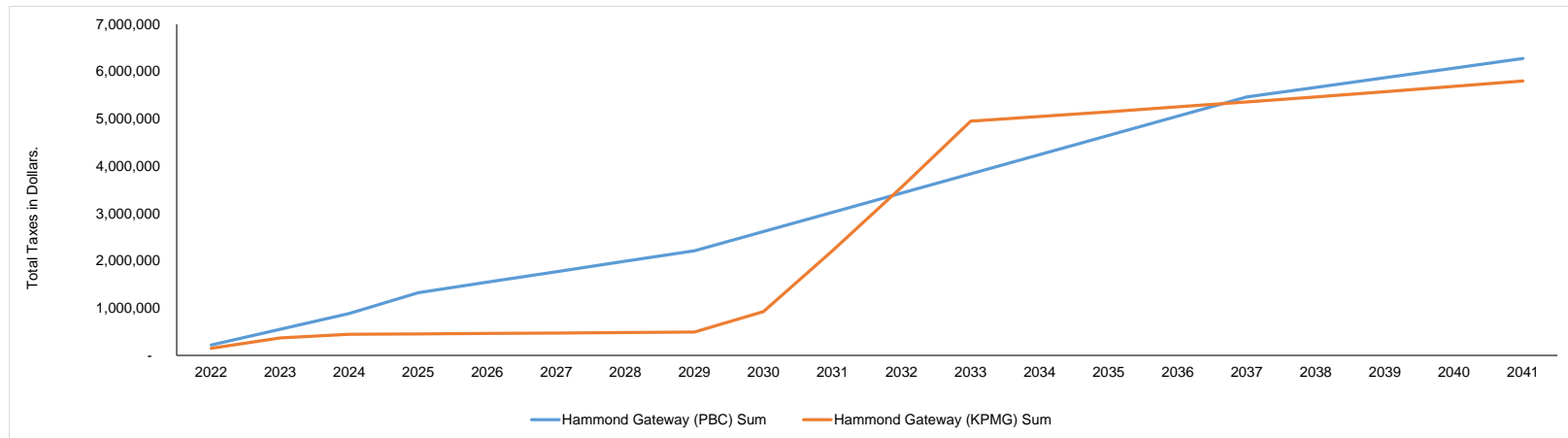


Hammond Gateway Station

Comparison of KPMG's vs. Policy Analytics' estimated tax analysis for Hammond Gateway

Hammond Gateway: Real Estate Tax Analysis

	Phase I				Phase II							
	Year 6	Year 7	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 22	Year 23	Year 24	Year 25
	2022	2023	2028	2029	2030	2031	2032	2033	2038	2039	2040	2041
Hammond Gateway Office	9,238	28,269	41,615	42,447	43,296	220,729	405,245	597,052	659,194	672,378	685,825	699,542
Hammond Gateway Retail	55,600	170,135	250,455	255,464	260,573	929,447	1,624,968	2,347,937	2,592,312	2,644,159	2,697,042	2,750,983
Hammond Gateway Multifamily Mkt.	69,799	142,390	157,210	160,354	511,959	877,564	1,257,589	1,652,463	1,824,453	1,860,942	1,898,161	1,936,124
Hammond Gateway Multifamily Af.	15,705	32,038	35,372	36,080	110,927	188,753	269,648	353,703	390,517	398,327	406,294	414,420
Hammond Gateway (KPMG) Sum	150,342	372,831	484,652	494,345	926,755	2,216,493	3,557,450	4,951,156	5,466,476	5,575,806	5,687,322	5,801,069
Hammond Gateway (PBC) Sum	221,442	553,604	1,992,975	2,214,417	2,620,668	3,026,919	3,433,170	3,839,421	5,667,552	5,870,677	6,073,803	6,276,929



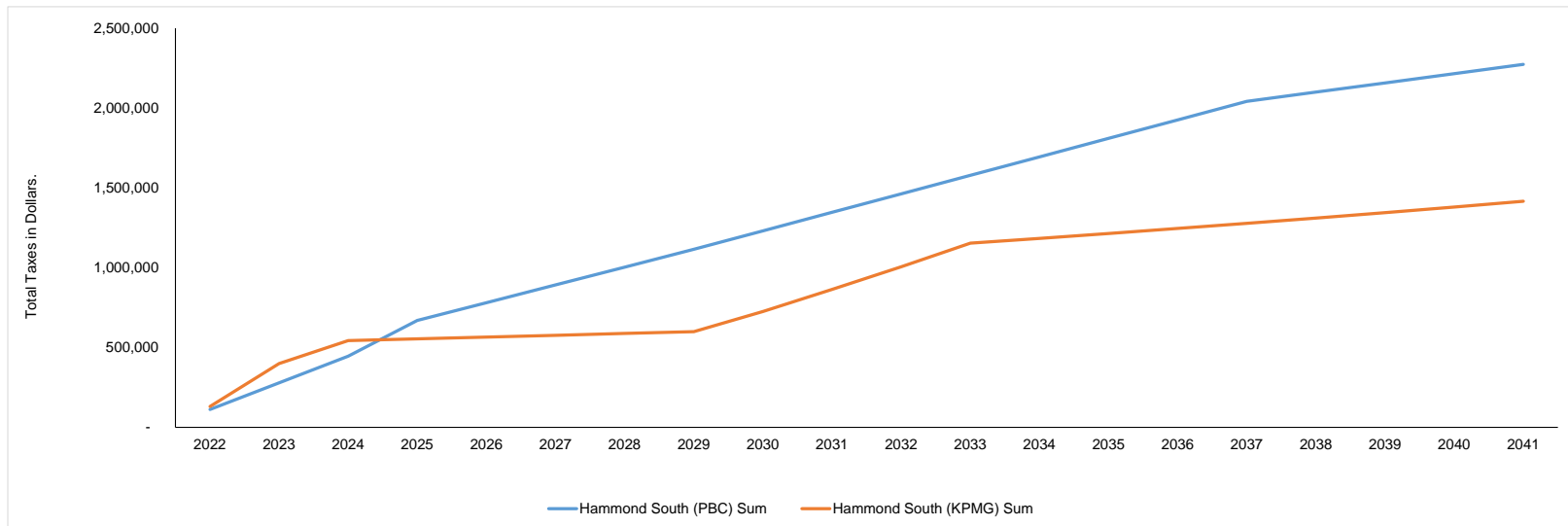


Hammond South Station

Comparison of KPMG's vs. Policy Analytics' estimated tax analysis for Hammond South

Hammond South: Real Estate Tax Analysis

	Phase I				Phase II							
	Year 6	Year 7	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 22	Year 23	Year 24	Year 25
	2022	2023	2028	2029	2030	2031	2032	2033	2038	2039	2040	2041
Hammond South Office	57,165	174,924	257,507	262,657	267,910	275,947	284,226	292,752	339,380	349,562	360,049	370,850
Hammond South Retail	73,396	224,594	330,628	337,240	343,985	354,305	364,934	375,882	435,750	448,822	462,287	476,156
Hammond South Multifamily Mkt.	0	0	0	0	101,035	206,112	315,351	428,878	473,516	482,986	492,646	502,499
Hammond South Multifamily Aff.	0	0	0	0	13,372	27,280	41,738	56,763	62,671	63,925	65,203	66,507
Hammond South (KPMG) Sum	130,561	399,518	588,135	599,897	726,303	863,643	1,006,248	1,154,275	1,311,317	1,345,295	1,380,185	1,416,012
Hammond South (PBC) Sum	111,545	278,864	1,003,909	1,115,455	1,231,314	1,347,174	1,463,033	1,578,893	2,100,261	2,158,190	2,216,120	2,274,050



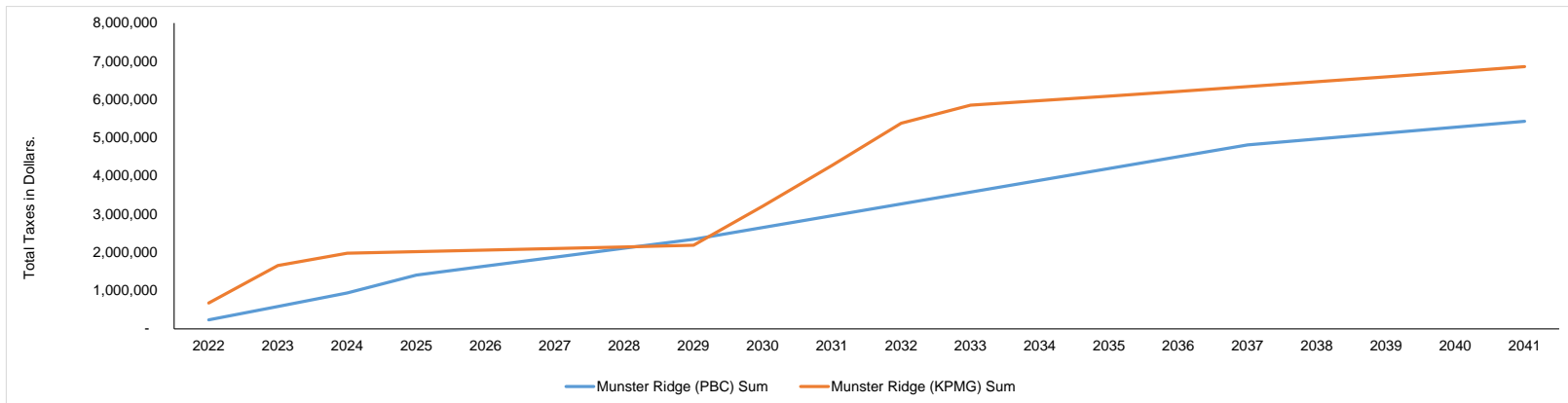


Munster Ridge Station

Comparison of KPMG's vs. Policy Analytics' estimated tax analysis for Munster Ridge

Munster Ridge: Real Estate Tax Analysis

	Phase I				Phase II							
	Year 6	Year 7	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 22	Year 23	Year 24	Year 25
	2022	2023	2028	2029	2030	2031	2032	2033	2038	2039	2040	2041
Munster Ridge Office	60,541	185,254	272,714	278,168	420,701	568,822	722,700	737,154	813,877	830,155	846,758	863,693
Munster Ridge Retail	216,950	663,866	977,282	996,828	1,516,190	2,055,927	2,616,648	2,668,981	2,946,771	3,005,706	3,065,820	3,127,137
Munster Ridge Multifamily Mkt.	309,218	630,804	696,459	710,388	993,841	1,288,348	1,594,237	1,911,846	2,110,833	2,153,050	2,196,111	2,240,033
Munster Ridge Multifamily Aff.	87,133	177,750	196,251	200,176	279,397	361,708	447,199	535,965	591,749	603,583	615,655	627,968
Munster Ridge (KPMG) Sum	673,841	1,657,675	2,142,706	2,185,560	3,210,129	4,274,804	5,380,784	5,853,946	6,463,229	6,592,494	6,724,344	6,858,831
Munster Ridge (PBC) Sum	234,411	586,028	2,109,702	2,344,113	2,652,695	2,961,278	3,269,860	3,578,442	4,967,061	5,121,352	5,275,643	5,429,935



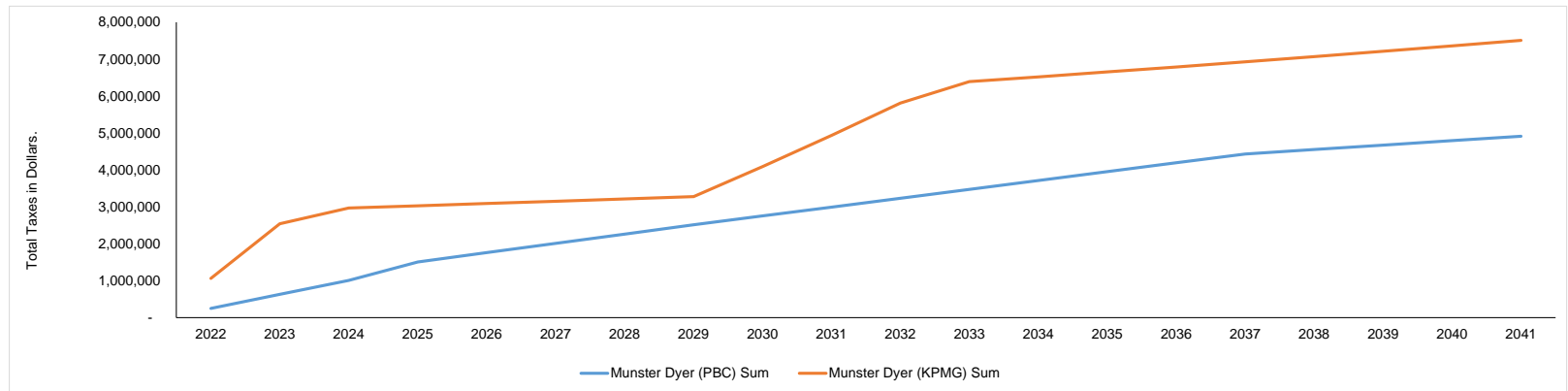


Munster Dyer Station

Comparison of KPMG's vs. Policy Analytics' estimated tax analysis for Munster Dyer

Munster Dyer: Real Estate Tax Analysis

	Phase I				Phase II							
	Year 6	Year 7	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 22	Year 23	Year 24	Year 25
	2022	2023	2028	2029	2030	2031	2032	2033	2038	2039	2040	2041
Munster Dyer Office	44,453	136,026	200,245	204,250	210,378	216,689	223,189	229,885	266,500	274,495	282,730	291,212
Munster Dyer Retail	319,806	978,606	1,440,613	1,469,426	1,809,678	2,162,948	2,529,624	2,580,217	2,848,768	2,905,743	2,963,858	3,023,135
Munster Dyer Multifamily Mkt.	570,854	1,164,543	1,285,749	1,311,464	1,708,870	2,121,648	2,550,253	2,995,154	3,306,892	3,373,030	3,440,490	3,509,300
Munster Dyer Multifamily Aff.	128,442	262,022	289,294	295,079	363,877	435,309	509,453	586,388	647,420	660,369	673,576	687,048
Munster Dyer (KPMG) Sum	1,063,555	2,541,197	3,215,901	3,280,220	4,092,803	4,936,594	5,812,520	6,391,645	7,069,580	7,213,636	7,360,654	7,510,695
Munster Dyer (PBC) Sum	251,360	628,401	2,262,243	2,513,604	2,753,615	2,993,626	3,233,638	3,473,649	4,553,700	4,673,706	4,793,711	4,913,717



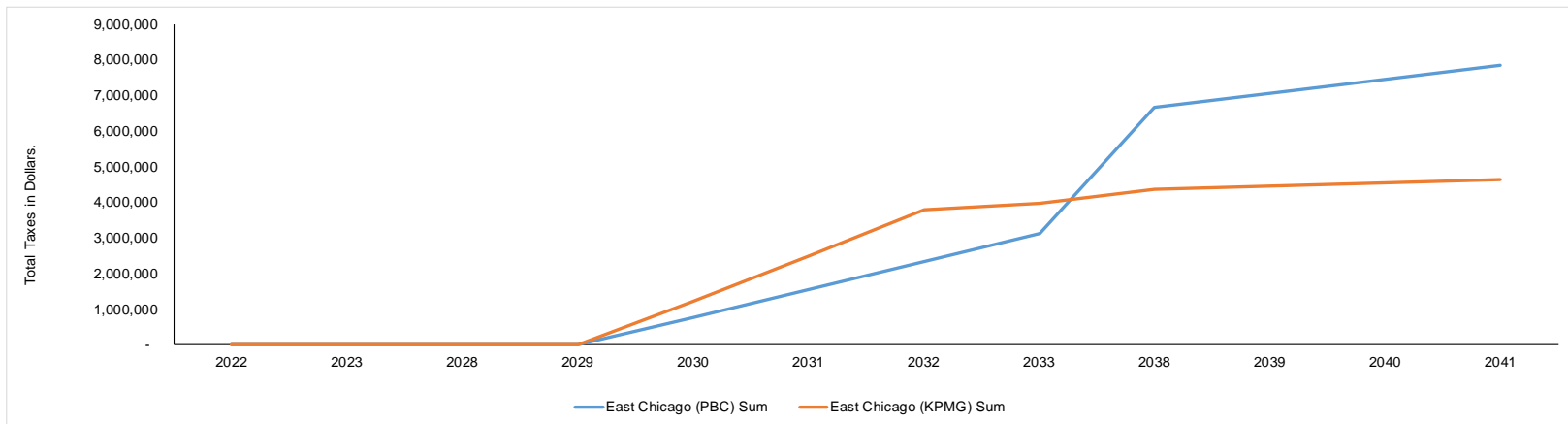


East Chicago Station

Comparison of KPMG's vs. Policy Analytics' estimated tax analysis for East Chicago

East Chicago: Real Estate Tax Analysis

	Phase I				Phase II							
	Year 6	Year 7	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 22	Year 23	Year 24	Year 25
	2022	2023	2028	2029	2030	2031	2032	2033	2038	2039	2040	2041
East Chicago Office	0	0	0	0	507,805	1,035,923	1,584,962	1,616,661	1,784,924	1,820,623	1,857,035	1,894,176
East Chicago Retail	0	0	0	0	627,097	1,279,283	1,957,301	1,996,447	2,204,239	2,248,324	2,293,290	2,339,156
East Chicago Multifamily Mkt.	0	0	0	0	60,371	123,156	188,429	256,263	282,935	288,594	294,366	300,253
East Chicago Multifamily Aff.	0	0	0	0	22,639	46,184	70,661	96,099	106,101	108,223	110,387	112,595
East Chicago (KPMG) Sum	0	0	0	0	1,217,912	2,484,546	3,801,352	3,965,470	4,378,199	4,465,763	4,555,078	4,646,180
East Chicago (PBC) Sum	-	-	-	-	783,595	1,567,191	2,350,786	3,134,382	6,660,561	7,052,359	7,444,156	7,835,954



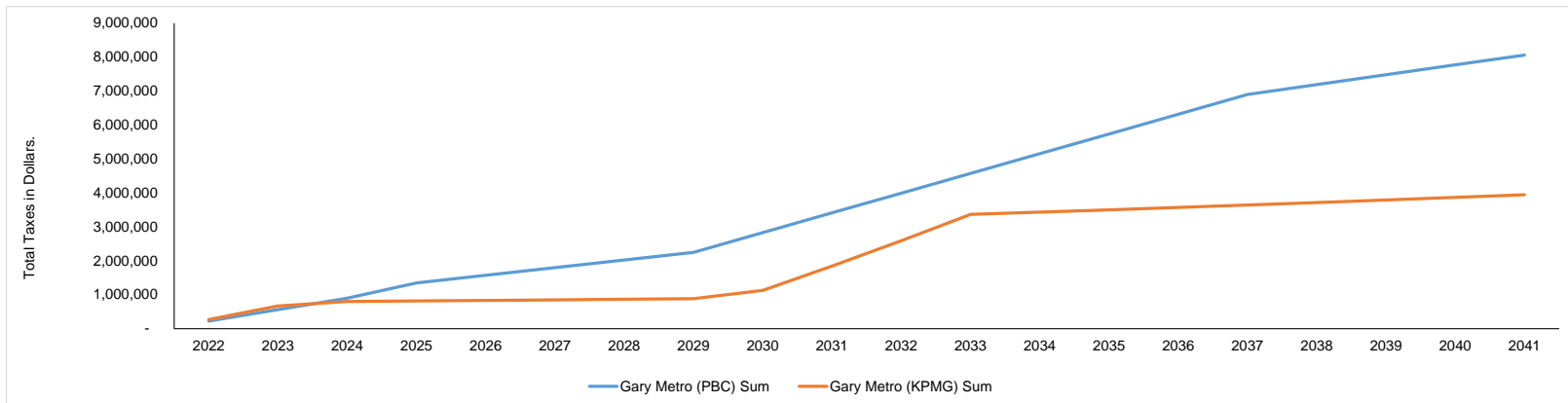


Gary Metro Station

Comparison of KPMG's vs. Policy Analytics' estimated tax analysis for Gary Metro

Gary Metro: Real Estate Tax Analysis

	Phase I				Phase II							
	Year 6	Year 7	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 22	Year 23	Year 24	Year 25
	2022	2023	2028	2029	2030	2031	2032	2033	2038	2039	2040	2041
Gary Metro Office	25,822	79,017	116,322	118,648	121,021	242,690	369,176	500,623	552,729	563,783	575,059	586,560
Gary Metro Retail	86,075	263,390	387,739	395,494	403,403	752,678	1,115,760	1,493,066	1,648,466	1,681,435	1,715,064	1,749,365
Gary Metro Multifamily Mkt.	131,695	268,658	296,620	302,553	494,200	693,392	900,354	1,115,317	1,231,400	1,256,028	1,281,148	1,306,771
Gary Metro Multifamily Aff.	29,631	60,448	66,740	68,074	112,620	158,920	207,027	256,994	283,742	289,417	295,205	301,110
Gary Metro (KPMG) Sum	273,224	671,513	867,421	884,769	1,131,244	1,847,679	2,592,316	3,366,000	3,716,337	3,790,663	3,866,477	3,943,806
Gary Metro (PBC) Sum	224,940	562,351	2,024,463	2,249,403	2,830,436	3,411,468	3,992,500	4,573,532	7,188,177	7,478,693	7,769,209	8,059,725



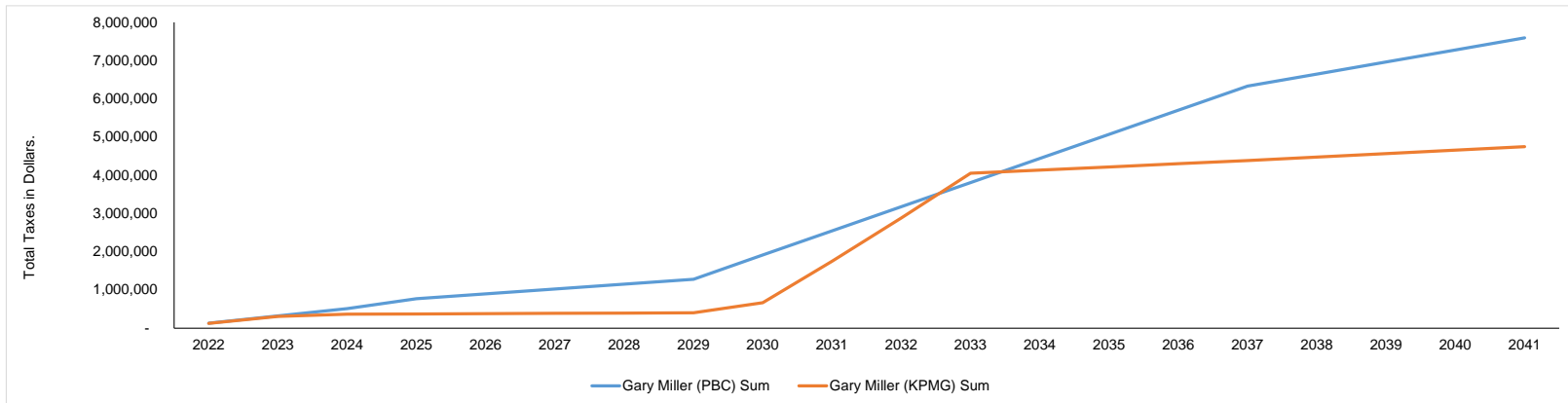


Gary Miller Station

Comparison of KPMG's vs. Policy Analytics' estimated tax analysis for Gary Miller

Gary Miller: Real Estate Tax Analysis

	Phase I				Phase II							
	Year 6	Year 7	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 22	Year 23	Year 24	Year 25
	2022	2023	2028	2029	2030	2031	2032	2033	2038	2039	2040	2041
Gary Miller Office	11,768	36,011	53,013	54,073	55,154	360,616	678,275	1,008,495	1,113,460	1,135,729	1,158,444	1,181,613
Gary Miller Retail	39,228	120,037	176,706	180,240	183,845	693,059	1,222,565	1,772,975	1,957,507	1,996,657	2,036,591	2,077,322
Gary Miller Multifamily Mkt.	60,018	122,437	135,181	137,884	357,835	586,529	824,227	1,071,198	1,182,690	1,206,343	1,230,470	1,255,080
Gary Miller Multifamily Aff.	13,504	27,548	30,416	31,024	70,953	112,467	155,613	200,440	221,302	225,728	230,243	234,847
Gary Miller (KPMG) Sum	124,519	306,034	395,316	403,222	667,787	1,752,671	2,880,680	4,053,109	4,474,959	4,564,458	4,655,748	4,748,862
Gary Miller (PBC) Sum	128,115	320,288	1,153,038	1,281,154	1,912,447	2,543,739	3,175,032	3,806,325	6,647,143	6,962,789	7,278,435	7,594,082



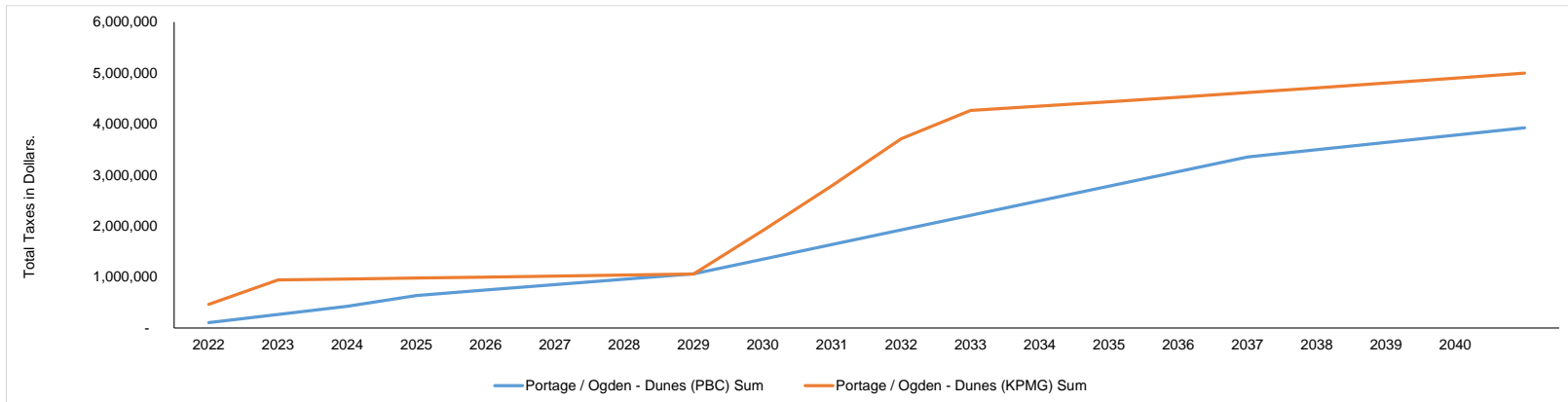


Portage / Ogden - Dunes Station

Comparison of KPMG's vs. Policy Analytics' estimated tax analysis for Portage / Ogden - Dunes

Portage / Ogden - Dunes: Real Estate Tax Analysis

	Phase I				Phase II							
	Year 6	Year 7	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 22	Year 23	Year 24	Year 25
	2022	2023	2028	2029	2030	2031	2032	2033	2038	2039	2040	2041
Portage / Ogden - DunesOffice	0	0	0	0	218,105	444,934	680,749	694,364	766,634	781,967	797,606	813,558
Portage / Ogden - DunesRetail	0	0	0	0	157,287	320,865	490,923	500,742	552,859	563,917	575,195	586,699
Portage / Ogden - DunesMultifamily Mkt.	407,732	831,774	918,346	936,713	1,340,384	1,759,828	2,195,514	2,647,923	2,923,521	2,981,991	3,041,631	3,102,464
Portage / Ogden - DunesMultifamily Aff.	53,965	110,088	121,546	123,977	194,532	267,861	344,044	423,168	467,212	476,556	486,087	495,809
Portage / Ogden - Dunes (KPMG) Sum	461,697	941,862	1,039,891	1,060,689	1,910,309	2,793,488	3,711,230	4,266,197	4,710,226	4,804,431	4,900,519	4,998,530
Portage / Ogden - Dunes (PBC) Sum	106,405	266,012	957,642	1,064,047	1,350,465	1,636,883	1,923,301	2,209,719	3,498,600	3,641,809	3,785,018	3,928,227





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