



Northwest Indiana Rail Projects Update

June 2019

Indiana's Largest Commuter Rail Project in its History



- Indiana's leadership recognized that bold, region-wide steps were needed to capitalize on demand for better access to Chicago
- Connectivity is a crucial part of every major urban economy
- West Lake Corridor and Double Track Northwest Indiana Projects will leverage one of NWI's most unique assets, proximity to Chicago, in a way never done before in Indiana
- State and local support for this project are unprecedented in Indiana. More than \$700 million in state/local funds secured to match federal funds.
- Commuter rail expansion will create new businesses and more than 6,000 permanent jobs in Northwest Indiana, offering the opportunity for \$2.3 billion in new private development over the next 20 years



Rail Projects – Project Overview



Project Overview: West Lake Corridor Project

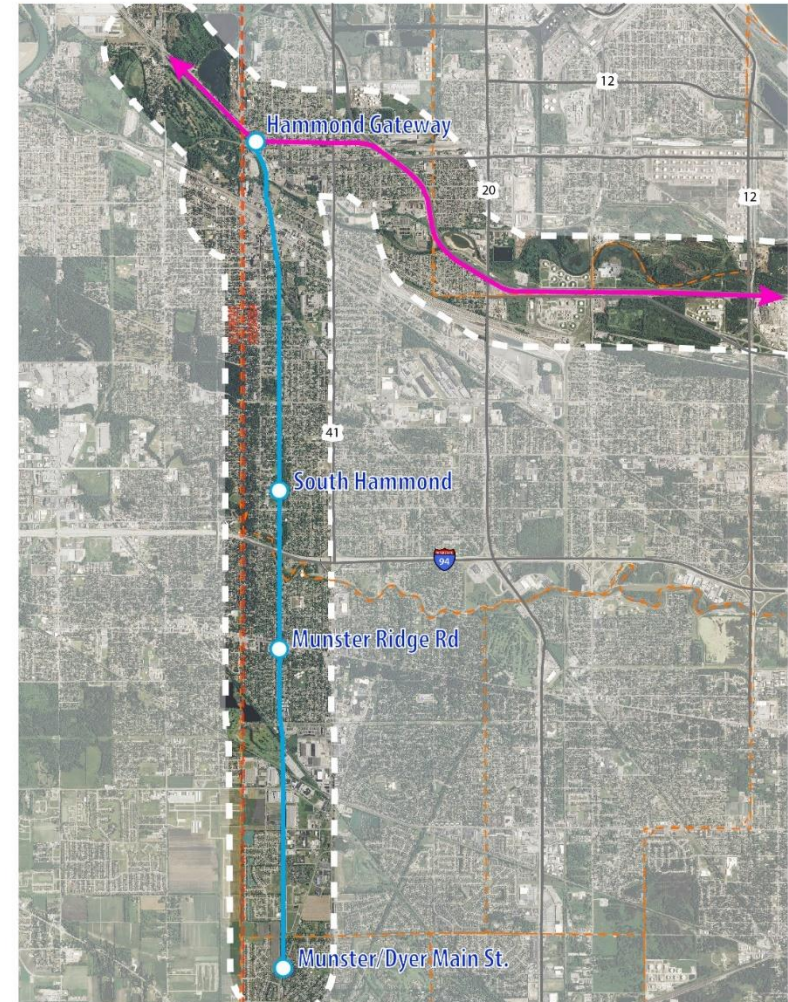


TRANSFORMING THE SOUTH SHORE LINE INTO A MODERN COMMUTER RAIL SERVICE

West Lake: Establish commuter rail service between Dyer, Indiana and Millennium Station in Chicago, with a new Gateway Station in Hammond and additional stations in South Hammond, Munster and Dyer. *Construction cost estimated at \$816 million.*

Project Update:

- State Budget Committee reviewed West Lake Project Financing Plan in August 2018
- Application for Entry into Engineering submitted to FTA in September 2018
- Project Schedule and Cost Budget revised following FTA feedback
- West Lake Project achieved Medium-High rating in March 2019
- West Lake Project is expected to enter Engineering in Summer 2019



Project Overview: Double Track Northwest Indiana



TRANSFORMING THE SOUTH SHORE LINE INTO A MODERN COMMUTER RAIL SERVICE

Double Track NWI: Extend parallel tracks from Gary to Michigan City to allow for express routes and increased reliability. Install high level platforms at three stations (Michigan City, Portage/Ogden Dunes and Miller in Gary) to reduce boarding times; additional platform improvements at Dune Park and Beverly Shores. Re-route tracks in Gary and Michigan City to speed up travel times.

Construction cost estimated at \$416 million.

Project Update:

- Development of New Starts Entry into Engineering application
- Application for Entry into Engineering scheduled to be submitted to FTA by June 28, 2019
- Project rating and Entry into Engineering anticipated in Q4 2019



Team Structure



- Aligns with flow of funds and financing structure (see next slide)
- NICTD remains applicant and is strengthened by its project partners
- Closely imitates FTA organizational structure for Federal grant program candidate projects
- Each agency has its own advisors for independent validation and verification



Governance Approach



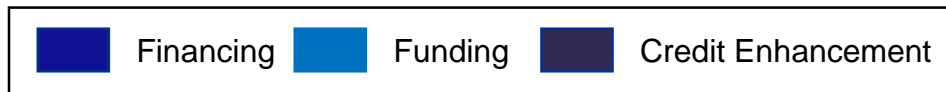
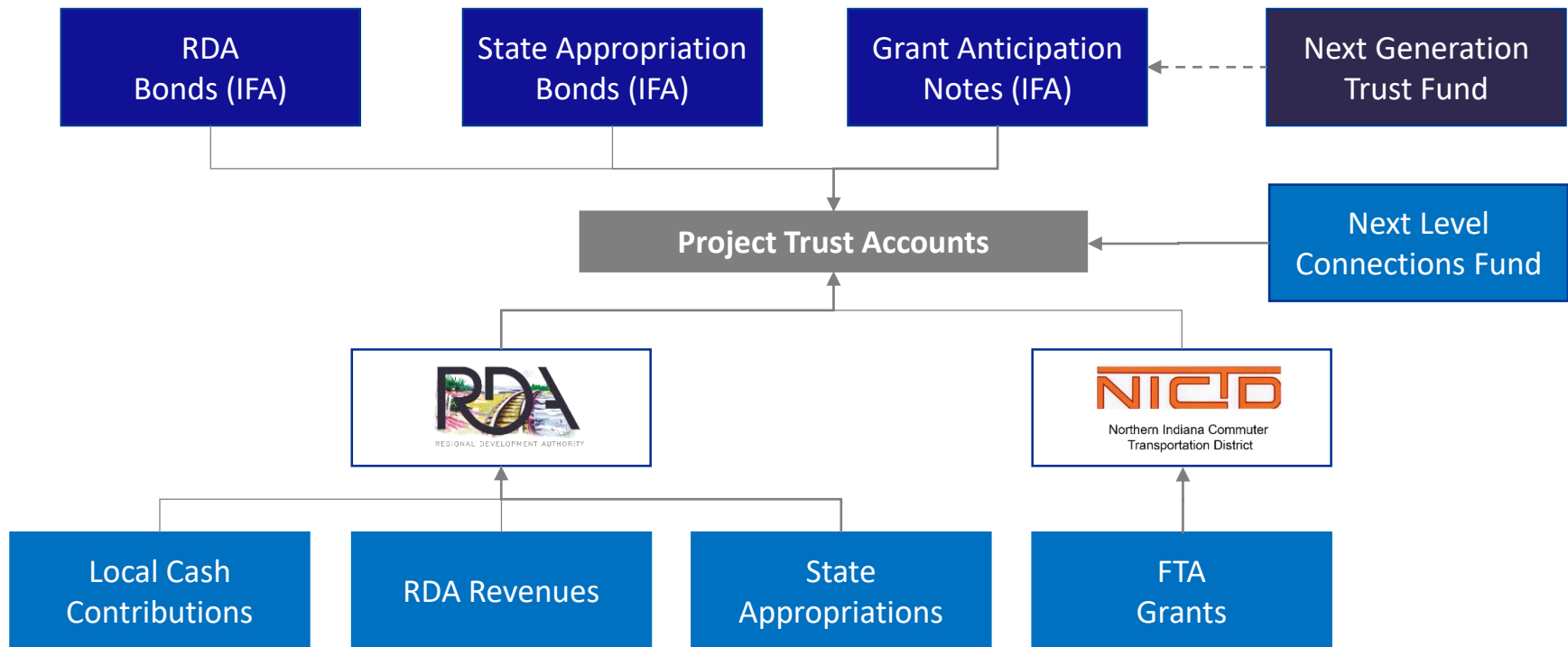
- Outlines roles and responsibilities of the agencies
 - NICTD is lead FTA applicant/project sponsor
 - RDA and IFA are project partners, provide funding and financing and oversight
 - State Budget Agency provides support and oversight
- Helps ensure that decisions are being made in a coordinated manner
- Focuses on cost containment, on-time project schedule, meeting FTA grant requirements, reducing financial risks, market acceptability, and maximizing economic development
- Enhances funding and financing commitments
- Protects against cost overruns, schedule delays, funding shortfalls (e.g., enhanced oversight, step-in rights, etc.)
- Incorporates extensive FTA review and approval rights
- Similar to other governance frameworks for multi-agency projects (e.g., East End Crossing project)



Project Funding Overview



- Lease appropriation financing structure with IFA as issuer of all debt
- Structure widely accepted by financial markets



**Rail Projects – Project
Overview – Double
Track Northwest
Indiana**



Double Track NWI Cost Budget



| | Funding (\$ millions) | |
|---------------------------|-----------------------|--------|
| RDA | \$ | 36.50 |
| Local Cash Contributions: | | |
| LaPorte County | | 18.25 |
| St. Joseph County | | 18.25 |
| Project Development | | 3.20 |
| State of Indiana | | 179.00 |
| FTA | | 160.80 |
| Total | \$ | 416.00 |

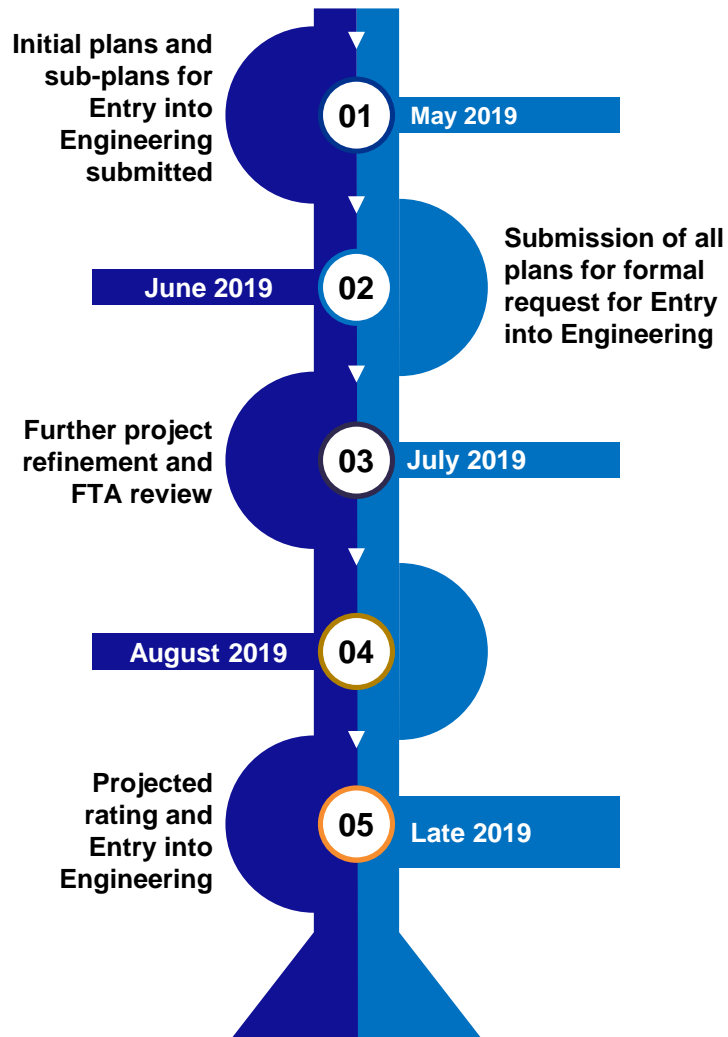
- Cost budget revised to \$416.0 million
- Funding revised to reflect change in Federal match
- Financing charges not included in cost budget

Double Track NWI History and Background



- Michigan City, LaPorte County and St. Joseph County all passed resolutions in summer 2017 becoming Cash Participants
- NICTD submitted rating applications for both rail projects in September 2017
- House Enrolled Act 1374-2018 provides significant financial enhancements and procurement flexibility to the projects, and should decrease financing costs via IC 5-1.3
- Received FONSI November 2018
- Executed three party agreement with NIPSCO and South Shore Freight to allow double tracking through the Bailly Yard area in October 2018
- Executed purchase of service and Trackage Rights Agreement with Metra on February 28, 2019
- House Enrolled Act 1001-2019 further supports the rail projects with an additional \$205 million in funding and restructures NICTD board in April 2019
- New NICTD board assembled May 2019
- Full Entry into Engineering package to be submitted to FTA and PMOC by June 28, 2019

Double Track NWI Timeline and Next Steps



Next steps:

- New NICTD board assembled May 2019
- Submission of initial plans and sub-plans to FTA May 10, 2019
- IFA/RDA/NICTD finalize financial plan and other sub-plans June 2019
- RDA and IFA board meetings to approve documents to fund DT Project June 20, 2019
- NICTD board meeting to approve documents to fund DT Project June 24, 2019
- State Budget Committee Review June 24, 2019
- NICTD submits DT application to FTA on June 28, 2019
- Receive FTA DT rating November 2019
- FTA approves Entry into Engineering for DT November 2019

Rail Projects – Project Update – West Lake Corridor Project



West Lake Updated Cost Budget



| | Funding (\$ millions) |
|------------------|-----------------------|
| RDA | \$265.6 |
| State of Indiana | \$226.7 |
| FTA | \$324.0 |
| Total | \$816.3 |

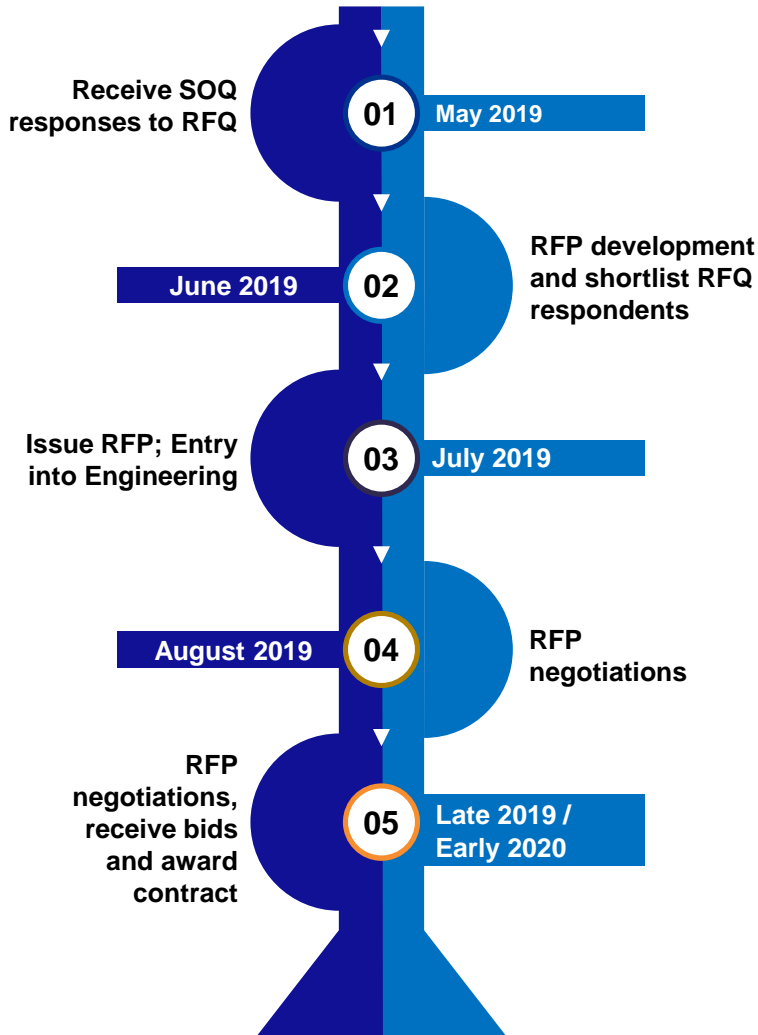
- Cost budget revised to \$816.3 million based on FTA Risk Report
- Funding revised to reflect change in Federal match
- Financing charges not included in cost budget

West Lake History and Background



- Submitted rating applications for both rail projects in September 2017
- Received feedback from FTA on WL Financial Plan in February 2018
- House Enrolled Act 1374-2018 provides significant financial enhancements and procurement flexibility to the projects, and should decrease financing costs
- Received Final Environmental Impact Statement/Record of Decision, March, 2018
- Resubmission of WL Financial Plan in September 2018
- Received Letter of No Prejudice from FTA for Toshiba propulsion system on February 5, 2019
- Issued NTP to Toshiba systems in February 2019
- Executed purchase of service and Trackage Rights Agreement with Metra on February 28, 2019
- Received sufficient project rating for WLC of Medium-High from FTA on March 18, 2019
- Issued design-build RFQ for West Lake March 22, 2019
- House Enrolled Act 1473-2019 helped to solidify local funding commitments within Lake County
- House Enrolled Act 1001-2019 further supports the rail projects with an additional \$205 million in funding and restructures NICTD board in April 2019
- NICTD and FTA agree to increase project cost to \$816M based on FTA Risk Report on May 6, 2019
- Received 3 SOQs for West Lake DB procurement on May 30, 2019

West Lake Timeline and Next Steps



Next steps:

- Finalize FTA Risk Report negotiations and project cost May 6, 2019
- SOQ responses to RFQ due May 30, 2019
- TRC meeting to decide shortlist June 7, 2019
- RDA and IFA board meetings to approve revised Cost Budget, Schedule and Financing Plan June 20, 2019
- Shortlist RFQ respondents June 24, 2019
- Development of technical provisions June 2019
- Issue RFP to shortlist July 2019
- FTA approves Entry into Engineering for WLC July 2019
- Proposals from Shortlist due December 2019
- FFGA targeted for Q2 2020

Rail Projects – Transit Development Districts Update

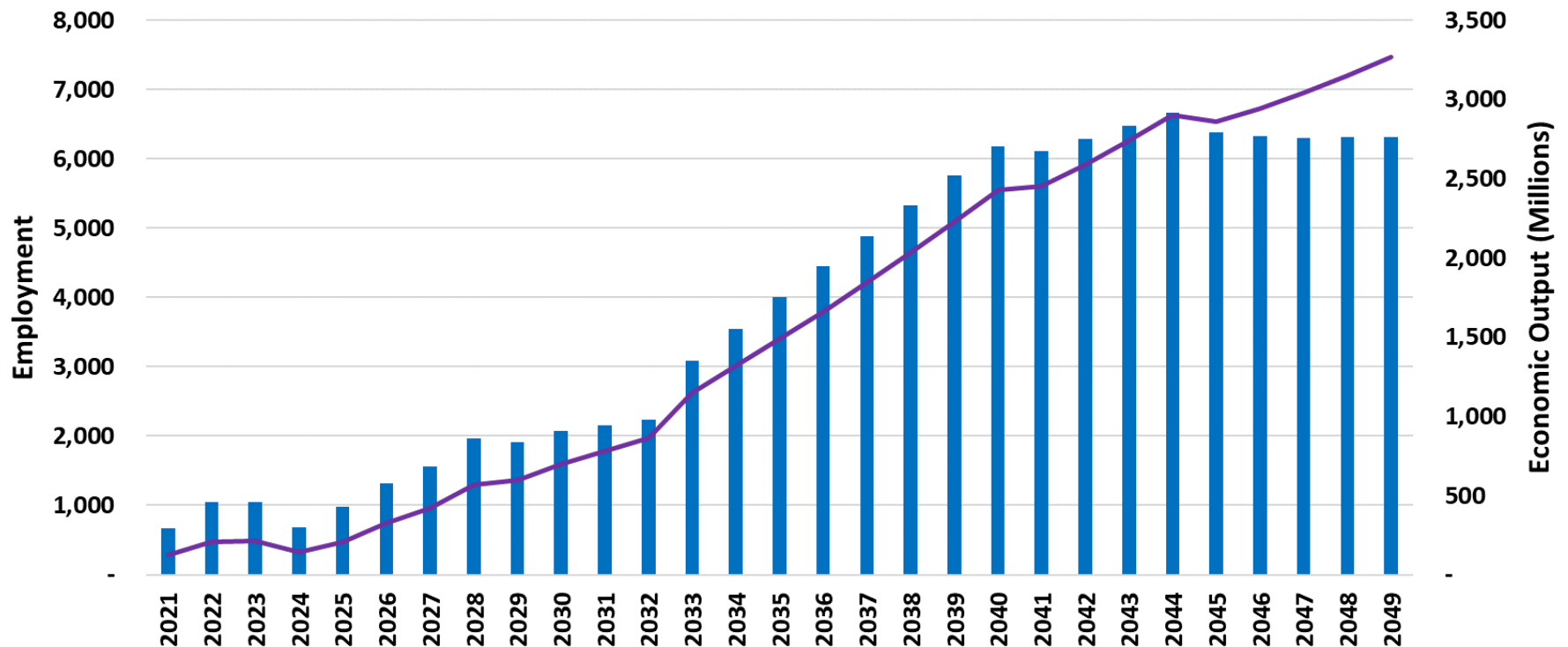


Economic Development Objectives



- The rail projects are projected to produce an more than 6,000 ongoing jobs and \$3.3 billion in economic activity by 2049
- Approximately 1,000 annual jobs are supported during the construction period from 2021 to 2025

Rail Projects Economic Impact on Northwest Indiana





RDA Commuter Rail Project Economic and Fiscal Impacts

West Lake Corridor plus Double Tracking

| Economic and Fiscal Impact | LaPorte and St. | | Total |
|--|------------------------------|---------------------|----------------------|
| | Lake and Porter ¹ | Joseph ² | |
| Total Annual Ongoing Jobs ³ | 5,711 | 600 | 6,311 |
| Total Investment Years 1-20 ⁴ | 2,276,304,658 | 391,064,952 | 2,667,369,610 |
| Fiscal Impact | | | |
| Property Tax Revenue Years 1-20 ⁵ | 434,900,000 | 54,260,000 | 489,160,000 |
| Sales Tax to the State of IN: Years 1-20 | 310,000,000 | 54,820,820 | 364,820,820 |
| Add'l State Income Tax: Years 1-20 | 192,000,000 | 39,302,422 | 231,302,422 |
| Local County Income Tax: Years 1-20 | 61,500,000 | 12,435,441 | 73,935,441 |
| Total Fiscal Impact⁶ | 998,400,000 | 160,818,683 | 1,159,218,683 |

Notes:

- 1 - Lake and Porter results are quoted from the RDA Comprehensive Strategic Plan.
- 2 - LaPorte and St. Joseph County impacts are calculated by Policy Analytics based on planning data provided by Michigan City and St. Joseph County.
- 3 - Total annual ongoing jobs includes all jobs created by the end of the forecast period, but does not include temporary construction jobs during the rail development phase of about 1,000 per year.
- 4 - Total investment combines the private (\$2.3 B) and public (\$0.4 B) capital investment surrounding station areas.
- 5 - Estimated property tax revenue over the forecast period is the total amount which will be split between local capital projects and local unit base budgets.
- 6 - Total Fiscal Impact combines both Local and State forecasts.