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Rep. Michael Speedy
Rep. Lloyd Arnold
Rep. William Davis
Rep. Randall Frye
Rep. Jud Mcmillin
Rep. Rick Niemeyer
Rep. Thomas Saunders
Rep. Benjamin Smaltz
Rep. Daniel Forestal
Rep. Edward Delaney
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Rep. Steven Stemler
Sen. Thomas Wyss, Vice-Chairperson
Sen. James Arnold
Sen. Jean Breaux
Sen. Earline Rogers
Sen. Ronald Grooms
Sen. James Banks
Sen. Vaneta Becker
Sen. Michael Crider
Sen. James Merritt
Sen. Allen Paul



JOINT STUDY COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE ASSESSMENT AND SOLUTIONS

Legislative Services Agency
200 West Washington Street, Suite 301
Indianapolis, Indiana 46204-2789
Tel: (317) 233-0696 Fax: (317) 232-2554

LSA Staff:

Sarah Freeman, Attorney for the Joint Study
Committee
Stephanie Wells, Fiscal Analyst for the Joint
Study Committee

Authority: IC 2-5-28.5

MEETING MINUTES¹

Meeting Date: September 12, 2013
Meeting Time: 10:00 A.M. CDT
Meeting Place: Auditorium, Northwestern Indiana
Regional Planning Commission
(NIRPC), 6100 Southport Road
Meeting City: Portage, Indiana
Meeting Number: 1

Members Present: Rep. Edmond Soliday, Chairperson; Rep. Randall Frye; Rep. Rick Niemeyer; Rep. Thomas Saunders; Rep. Benjamin Smaltz; Rep. Edward Delaney; Rep. Cherrish Pryor; Sen. James Arnold; Sen. Michael Crider.

Members Absent: Rep. Michael Speedy; Rep. Lloyd Arnold; Rep. William Davis; Rep. Jud Mcmillin; Rep. Daniel Forestal; Rep. Steven Stemler; Sen. Thomas Wyss, Vice-Chairperson; Sen. Jean Breaux; Sen. Earline Rogers; Sen. Ronald Grooms; Sen. James Banks; Sen. Vaneta Becker; Sen. James Merritt; Sen. Allen Paul.

¹ These minutes, exhibits, and other materials referenced in the minutes can be viewed electronically at <http://www.in.gov/legislative> Hard copies can be obtained in the Legislative Information Center in Room 230 of the State House in Indianapolis, Indiana. Requests for hard copies may be mailed to the Legislative Information Center, Legislative Services Agency, West Washington Street, Indianapolis, IN 46204-2789. A fee of \$0.15 per page and mailing costs will be charged for hard copies.

I. Call to order

Chairman Soliday called the meeting to order at 10:00 A.M. CDT. He explained the purpose and procedures of the Committee.

II. Ports

Rich Cooper, chief executive officer of the Ports of Indiana (Ports), presented an overview of the Ports' business operations and read into the record a letter from Michel Tosini of Federal Marine Terminals expressing concerns about the Port of Chicago's impact on the Port of Burns Harbor in Portage, Indiana. See Exhibit A. Mr. Cooper also emphasized the available dock capacity and room for growth at the Port of Burns Harbor as well as the statewide interest in establishing new ports, including inland rail ports and development on the Ohio River. Mr. Cooper confirmed to Representative Niemeyer that revenue at the Ports of Indiana remains steady due to long term lease proceeds, despite drops in tonnage. Senator Arnold and Representative Soliday discussed recent changes in the management of the Port of Chicago, such as retaining a private management firm.

Bill Sheldrake, President of Policy Analytics, introduced Joseph Berlin of URS Corporation (URS) to speak about the feasibility of establishing a second port on Lake Michigan. See Exhibit B. Mr. Berlin described the types and quantities of commodities and cargo shipped at the Ports of Indiana as well as potential untapped markets. He briefly discussed the federal requirements for channel maintenance, such as a feasibility study. Representative DeLaney and Mr. Berlin spoke about the negative impact on Indiana ports of the potential closure of the Illinois River due to invasive carp species.

Linda Sorn, Acting Deputy for Project Management for the United States Army Corps of Engineers (USACE), Chicago District, described the life cycle of establishing a second port: planning, design and construction, and operation and regulation. Ms. Sorn stated that the USACE provides planning assistance to the states, including up to \$2 million in engineering analyses, subject to a 50/50 local contribution. She emphasized the importance of preplanning. Ms. Sorn was joined by Shamel Abou-El-Seoud, Chief of Construction Operations Branch, USACE, Chicago District.

Brad Baughn, business and legislative liaison for the Indiana Department of Environmental Management (IDEM), spoke about the environmental impacts of locating a second port of Lake Michigan, as well as the IDEM programs that would be implicated: wetlands, storm water, remediation, and brownfields. See Exhibit C. Mr. Baughn provided specific examples if a second port were located at the Majestic Star Casino property in Gary and agreed to provide a similar analysis for a proposed location in East Chicago. Representative Pryor and Mr. Baughn discussed the ongoing process of determining ownership of certain parcels located within the Majestic Star Casino property.

Mark Maassel, president and chief executive officer of the Northwest Indiana Forum (Forum), testified about the importance of the Port of Burns Harbor to northwest Indiana and expressed a preference that the Ports of Indiana continue to operate without taxpayer assistance. See Exhibit D. He stated that studying the need for an expanded or additional port is a reasonable next step. Mr. Maassel clarified to Representative Niemeyer that the land on which a port is located is exempt from taxation, but that the businesses are not.

Bill Hanna, president and chief executive officer of the Northwest Indiana Regional Development Authority (RDA), discussed the RDA's role in leveraging investments and bringing value to northwest Indiana.

Ty Warner, executive director of NIRPC, spoke about the *2040 Comprehensive Regional Plan (2040 Plan)* recently adopted by NIRPC and the crucial role that maritime transportation and the Port of Burns Harbor play in the regional economy. See Exhibit E. He stated that a second port located in northwest Indiana would enjoy strategic advantages such as existing infrastructure and intermodal access. He also noted challenges such as receding water levels and financing difficulties.

Mayor Karen Freeman-Wilson of Gary, Mayor Anthony Copeland of East Chicago, and Mayor James Snyder of Portage testified to the shared vision of their communities for multiple ports in the area. Mayor Freeman-Wilson asked the Committee to commission a market study to determine the need and best location for a port. See Exhibit F.

A representative of the International Longshoremen's Association did not testify due to an unexpected emergency.

After reiterating the need for a market study concerning a second or additional port, Chairman Soliday recessed the meeting at 12:10 P.M. CDT.

III. Northern Indiana Commuter Transportation District (NICTD) (South Shore Line)

Chairman Soliday reconvened the meeting at 1:18 P.M. CDT.

Congressman Pete Visclosky requested the Committee's assistance in establishing a permanent non-federal source of matching revenue to expand the South Shore Line to Lowell and Valparaiso. He traced the growth and decline of northwest Indiana's economy and posited transit oriented development as a possible solution. See Exhibit G.

Mayor Freeman-Wilson again emphasized the coordinated efforts of the region's cities, working in partnership with the Northern Indiana Commuter Transportation District, to plan and develop a transportation corridor.

Mr. Hanna spoke about the RDA's work with URS in conducting a planning study for transit, including rail and commuter buses. He stated that the region can no longer rely solely on the steel industry but must increase connectivity, especially to Chicago. Representative Niemeyer and Mr. Hanna discussed the appropriate level of participation by local communities on the RDA board. Senator Arnold offered his assistance in strengthening regional partnerships. Chairman Soliday and Mr. Hanna cited Will County, Illinois, as a successful example of transit expansion and growth.

Gerald Hanas, general manager of NICTD, spoke about NICTD's investment in transportation, including funding, assets, and real estate, and the opportunity to extend service south to Munster, Dyer, and Lowell. See Exhibits H and I. Ken Kinney, transit practice leader at URS, set forth a regional commuter rail strategic business plan. See Exhibit J. Mr. Hanas told Chairman Soliday that NICTD, the RDA, and stakeholders would determine whether a financial investment in transit should come before or after development in a given area. In response to questions from Representative DeLaney and Senator Arnold, Mr. Kinney stated that an increase in the income or sales tax, implemented at the state or local level, would be a practical funding source for transit in northwest Indiana.

Mr. Warner spoke about the transit oriented development component of the 2040 Plan. See Exhibit K. Mr. Maassel spoke in support of expanding the services offered by NICTD, and stated that the Forum believes transit oriented development is a growth engine for northwest Indiana. See Exhibit L.

Tom DeGiulio, manager of the town of Munster, spoke about the town's desire for mass transit and its purchase of property in anticipation of transit oriented development. Mr. DeGiulio, Representative Saunders, and Chairman Soliday, spoke about the use of local taxes to fund transit in Illinois, as well as different models of financing capital and operating expenses.

Mayor Tom McDermott of Hammond, Mayor Snyder, and Mayor Ron Meer of Michigan City voiced their support for expanding NICTD services and the importance of municipal representation on the NICTD board. Representative Niemeyer reiterated the need for including Lowell in the discussion. Chairman Soliday and Representative Pryor questioned the ways in which stakeholders will gain a seat at the table. County Commissioner Andrew Kostielney appeared on behalf of Mayor Pete Buttigieg of South Bend and read a letter from Mayor Buttigieg supporting the present structure of the NICTD board. See Exhibit M.

Mr. Kinney spoke briefly about the governance structures of other transit boards across the country. Chairman Soliday recommended that Mr. Kinney and Mayor McDermott work together to propose changes to the statutes governing NICTD. Representative Saunders asked about the current funding sources for NICTD, and Mr. Hanas stated that capital expenses are funded by the Federal Transit Administration, and operating expenses are covered by the state commuter rail and public mass transportation funds. Senator Arnold and Chairman Soliday discussed the time frame for the ongoing URS assessment of NICTD's governance structure, which is scheduled to be completed in May 2014.

IV. Other Business

Chairman Soliday adjourned the meeting at 3:40 P.M. CDT.

**Comments by Rich Cooper, CEO, Ports of Indiana
To the Joint Study Committee on Transportation Infrastructure
Chairman Ed Soliday - September 12, 2013**

Mr. Chairman, members of the Joint Committee, thank you for the invitation to participate in today's discussion regarding possible port expansions on Lake Michigan. As the chief executive officer for the Ports of Indiana, I would like to share with you an overview of our port operations, and I have also been asked by one of our primary business partners at the Port of Indiana to share their vision of maritime commerce on the Great Lakes. Federal Marine Terminals operates multiple Great Lakes and East Coast port terminals and its parent company - FedNav - is the largest shipowner on the Great Lakes. Their operations are key factors in our port's success and they are important partners for us in assessing many of the business opportunities we encounter on the Lakes.

Let me begin by thanking all the Indiana communities along Lake Michigan and the Ohio River who have supported the Ports of Indiana and have recognized the contribution our ports make to their regions. Although our ports have mailing addresses of Portage, Mount Vernon and Jeffersonville, their impact is far-reaching throughout all of Indiana, and even into Kentucky, Illinois, Ohio and Michigan.

As you know, the Ports of Indiana is a totally self-funded enterprise today. The majority of our management team found their way here via the private sector with significant years of senior management experience in major corporations. The Governor appoints our bipartisan board of commissioners to staggered four-year terms, and this group we have today operates as much like a private sector board of directors as any board I have ever worked with in my 30-plus years working with some of the country's largest agribusinesses. Most of our board members are current or retired executives with extensive industry experiences and diverse business backgrounds that are complementary to our operations. I only mention the backgrounds of our management team and board because these professional experiences allow the Ports of Indiana to act strategically and conduct our business much like the private sector. At the end of the day, we have to deliver a value package that causes businesses to want to risk their capital and invest in our ports. This takes a collective effort by our port professionals, state and local officials, the business community and a highly skilled workforce.

As you might imagine, East Chicago and Gary are not the first two communities who have expressed an interest in developing ports. As recently as within the last few weeks, we met with two groups interested in developing property on the Ohio River and possibly being a part of the state's port system. We get a number of calls each year from communities asking how they can establish their own ports. Some of these communities are located on a body of water and some are not. Some are looking for ways to establish an "inland rail port," others are looking for a tool they can use to issue bonds. One example of a nontraditional port authority is the Hoosier Heritage Port Authority which was formed in the 1990s to purchase 37 miles of rail track running from Tipton to downtown Indianapolis, and it currently manages the historic railroad that transports Hoosiers to the Indiana State Fair.

(continued)

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9/12/13
Ex. A

Today, we consider the Port of Chicago our closest competitor on Lake Michigan and it's highly likely they see us the same way. Recently, a Colorado firm was selected to manage the Port of Chicago and we have read they intend to invest perhaps as much as \$500 million over the next 10 years into their previously neglected infrastructure. That company will expect a return on its investment and we can count on a full-court press from Chicago to increase the business through their port. We are mindful that additional ports in close proximity to the Port of Indiana could dilute or redistribute existing cargo tonnage, be it in Chicago or elsewhere. It is very possible that any new port requiring a substantial investment might never achieve its full potential due to the oversupply and underutilization of existing dock space in the region.

Over the past 10 years, inbound shipments at the 25 largest U.S. ports on the Great Lakes have dropped from 11 million tons per year in the early 2000s to 7 million tons today. Our port's inbound shipments have followed this same trend with 1.3 million tons per year in the early 2000s to 700,000 tons today. In a nutshell, everyone is fighting to save the tons they have while keeping an eye on their closest competitors. Shipments can also completely disappear if they are switched to rail or truck depending on various market conditions. We are experiencing this today with coal in Mt. Vernon.

Unfortunately, ports are highly capitalized developments and the infrastructure investment required for creating the necessary docks, rail track, roadways, harbor depths and utilities are immense. The port industry is a prime example of how high dollar investments cannot always be sustained by handling bulk products with low to marginal returns. Today, the Port of Indiana has enormous capacity at our Lake Michigan docks to handle more cargo shipments. Of the port's 600 acres, there are approximately 90 to 100 acres available for development, with more than 10 industrial sites ranging in size from 1 acre to 57 acres. The number of available sites fluctuates constantly as businesses modify operations and existing leases expire or are amended. It is important to note that the large 57-acre parcel has been in our inventory for several years now and we are still looking for the right business prospect requiring a large site with direct access to a Lake Michigan dock. Unfortunately, these are niche opportunities and are few and far between when compared to more traditional business requirements.

In closing, I would just like to emphasize that while the Port of Indiana has extensive dock capacity for significant growth in Great Lakes shipments, our team will continue to evaluate potential expansions and various development projects that could benefit Indiana, as we have in the past. It is important to note that port developments and expansions do not always require land that is contiguous to water, and can also be achieved by constructing rail and road connectors from an existing port to less capital intensive sites not located on water. The Ports of Indiana is happy to provide guidance to communities with questions about developing port projects, and we are also willing to provide comprehensive feasibility studies for specific projects, if funding is available. We do believe there is potential for future growth in certain maritime-related developments in Northwest Indiana, but it's imperative these opportunities are studied very carefully and we move forward with a strategic approach to achieve the desired outcome.

I'm reminded of the largest ethanol plant in the state that was built in our port in Mt. Vernon in 2010. At that time we had 7-8 major companies who wanted to build facilities at our port. It was mighty tempting, but after careful study we resisted the urge to build more than one at our port and that decision was met with some criticism at the time. Our fear was that an oversupply of these type facilities could spell doom in the end for one or more of them. That fear was not unfounded as we have a \$300-\$400M non-productive asset sitting at the port today not producing

a drop of ethanol. Careful planning and a strategic approach can help avoid or at least minimize duplicative underperforming or completely non productive assets in our state.

www.fmtcargo.com



FEDERAL MARINE TERMINALS
1000 rue de la Gauchetière Ouest
Suite 3500
Montreal, Quebec
Canada H3B 4W5

Directeur des opérations
1000 rue de la Gauchetière Ouest

Telephone 514.878.6500
Fax 514.878.6642

September 11, 2013

Mr. Rich Cooper
Chief Executive Officer
Ports of Indiana
150 W. Market Street
Suite 100
Indianapolis, IN 46204
USA

Dear Mr. Cooper:

Rich,

Re: EDITORIAL: State agency should anchor ports plan / nwitimes.com - September 08, 2013

An e-article in the Northwest Indiana times on September 8th popped up on our screens and we would like to share our views and concerns with you.

The article rightfully refers to the Port of Indiana-Burns Harbor in Portage as one of the busiest on the Great Lakes but we believe that it fails to point out the critical issues of a constant shrinking of cargoes and tonnage in the Great Lakes and the current under-utilization of the Port of Indiana-Burns Harbor. As you are well aware, our parent company, Fednav Limited, owns a significant portion of ships that navigate the Great Lakes each year. While the import steel tonnage we once enjoyed before the economic downturn is now slowly showing some signs of recovery, we continue to look for new cargoes to replace lost tons on our vessels.

We strongly feel that the Port of Chicago is the main threat to our terminal operations and the Port of Indiana-Burns Harbor and believe that any funds potentially targeted towards feasibility studies for Ports in Gary and East Chicago, Indiana, would be better utilized by investing in existing ports, particularly at the Port of Indiana-Burns Harbor in Portage.

We also see in the article that a legislative study committee is holding a hearing on Thursday to study the Gary and East Chicago proposals. If you or someone from your staff is planning to attend this hearing, we would encourage you to share our views and concerns with the members of the legislative study committee.

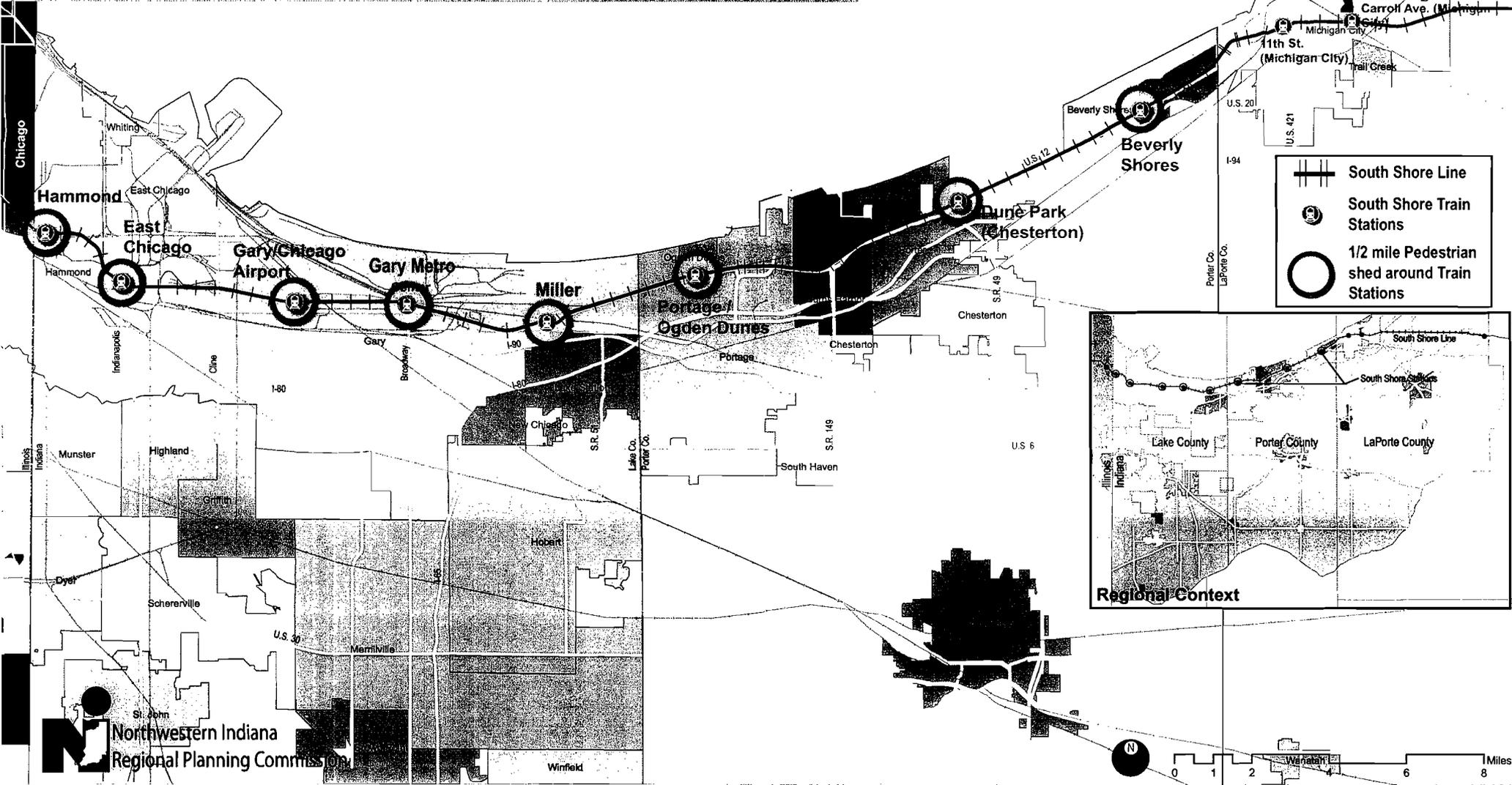
Thank you, and best regards,

FEDERAL MARINE TERMINALS, INC.

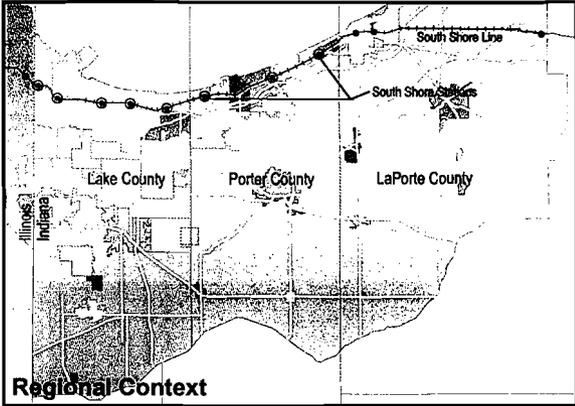
Michel Tosini
Executive Vice-President

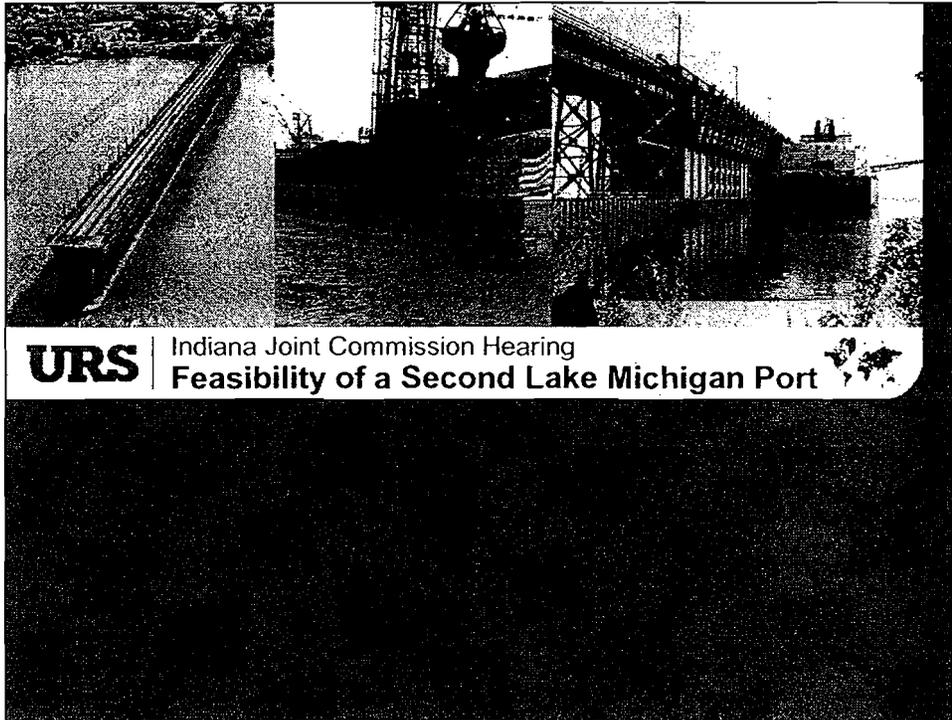
MT/clc

South Shore Corridor Transit Oriented Development (TOD) and Rail Station Area Plan



- South Shore Line
- South Shore Train Stations
- 1/2 mile Pedestrian shed around Train Stations





Bulk Commodities V. Containerized Cargo

Great Lakes cargo is primarily bulk

- Iron ore for steel foundries
- Coal for power plants
- Aggregates/ limestone for steel foundries and construction
- Grain for export through St. Lawrence seaway
- Liquid bulk is a minor commodity
- Some break bulk at several Great Lakes ports

Containerized cargo is minor on the Great Lakes

- In 2011 Duluth handled 300 TEUs, the most handled on the great lakes
- In 2011 New York handled 4,431,000 TEUs



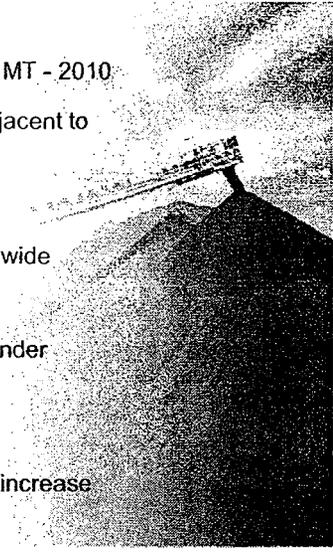
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Ex. B

Bulk Commodities – Iron Ore

- Long term
- Decline in quantities shipped; 60 MT – 1990 & 40 MT - 2010
- Concentration of U.S. integrated steel industry adjacent to the Great Lakes
- Short term
- U.S. Steel industry has become competitive worldwide
 - Efficient operations and lower energy costs
- Several additional Lake Superior iron ore mines under consideration
- Conclusion
- Quantity of iron ore handled at Indiana ports may increase

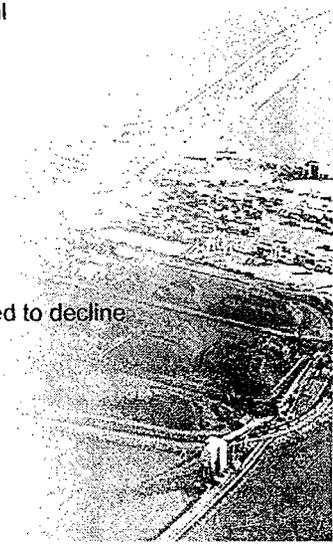


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Bulk Commodities – Coal

- Long term decline in transportation of thermal coal
- Decline in the number of coal fired power plants
 - EPA regulations and declining cost of natural gas
- Coking coal is shipped by rail to NW Indiana
- Coal quantities shipped through ports are expected to decline



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Liquid Bulk Possibilities

- Fertilizer
- Petroleum products not suitable for pipelines
- Chemicals
- Others dependent upon interviews

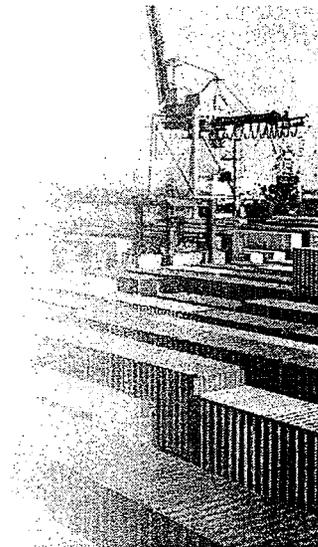


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Container Possibilities for Export

- Container trade imbalance results in Chicago BEA surplus of containers
- Therefore exports of containers on general cargo vessels may be viable
 - Specialty grain products
 - Other products that are not time critical

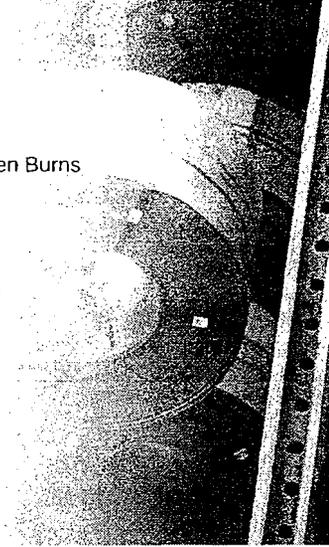


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Break Bulk Possibilities

- Oversize equipment and machinery
- Imported steel and exported steel
 - \$6 per ton shipment cost differential to Europe between Burns Harbor and Mobile
- Manufactured products not suitable for containers
- Others dependent upon interviews

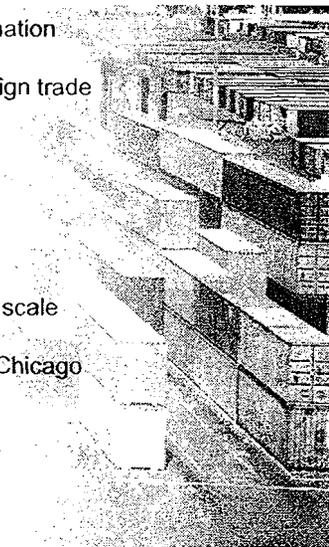


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Containerized Cargo at NW Indiana Ports

- Chicago BEA is the largest inland container destination
- Domestic container trade is small relative the foreign trade
- Great lakes has significant disadvantages
 - Small vessel sizes for St. Lawrence seaway
 - Seasonal closing of St. Lawrence seaway
- Large port investments required for economies of scale
- Significant investments in rail from East Coast to Chicago



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Other Great Lakes Navigation Initiatives

- Short Sea Shipping MARAD Initiative
 - Container on barge concept has not yet been successful
 - Distances are too short for successful implementation

- R0 - RO Concept
 - Would require specialized vessels to implement in the Great Lakes
 - Used in Europe and Caribbean but not within continental U.S.

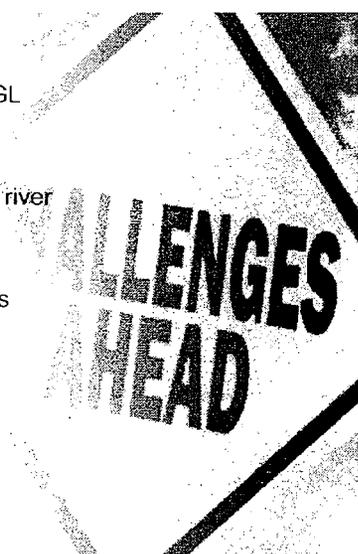


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Great Lakes Navigation Challenges

- Lake levels are declining – perhaps cyclical
- Federal funds for dredging are limited – many GL ports impacted
- Connection to Illinois waterway and Mississippi river may be closed (GLMRIS)
- Soo Locks connection to Lake Superior – needs rehabilitation or replacement
- St. Lawrence seaway size constraints



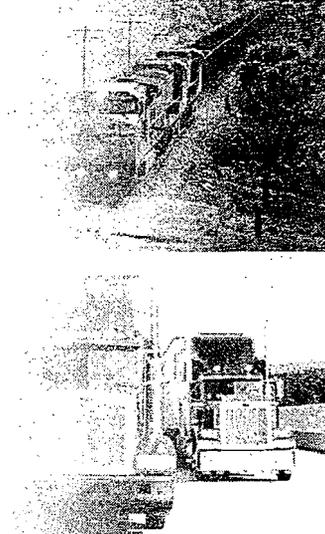
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Relationship to Other Transport Modes

- Good rail and highway access are vital for most ports
 - Rail competition
 - Highway congestion and weight limits

- NW Indiana ports generally handle bulk for nearby facilities
 - Self-unloading vessels are used for coal & iron ore
 - GL Ports lack Equipment to Unload Iron Ore



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Port of Chicago and Port of Burns Harbor

- Determine origin and destination of freight
- Evaluate Illinois vs. Indiana highway weight restrictions
- Rail line competition

ILLINOIS INTERNATIONAL PORT DISTRICT
STRATEGIC & CAPITAL NEEDS STUDY

JUNE 2012

Annual Tonnage for Lake Calumet and Calumet River Versus the Port of Indiana-Burns Harbor

(Thousands, Short-Tons)		2004	2005	2006	2007	2008	2009
Lake Calumet & Calumet River	Total	18,018	17,988	18,056	16,082	14,963	11,555
	Domestic	71%	75%	72%	70%	73%	69%
	Foreign	29%	25%	28%	30%	27%	31%
Port of Indiana - Burns Harbor	Total	9,802	9,812	8,954	6,495	6,283	4,026
	Domestic	81%	78%	72%	90%	92%	94%
	Foreign	19%	22%	28%	10%	8%	6%

Source: U.S. Army Corps of Engineers



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Channel Maintenance – Federal Requirements

- Currently there are two federally authorized channels in NW Indiana
- Authorization of a new / improved channel requires a Feasibility Study
- Environmentally acceptable and comply with engineering regulations
- National Economic Development (NED) benefits exceed costs
 - NED benefits are benefits to the nation – not a locality
 - Moving vessel traffic from Chicago may not be an NED benefit
 - Only an NED benefit to the extent shipping efficiency increases
- Congressional authorization of a reconnaissance study is the first step



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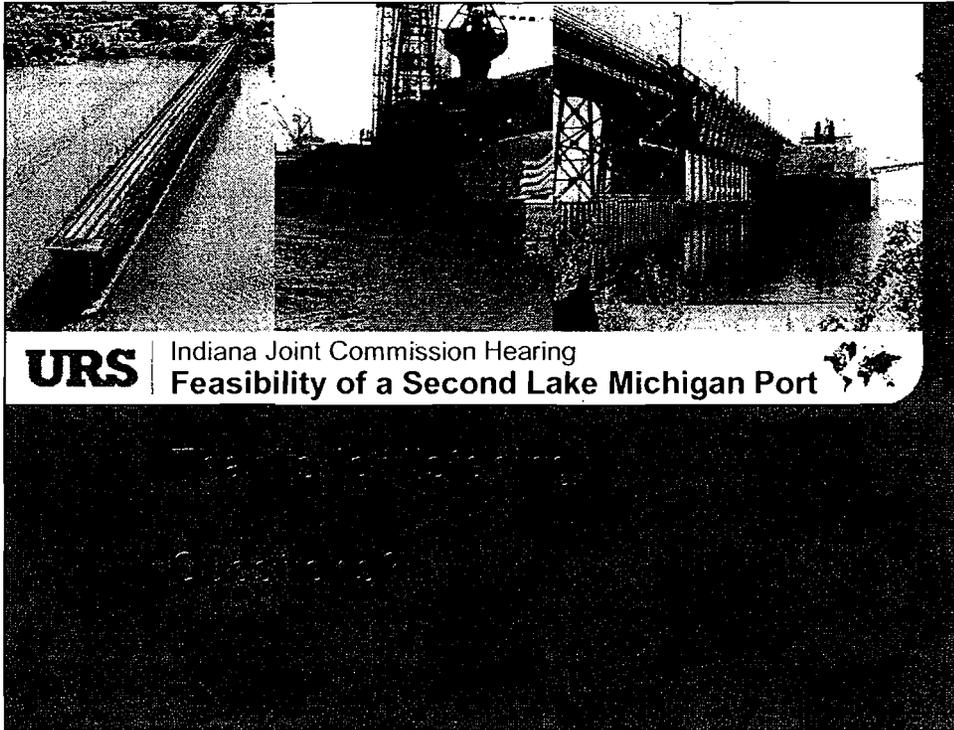
Site Suitability Evaluation

- Prioritize markets not served well by existing ports
 - Determine amount of land needed and facilities needed for markets
 - Determine landside transportation network needed
- Evaluate available NW Indiana sites
 - Channel depths, rail and highway access
 - Environmental constraints
 - Land availability
- Preliminary estimate of construction costs and revenues
- Evaluate public and private funding sources available
- Potential ROI – lease income and tariffs
- Assess concept viability and recommend next step:
 - Reconnaissance study?



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Lake Michigan Port Locations Environmental Impacts and Assessment

Brad Baughn
Business and Legislative Liaison

 Indiana Department of Environmental Management
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IDEM's Mission

Protecting Hoosiers and Our Environment
While Becoming the Most Customer-Friendly
Environmental Agency

IDEM's mission is to implement federal and state regulations to protect human health and the environment while allowing the environmentally sound operations of industrial, agricultural, commercial and government activities vital to a prosperous economy.

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Relevant IDEM Programs

- Wetlands Section
- Storm Water Section
- Remediation Branch
 - RCRA
- Indiana Brownfields Program

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Wetlands Section

- Wetlands are regulated by federal law under the Clean Water Act (CWA) Sections 401 and 404. The US Army Corps of Engineers (USACE) is responsible for Section 404 permitting for jurisdictional wetlands. The state is responsible for 401 permitting.
- IDEM regulates Indiana's wetlands through two permitting programs: CWA Section 401 and the State Regulated Wetlands Permitting program. The 401 program covers federal jurisdictional wetlands. The State Regulated Wetlands program covers non-exempt isolated wetlands.
- Some wetlands loss is unavoidable. In these situation, IDEM issues a permit providing the effect on water quality is temporary, either because the area is restored or the wetland is replaced, or mitigated, in a separate location.
- Mitigation Banking is another option to constructing individual mitigation wetland sites. This option allows a sponsor to restore a large wetland in advance of impacts with the expectation that they may use or sell these "credits" at a later date.

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Storm Water Section

- Storm water is regulated through the Clean Water Act.
- Any discharge to waters require a permit.
- Permit is known as an National Pollutant Discharge Elimination System (NPDES) permit.
- Storm water runoff from municipalities, construction, and industry require NPDES permits.
- U.S. Environmental Protection Agency (EPA) delegated IDEM to administer this program in Indiana.

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Remediation Branch

- **Resource Conservation and Recovery Act (RCRA)**
 - The federal Resource Conservation and Recovery Act was enacted by congress in 1976, and was added to in 1984 with the Hazardous and Solid Waste Amendments.
 - In May of 2013, the Hazardous Waste Permit Program was actively engaged in permitting about 20 facilities, including large quantity generators, small quantity generators, and storage and treatment facilities regulated under this federal program.
 - IDEM is authorized to implement the federal RCRA permit program and corrective action.
 - Program is supported by general funds, a federal RCRA grant, and annual operating and application fees from facilities subject to the requirements of RCRA.
 - Fees and the federal grant can be used only to support the activities of the RCRA program and associated expenses.

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Indiana Brownfields Program

Liability and technical assistance:

- Provide Comfort and Site Status letters to stakeholders
- Facilitate property transactions by clarifying liability for cleanup or whether site conditions require cleanup
- Build 90-120 days into project timeline if letter is needed ahead of closing

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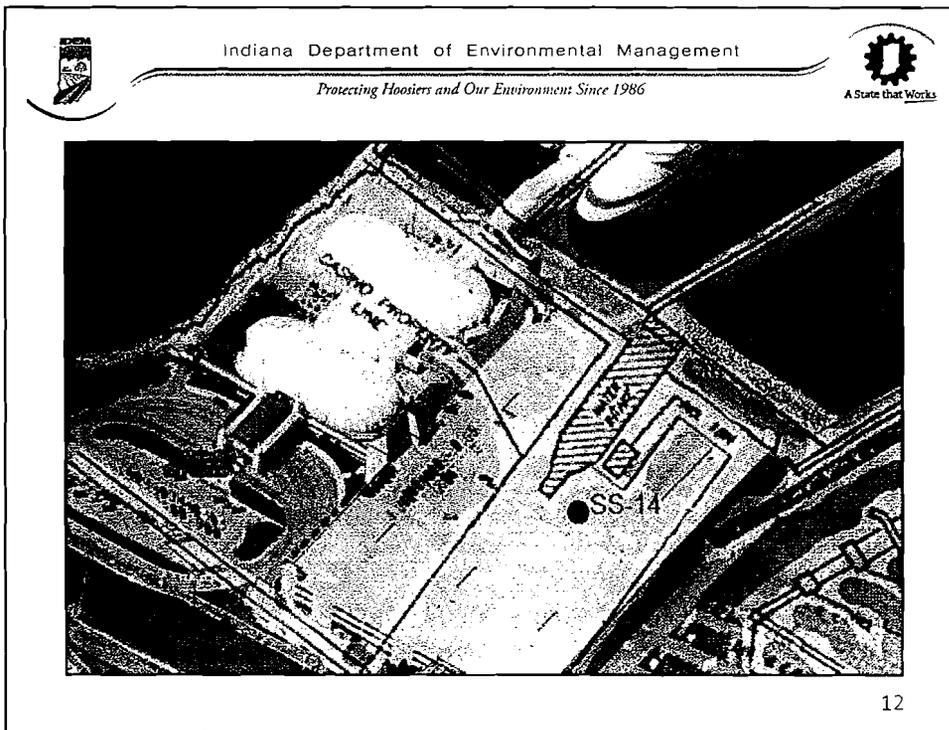
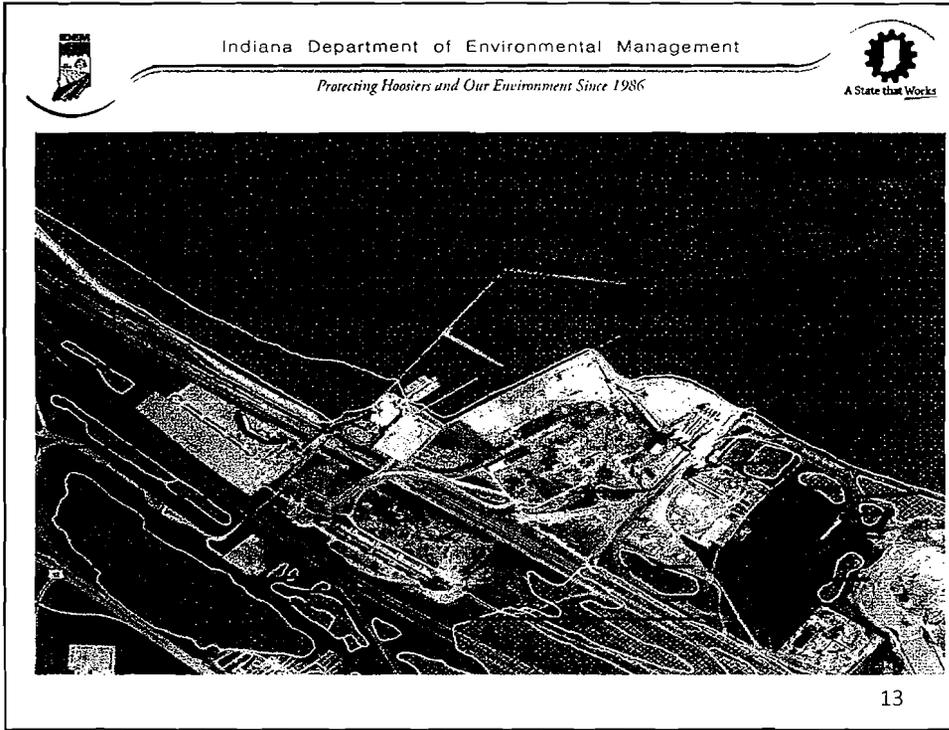
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Indiana Brownfields Program

Currently available financial assistance:

- Revolving Loan Fund (RLF) Incentive
- Automotive Sector Brownfields Assessment Initiative
- State Revolving Fund (SRF) Loan Program coordination
- Supplemental Environmental Project (SEP) coordination
- Tax Reduction/Waiver brownfield determinations
- OCRA Clearance Program partnership

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Majestic/Lehigh Property

- **Brownfields Program**
 - Environmental Investigations/Remedial Activities to Date Include:
 - Asbestos & lead paint assessments/abatement conducted on the former site buildings.
 - Analytical results from over 800 soil & 300 groundwater samples.
 - Site soil and/or groundwater contaminants include petroleum compounds, metals, & limited PCBs above IDEM residential, commercial/industrial, and/or excavation screening levels.
 - Removal and disposal of: 13 petroleum underground storage tanks, over 6,000 tons of contaminated soil and 80,000 gallons of contaminated water.

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Majestic/Lehigh Property

- **Brownfields Program cont'd.**
 - Environmental Restrictive Covenant (ERC) is Required on the Site Parcel Deeds with Residual Contamination above Residential Levels. ERC Land Use Restrictions Include:
 - Not use the Site for residential purposes, including, but not limited to, daily care facilities (e.g., daycare centers, schools and senior citizen facilities).
 - Shall not use the Site for any agricultural purposes.
 - Maintain the parking structure over the area of SS-14. If parking structure is removed, complete a subsurface investigation of the area beneath SS-14 and mitigate any exposure risks based upon the investigation results. *(1 parcel only)*

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Indiana Department of Environmental Management

Protecting Hoosiers and Our Environment Since 1986



Majestic/Lehigh Property

- Resource Conservation and Recovery Act (RCRA) Areas:
 - Former Lehigh/Highline Cement Property:
 - Former cement kilns burned hazardous wastes for fuel.
 - *Additional soil and groundwater sampling may be needed to assess the site and determine if RCRA closure is appropriate or RCRA Corrective Action is required.*
 - Majestic Casino Property:
 - A polychlorinated biphenols (PCBs) release was determined from a concrete surface sample (SS-14) near a former Boat House located under the current parking garage that serviced the Majestic Casino.
 - *Additional soil and groundwater sampling may be needed to assess the site & determine if RCRA closure is appropriate or RCRA Corrective Action is required.*

15



Indiana Department of Environmental Management

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Questions?

Brad Baughn

Business and Legislative Liaison

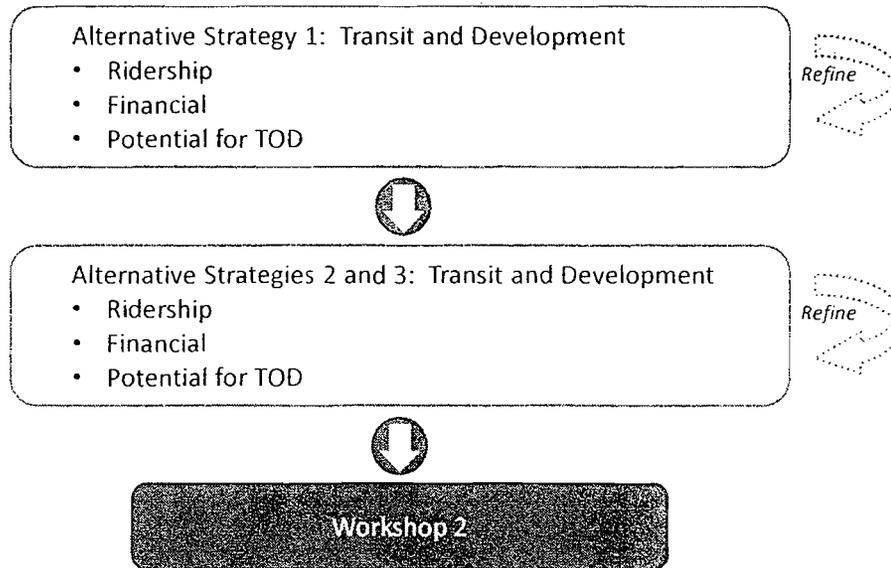
Indiana Department of Environmental Management

(317) 234-3386

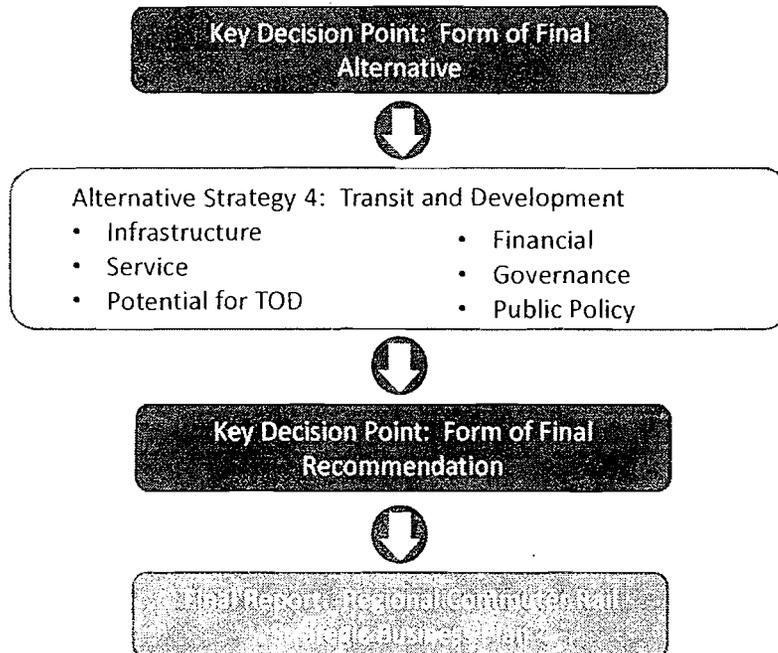
bbaughn@idem.in.gov

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Phase 2: Track to the Future



Phase 3: The Way Forward



Additional key issue: necessity of a credible financial plan

- Federal funding
- Non-federal funding

Joint Committee on Infrastructure & Solutions



Testimony of Mark T. Maassel
President & CEO, Northwest Indiana Forum

Study of Port Expansion – Burns Harbor, IN

September 12, 2013

Portage, IN

Mr. Chair, members of the Joint Committee, thank you for allowing me to make a few comments this morning.

My name is Mark Maassel and I am privileged to serve as the President & CEO of the Northwest Indiana Forum (“Forum”). The Forum is a regional economic development organization with members from the seven counties here in Northwest Indiana (NWI). The Forum serves as the “voice of business” in this region working to increase jobs while assuring that the environment is not harmed. We provide business attraction services and support business retention and expansion services working hand-in-hand with Local Economic Development Organizations to bring and keep strong employers.

Turning to the issue of the need for and importance of a Port here in NWI, please let me begin with the existing port. The Port of Indiana at Burns Harbor has been an economic engine for growth in NWI. At the moment there are over 30 entities employing people at the Port. (By the way, this does not include the Port Authority itself.) An Economic Impact study conducted by a highly regarded port economist and reviewed by three Indiana universities in 2012, showed 6,245 direct jobs at Burns Harbor with personal income of over \$280 million. If one considers the induced, indirect and related user income often calculated in these types of studies, the Total Personal Income resulting from Burns Harbor is almost \$1.95 billion. These wages lead to over \$184 million in state and local taxes. Truly the benefits of the Port are real and ongoing for NWI and for the State of Indiana.

Let me congratulate the General Assembly in total and this Committee in particular for tackling a major question which is being actively discussed. At the moment, the Port has relatively little land remaining for companies who wish to locate at the Port. With over 600 acres in the Port, only 90 to 100 acres remain available and the largest of these is over half of the available acreage at 57 acres. This is a great tribute to the success of Burns Harbor. But, the question becomes, is there a need to “expand” Burns Harbor.

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Joint Committee on Infrastructure and Solutions

Testimony of Mark T. Maassel
President & CEO, Northwest Indiana Forum

Study of Port Expansion – Burns Harbor, IN

Clearly, there are a number of changes underway globally which would indicate that there may be a need for more space at Burns Harbor. For example, there is a global shift where manufacturing is leaving China and instead locating in India. Freight from India to the United States often comes through the Suez Canal and to the East Coast. Additionally, there has been a significant growth in demand in Europe for coal similar to that which is mined in southern Indiana. Bringing these types of coals to Burns Harbor could increase exports.

Burns Harbor is already considered the U.S. inland port through which more ocean going vessels come than any other inland port. The types of global trends I just mentioned could lead to increased activity at the Port, and an increased need for land and berths.

From an economic development standpoint, there are a great many companies with whom we work that do not need to be in a Port. However, in my three plus years at the Forum, there have been a handful who needed access to Lake Michigan. And, these companies simply would not consider Indiana unless space was available in the Port. With the lead times needed to build a port, companies look for existing facilities rather than waiting years for a Port to be built. So, as someone working to increase the jobs in NWI and specifically focused on high paying jobs like those that exist at Burns Harbor, we need to have an inventory of land and buildings available for businesses which need to be in a port or have direct access to a port.

Given the many positive impacts which the Indiana Port Authority's Burns Harbor Port has for NWI and the State of Indiana, the changes in the world which will impact shipping and the need to have sites available for companies who are considering Indiana, a study of the need for more Port Facilities seems reasonable. A more detailed assessment of the impacts here in NWI, the benefits and the costs would make sense.

One item I should add, I recognize that there is little chance to physically expand the Burns Harbor Port at its present location. I also am aware that there are other potential sites along Lake Michigan, most notably in East Chicago and in Gary. While any study will need, of necessity, to consider these other sites the study needs to be carefully coordinated to assure that net benefits accrue. In particular, the Ports of Indiana need to, at a minimum, take one of the lead roles in conducting a study of the potential expansion of Burns Harbor Port or the addition of other areas along Lake Michigan.

Joint Committee on Infrastructure and Solutions

Testimony of Mark T. Maassel
President & CEO, Northwest Indiana Forum

Study of Port Expansion – Burns Harbor, IN

And, we believe there is a good reason for that. The NWI Forum is constantly looking for efficient government and the efficient use of tax revenues. At this point, the Ports of Indiana operate in a manner which does not require funding from the State of Indiana or perhaps even more importantly from the local communities in which they operate. Clearly, any potential expansion needs to be done in a way which assures that today's business model for the Ports continues and taxpayers are not required to begin to support the Ports of Indiana through taxes.

With an eye to assuring that the Ports continue to operate without taxpayer funds, a study of the need for expanding port options in NWI is a reasonable step forward.

Thank you for the time to share these comments with you. Thank you also for your willingness to serve and to delve into difficult issues such as this. I would be pleased to answer any questions you may have.

Target Industrial Development Corridor

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TESTIMONY before JOINT STUDY COMMITTEE on TRANSPORTATION
and INFRASTRUCTURE

Assessment and Solutions
September 12, 2013 **AM: PORTS**

Ty Warner AICP, Executive Director
Northwestern Indiana Regional Planning Commission
(219) 763-6060, twarner@nirpc.org
www.nirpc.org

Very recently, the Northwestern Indiana Regional Planning Commission, after a long process involving numerous residents, businesses, and other stakeholders across northwestern Indiana, adopted its award-winning *2040 Comprehensive Regional Plan*. Deep-diving into such areas as Transportation, Growth & Conservation, Environment & Green Infrastructure, and Human & Economic Resources, the *Plan* presents a compelling vision of the region's future, building off the diversity of its people, industries, and natural assets.

As the Federally-designated Metropolitan Planning Organization (MPO) for northwest Indiana, NIRPC has a special charge to ensure a multimodal and intermodal approach to its transportation investments, and a strategic economic goal to ensure that freight movement is a recognized part of that transportation picture.

As the *2040 Plan* conveys, maritime transportation comprises a small fraction of the total freight movement in Northwest Indiana, but because it is an effective, low-cost means of moving heavy, high-volume, bulk goods, it serves a

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crucial role in supporting the region's economy. In 2008, the 32 million tons of cargo that moved through the region's ports directly created 20,837 jobs, \$932 million in personal income and \$567 million in state and local taxes. The Northwest Indiana region is the top destination for commodities coming through the Soo Locks and in 2008 it received 19.1 million tons of cargo valued at \$618 million.

As this Committee looks at two sites for port development, what is clear is that a new port in either Gary or East Chicago would benefit from the obvious strategic advantage of locating in Northwest Indiana: excellent existing infrastructure and access to markets across the Midwest and the U.S. as a whole. The connections are across all modes. For water, ships would have a canal network that ultimately links up with the Illinois, Ohio, and Mississippi rivers, as well as the intracoastal waterway to the Gulf of Mexico. The locations would also benefit from connections to three Class I railroads (Canadian National, CSX, and Norfolk Southern), as well as two short-line railroads (the Indiana Harbor Belt, and the Chicago South Shore and South Bend), both of which connect with western railroads on the Illinois side (BNSF and Union Pacific). Lastly, the two sites benefit from close proximity to four interstates (80, 90, 94 & 65), two U.S. highways (12 & 20), and close proximity to the Michigan train-truck corridor. Due to its location along these corridors, 70% of the U.S. market is accessible to Northwest Indiana within a one day trip. What's more, the potential port would undoubtedly benefit from the massive industrial capacity that already exists in the region. These assets have made Northwest Indiana a competitive state for waterborne shipping, ranking 7th in the U.S. as a whole.

That said, there are clear challenges that would need to be overcome to successfully create and operate a second port. Firstly, water levels in the Great Lakes are receding, meaning that many active ports have had to invest in expensive dredging projects to continue to accommodate the minimum depth requirements of the very ships they have always serviced. Additionally, there is no dedicated source of federal funding for port infrastructure enhancements, making the financing of these projects increasingly difficult, though many port authorities have pursued financing through public-private partnerships and federal infrastructure loan programs like the Federal Transportation and Infrastructure Financing Program (TIFIA). Lastly, with the City of Chicago investing heavily in the reactivation of the Illinois International Port, just across the border, it is not entirely clear how open the market will be for a second port in Indiana if the reactivated port were to come to fruition.

In the search for solutions to the overall economic development picture in northwest Indiana and transport across all modes of freight, NIRPC's RailVISION initiative has identified the top 15 worst railroad and highway crossings in our region. Four of these 15 crossings are on major approaches to the Port areas being studied. These include crossings at:

- Dickey Road in East Chicago
- Euclid Avenue in East Chicago
- State Route 312 (Chicago Avenue) in East Chicago
- Clark Road in Gary

Without action, the congestion and safety issues posed by these crossings will only get worse. Yet those crossings that are part of a greater plan have been shown to have more community support and greater opportunities for financing. The RailVISION study coupled with a cohesive plan for these port areas will synergistically increase the likelihood of improvements, adding to the economic development potential of these port areas.

With this context in mind, the opportunities and limitations of locating a new port facility at either the East Chicago or the Gary location begin to become apparent. Both locations pose differing opportunities and drawbacks, but both also have the potential to advance economic development and other significant regional goals born of comprehensive planning and regional collaboration.

In that vein, these port study areas cannot be looked at apart from the acclaimed Marquette Plan Vision for Lakeshore Reinvestment. This plan is both a strategy for reinvestment in the vitality of our region's lakefront, and a vision for the accessibility and sustainability of its future. The Marquette Plan has as its key goals:

- Recapturing 75% of the lakeshore for public use (currently approximately 45% is so designated)
- Establishing a minimum setback from water's edge of 200 feet for all uses not integral to public access or use
- Protecting and maintaining quality natural areas
- Returning underutilized industrial and public infrastructure to public and private reuse
- Diversifying the tax base
- Creating a continuous trail network through northwest Indiana

A new port not only supports the many economic goals contained in the Marquette Plan, but it can also effectively support its livability and public access goals. NIRPC believes that a new port, if created proactively, creatively, and strategically with these goals in mind, can be a mechanism for advancing the Marquette Vision.

There are two additional considerations in which the benefits of a new port at either or both locations can be maximized for all of northwestern Indiana and the State, consistent with innovative and integrative national trends.

The first of these concern **Green Ports:**

Much work has been done by the Lake Michigan Forum to create an Environmental Self-Assessment for Commercial Harbors and Ports around the Great Lakes. This tool is available to help harbor managers and terminal operators identify best management practices to promote strong environmental leadership. The tool can also be used as a pre-screening method for organizations that would like to consider third-party certification such as the Green Marine Program. Many ports throughout the Great Lakes are investing in energy efficiency, idling reduction, alternative energy, and other green technology improvements.

The second consideration includes the concept of **Working Waterfronts:**

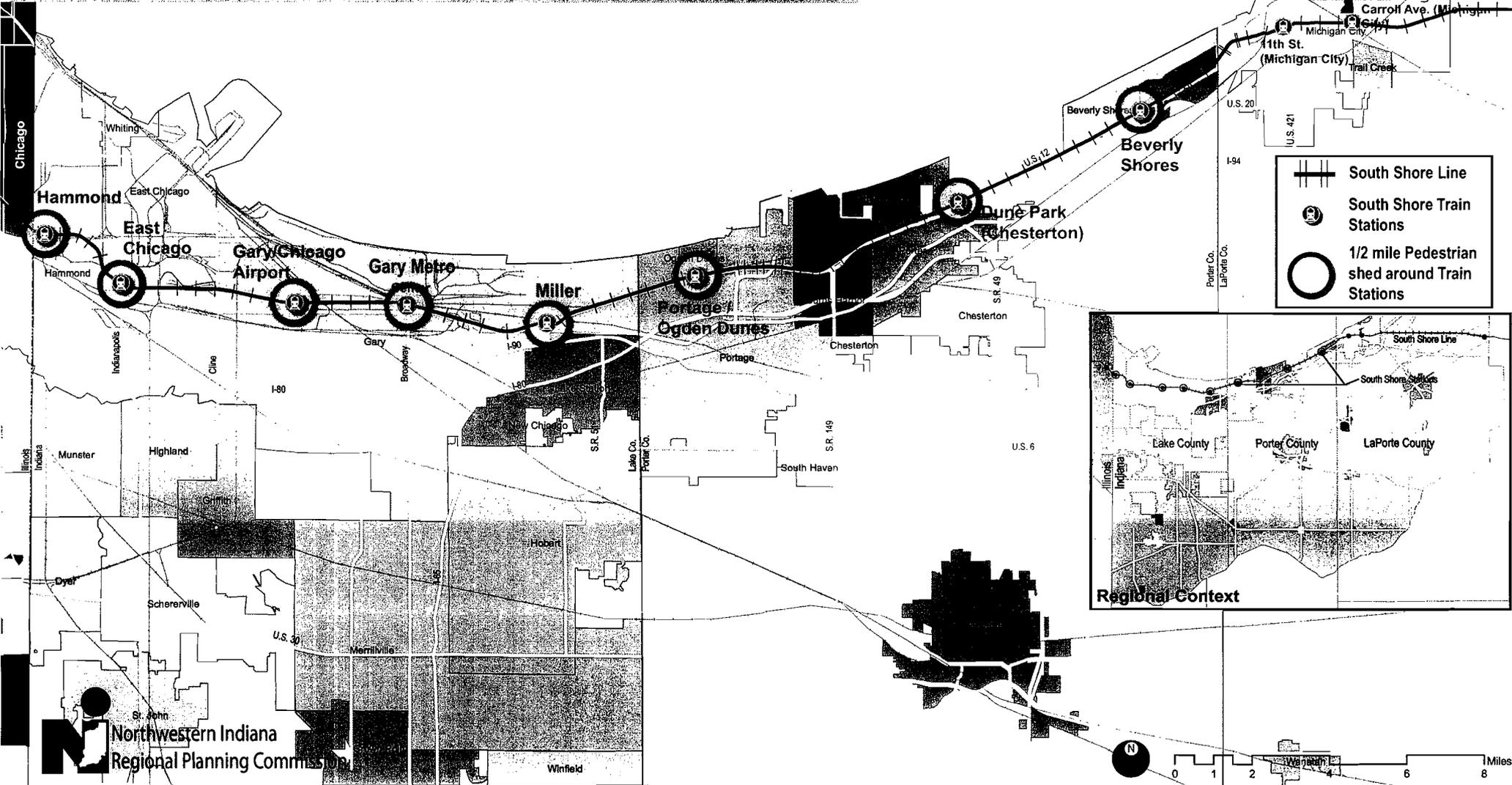
In several parts of the country a “Working Waterfront” Approach to ports has enabled these economic development drivers to provide green gateways to their communities.

- In King County Washington, the Port of Seattle has focused on environmental sustainability in operations, parks with high quality views of port operations such as vessels and trains as well as city skylines. These parks include walking paths, observation towers, and shoreline access.
- In Oakland, California public access at their port includes park space where residents and visitors can fish, launch a boat, or have a picnic a few hundred feet from ships. Viewing of the maritime operations is encouraged with second-story viewing, historical displays, and close-up views of working marine terminals.
- Closer to home, the Port of Duluth-Superior, while handling diversified commodity shipping has recently been able to accommodate the growing Great Lakes Passenger Cruise Industry by providing amenities for visitors.
- The Port of Monroe in Monroe, Michigan also balances its focus as an industrial, commercial, and recreational green gateway to the city of Monroe. This Port includes 1500 feet of public dock space. Viewing opportunities of shipping activities has become a major tourism driver in Michigan communities like Sault Ste. Marie, and Muskegon.

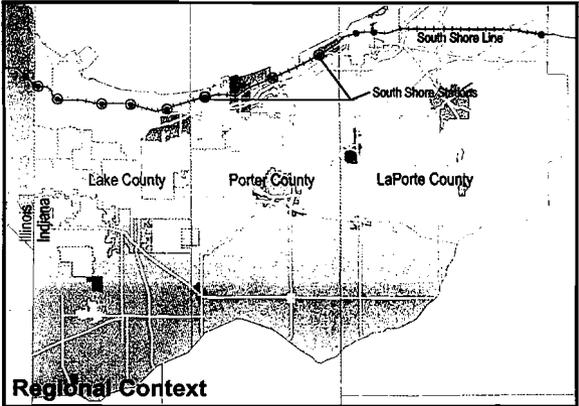
As U.S. Congressman Pete Visclosky has said about the Marquette Plan, “Sweeping changes will not come overnight. Nor can they be dictated by one person or one governmental body. We in Northwest Indiana must sit together as a unified community and reach a consensus on our future.”

Fortunately, Northwestern Indiana has collaboratively developed a compelling vision for its future and has a strong Council of Governments to bring parties to the table to ensure innovative economic development initiatives are a win for the region and the entire state. NIRPC, with its strong track record of collaboration and cooperative planning, stands ready to assist in helping these efforts achieve their maximum benefit.

South Shore Corridor Transit Oriented Development (TOD) and Rail Station Area Plan



- South Shore Line
- South Shore Train Stations
- 1/2 mile Pedestrian shed around Train Stations



Chairman Soliday and members of the Joint Study Committee on Transportation and Infrastructure Assessment and Solutions, thank you for the opportunity to address this important issue today.

A little over a year ago, I stood at the top of the parking lot of what is historically known as the Gary National Bank building with a reporter from the Chicago magazine and he asked me to look towards the northern of Gary and asked me what I saw. I am sure they expected me to focus on the abandoned Sheraton Hotel or the vacant United Life Building. He may have even expected me to discuss the challenges of the steel industry or the Genesis Center. But I chose to discuss the history of the city—in fact the history of a region built on the first billion dollar corporation in the world. I talked about the strength of U.S. Steel and how it remained a major force in our history, present and future. But even as I celebrated our industrial mainstay, I focused on Interstate 90 traveling north of city hall and told the reporter that transportation represented the next horizon for our city. I shared the vision of our team to rebuild the city by maximizing our transportation assets. That is the vision that I had hoped to share with you in person over the weekend, but will have to settle with sharing with you today.

Gary, Indiana and its surrounding communities are located at the population center of North America, 30 minutes from the 3rd largest city in the United States and at the base of the second largest of the great lakes by volume. As a consequence of this prime location, there are three class 1 rail lines and four interstate highways that travel through Gary. Additionally, five of the ten largest truck-load carriers in North America have terminals in the city of Gary. In this same footprint are the Gary/Chicago International Airport and Buffington Harbor.

The airport has been the subject of many pontificators over the course of the last fifty years. There were some who viewed the Gary airport as the train that never could while others affirmed it as the economic engine for an entire region. It looks like those who recognized the hidden potential were right and the airport sits on the verge of a public private partnership where a private entity has outlined a plan to invest hundreds of millions of their own money into the airport and its adjacent real estate.

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In this footprint is the last piece of the transportation puzzle—a harbor—specifically Buffington Harbor. Previously Buffington Harbor was touted as a great place to live, work and play. I would not necessarily recommend living there unless you have a lot of remediation dollars in your development budget. But people continue to work there at U.S. Steel, Praxair and Carmeuse Lime. While people do play there as Majestic Star Casino has called Buffington Harbor home for over 20 years, the reality is that the value of that corridor can best be realized by the coordination of the transportation assets to meet the needs of the industrial concerns.

Given the aggregation of assets outlined above, we believe that private concerns will welcome the opportunity to partner with the city to create a port that will complement the other modes of transportation in this area—in much the same way private entities have flocked to the airport, our rail lines and the leverage of our highways. This is no longer supposition. It is now proven, historic fact. The value of the work of this body is assisting the region in the creation of a case for potential investors so that we can realize all that the market will bear. By the determination of the market, one can take the next step to determine the nature of the ports in the area.

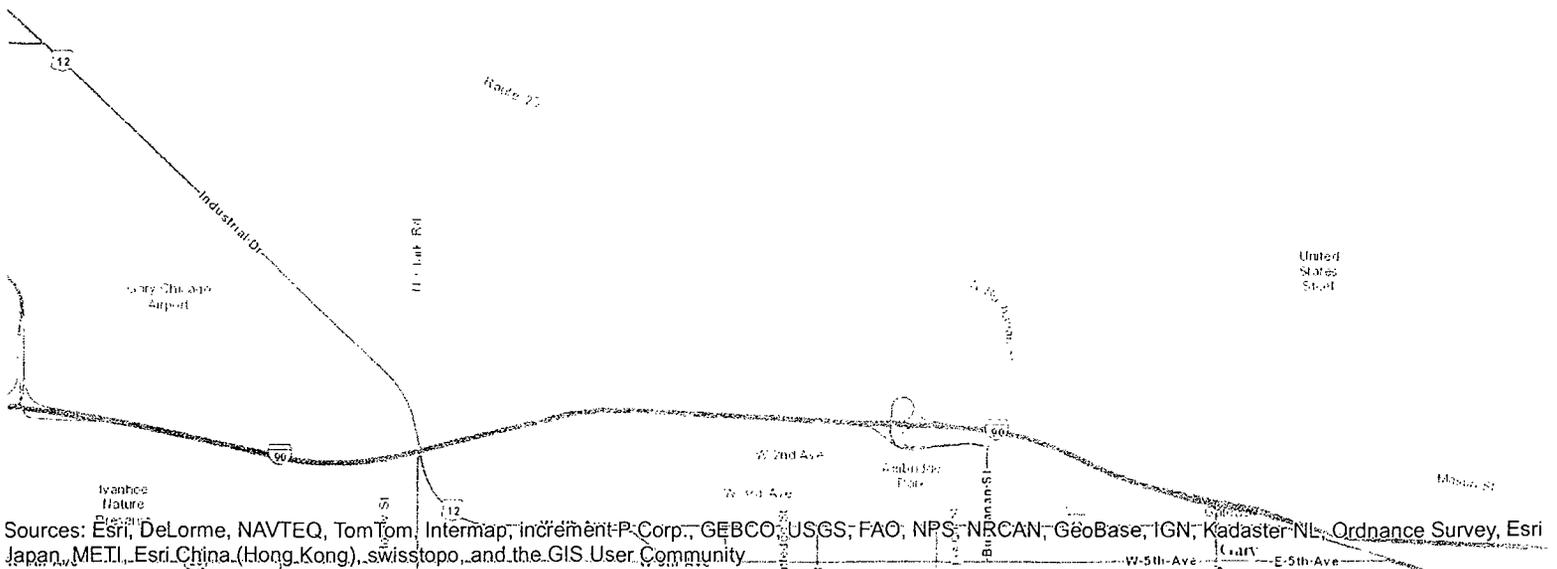
I am intentional in my use of the plural. There was a lame effort in local media to pit our community against the city of East Chicago. This is an old trick that has no place in the new day that we have declared for the region. It is my position that a port in Gary and a port in East Chicago are not mutually exclusive and that our location, assets and willingness to work collaboratively will yield us much more than the in-fighting that make people less inclined to invest in this area. Equally, we believe this hearing by definition and the consensus of local, regional and state interests in this port effort affirms our vision of the industrial corridor as the next, great transportation gateway of North America. Consequently, we again state fully and with no fear of contradiction, that the clear and most compelling value for our gaming interests does not rest in the footprint of these industrial assets but on land, where it can realize the highest and best value for the citizens of this community, region and state. We

recognize that this is not our decision solely and one that must be made in partnership with the owners of the Majestic Star Casino.

In closing, I am asking that the legislature commission a study to determine the market demand for a port, understanding the next step to be the determination of the best location and ultimately the creation of a partnership with the Port of Indiana or some other private entity create a port at Buffington Harbor.



Lake
Michigan



Sources: Esri, DeLorme, NAVTEQ, TomTom, Intermap, increment P-Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), swisstopo, and the GIS User Community

Testimony
Congressman Peter J. Visclosky
Indiana General Assembly
Joint Study Committee on Transportation and Infrastructure Assessment and Solutions
Field Hearing – Portage, Indiana
September 12, 2013

Mr. Chairman, I want to thank you, Vice-Chairman Wyss, and all of the members of the Joint Study Committee on Transportation and Infrastructure Assessment and Solutions, for your initiative in holding this critical hearing. As you assess the transportation and infrastructure needs of Indiana, and in this instance Northwest Indiana, I appear before you to ask for your assistance. We are in the midst of a troubling trend in Northwest Indiana, a trend where our population is decreasing, our wealth is decreasing, and our age is increasing. Therefore, I ask for your assistance in fashioning a permanent non-federal source of matching revenue to expand the South Shore Line to Lowell and Valparaiso. I am certain that creating such an investment tool would inure to the benefit of not only the people in our region, but to the profit of the entire state.

A century ago, our ancestors transformed Northwest Indiana into one of the world's premier industrial and manufacturing centers. My grandfather and grandmother came to this region to make a better life for themselves and their children. They worked hard to invest in opportunities that led to a dynamic regional economy. As I look at Northwest Indiana today, Lake County in particular, we are fewer, poorer, and older. Now, more than ever, we need to again invest in opportunity.

Between 1970 and 2010, the entire population of the United States of America saw a growth of 51.7 percent, from 203 million people to 308 million people. Over that same time period, the population of Lake County, Indiana, decreased by 9.2 percent, from 546,000 individuals to 496,000 individuals. Also between 1970 and 2010, Lake County saw a decrease of 12.9 percent of its median income per year, from \$56,776 in 1970 to \$49,443 in 2010. Lake County also saw a 42.3 percent increase in its median age, from 26 years old in 1970 to 37 years old in 2010. Porter County and LaPorte County have better stories, as their incomes and populations have increased, but their median ages are increasing as well.

Why is this so? Why is there waning growth and vibrancy from our predecessors' investment in opportunities? Has it been because of a lack of resources? No. We are on the shore of the largest body of fresh water in the world. We are intersected by four interstate highways and two U.S. highways that travel across our country. Freight rail from the East Coast passes through Northwest Indiana on its way west, and we are in the environs of Chicago and its \$500 billion economy and 4 million jobs.

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We also have started to reinvest in our region. It is only through the diligent efforts of many public officials, labor, business leaders, and local government entities that we have made significant progress on the Grand Calumet River cleanup and the Indiana Harbor Ship Canal dredging. The Little Calumet River Flood Control Project is nearly complete. Today we can see portions of our lakeshore being transformed to encourage economic growth, and construction is taking place at the Gary Chicago Airport. Cutting-edge research and investments are also occurring at our institutions of higher learning, such as the Center for Innovation through Visualization and Simulation at Purdue University Calumet.

But today, Lake County is fewer, poorer, and older. What is lacking? I believe the answer is connection. We need to invest in the thread that will weave through Northwest Indiana and connect all our efforts and natural abilities. We need connection through a meaningful mass transportation system in Northwest Indiana. We need connection through the expansion of the South Shore Line.

It is clear that transit oriented development works and that it is a means to diversify our economy. For example, Washington, D.C., experienced a large amount of commercial development when Metrorail was constructed. In the years of its completion, 97 percent of the regional economic development took place in close proximity to a Metrorail station.

And consider Chicago's economy, which is larger than the economy of Sweden. One reason for its economic dominance is because there are 410 miles of commuter rail lines in Illinois emanating from the Chicago Loop. Attached to this testimony is a Northern Indiana Commuter Transportation District map that shows these Illinois rail lines. It also shows the one line to the Chicago Loop from Indiana, with its 35 miles of commuter rail from the Illinois border to Michigan City. Chicago knows the value of commuter rail, as its planning documents call for 75 percent of their resident homes to be within walking distance of public transit by 2040. Chicago's average job pays 38 percent more than a job in Northwest Indiana, and we need to facilitate the movement of people to those jobs. We need to have expanded South Shore service so that young, talented people realize that Northwest Indiana, with our affordable housing and low tax rates, and with access to the economy, culture, sports, and entertainment of Chicago, is the place to live, raise a family, and yes – invest in new jobs.

But as I sit before you today, I am frustrated by our inability to secure the success of this expansion. Over the years, we've been able to provide \$43.4 million to recapitalize and improve the existing South Shore Line. In 2004, twelve communities and two counties came together to pool their resources and study the expansion of the South Shore Line. In 2005, the Regional Development Authority was established with one of its explicit charges being the expansion of the South Shore Line. In 2006 and 2007, ultimately futile attempts were made to expand the South Shore Line, and in 2008 we experienced the greatest recession in nearly three-quarters of a century. As with many initiatives at that time, thoughts on the expansion of the South Shore Line slowly faded away. In the meantime, we are fewer, poorer, and older.

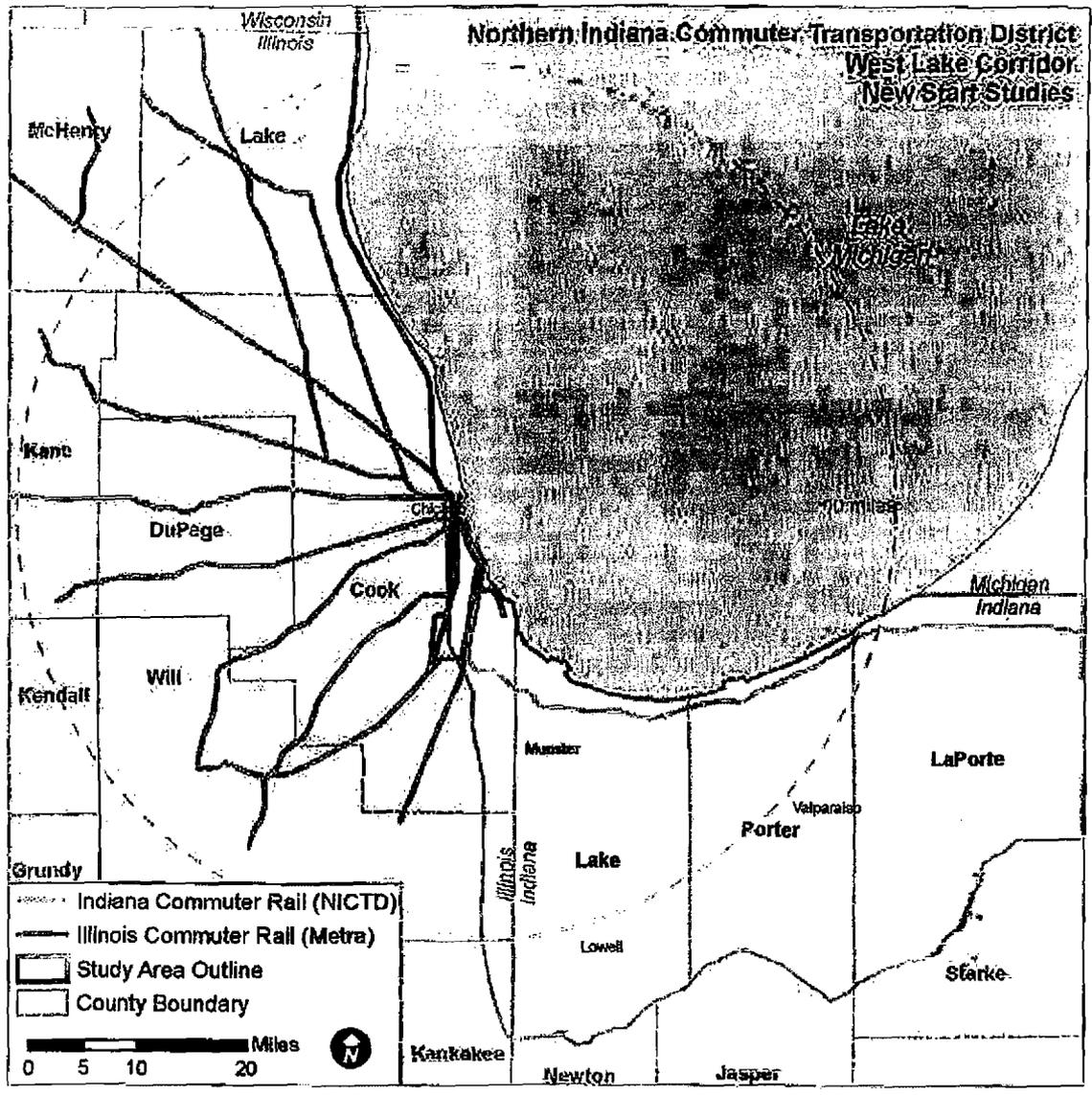
The cost of expanding the South Shore Line to Dyer, as a first leg, in 2011 was estimated to be \$464.4 million, and 50 percent of which is to be provided through a return of your federal tax dollars. Since Fiscal Year 2010, the federal government has spent nearly \$11 billion each year on transit oriented development projects across the country. That is your money, and it is currently going to Illinois Chicagoland stations, like the stations at Prairie Crossing and Arlington Heights, and commercial development and residential properties are following that money. We need to bring these federal dollars to our own transit system, and that starts with a permanent non-federal match.

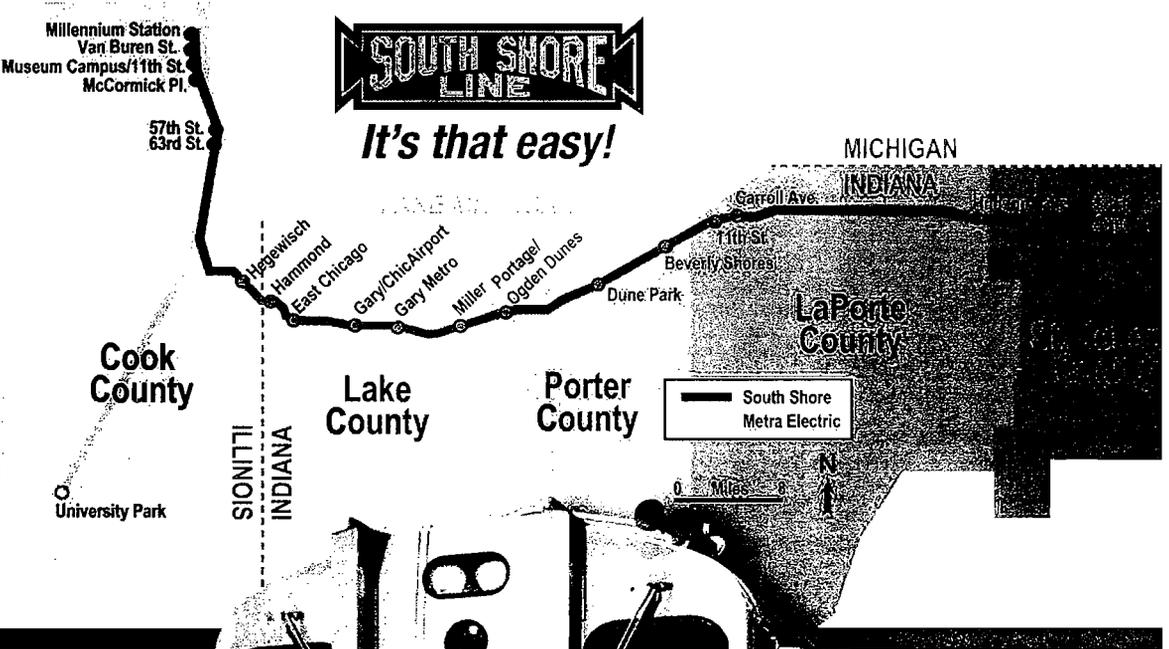
I alluded earlier to the investment in opportunities that an earlier generation made. Their investments drew spirited, young people to this region, and we must do the same today. Young people today simply are not driving as much, and we must recognize that preference. According to a report released by U.S. PIRG this past May, young people today are more likely to want to live in urban areas and are more open to non-driving forms of transportation than older Americans. Those between the age of 16 and 34 years of age drove 23 percent fewer miles in 2009 than they did in 2001. Because of this trend demonstrated by our youth, while our total national population is expected to increase 29 percent by 2030, over that same time period the annual vehicle miles traveled is not expected to increase above 2004 levels.

Mr. Chairman, the youth of Northwest Indiana, in many instances, leave our region to receive training in a particular craft or skill. Some nobly choose to serve our nation in the military. Others leave for higher education. Then most never return.

We desperately need your assistance, and I respectfully request that you, Vice-Chairman Wyss, and all of the members of this panel, work with our political and community leaders, using your inimitable creativity, to finally fashion a solution for this expansion. We need to find a way to fund the creation of the thread – the South Shore Line – that will weave together and connect all of our efforts, generate a new future, and lure the next generation to stay and move to Northwest Indiana, so that someday people will remark on the Shining City on the Lake.

Thank you again for the opportunity to testify, and I would be happy to take any questions that you may have at this time.

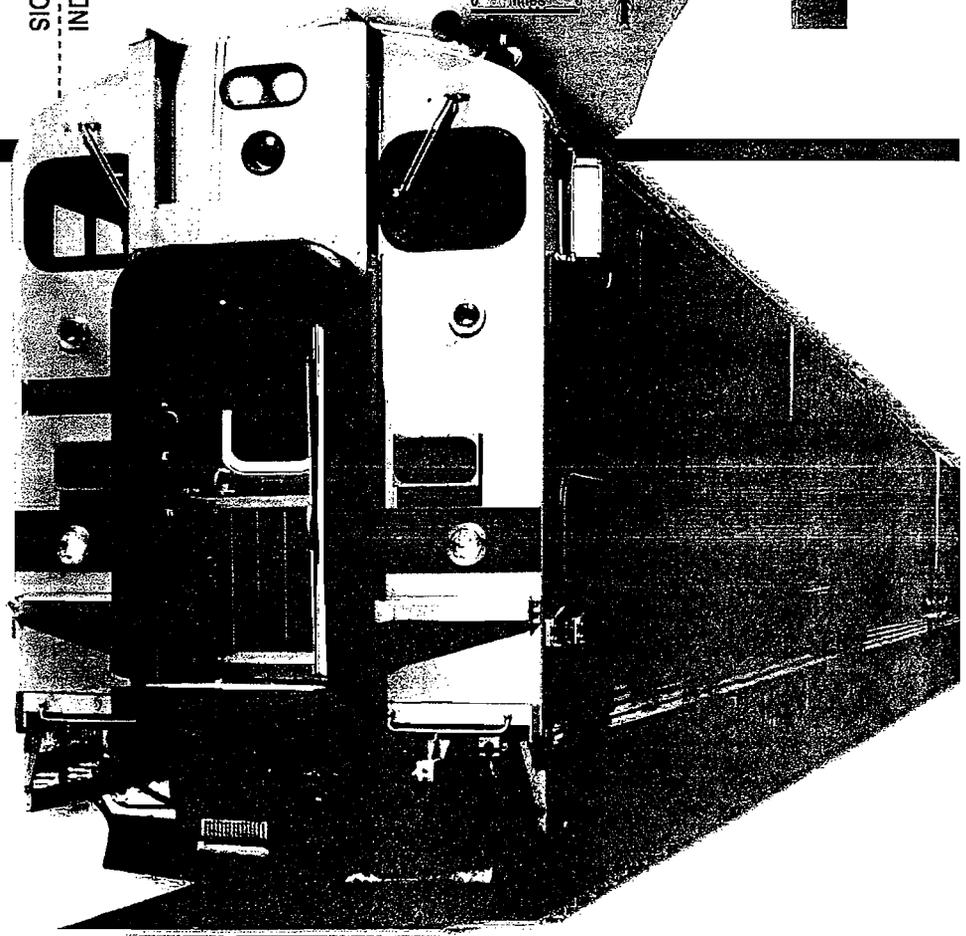




NICTD

Transportation Investment Update

September 2013



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HISTORY

The Northern Indiana Commuter Transportation District is a 4-county regional commuter rail authority authorized by the Indiana General Assembly in 1977 legislation (IC 8-5-15). Subsequently, St. Joseph, LaPorte, Porter and Lake counties approved the creation of NICTD for the sole purpose of maintaining and improving commuter rail service from the four counties to Chicago.

When first created, NICTD was strictly an administrative agency managing state and federal funds that were directed to the Chicago, South Shore and South Bend Railroad to offset daily operating costs of the passenger service and make initial base line capital investments in the railroad. Up until 1990, the Chicago, South Shore and South Bend railroad ran both passenger and freight service. Due to a bankruptcy filing in 1990 by the parent company of the South Shore railroad, NICTD created a successful reorganization plan in which the freight and passenger railroad functions were split into two separate corporate entities. The Anacostia & Pacific Corporation was selected by NICTD to be the private owner for the freight franchise. Subsequent to the bankruptcy court approval of the reorganization plan, NICTD finalized the purchase of the passenger assets including all mainline track from Anacostia and Pacific. NICTD is responsible for maintenance and dispatching 75 route miles between South Bend and Kensington Interlocking where we merge on the Metra Electric for the last 15 miles into Chicago. The SouthShore Freight Service has an exclusive franchise to provide freight service and pays NICTD annual fees for this right.

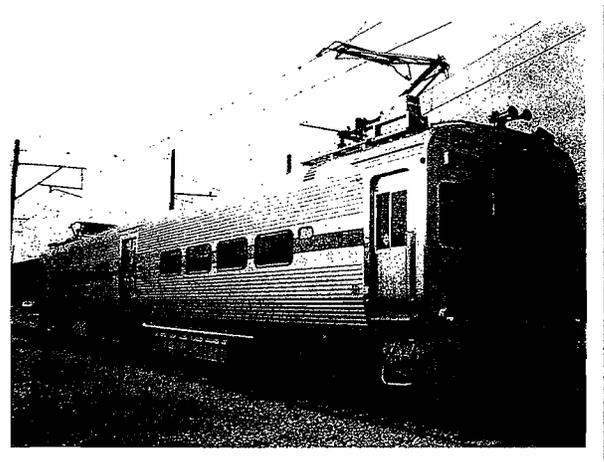
For nearly four decades the commuter district has focused on strategic investments to achieve four primary objectives designed to improve access to Chicago:

- Enhance safety
- Improve reliability
- Reduce travel time
- Enhance capacity

INVESTMENT HISTORY

1977-1990: Early on, NICTD concentrated its resources on stabilizing the passenger service following decades of deferred maintenance and non-investment. We replaced the entire fleet of 50+ year-old passenger cars, upgraded electrical substations, and modified and upgraded our maintenance and repair facilities in Michigan City. This was a baseline investment that kept the service from being shut down.

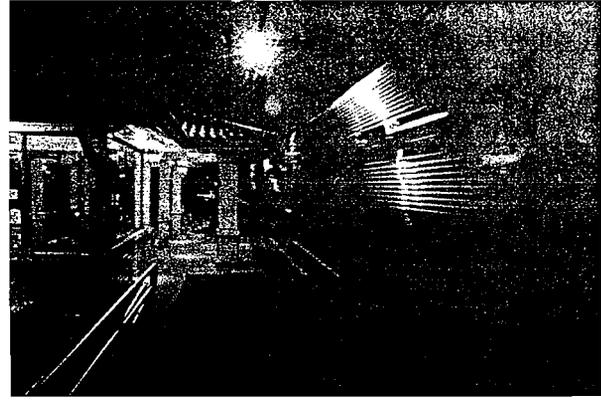
1990-Present: Since acquiring ownership of the passenger service in bankruptcy court, NICTD has embarked on an aggressive asset modernization program including doubling the size of its original fleet of passenger cars to meet growing demand; new passenger stations and expanded parking facilities in Chesterton, South Bend, and Portage/Ogden Dunes, followed by major station investments in Hammond, East Chicago and Hegewisch with expanded parking and new state of the art high level boarding platforms.



1982 Passenger Cars



Hammond Station



Miller Station

Pete Doherty photo



Passengers waiting to board at East Chicago Station *Pete Doherty photo*



Hegewisch hi-level boarding platforms

These highly visible changes were one component of a multi-faceted investment plan that also replaced a series of aging truss bridges to enhance safety as well as capacity related track improvements. This included 3 miles of new double track in Porter County that linked two high speed passing sidings creating a 6.5 mile segment of double track. An essential project in this mix was a new \$20 million connection to Metra via the CN. Dubbed the Kensington By-Pass, the project enables South Shore trains to “by pass” Kensington Station by running along a parallel alignment making a direct connection with Metra’s Tracks 3 and 4 north of Kensington. This eliminated a bottleneck that had frustrated commuters with lengthy delays for decades.



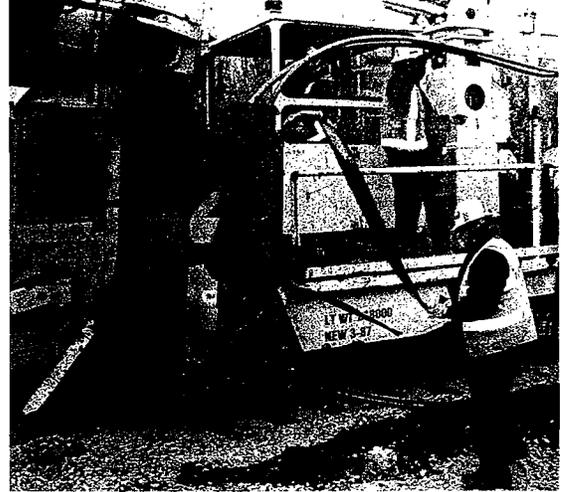
East Chicago Station

Pete Doherty photo

In 2004 we started a series of projects that fundamentally changed the way the railroad had operated for nearly 100 years. This \$125 million effort modernized our signal and overhead power distribution systems. It included the installation of a new fiber optic backbone that would provide a high speed



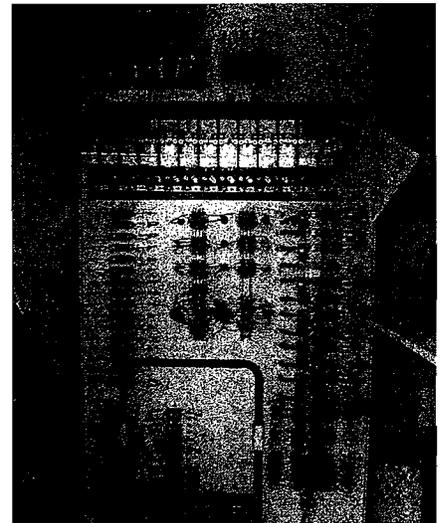
Replacing an antiquated truss bridge in Gary



Installing fiber optic cable South Bend to Metra

communication link for our new Centralized Traffic Control system, or CTC. The project replaced thousands of obsolete relays with new solid state signal control technology. It also included heated cross-over switches, bi-directional signaling, and the construction of a modern operations control center in Michigan City. Bi-directional signaling converted one-way trackage to two-way operation thereby doubling operational capacity. This new signal system allows central dispatchers to remotely activate switches enabling trains to operate on either track in either direction at track speed; improving operating flexibility, track capacity and speed. Without this technology trains were required to stop for train orders and hand throw switches in the field, a significant contributor to late trains.

Modern solid state signal relays

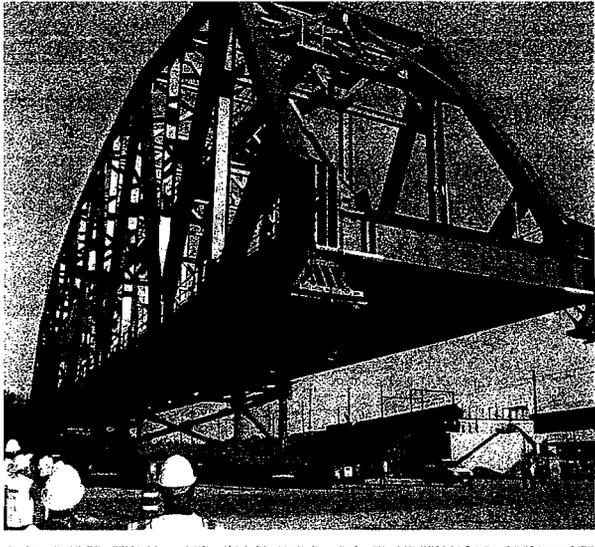


Operations Control Center in Michigan City

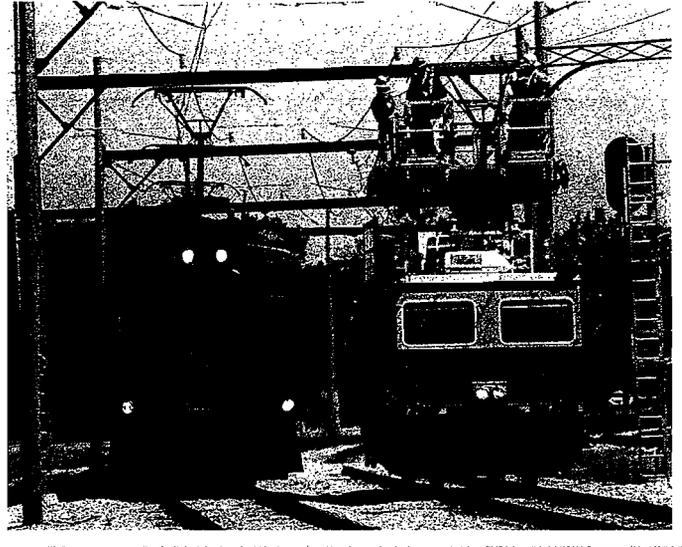
Our overhead power distribution system, or catenary, dated back to the 1920s. Given its age, failures were becoming more frequent and the single leading cause of lengthy train delays and service disruptions. This modernization effort included over 212 miles of new electrical conductor and hundreds of new cantilever arms incorporating weight tensioned sections allowing the wire to

expand and contract with changing temperatures while maintaining a constant tension; a significant improvement given the weather extremes in Northern Indiana.

While CTC is completely operational from South Bend to Metra, we are continuing to install the 3rd and final phase of our overhead power distribution system between Michigan City and South Bend.



Installing new bridge over Torrence Ave. in Hegewisch



Installing new catenary system Michigan City to Metra

Overall, NICTD has invested in excess of \$500 million in federal, state and local funds to maintain and improve the South Shore over the past 36 years (excluding real estate).

Major Capital Investments:

Rolling stock:	204,073,000
Buildings & building improvements	69,001,425
Bridges, track, & crossings:	78,417,637
Signals & substations:	75,280,020
Catenary:	60,888,918
Machinery, equipment & trucks:	<u>12,662,000</u>
TOTAL:	\$500,323,000



New gallery style "double deck" passenger cars

NICTD has 82 passenger cars in its fleet consisting of:

- 41-1982 model 93 seats single level EMU cars
- 7-1992 model 110 seats single level EMU cars
- 10-1992 model 133 seats single level trailer cars
- 10-2000 model 96 seats single level EMU cars
- 14-2009 model 111 seats gallery EMU cars

SERVICE

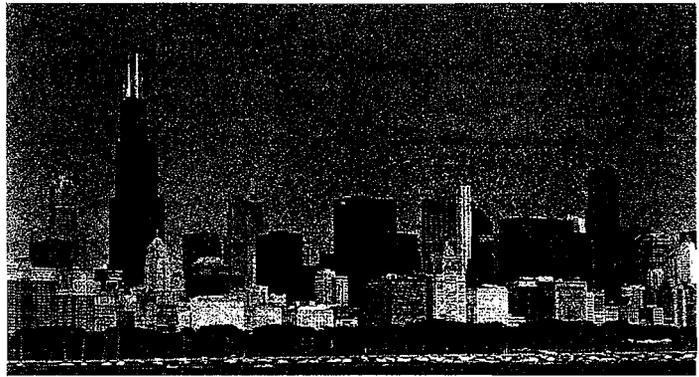
The South Shore passenger service is a 1,500 volt DC railroad. We operate 41 trains per week day and 21 trains per day on weekends and holidays. This equates to nearly 12,800 trains annually with approximately 5,900 seats in the morning rush hour.

NICTD maintains a payroll of approximately 300 people. Railroad crafts are represented by six unions including the United Transportation Union, Brotherhood of Maintenance of Way Employees, International Brotherhood of Electrical Workers, American Train Dispatchers Association, TCU Clerks and TCU Carmen. NICTD's operations and maintenance facilities are located in Michigan City and its administrative office is in Chesterton.

Operating expenses approximate \$39M annually to provide passenger service and passenger fares cover approximately 49% of total costs.

RIDERSHIP

Passenger traffic has responded to service improvements. By stabilizing the operation and making strategic investments we grew the ridership from 1.5 million passengers in 1979 to over 4.2 million in 2007. However, with the collapse of the national and regional economies in 2008 we've seen a drop in ridership that is slowly beginning to rebound.



Chicago is the 3rd largest regional economy in the US.

On average we carry 12,100 passengers per day on weekdays and 4,700 per day on weekends/holidays.



Commuters returning to East Chicago from Chicago

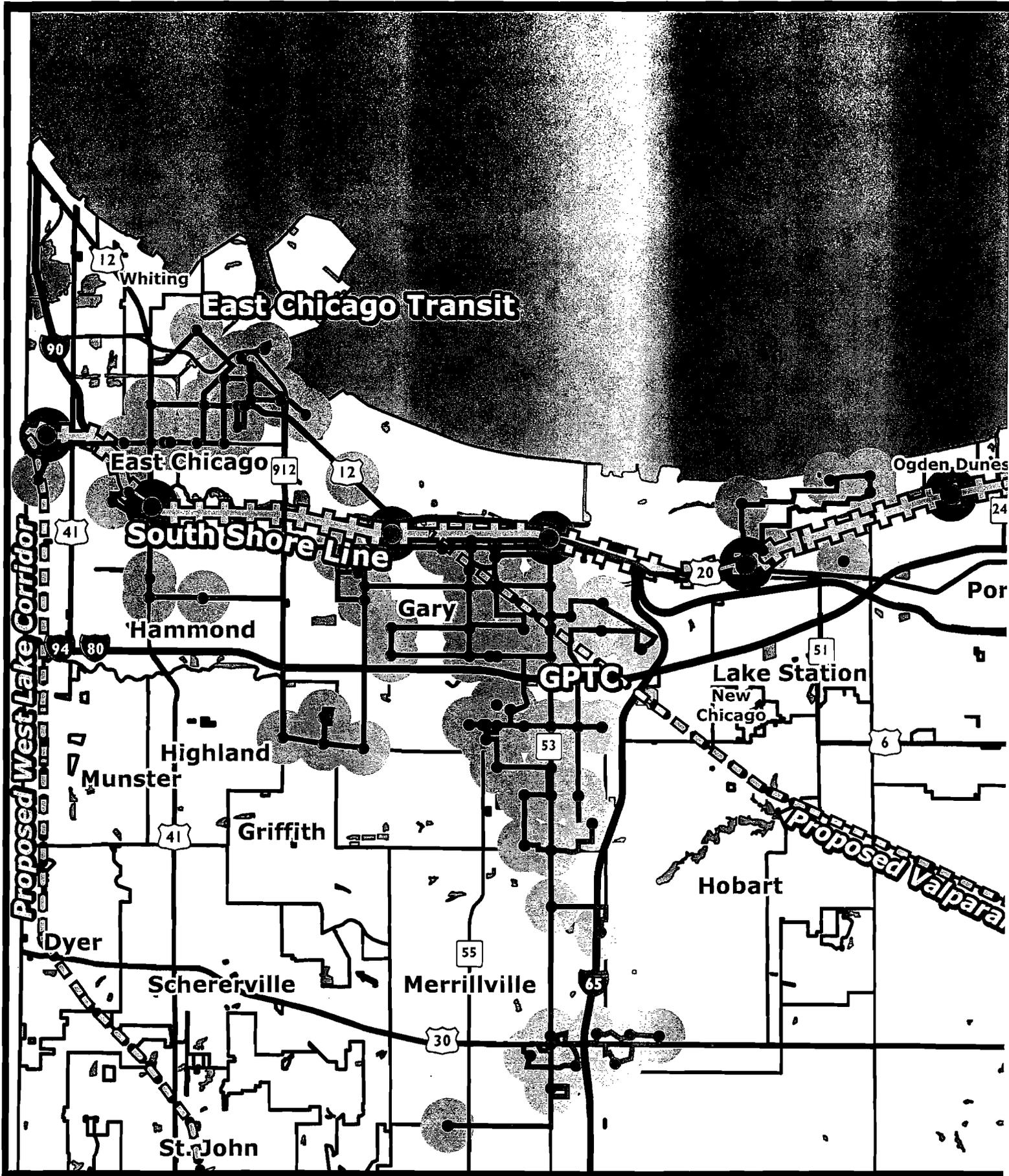
Pete Doherty photo

We perform a vital service for the state of Indiana unlike any other major public transportation system in the state – we export labor to Illinois and return these wages in the form of disposable income to Indiana where it is invested in the regional economy. In a recent survey conducted by The Blackstone Group our commuters report an average annual household income of \$82,000. This equates to approximately \$369 million of commuter based income in Northern Indiana. Without the substantial

employment opportunities in Chicago, this household income level could drop significantly.

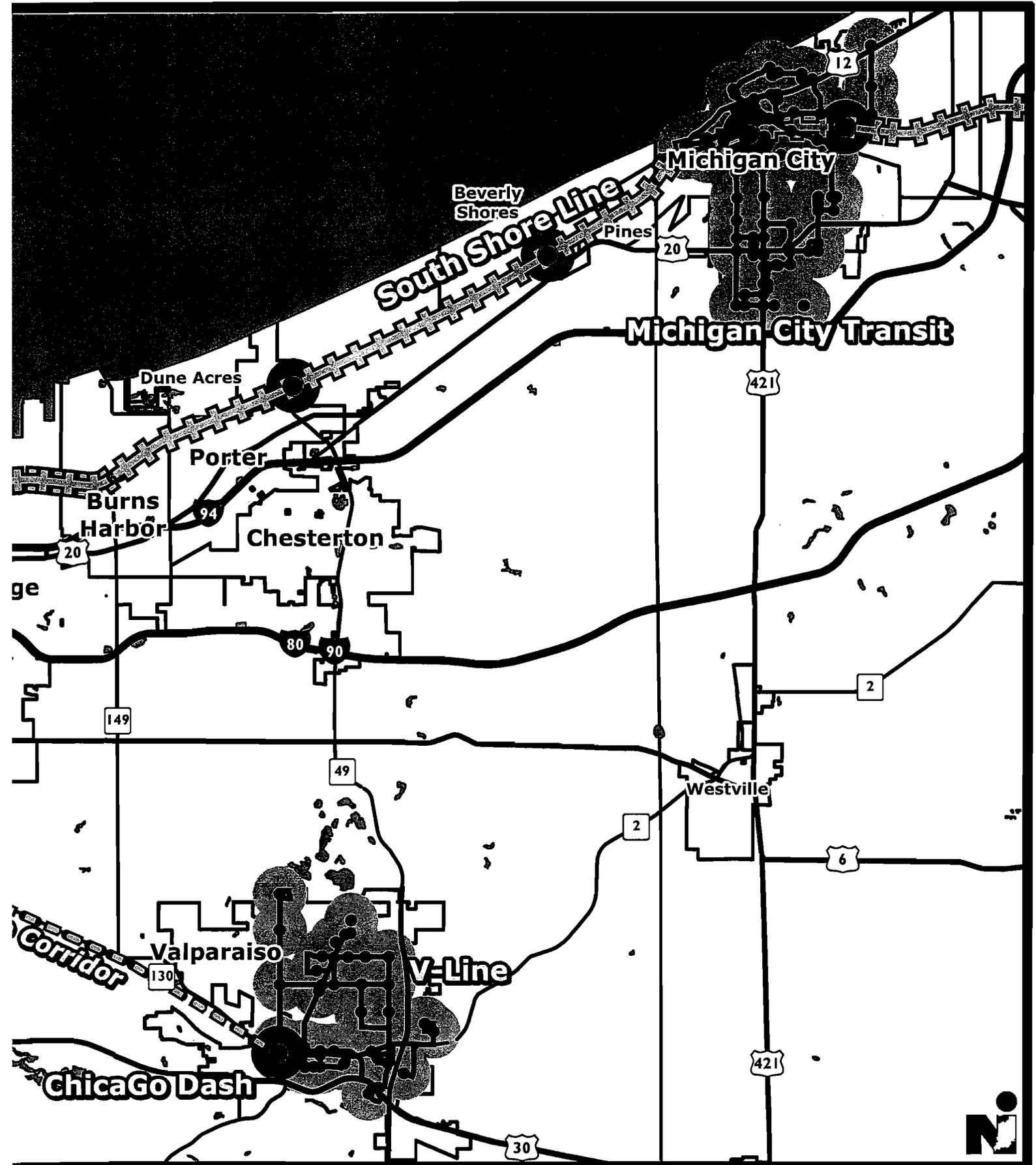
Creating Livable Communities

Draft Transit Area Map

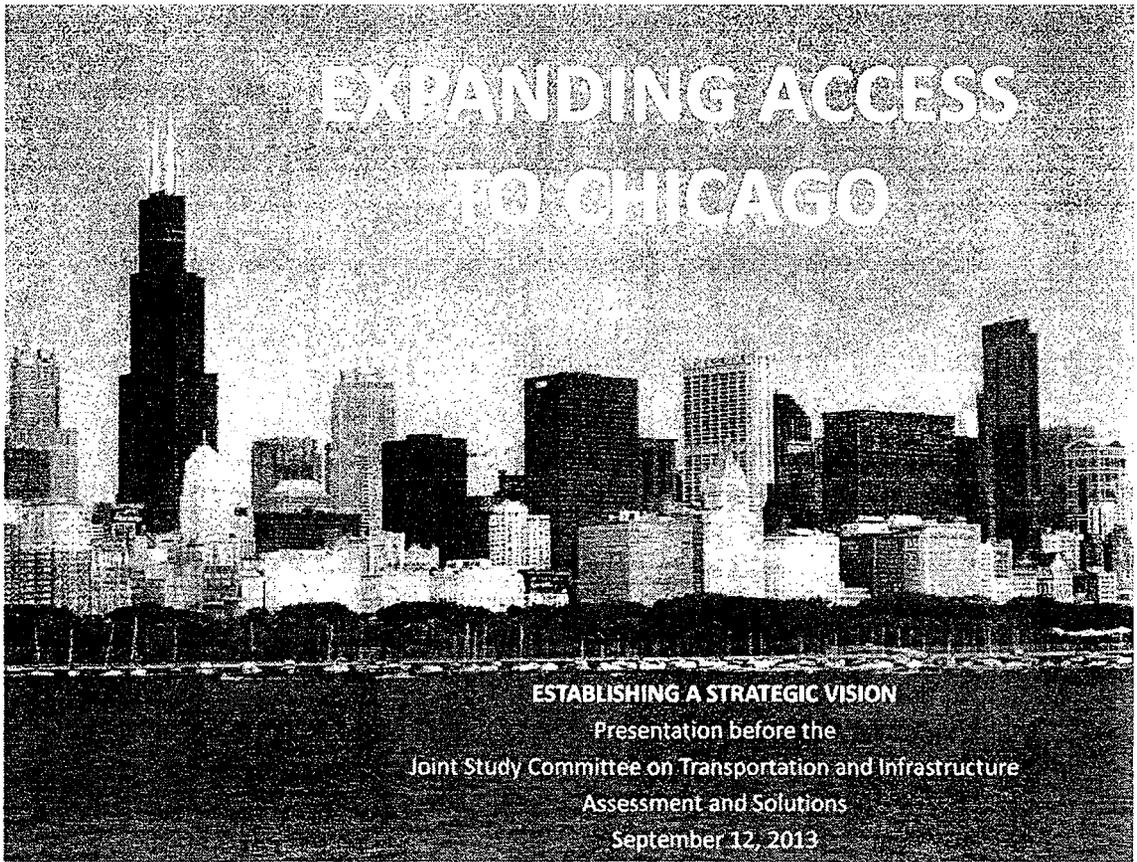


Walkable 1/2 Mile
Distance to Transit Stops

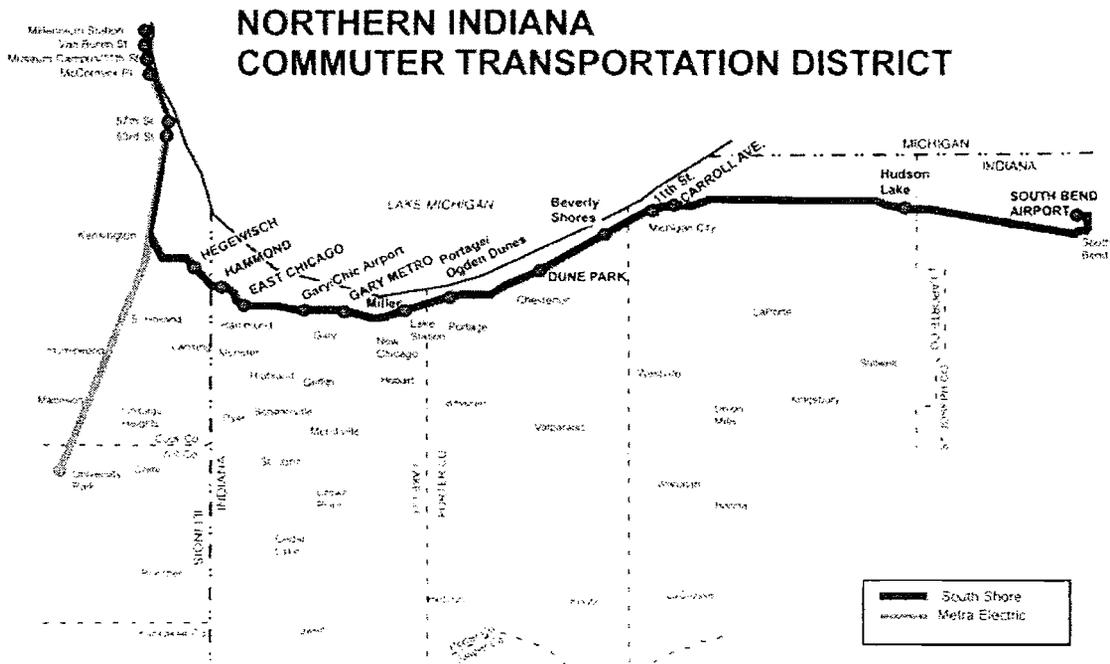
Fixed Route Transit 
Connections to Chicago 



EXPANDING ACCESS TO CHICAGO

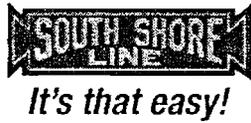


ESTABLISHING A STRATEGIC VISION
 Presentation before the
 Joint Study Committee on Transportation and Infrastructure
 Assessment and Solutions
 September 12, 2013



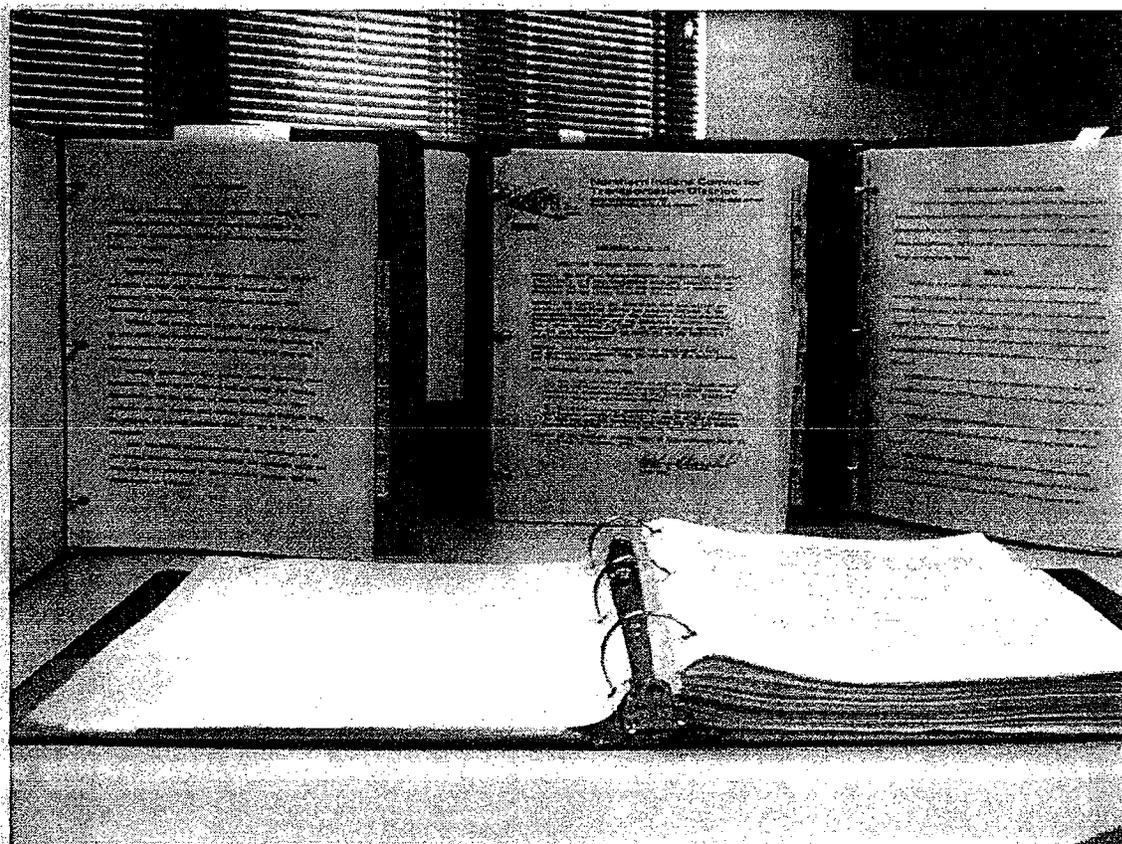
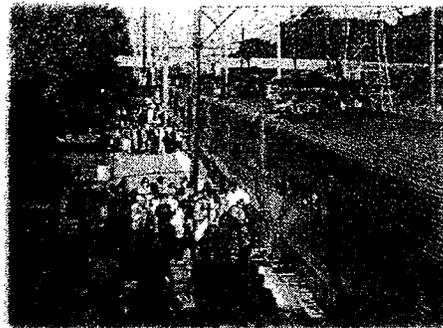
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South Shore
 Metra Electric



NICTD's EXISTING SERVICE

- 41 trains/day during the week
 - 4:03 a.m. - 2:24 a.m.
- 21 trains/day weekend/holiday
 - 5:20 a.m. - 2:24 a.m.
- 12,800 scheduled trains per year
- Seats in rush hour:
 - 5,909 in a.m.
 - 5,263 in p.m.
- Passengers:
 - Weekday: 12,100/day
 - Weekend/holiday: 4,700/day

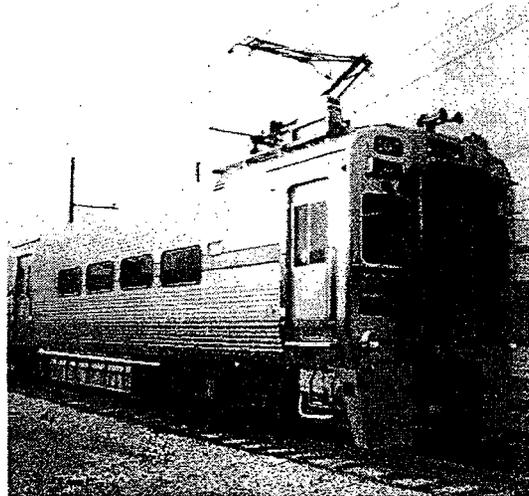


STRATEGIC CAPITAL INVESTMENTS

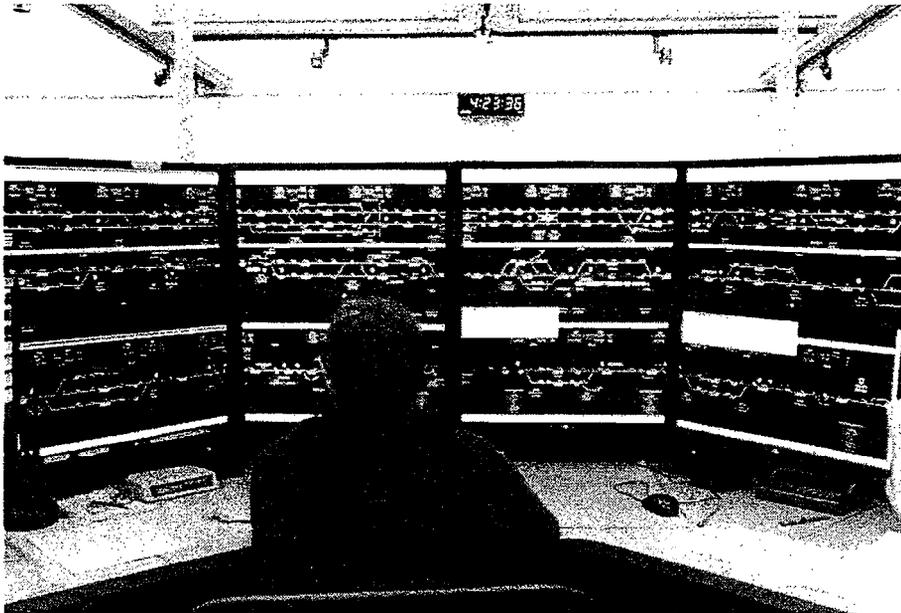
- Improve safety
- Increase ridership, and
- Enhance service reliability
- Reduce travel time

MAJOR CAPITAL INVESTMENTS	
Rolling Stock	204,073,000
Buildings & building improvements	69,001,425
Bridges, track & crossings	78,417,637
Signals & substations	75,280,020
Catenary	60,888,918
Machinery, equipment & trucks	12,662,000
TOTAL	\$500,323,000

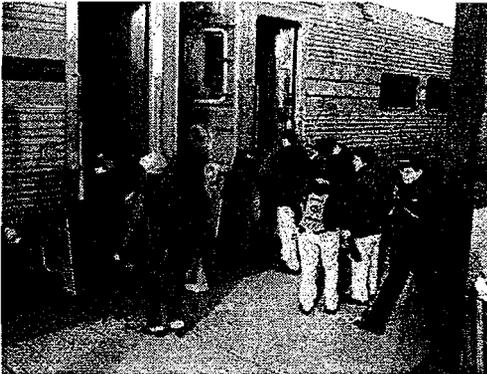
ROLLING STOCK



CENTRALIZED TRAIN CONTROL



HI-LEVEL PLATFORMS



SOUTH SHORE RIDER – 2013*

- 60% of respondents were female
- 43 years of age
- 69% have been riding for more than 3 years
- 95% of rush hour passengers arrive by car
- Why do people ride?
 - Cost of driving vs taking the train
 - Ability to relax with less stress
 - Chicago parking rates
- Well educated with over one-half having college or post graduate degrees
- Occupation:
 - 34% are in executive, supervisory or professional
 - 32% administrative or technical
- Average household income is \$82,000

*2013 South Shore Line Onboard Passenger Survey

ECONOMIC IMPACT

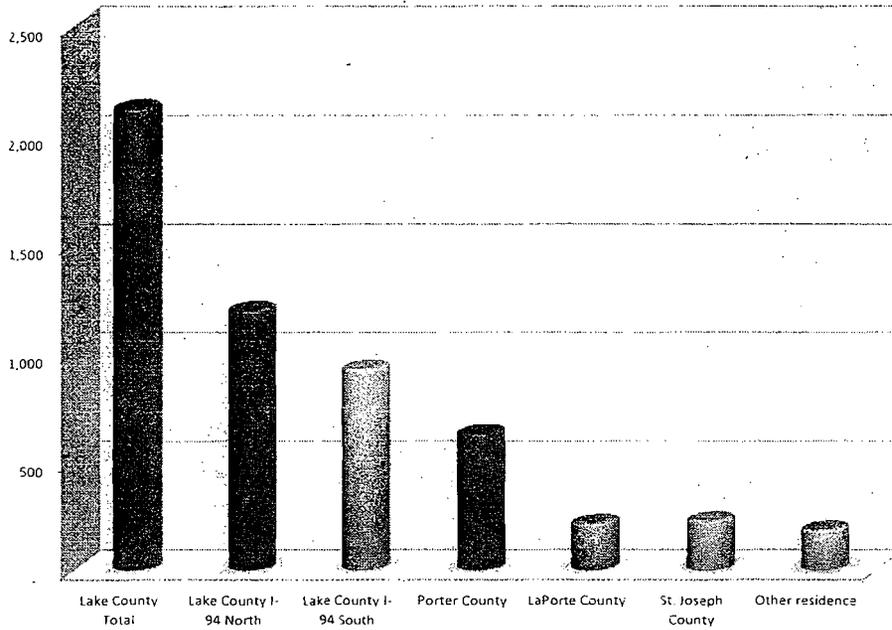
Exporting Labor & Importing Wages

- Chicago is the 3rd largest regional economy in US
- On average Chicago area jobs pay 39% more than similar jobs in northern Indiana. NWI higher in manufacturing, mining & construction*.
- Access to Chicago doubles the job base of Lake & Porter counties: 513,000 vs 244,600**
- Average annual household income of \$82,000 for a South Shore commuter equates to approximately \$369M.
- Without access to Chicago based employment this household income level could significantly drop.

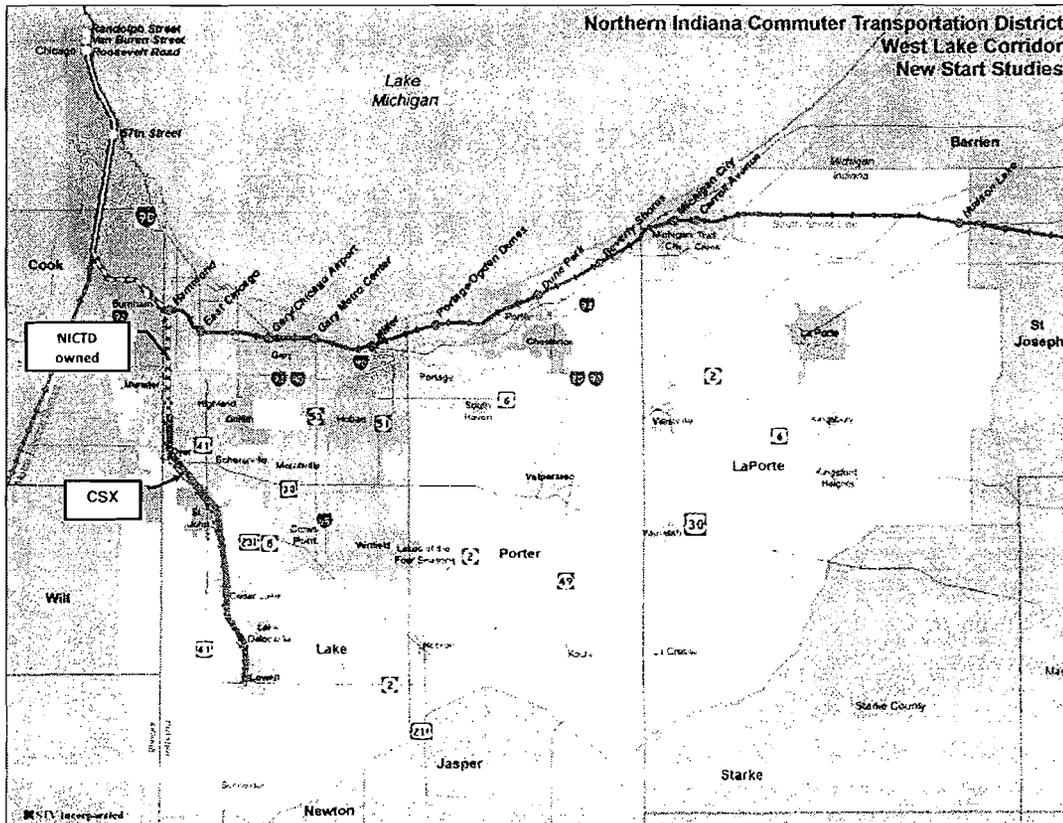
*Policy Analytics update of 2006 report on Economic and Demographic Trends relevant to the West Lake Corridor Expansion - Bureau of Labor Statistics, 2012 Cook County vs NW Indiana

**STATSIndiana and Illinois Department of Employment Security, "Where Workers Work"

RESPONDENTS BY RESIDENCE



Source: 2013 South Shore Line Onboard Passenger Survey





Regional Commuter Rail Strategic Business Plan

Joint Study Committee on Transportation
and Infrastructure Assessment and Solutions

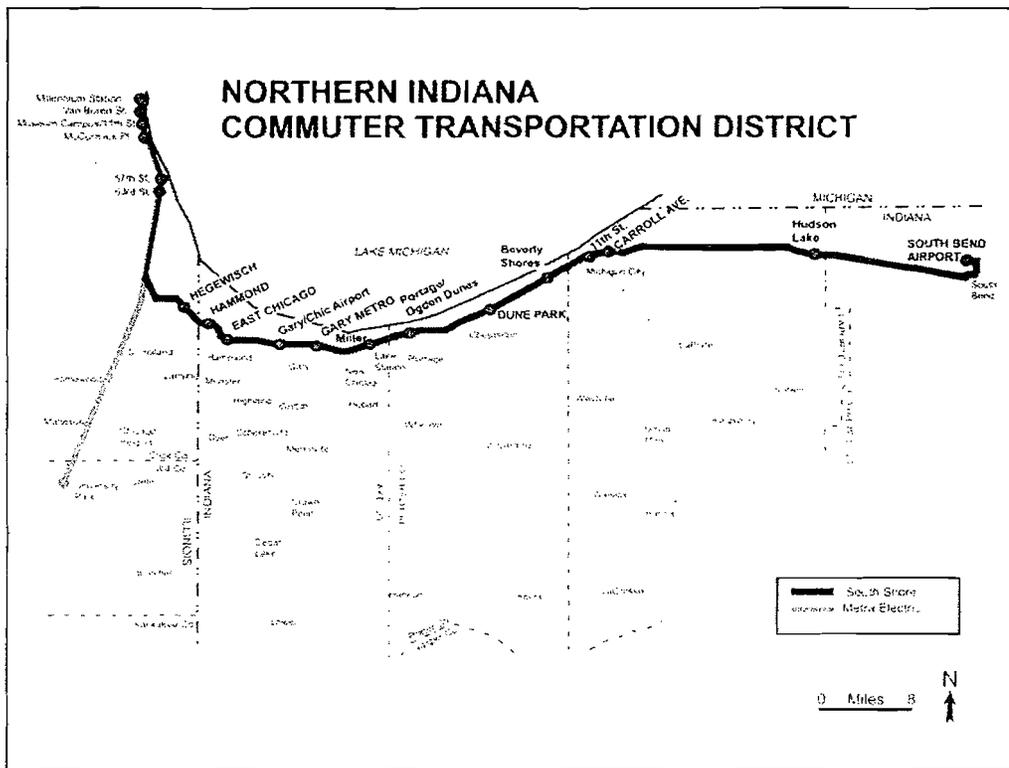
September 12, 2013

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Agenda

- NICTD overview
- Key strategic issues
- Changing markets
- Existing service
- NICTD Ridership
- Potential strategic investments
- Strategic plan: process, outcome(s)
- Federal funding
- Non-federal funding

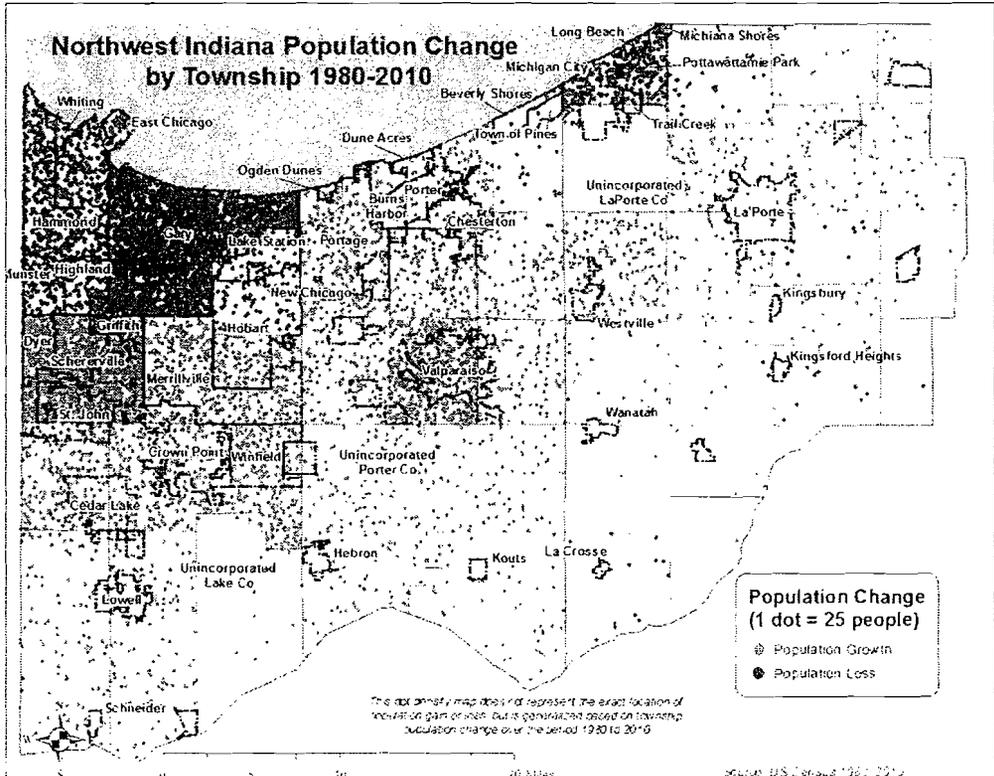
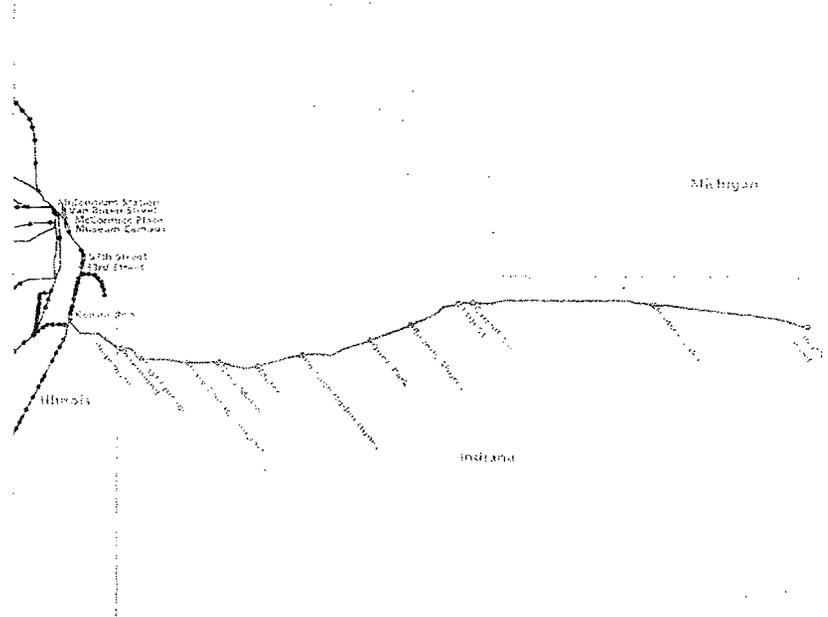
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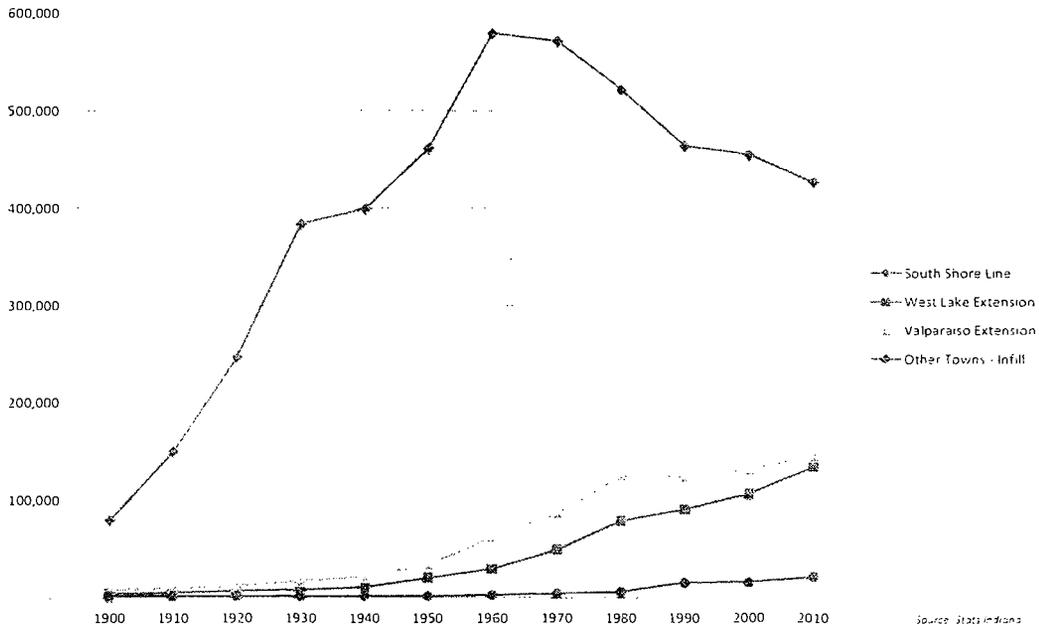
Key Strategic Issues

1. South Shore: built for early 20th century economy
2. From multiple markets to one dominant market
3. NICTD: 2 railroads, 1 operator
4. Northwest Indiana: competition in a bi-state region
5. Transit investment as a competitive advantage

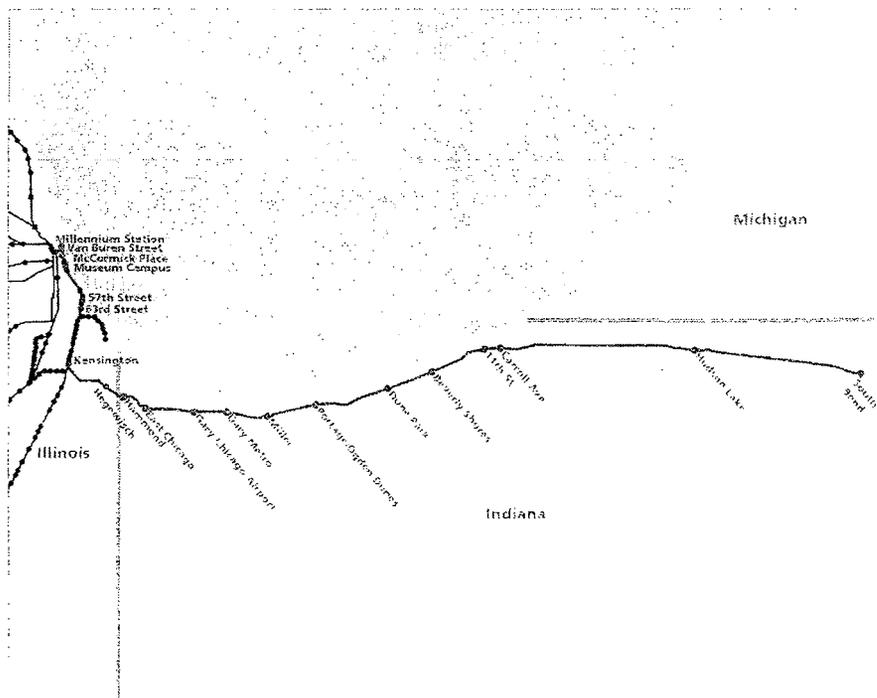
Changing Transportation Markets

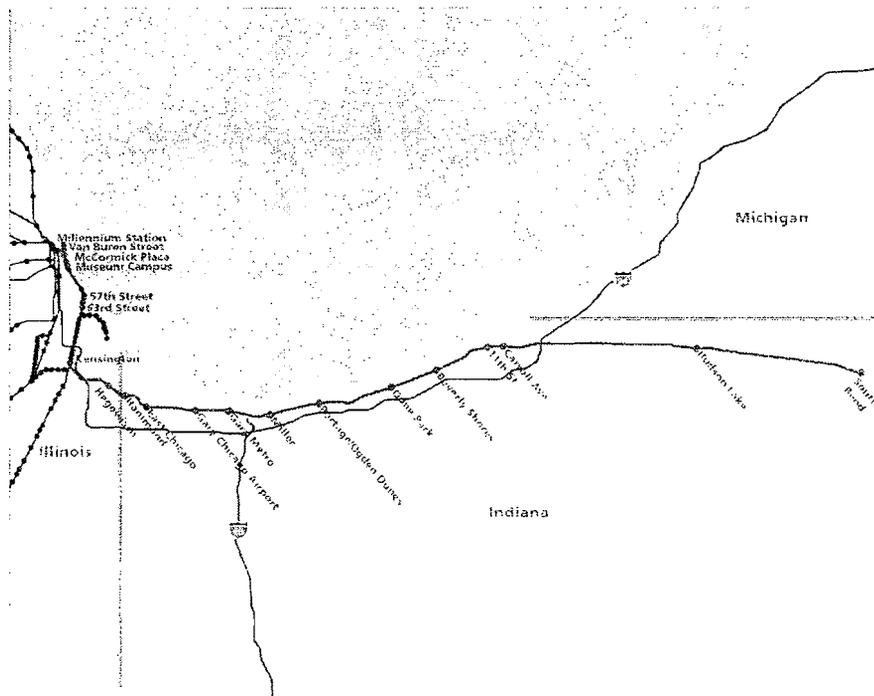
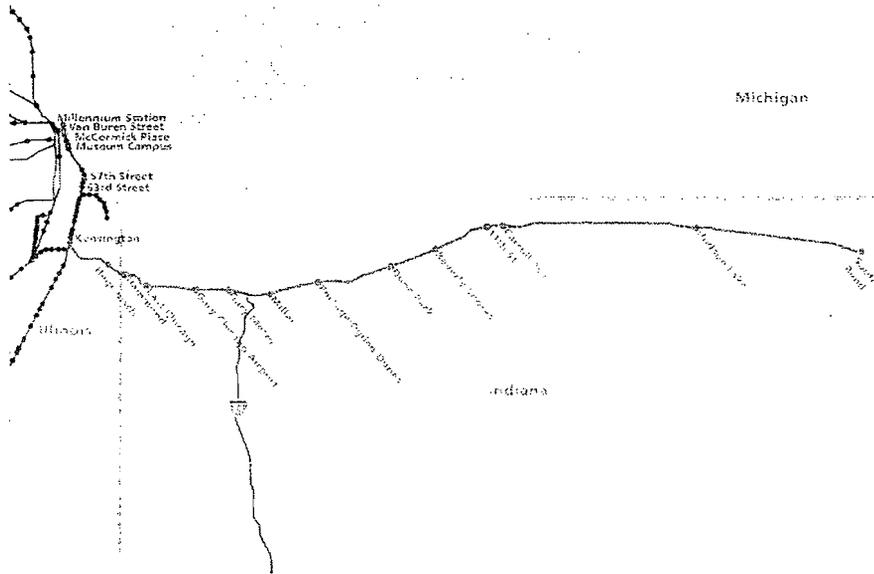


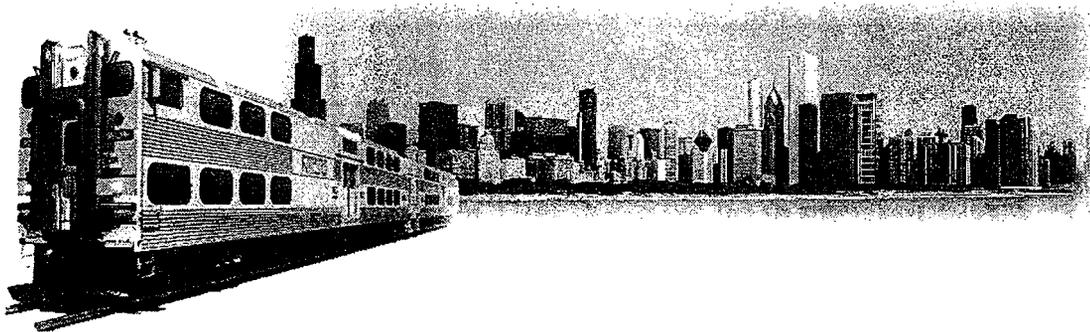
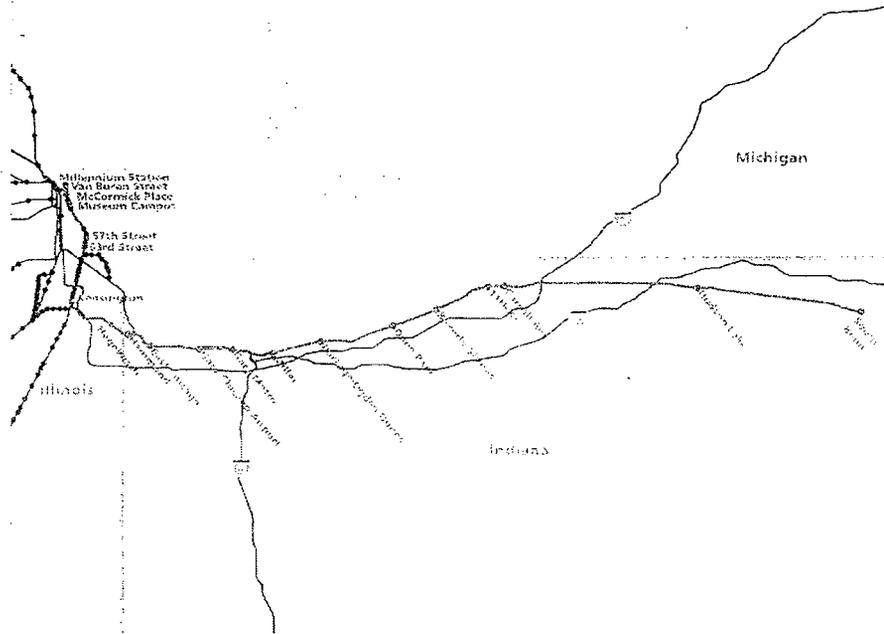
Population growth and decline



Source: Stats Indiana







Key Issue #1

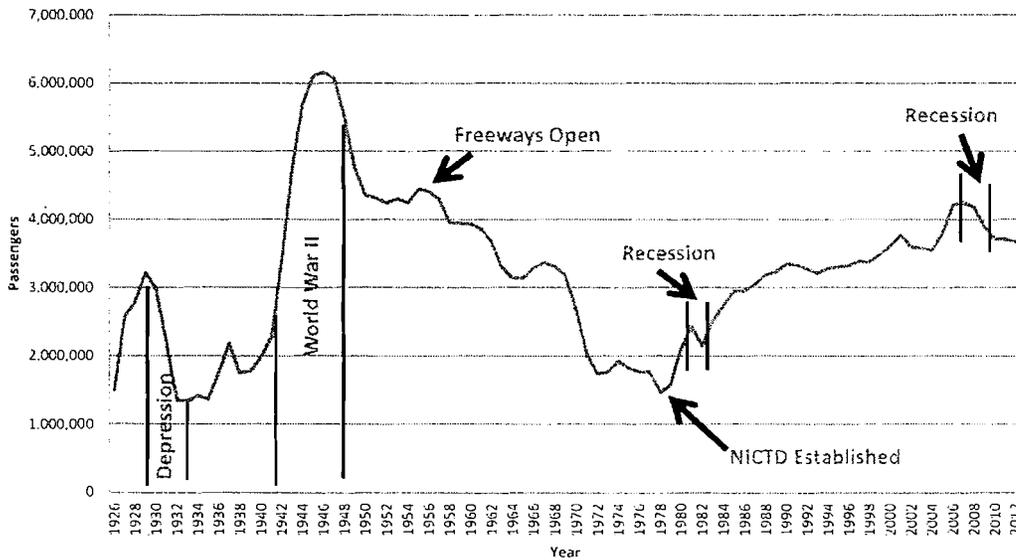
SOUTH SHORE: BUILT FOR THE EARLY 20TH CENTURY ECONOMY

Existing NICTD service: weekday westbound

Train Number	102	104	106	108	110	12	112	212	14	214	116	216	18	118	218	20	220	22	422	424
Station	AM	AM	AM/PM	PM	PM	PM														
South Bend*						5:32							12:59				4:57	5:52	9:05	11:00
Hudson Lake						5:58			8:12				12:23				4:21	5:14	8:14	10:24
Canolf Ave (M. City)*	4:03	4:35	5:43	5:52	5:05	6:20	6:46		8:37		10:55		12:43	2:40		4:45		8:37	8:46	10:41
11th St (M. City)	4:09	5:01		5:58	6:11	6:28	6:52		8:43		11:01		12:49	2:46		4:51		8:43		
Beverly Shores		5:11			6:21		7:02		9:53		11:11		12:59	2:56		5:00		8:53		
Dune Park	4:23	5:19	8:02		6:27	6:41	7:08		9:00		11:18		1:05	3:02		5:05		8:59		
Portage/Ogden Dunes*	4:32	5:27		5:19	5:36	6:50	7:18		9:09		11:26		1:13	3:10		5:14		9:07		
Miller	4:28	5:22		6:26	6:48	8:58	7:24		9:14		11:22		1:19	3:16		5:20		9:13		
Gary Metro Ctr*	4:44	5:40		6:33	6:50	7:4	7:31	7:54	9:22	10:12	11:39	12:23	1:26	3:23	4:31	5:27	6:54	9:19		
Gary/Chgo Airport	4:50	5:45		6:38	6:55			7:59	9:27	10:17	11:44	12:27	1:31	3:28	4:39	5:32	6:59	9:24		
East Chicago*	4:57	5:53		6:46	7:03	7:15	7:42	8:07	9:35	10:25	11:52	12:35	1:39	3:36	4:47	5:40	7:07	9:32		
Hammond*	5:02	5:58	6:34	6:51	7:07	7:20	7:47	8:12	9:40	10:30	11:57	12:40	1:44	3:41	4:52	5:45	7:12	9:37		
Hegewisch*	5:08	6:04	6:41	6:58	7:14	7:27	7:54	8:19	9:47	10:37	12:04	12:45	1:50	3:47	4:58	5:51	7:15	9:44		
63rd St						d7:47														
57th St	d5:29	d6:23	d7:05	d7:19		d7:50	d8:16	d8:39	d10:10	d10:58	d12:25p	d1:07	d2:11	d4:08	d5:19	d6:15	d7:40	d10:06		
McCormick Place*																				
Museum Campus/11th St*	d5:38	d6:23	d7:15	d7:29		d7:59	d8:25	d8:47	d10:19	d11:06	d12:33p	d1:15	d2:19	d4:15	d5:28	d6:26	d7:49	d10:15		
Van Buren St*	d5:41	d6:36	d7:19	d7:32	d7:45	d8:02	d8:28	d8:50	d10:22	d11:09	d12:36p	d1:19	d2:22	d4:19	d5:31	d6:29	d7:52	d10:18		
Milwaukee Station at Randolph St	8:43	8:28	7:21	7:35	7:47	8:08	8:31	8:52	10:28	11:12	12:39p	1:21	2:24	4:21	5:34	8:32	7:55	10:21		

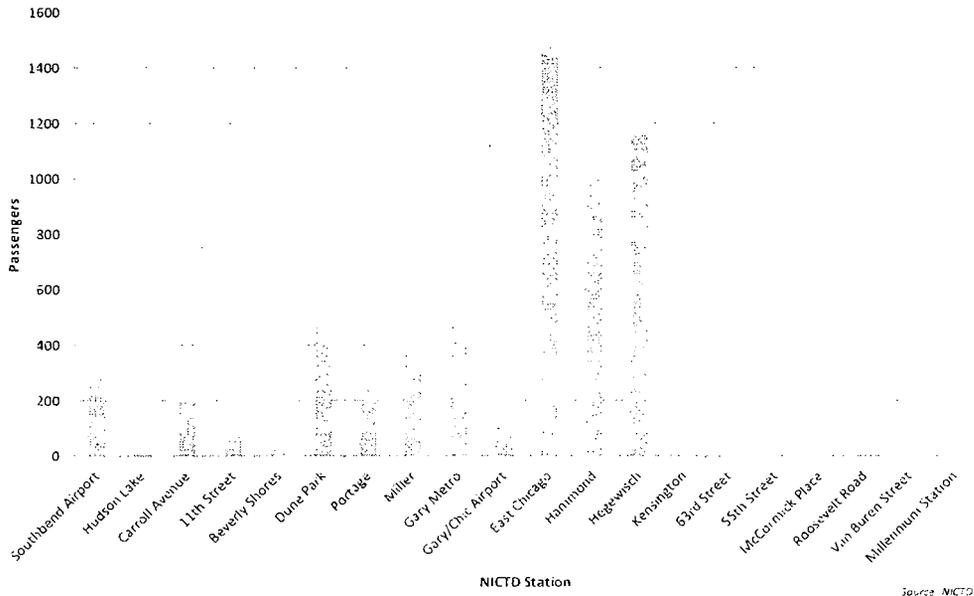
Source: NICTD

Ridership

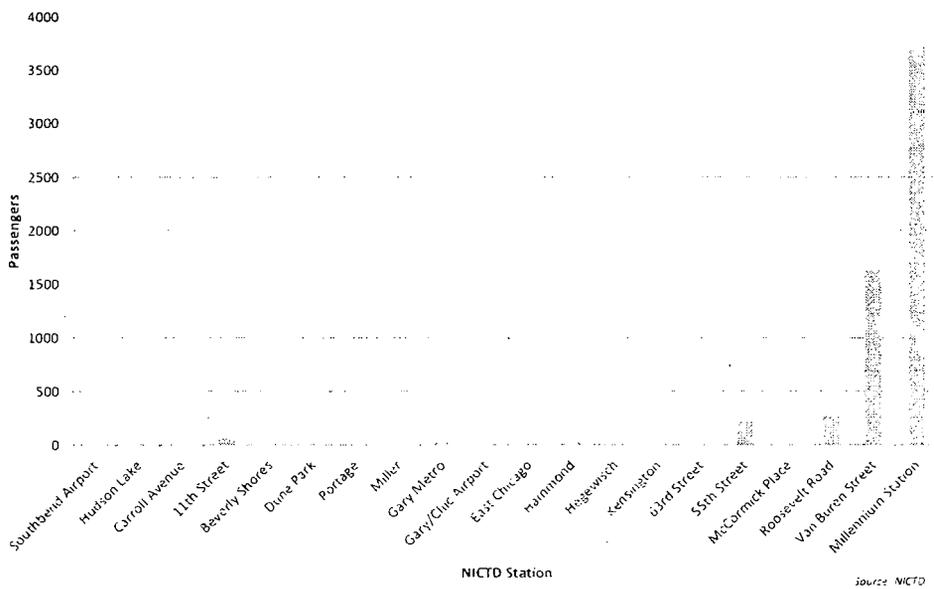


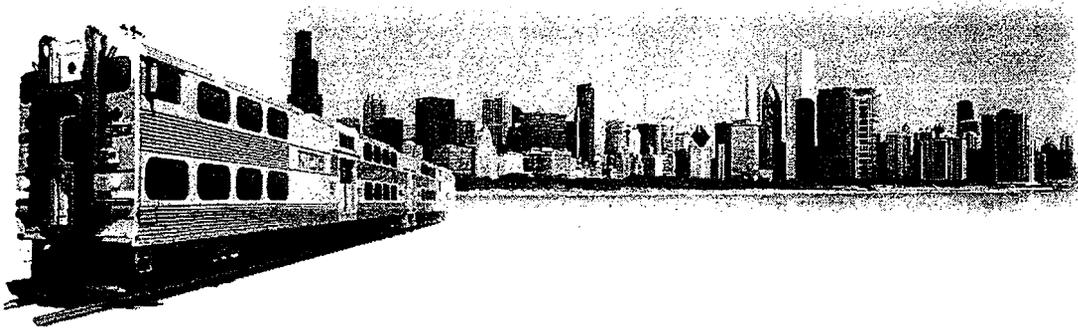
Source: NICTD

Ridership: 2011 Inbound Boardings



Ridership: 2011 Inbound Alightings





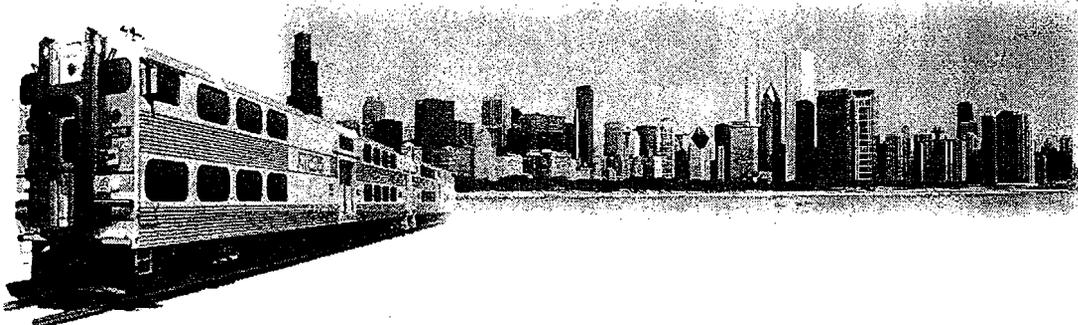
Key Issue #2

FROM MULTIPLE MARKETS TO ONE DOMINANT MARKET

Northwest Indiana: a place to commute *from* – and return money *to*

NICTD Regional Commuter Rail Strategic Business Plan

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Key Issue #3

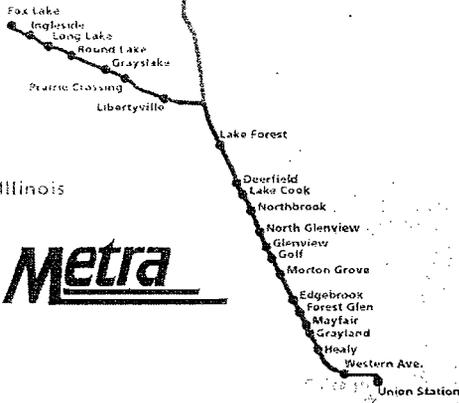
NICTD: 2 RAILROADS, 1 OPERATOR

NICTD Regional Commuter Rail Strategic Business Plan

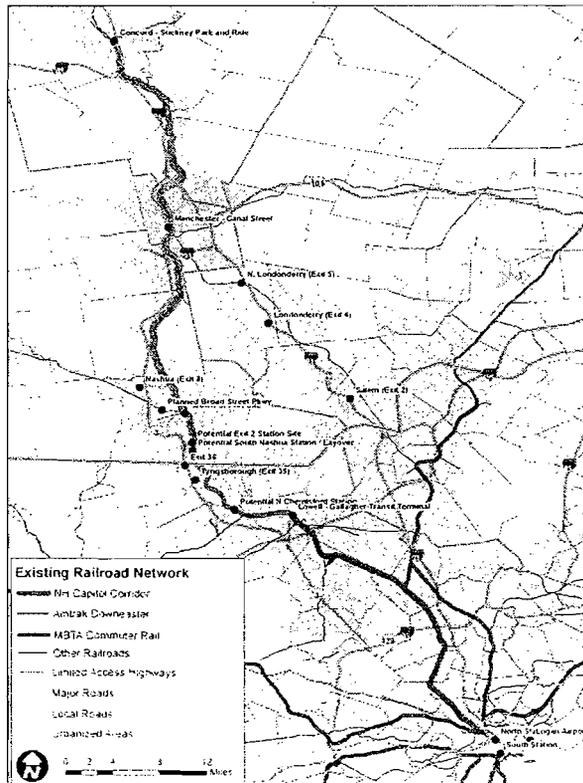
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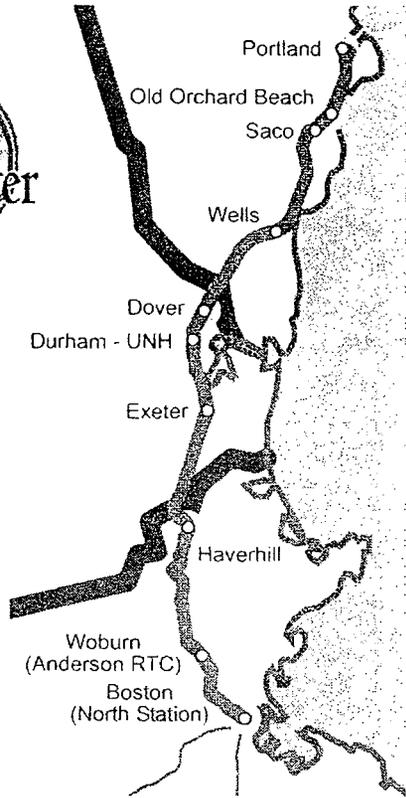


Wisconsin



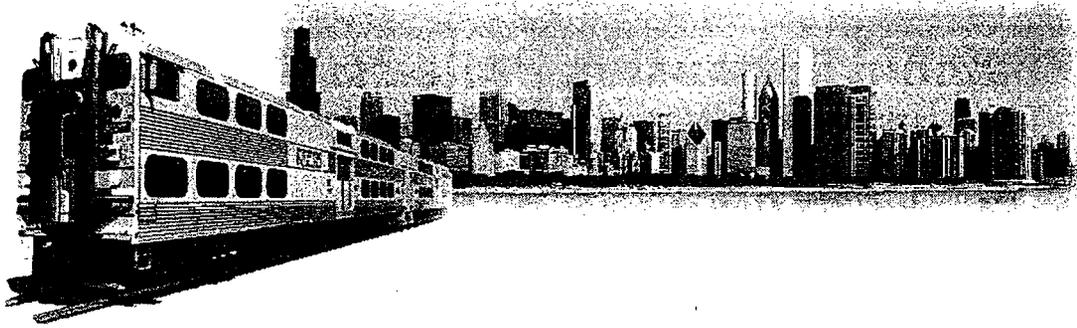
Illinois





Key Issue #4

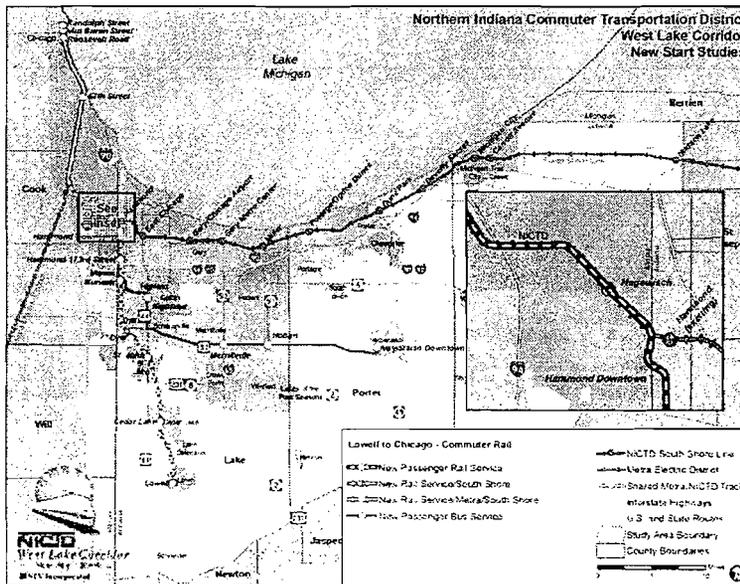
NORTHWEST INDIANA: COMPETITION IN A BI-STATE REGION



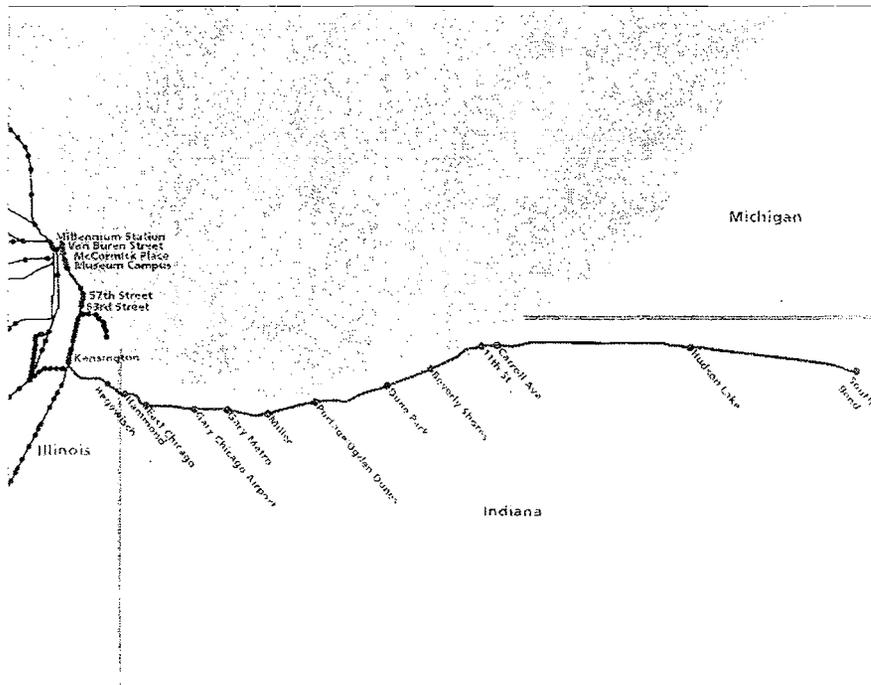
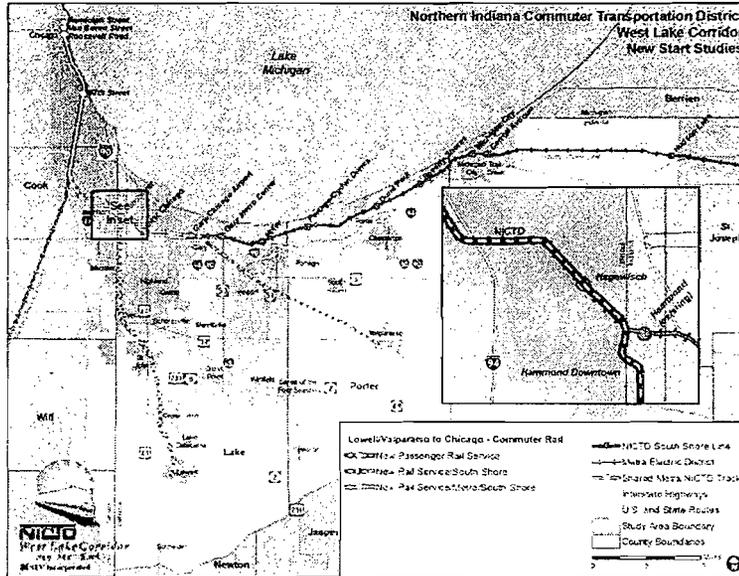
Key Issue #5

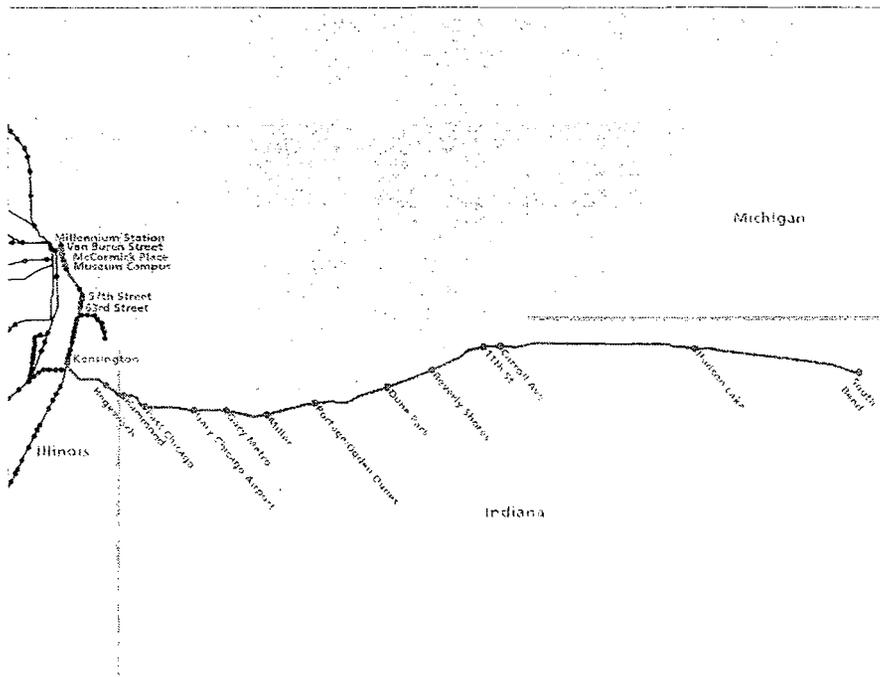
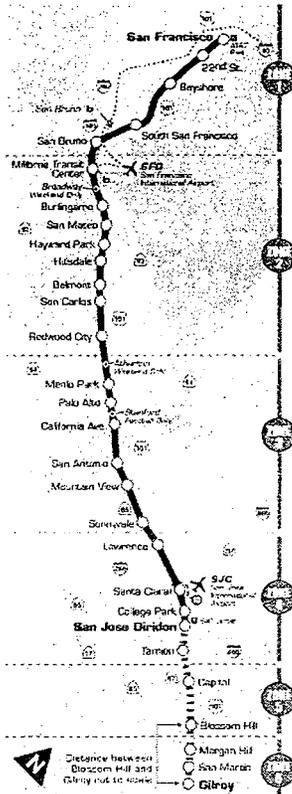
TRANSIT INVESTMENT AS A COMPETITIVE ADVANTAGE

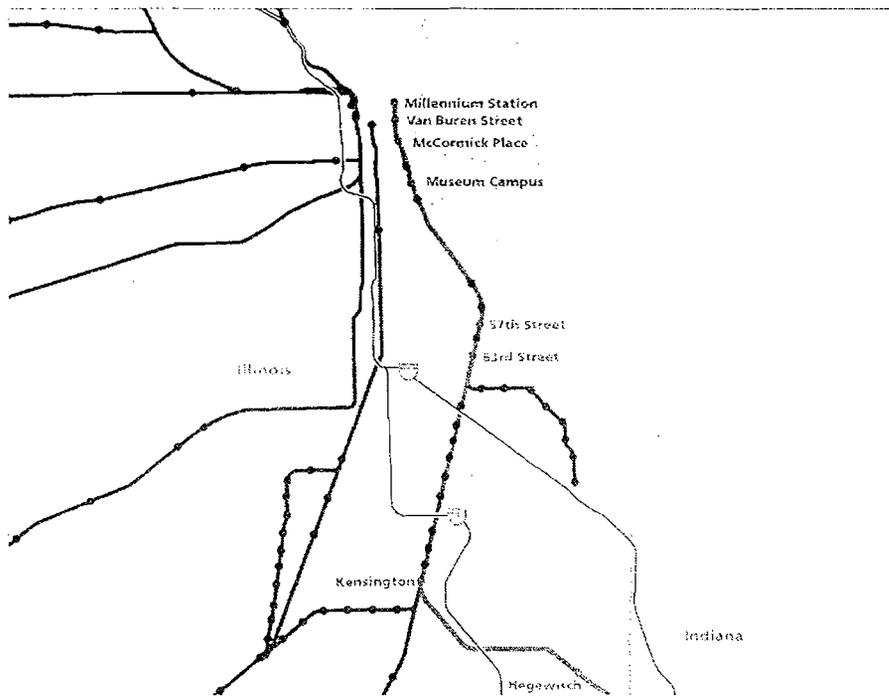
Potential Expansion Projects: Lowell



Potential Expansion Projects: Valparaiso







Phase 1: NICTD Overview

Key Decision Point: Goals and Approach



NICTD Status: Service, Infrastructure and Assets
 Ridership: Current, Forecast
 Regional Development Market: Current, Forecast
 SWOT Analysis



Workshop 1

TESTIMONY before JOINT STUDY COMMITTEE on TRANSPORTATION
and INFRASTRUCTURE

Assessment and Solutions
September 12, 2013 PM: TRANSIT

Ty Warner AICP, Executive Director
Northwestern Indiana Regional Planning Commission
(219) 763-6060, twarner@nirpc.org
www.nirpc.org

Across the country, locating housing and employment centers in close proximity to public transportation has been increasingly viewed as a strategic advantage in community economic development. Studies conducted by the University of California-Berkeley and DePaul University have found that properties in close proximity to transit stops have seen a greater increase in value than those further away from transit across most major metropolitan regions. As a result of this phenomenon, many public transit agencies across the country have begun to catch up with these market opportunities by investing in transit-oriented development (TOD), and planning for it in-house.

To encourage livability and accessibility, the Northwestern Indiana Regional Planning Commission has called for transit-oriented development in its *2040 Comprehensive Regional Plan*. This award-winning, three-county effort was the first comprehensive plan in this region to integrate transportation, land use, economic development, environmental management and social equity.

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The vision for transit in the *2040 Plan* includes development of a strong multi-modal transit network that will connect the region's major centers, provide access to jobs, and improve our quality of life. A key component of this vision is the full utilization and leveraging of existing South Shore commuter stations and transit bus fixed routes through transit-oriented development.

TODs take advantage of transit access, which typically attracts riders bound for work destinations. With a mixed-use living environment, including services and jobs within walkable distances from station areas, residents often can eliminate the need for unnecessary vehicular trips.

In addition, The Marquette Plan Vision & Strategy for Lakeshore Reinvestment identifies transit-oriented development around existing Northern Indiana Commuter Transportation District (NICTD) stations as one pillar of a sustainable future and livable lakefront. The NIRPC *2040 Comprehensive Regional Plan* and the *Marquette Plan* together call for revitalization of the Lake Michigan shoreline communities.

Specifically, the *2040 Plan* calls for reinvestment in Northwest Indiana's urban core communities (Gary, East Chicago, Hammond, and Michigan City) through the development of dense, mixed-use and transit-supported Livable Centers throughout Northwest Indiana. That will include TODs around existing South Shore commuter stations, along the proposed West Lake Corridor (with commuter rail extensions to Lowell and Valparaiso), and at regional and local bus and multimodal hubs.

NIRPC devised a number of efforts for the implementation of the *2040 Plan*, with objectives to:

- Reclaim and reuse abandoned and vacant land near rail stations to build-mixed use, mixed-income and walkable destination communities
- Increase transit ridership to relieve congestion, improve environmental quality and improve livability
- Develop tools for local governments to implement Transit Oriented Development

NIRPC developed a scope of work for a TOD Study along all the stops on the NICTD line which would define station area typologies, help create station area plans, and devise implementation tools such as a model ordinance for immediate use by each municipality in the creation of a TOD overlay district for each station area. Financing for the study was identified through funding from the Federal Transit Authority (FTA) with local funding from the Regional Development Authority (RDA). Though local funding for this study became unavailable, NIRPC remains committed to finding additional ways to drive this initiative throughout Northwest Indiana.

The original background and scope of that study is instructive to the efforts of this committee, and serve to underscore the importance the South Shore commuter line plays in the overall economic health of the region. The commuter line stretches approximately 90 miles from the South Bend, Indiana Regional Airport on the east to Millennium Park in downtown Chicago on the west, and the

stations along this route provide an important service to a diverse ridership. They connect prosperous beach communities, growing suburban areas and distressed urban centers with both the Indiana Dunes National Lakeshore and the employment center of Chicago. For commuters, the rail line provides an alternative to the parallel, highly congested east-west Interstate expressways. For the low-income populations in Northwest Indiana, the rail line provides critical access to well-paying employment opportunities and cultural attractions that would be otherwise unreachable.

Putting real transportation dollars behind its planning efforts, NIRPC, in implementing the *2040 Plan*, has developed a new funding program to help ensure that transportation investments will be linked to the vitality of northwestern Indiana's communities. The Creating Livable Communities program supports community-based transportation & land use planning projects that bring vitality to downtown areas, neighborhoods, station areas, commercial cores, transit stops, and transit corridors.

Livable Centers make walking, bicycling, and transit more convenient by concentrating many destinations. Fewer local trips help to reduce congestion on major thoroughfares. This initiative is guided by the principle of "place-making," ensuring an increased range of residential development types, a mix of uses, and greater connectivity in livable transit areas and neighborhood centers.

NIRPC has been engaged in a major effort to work with communities in our region to determine the community planning areas eligible for additional funding to help enhance these centers. Such recipient areas are being identified on a Livable Centers Map developed cooperatively with local governments, as well as on a Transit Area Map developed by NIRPC and transit operators in northwest Indiana. \$400,000 over the next two years has also been identified to provide tangible support to communities seeking to enhance their center places, with some prime beneficiaries being those communities able to take advantage of TOD opportunities.

It should be noted that transit-oriented development has not only been the prerogative of the Northwestern Indiana Regional Planning Commission, but it is also realized by many of the municipalities in Northwest Indiana from the urban core cities to the lower density suburbs. On the existing South Shore line, Michigan City, Gary, Hammond, and Portage have all devised individual plans calling for transit-oriented development around their stations. Even in communities without currently-existing rail service, like Munster and Valparaiso, transit-oriented districts have already been designated in their plans as a means of both attracting rail service and capturing the desired the development that can come with it. Valparaiso, in particular, has shown that it can support daily commuter transit service with the success of its Chicago Dash bus service, which carries passengers back and forth between downtown Valparaiso and downtown Chicago.

A large number of Northwest Indiana residents commute to downtown Chicago daily for work and either pay significant fares to ride Interstate 90, or face significant congestion on Interstate 94. Along the South Shore line headed to Chicago, a number of opportunities exist for redevelopment in the urban core cities of Michigan City, Gary, East Chicago, and Hammond. If NICTD invests heavily in the planning process of new transit-oriented development in the areas around their stations, new housing and economic development opportunities can be captured in those communities, helping drive both urban revitalization and new development in Northwest Indiana – and, in turn, increasing the demand for transit ridership. Such development would also benefit Northwest Indiana’s beach communities by encouraging economic development through tourism, sustainable development, land conservation, and use of public transportation.

Transit-oriented development has the opportunity to thrive in Northwest Indiana. The region also needs a strong local and regional bus system to carry residents on shorter and more diverse trips throughout the region, connecting rail stations to outlying destinations. If all of these elements are able to come together, successful transit-oriented development will mean increased economic development, better community design, more sustainable transportation patterns, and increased public health.

Through programs such as NIRPC’s Livable Centers Initiative, an effective regional toolkit is evolving that ensures communities have additional incentives and

access to resources that will help maximize the potential of TOD development in northwest Indiana. In recent years, communities and organizational partners in the NIRPC region have developed a strong track record of working together for the sake of the region's future prosperity. If the region continues to focus its efforts around this vision for northwestern Indiana, the investments made around commuter rail stations make investment in the commuter rail itself about much more than "just running a railroad." It is about being part of a larger, more integrated picture of how these investments can synergistically work together for a much greater good for northwest Indiana and the State that is more than the sum of these parts.

**Joint Study Committee on Transportation and Infrastructure
Assessment and Solutions**



**Testimony of Mark T. Maassel
President & CEO, Northwest Indiana Forum**

Economic Development Impacts of Regional Transit

September 12, 2013

Portage, IN

Mr. Chair, members of the Joint Committee, thank you for allowing me to make a few comments this afternoon.

My name is Mark Maassel and I am privileged to serve as the President & CEO of the Northwest Indiana Forum ("Forum"). The Forum is a regional economic development organization with members from the seven counties here in Northwest Indiana (NWI). The Forum serves as the "voice of business" in this region working to increase jobs while assuring that the environment is not harmed. We provide business attraction services and support business retention and expansion services working hand-in-hand with Local Economic Development Organizations to bring and keep strong employers.

Turning to the issue of the impacts of regional transit on the economy, let me first state that the Forum has long been a supporter of expanding the services offered by the Northwestern Indiana Regional Transit District (NICTD) which is often called the South Shore Passenger Line. The reasons for our support are based on the benefits to the economy of NWI from expanding commuter rail service.

A recent study of the economy of NWI showed that over 36,000 people commute from Lake County alone into Illinois for work every day of the working week. And we all know that Indiana offers many advantages over Illinois – lower cost homes, lower property taxes, lower income taxes, great schools, a high quality of life and the list goes on and on. It is hard to imagine that people would not want live in NWI and work in Chicago if they were able to do so.

NWI also enjoys a great advantage which is no longer available in Illinois – proximity to downtown Chicago. A commuter in NWI can reach downtown Chicago in less time than they could from many of the northern or western suburbs of Chicago.

From the standpoint of the NWI economy, individuals who work in Chicago tend to make more money than they could in Indiana. Thus, they are bringing back to Indiana larger checks which can be spent in Indiana restaurants, stores and entertainment venues.

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**Joint Study Committee on Transportation and
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But, this is only the tip of the iceberg. An even bigger opportunity exists for growing NWI through Transit Oriented Development (TOD). TOD is often defined as a mixed-use residential and commercial area designed to maximize access to public transportation and often incorporates features to encourage transit ridership. A TOD neighborhood typically has a center with a transit station surrounded by relatively high-density development with progressively lower-density development spreading outward from the center. TODs generally are located within a radius of one-quarter to one-half mile from a transit stop.

There are groups which believe that TOD is really about creating attractive, walkable, sustainable communities that allow residents to have housing and transportation choices and to live convenient, affordable, pleasant lives—with places for our kids to play and for our parents to grow old comfortably.

While each of these emphasize different aspects of a TOD, they all point to the relatively high concentration of business and residential activity which occurs near any stop on a commuter railroad. And there is proven value to this concept. For example, one study showed that residential values of properties located near transit were 13% higher in Dallas and 17% higher in San Diego. Numerous studies have shown a significant drop in the value of residential property as you move away from the transit station. As an example, the Pearl District in downtown Portland has become a 24-hour community with revitalized loft apartments, restaurants, shops and services since the commuter train came into that area in 2001. The benefits of TOD on the property values of homes and businesses near a transit stop are well documented.

And on a more antidotal note, we have probably all seen the reports that show young Americans, including Hoosiers, who have completed college often like to be in a location where there are lots of after work activities. The creation of a TOD provides these types of activities to supplement the recreational and other outdoor activities which are so well known in NWI. With an affordable living area, with restaurants and other amenities nearby, with an easy commute into Chicago a TOD can be a part of keeping some of Indiana's brightest young adults in this great state.

In summary, the NWI Forum believes that Transit-Oriented Development is a growth engine for this region. While there are problems with funding an expansion of NICTD's South Shore Passenger line, we believe that the benefits which would follow such an expansion are likely to exceed these costs and the project should move forward.

Thank you for your time and I will be happy to answer any questions which you may have for me.



CITY OF SOUTH BEND
PETE BUTTIGIEG, MAYOR
OFFICE OF THE MAYOR

September 12, 2013

The Honorable Edmond Soliday, Chairman
Joint Study Committee on Transportation and
Infrastructure Assessment and Solutions

Chairman Soliday:

Thank you for your willingness to hear the perspective of South Bend on the future governance of NICTD.

I regret that due to an urgent matter at home, I am unable to appear in person. I wanted to be here because the operation and future of the South Shore line is a major priority when it comes to our community's economic future and transportation strategy.

St. Joseph County represents the second most populous county on the South Shore line. More and more South Bend residents are utilizing the South Shore as a means to reach destinations to the west, and in particular, Chicago. In 2012, over 270,000 passengers came through the depot at South Bend Airport (SBN), an increase of 5.65% the previous year. This increase in passenger traffic has been met with a 3.11% increase in the number of train operations at SBN. We believe there is every reason to expect increases to continue as South Bend deepens its economic ties with the broader region.

Only two months ago, I had the opportunity to meet U.S. Transportation Secretary Anthony Foxx and spend time with top officials at the Department in Washington. The number one subject for discussion was the importance of South Bend's

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connection to Chicago, the largest economic center in our region, by passenger rail. We believe that this link's strength in the near term, and improvements over the medium to long term, will be a vital part of South Bend's future.

Not only is this vital rail link an important topic of discussion when I am representing our community in Washington; it is a major item of interest in our conversations in the community. Recently, a dozen leaders representing our largest private and public employers identified fast, convenient rail access to Chicago as a chief priority for our economic development team in South Bend. For universities, businesses, medical institutions, and others in our area, this is a vital and growing area of interest.

For this reason, we believe it is important that the structure of the NICTD board, with its fair representation of stakeholders from throughout the service area, needs to be retained. I have appreciated the thoughtful representation that our area members have provided to the board, and believe such representation will become more and more important as this rail link becomes a central feature of our overall economic strategy.

I trust that the legislature will take the needs of communities like South Bend into careful account and will respect our interest in this critical and increasingly important pillar of our community's transportation network.

Sincerely,

Pete Buttigieg, Mayor
City of South Bend