

TRANSIT DEVELOPMENT DISTRICT INTRODUCTION

Beverly Shores &
Pines, IN

public
engagement
session

website



www.nwitdd.com

Northwest Indiana Regional Development Authority

- Established in 2006 to fund transformative regional infrastructure projects.
- Examples include several Lake Michigan shoreline restoration projects, extension of the main runway at the Gary Chicago International Airport and the Double Track and West Lake Corridor commuter rail projects.
- Funded by \$17.5 million annually from Lake and Porter counties, and the cities of Hammond, Gary and East Chicago, as well as project-specific funding from the State of Indiana.



South Shore Rail Expansion Update

- **WEST LAKE**

- 9-mile extension to Dyer, Indiana
- First extension of commuter rail in Northwest Indiana in over a century
- Project Cost: \$852 million
- Construction substantial completion in 2025, revenue service in 2026

- **DOUBLE TRACK**

- 25-mile project area, includes 16 miles of new second track, the closing of 20 grade-level crossings in Michigan City, and the implementation of “street running” in Michigan City
- Project Cost: \$612 million
- Construction substantially complete, and revenue service began in May of this year.

DONE!



THE REGIONAL SIGNIFICANCE

A catalyst for growth and economic development

9,460,000

Chicago MSA Population
(3rd Largest in USA)

819,537

NW Indiana MSA Population
(2nd Largest in Indiana)

Chicago



WEST LAKE
EXTENSION

SOUTH SHORE
DOUBLE TRACK

Michigan
City

South
Bend

MICHIGAN
INDIANA

ILLINOIS

INDIANA

\$2.5 BILLION*

Private Investment

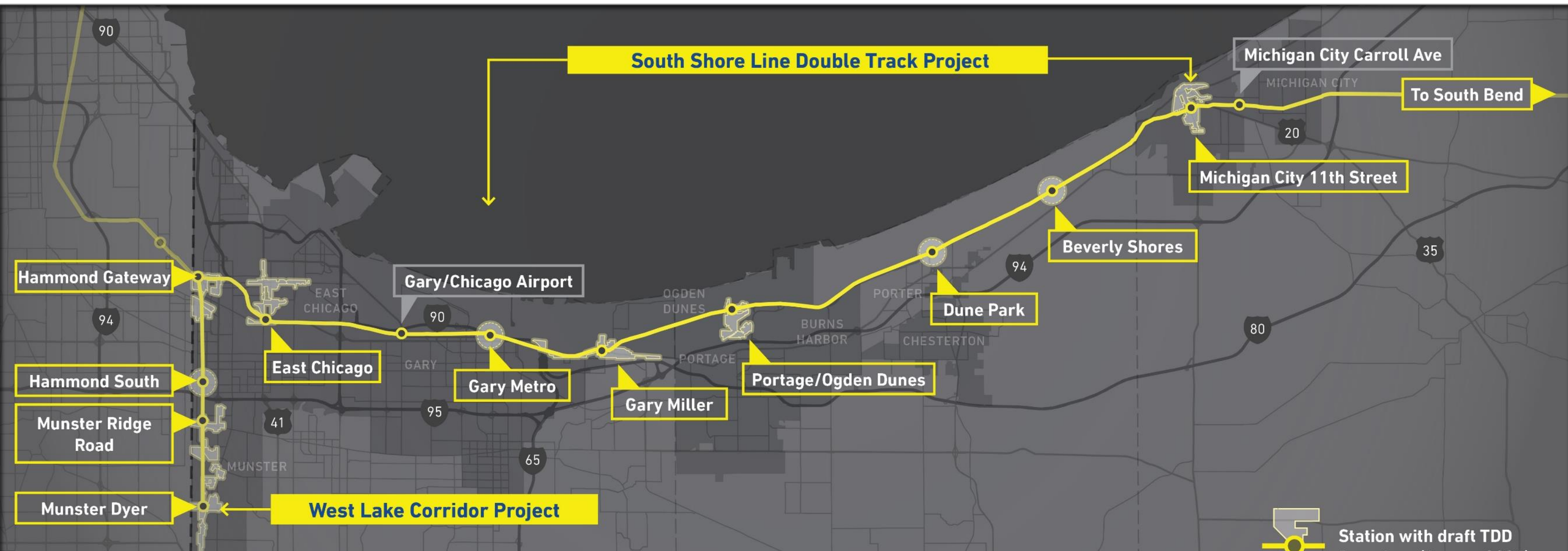
6,000*

New Jobs

\$3+ BILLION*

Economic Impact by
2046

*Projected



TRANSIT DEVELOPMENT DISTRICTS

TDDs **incentivize and promote development** around South Shore stations.

TDDs begin as a ½ square mile, or 320-acre, area around a station, and **may be expanded once** up to one square mile or 640 acres. They capture incremental property and income tax revenues, similar to a TIF district.

10 TDDs have been approved: Munster/Dyer Main Street, Munster Ridge Road, Hammond South, Hammond Gateway/Downtown, East Chicago, Gary Metro, Gary Miller, Portage/Ogden Dunes, Porter (Dune Park) and Michigan City.

TDDs Provide the Structure to Implement Transit Oriented Development

TDD VALUE

- **Leverage public investment** to attract capital and increase ROI
- Access to tax increment from both property and local income tax **creates a more secure and broader revenue source**
- Public investment in the region and collaboration across communities will **promote confidence**
- TDD proceeds **may allow borrower to obtain favorable rates** from the Indiana Finance Authority

WHAT PARTNERSHIP WITH THE RDA MEANS

- **Facilitating connections** throughout the region and ongoing collaboration with TDD communities
- **Funding source** and connection to other opportunities for financial support - tax credits, READI grants, etc.
- **Coordinated point of contact** for the development industry with the State of Indiana and partner agencies



TRANSIT DEVELOPMENT DISTRICT BOUNDARY BASICS

what you
should know

WHAT IS A TDD?

Transit Development District

The main focus is on promoting **Transit-Oriented Development.**

Transit development districts provide economic tools and strategies to support local communities to implement high-quality transit-oriented development.

The goal is to create a boundary calibrated specifically for each community based on analysis, areas of opportunity and the goals and visions of the community.



This isn't just a boundary.
It complements the **economic growth**
path of communities.

CLARIFYING THE TDD

TDD IS...



A 1/2 mile (320 acre) special economic development district approved by the State Budget Committee

An effort to realize economic development in Northwest Indiana communities

Formed by an analysis process that includes community-wide input, best practices and market analysis

TDD IS NOT...



Zoning or comprehensive planning

A city or town-sponsored planning process

Eminent domain

A partnership with developer or realtor

A project designed to gentrify or to create low-income housing

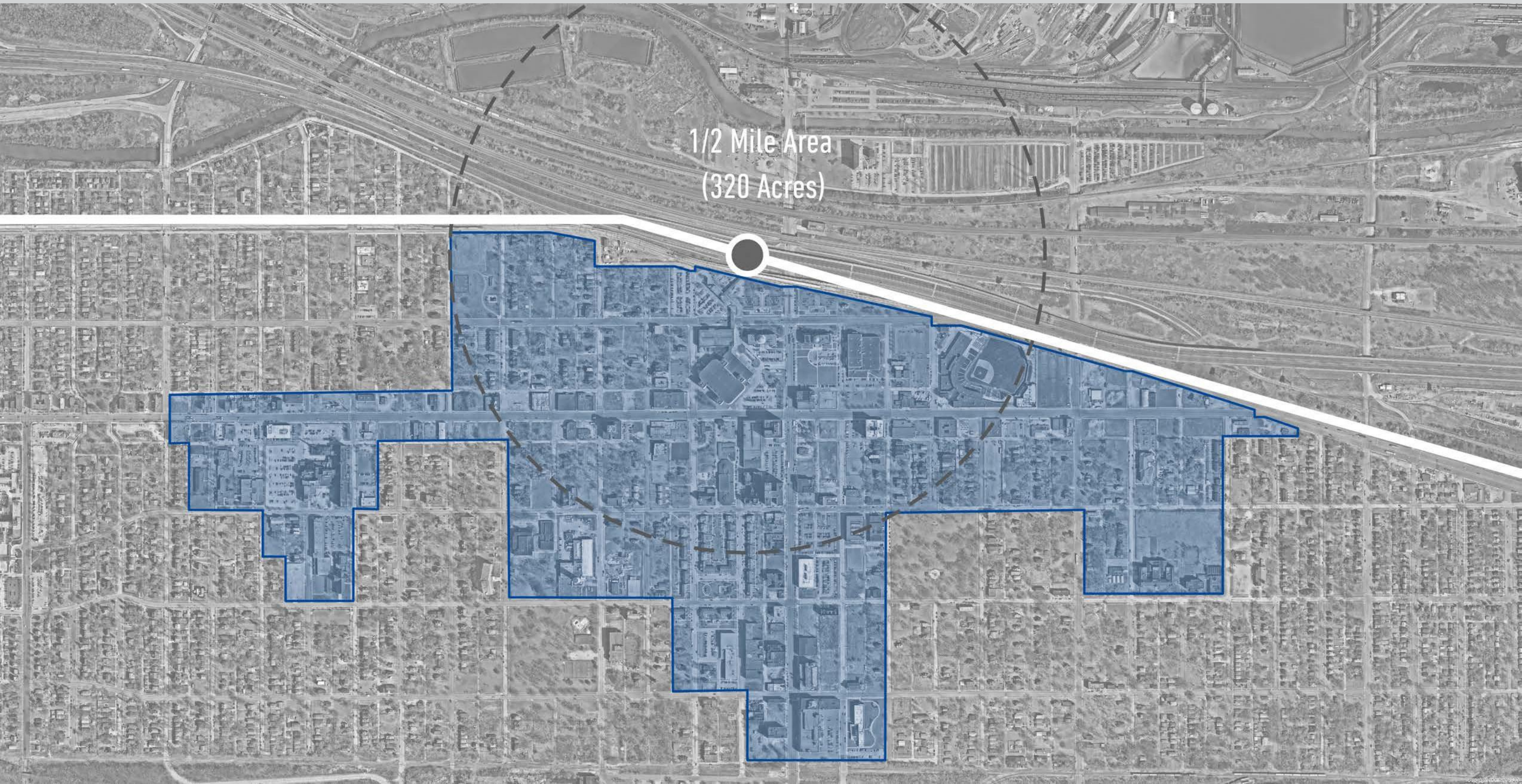
NICTD South Shore Double Track or West Lake rail projects

STATUTORY REQUIREMENTS

Transit development districts are **contiguous boundaries** drawn around station areas, and must be **no more than 0.5 square miles (320 Acres)** in area.

BOUNDARY PARAMETERS AND GEOGRAPHIC AREAS

Illustrative Example - Not an actual proposed boundary



STATUTORY REQUIREMENTS

Transit development districts capture the incremental growth in local income and property tax revenue, for use in public investment related to the station area.

TDD REVENUE PARAMETERS

Revenue collected from the district - is spent in the district.
Local community retains land use and zoning control.

MEMORANDUM Of AGREEMENT (MOA)

How will a MOA take place?

- » A MOA within the TDD process functions much like a “developer agreement” in the negotiations between a municipality and a project developer as an investment is taking place.
- » A MOA will be between the NWI RDA and the municipality or municipalities over which the TDD extends
- » A MOA must have legal status to bind both the RDA and the unit of government to allow for debt obligations to be issued on the basis of the underlying revenues which it controls; and therefore, may be required to be passed by the legislative body of the municipality or county

TDD Financial Assistance Basics

- All applications must be sponsored and submitted by the applicant, the local government
 - TDD financial assistance is distributed to the applicant or its RDC
 - Private developers, community organizations, landowners, and others may recommend a project to an applicant to submit for consideration to RDA for TDD financial assistance
 - Prioritizing increment-generating projects
 - Serving as the last source of funding for any gap remaining in a project's funding, after all other sources have been utilized
 - Targeting the TDD financial assistance to be no more than 20% of a project's total development cost
-
- **TDD Grants:** TDD grants may be provided for both increment generating and non-increment generating projects. Non-increment generating projects must demonstrate that the project how they are promoting an increment generating project in the near term.
 - **TDD Loans:** TDD loans can be used for eligible project costs or for refinancing construction financing of eligible project costs. TDD loans are expected to be secured by the same revenues as any other senior debt in the project.
 - **TDD Loan Pledges:** TDD loan pledges are to support a portion of an applicant's debt obligation. The borrower will be required to repay the pledge to the TDD, if drawn upon.

Eligible Project Costs

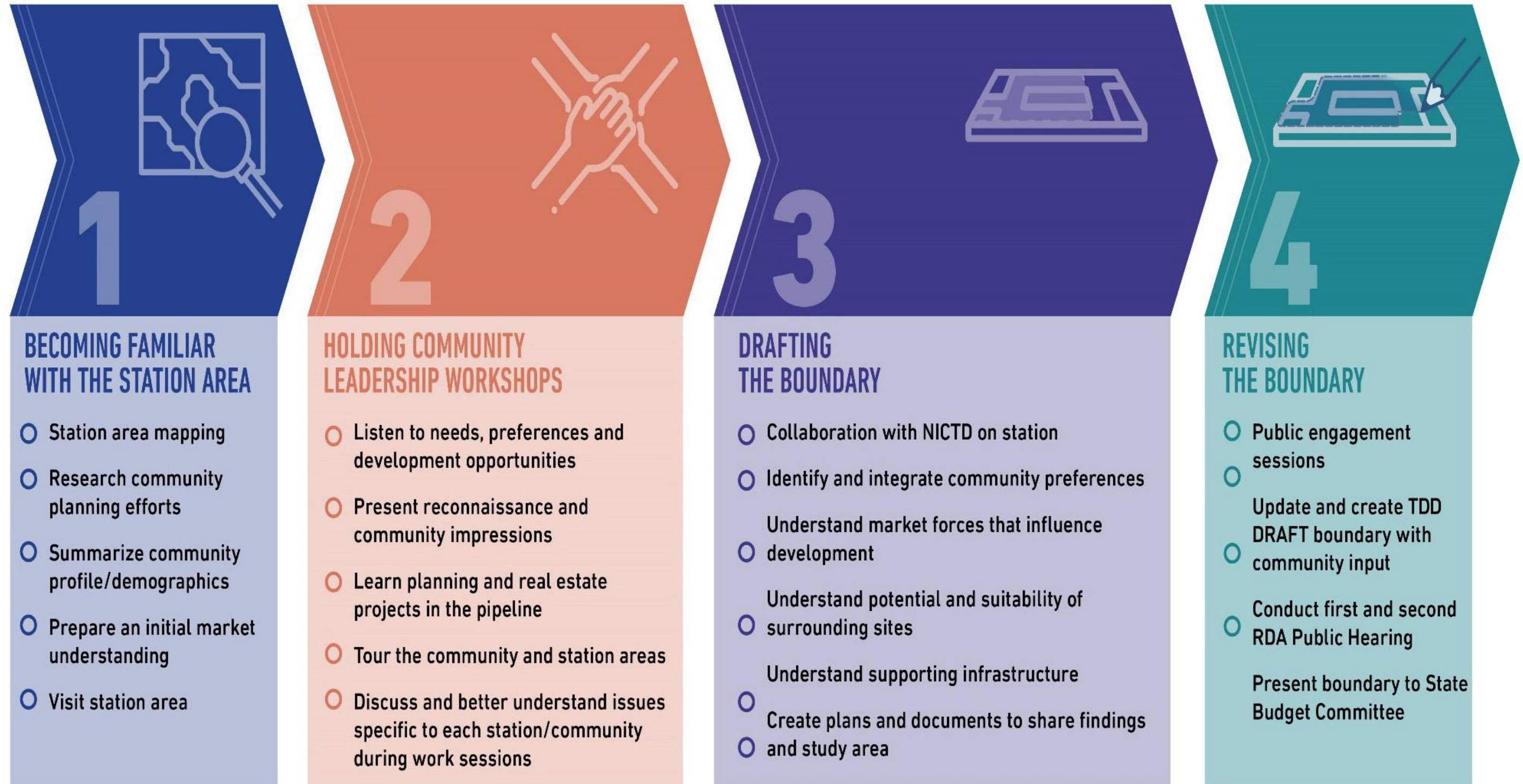
As defined in the IC 36-7.5-4.5-23 et seq., there are several eligible project costs for a project. These include:

- planning and development of the improvement and all buildings, facilities, structures, and improvements related to the improvement
- acquisition of a site and clearing/preparing the site for construction
- equipment, facilities, structures, and improvements that are necessary or desirable to make the capital improvement suitable for use and operations
- architectural, engineering, consultant, and attorney's fees related to physical development
- incidental expenses in connection with the issuance and sale of bonds
- reserves for principal and interest
- interest during construction
- financial advisory fees
- insurance during construction
- bond insurance, debt service reserve insurance, letters of credit, or other credit enhancement
- In the case of refunding or refinancing, payment of the principal of, redemption premiums (if any) for, and interest on the bonds being refunded or refinanced.

TRANSIT DEVELOPMENT BOUNDARY PROCESS

how we arrived
at the study area

TDD BOUNDARY PROCESS



Potential Reasons to Develop a TDD



Sanitary Sewer Extension

The Town of Beverly Shores and Town of Pines are not serviced by sanitary sewer, and these communities need municipal sewer service that can support TOD. Sufficient sewer capacity exists in Michigan City at County Line Road, and right-of-way exists along US 12 to provide a connection between these towns and Michigan City. Municipal sanitary sewer would also reduce septic system failures that lead to E-Coli contamination in Lake Michigan and beach closures in the Indiana Dunes National Park and Indiana Dunes State Park.

Potential Reasons to Develop a TDD



US 12 Scenic Byway

Beverly Shores and Pines would benefit from US 12 becoming a National Scenic Byway. The future US 12 is envisioned with multi-modal connectivity, reduced speeds and truck traffic, and branding and wayfinding moments tied to the Indiana Dunes National Park and Indiana Dunes State Park. If implemented successfully, the US 12 Scenic Byway could become a tourist destination taking advantage of park and lakefront access along Lake Michigan. Tourist activity could be augmented by a shuttle that transports visitors from NICTD stations to scenic destinations along the US 12 corridor.

Potential Reasons to Develop a TDD



Destination Based Development

The station has the ability to support a small commercial area that is already developing organically along US 12. Further investment in sewer could allow for additional development including restaurants, community- and tourist-oriented services, small-scale hospitality uses within a walkable distance to the station. A shuttle would be necessary to bring visitors to the lakefront.

BEVERLY SHORES / PINES: TDD BOUNDARY

TOTAL ACRES: 234.18 ACRES

BEVERLY SHORES: 101.8 ACRES

TOWN OF PINES: 132.4 ACRES



NEXT STEPS

- ✓ **Data gathering**
- ✓ **Work Sessions**
- ✓ **Draft TDD boundaries completed**
- ✓ **High-level land use and development planning**
- ✓ **Website and public engagement**
- ✓ **Community meeting**
- Local unit letter of support**
- Required public hearings (2)**
- State Budget Committee hearing**

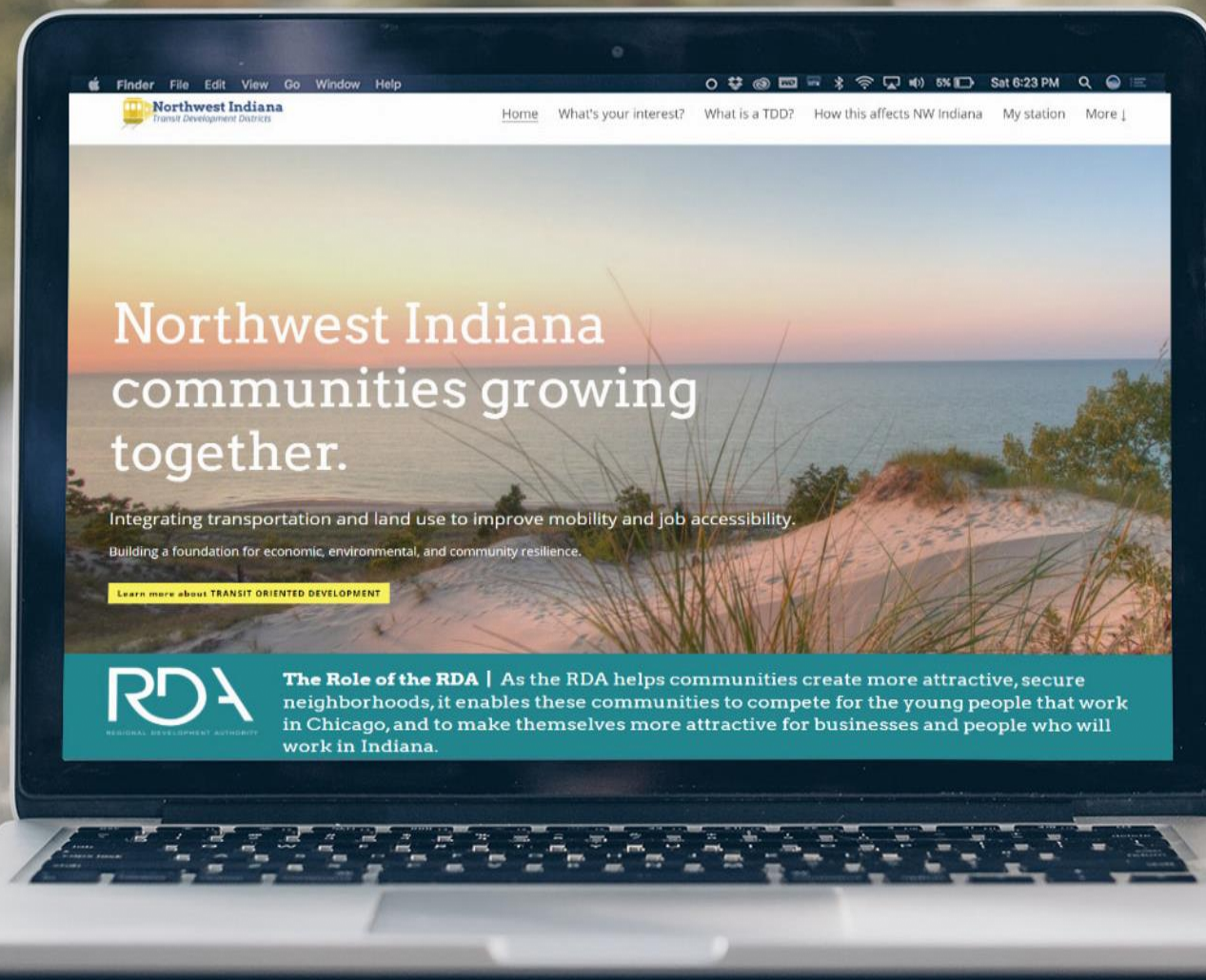
HOW TO COMMENT

- ✓ Visit www.nwitdd.com/contact & comment using the form there
- ✓ Email Dave Wellman at dwellman@rda.in.gov with your comment
- ✓ Send your comment to us at:
Northwest Indiana Regional Development Authority
9800 Connecticut Dr.
Crown Point, IN 46307
- ✓ We will be accepting comments until January 29th, 2025

VISIT THE TDD WEBSITE

also linked on the RDA's main website

www.NWITDD.com



learn more and
follow this
process

Check out the RDA's Transit Development District Website

Q&A

we appreciate
your time and
comments

TIF AND TDD TOGETHER

- ➔ A TDD permits the capture of incremental property tax and local income tax revenues for the development of the area around the transit station
- ➔ The incremental revenue that is captured can only be used within the same district
- ➔ After the TDD expires, all of the TDD increment is transferred to the tax base
- ➔ If a TDD and a TIF overlap, the split of the incremental revenues between the TDD and TIF are negotiated by the RDA and the RDC

