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RDA Makes Major Commitment to Rail Expansion

The Regional Development Authority has committed \$8 million annually in matching funds for construction of the West Lake Corridor.

Crown Point, IN (February 7, 2014) – The first phase of the long-discussed West Lake Corridor rail expansion project took a significant step forward at today’s meeting of the Board of Directors of the Northwest Indiana Regional Development Authority. The Board committed \$8 million a year in RDA funds to match local funds generated for construction of the line.

“This is yet another significant step in transforming Northwest Indiana,” said RDA President and CEO Bill Hanna. “What is crucial from this point on is building a partnership between local, state and federal officials to close the funding gap.” Hanna pointed to the Town of Munster, which recently voted to dedicate 34 percent of its share of the County Economic Development Income Tax (CEDIT) to fund rail expansion, as an example of the leadership needed. “We are working closely with Congressman Peter Visclosky, Lake County officials, local officials and state legislators to get across the finish line,” he said.

“I appreciate the commitment made today by the Regional Development Authority in support of this transformational opportunity for Northwest Indiana. Their foresight to connect our great region to the Chicago economy and to invest in our region’s future generations is commendable,” said Congressman Visclosky.

RAIL EXPANSION ADD 1

“It’s important to note that no new taxes are being contemplated,” Hanna added. “No one’s tax bill is going to go up to build the train. Everyone is looking at ways to fund the project out of existing revenues.”

The RDA Board approved a \$1.1 million grant to the Northwest Indiana Commuter Transportation District (NICTD) for an environmental impact study that must be completed prior to construction of the West Lake Corridor. NICTD will provide \$1.9 million of its own funds for the study.

The RDA is also looking ahead to the costs of operating trains on the West Lake Corridor. Among the requirements for federal funding is that a project have a source of operational funding. Under Senate Bill 367 the RDA would receive an additional \$4 million annually from casino revenues. If approved, this money will be placed in escrow to establish an operating fund for the West Lake Corridor.

The West Lake Corridor is forecast to carry approximately 5,600 riders when operational. This represents a 40 percent increase in ridership over the commuters currently taking the South Shore train into Chicago. The annual commuter income generated by the West Lake Corridor is \$147.3 million, a 62 percent increase over the \$237.5 million that the South Shore line commuters now bring back to Northwest Indiana.

This additional \$147.3 million would generate an approximately \$12 million annually in new income taxes for the state. “Since this project will grow state revenues, we believe it is in Indiana’s best interests to assist in funding the project,” Hanna said.

Under the current proposed timetable, if funding can be secured, design and engineering work would begin in 2018 and actual construction would start in 2020. Trains would be running on the West Lake Corridor in 2022.

RAIL EXPANSION ADD 2

Building the West Lake Corridor is critical for access to job opportunities in Chicago. The lack of mass transit options in Northwest Indiana shows up in Census data. According to the U.S. Census, between 29 percent and 40 percent of residents of Chicago collar counties commute into Cook County (Chicago) for work. By contrast, only 20 percent of Lake County, Indiana residents and just six percent of Porter County residents commute into Chicago, despite similar distances from the city.

“There are literally millions of good-paying jobs in Chicago that Northwest Indiana residents could pursue if we had better access to Chicago,” Hanna said. “And there are people who would move here in a heartbeat if they had a way to get to work.” The Chicago Metropolitan Statistical Area (MSA) is a tri-state regional economy of 9.5 million persons, 14 counties, and ranks as the eighth-largest economy by GDP in the world. In terms of U.S. MSA’s, only New York City and Los Angeles rank higher. There are 4.5 million jobs in the Chicago MSA, and 2.1 million of those are located within Cook County alone. And on average, jobs in Cook County pay about 40 percent more than the same job in Northwest Indiana.

“When it comes to economic development, the West Lake Corridor is low-hanging fruit,” he concluded. “It will create jobs here, give people better access to jobs in Chicago, grow incomes and property values, and help us stem the flow of talented young people leaving because of a lack of opportunity. It’s a win for everyone.”

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About the Northwest Indiana Regional Development Authority

Established in 2005 through a bipartisan effort including former 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.rdatransformation.com or www.in.gov/rda