



# TDD Steering Committee Quarterly Update

May 15, 2024

ONAL DEVELOPM

COMMITTEE &  
TEAM  
INTRODUCTIONS

<b>Gary</b>	<b>Hammond</b>	<b>East Chicago</b>	<b>Ogden Dunes</b>
Chris Harris	Brian Poland	Debbra Gritters	Scott Kingan
<b>Porter</b>	<b>Portage</b>	<b>Michigan City</b>	<b>South Bend</b>
Michael Barry	Tim Cherry	Angie Nelson Deutch	Tim Corcoran
<b>Valparaiso</b>	<b>Dyer</b>	<b>Munster</b>	<b>Beverly Shores</b>
Beth Shrader	Scott Jefferson	Chuck Gardiner	Geof Benson
<b>Pines</b>	<b>RDA</b>	<b>KPMG</b>	<b>MKSK</b>
Tammy Watkins	Sherri Ziller	Vince Dolan	Eric Lucas
	Amy Jakubin	Lauren Wilson	Aaron Kowalski
	David Wellman	Tom Harmening	Valerie Berstene
	<b>Policy</b>		Tori Luckenbach
	<b>Analytics</b>		
	Bill Sheldrake		
	David Reynolds		

# Agenda

- **Welcome and Introductions**
- **Approval of Minutes from February 21, 2024**
- **RDA Update on Rail Projects**
- **TDD Boundaries Update**
- **TDD Program Guide**
- **Next steps and questions**
- **Adjourn**



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## Update on the Rail Investment (as of April 2024)

Development of the new rail lines and stations is progressing at a steady pace.

### West Lake Corridor

9-mile extension of existing SSL service between Dyer and Hammond, includes four new stations, a maintenance and storage facility, refurbishment of 32 rail cars, and construction of 2,322 parking spaces.

Utilizing Design-Build contracting structure, contractor tasked with completing design elements before beginning construction of them.

Design is 93% complete; design of smaller civil works, train operating systems and one major bridge remain in progress.

Current construction is focused on rail bed, utility relocation, bridges, station areas and retaining walls.

Construction is 70% complete.

An extended period of testing and commissioning is required between construction completion and Revenue Service.

The NICTD team is focused on when the trains will be running. Revenue Service Date of May 1, 2025, is NICTD's current target. The FTA grant commitment is May 20, 2026.









# TDD Boundaries

Update



# Remaining TDDs

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- Valparaiso, Beverly Shores/Pines and South Bend (meetings and work ongoing)
- Q1 2024 – Initial Site Tour and Work Session (*Valpo already complete*)
- Q2 2024 – Public Engagement Sessions and Boundary Edits
- Q3 2024 – RDA Public Hearings
- Q4 2024 – State Budget Committee Approval





# TDD Steering Committee Meeting

## TDD Program Guide Briefing



May 15, 2024

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# Disclaimer

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- The TDD Program Guide’s (“Program Guide”) content are guidelines and for informational purposes only.
- The Program Guide is not intended to provide legal advice or to address all circumstances that might arise.
- The information in the Program Guide may not constitute the most up-to-date legal or other information. Users of the Program Guide are encouraged to review applicable legislation and consult their own legal counsel.

## 01

### Describe the Eligibility Criteria for TDD Financial Assistance

- An Eligible Applicant, the Local Government, may request TDD financial assistance for Eligible Project Costs related to Eligible Development Projects that either generate, or do not generate, incremental income and property taxes
- Any private entity seeking or requiring TDD financial assistance from the RDA will collaborate with the Applicant.

## 02

### Describe the Application Process

- Prior to Applications, the RDA and the Eligible Applicant will have a pre-application consultation to discuss more about the Project and Application process.
- The RDA will conduct thorough responsiveness, eligibility, and Application reviews.
- The RDA will prioritize approval for Eligible Development Projects that include sufficient local government financial support and are projected to generate new net property and local income tax revenue.

## 03

### Describe the Financial Assistance Tools Available

- The RDA may provide TDD financial assistance for Eligible Project Costs in the form of a grant, loan, or loan pledges.
- The RDA has final authority as to what form of TDD financial assistance is appropriate for each Project.
- Eligible Applicants must provide a complete and thorough Application for consideration



The RDA will review the following three eligibility requirements prior to the potential approval of a TDD Application.

## Eligible Applicants\*

- All Applications must be sponsored and submitted by the Applicant
- Any TDD Application must include written support from local government
- Private developers, community organizations, landowners and others may recommend a Development Project to an Applicant to submit for consideration to RDA for TDD financial assistance

## Eligible Development Projects\*\*

- TDD financial assistance may be used to finance the improvement, construction, reconstruction, renovation, and acquisition of real and personal property improvements within a TDD
- The RDA will prioritize projects that include sufficient local government financial support and are projected to generate new net property and local income tax revenue
- Applicants may request TDD financial assistance for public infrastructure and community development projects that do not directly generate incremental tax revenue

## Eligible Project Costs\*\*\*

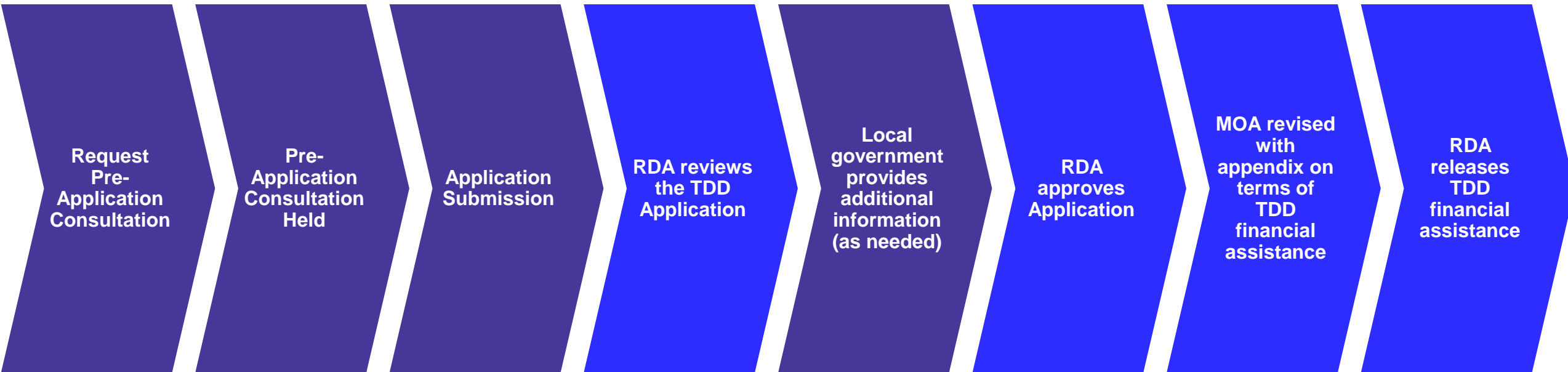
- As defined in the IC 36-7.5-4.5-23 et seq., there are several Eligible Project Costs for an Eligible Development Project
- Applicants are required to provide a detailed project budget which clearly demonstrates how any approved TDD financial assistance will be used after all other financial sources

*\*The Applicant may include an elected body of the local government, an economic development agency or corporation, the local housing agency or authority, or other entities who represent the local government.*

*\*\*Eligible Development Projects may include residential projects such as workforce housing, affordable and market rate housing, industrial space, commercial office space, retail, and parking garages, development and redevelopment of improved and unimproved parcels, infrastructure improvements (e.g. utilities) or community amenities such as parks or streetscape improvements that support future development, land acquisition and assembly, and others.*

*\*\*\*Eligible Project Costs for a Eligible Development Project 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, and others.*

The graphic below outlines the Application process for TDD financial assistance and highlights which party is responsible for each step:



 Local Government/Developer Responsibility

 RDA Responsibility



There are three critical steps that the RDA will take prior to potential approval of a TDD Application.

## 1. Pre-Application Consultation

**The RDA will consult with prospective Applicants to determine Project/Application needs and ways to optimize the benefit of TDD financial assistance.**

- A pre-application consultation is required before submission of an Application

## 2. Responsiveness Review Process

**After the Applicant submits an Application, the RDA will conduct a responsiveness review to:**

- Assess project eligibility for financial assistance
- Verify that the project satisfies the applicable legislation and submission requirements
- Request additional information from the Applicant if necessary

## 3. Application Review and Approval Process

**After the responsiveness review, the Application review and approval process begins. Key activities include:**

- Application and financial reviews
- Requests for clarification / additional information
- Oral presentation (if necessary)
  - RDA Board final approval

An Application template is set out in the Program Guide (Appendix C). Applicants are required to provide the following items as part of an Application for TDD financial assistance.

TDD Application Sections	TDD Application Requirements
<b>1. Introduction</b>	1.1 Letter of Introduction 1.2 Executive Summary 1.3 Community and Project Team Information
<b>2. Development Proposal, Financial Plan and Financial Model</b>	2.1 Development Proposal 2.2 Project Budget, Sources and Uses and Financial Plan 2.3 Financial Model
<b>3. Developer Financial Capacity*</b>	3.1 Financial Statements 3.2 Litigation History 3.3 Bankruptcy / Insolvency 3.4 Damages / Penalties
<b>4. Experience and Capacity</b>	4.1 Relevant Project Experience 4.2 Developer Capacity
<b>5. Market Analysis and Lender/Equity Information and Letters</b>	5.1 Market Analysis 5.2 Lender Information and Support Letter* 5.3 Equity Information and Commitment Letter*

Note: These items are set out in the Application Template (Appendix C of the Program Guide) which Eligible Applicants will be required to fill out.

\* If applicable



The TDD financial assistance will be a portion of the Project's financial structure and is anticipated to be no more than 20% of the Project's total development cost. Some key parameters include:

- Serving as the (last) source of funding for any gap remaining in a Project's funding, after all other sources have been utilized
- Formalizing the assistance within an amended MOA between the RDA and the Local Government (complete loan terms to be determined in the underwriting process)
- Distributing the TDD financial assistance to the Applicant or RDC
- Targeting the TDD financial assistance to be less than 20% of the Project's total development cost

## Types of TDD Financial Assistance Available



**TDD Grants:** TDD grants may be provided for both increment generating and non-increment generating projects. TDD grant applications in which the Applicant demonstrates additional sources of funding for the project will be prioritized.



**TDD Loans:** TDD loans are expected to be secured by the same revenues as any other senior debt in the project. The final maturity date of a TDD loan may not exceed the expiration of the TDD (2047).



**TDD Loan Pledges:** TDD loan pledges are to support a portion of a Applicant's debt obligation. The borrower will be required to repay the pledge to the TDD, if drawn upon.

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Appendix:

Purpose of Memorandum of  
Agreement (“MOA”)

# Purpose of the Memorandum Of Agreement (MOA)



**Purpose:** Establish and maintain effective communication and cooperation between the RDA and the Local Government for the implementation of the TDDs.

For purposes of discussion, there are key aspects from the MOA that are summarized below.



**Local Government's Rights and Responsibilities:** Establish the necessary project approvals, zoning, land ownership, utility access, and other rights or incentives in conjunction with potential TDD financial assistance.



**RDA's Rights and Responsibilities:** Report the TDD incremental revenue to the State of Indiana and Local Government. Determine TDD financial resources in support of a development project.



**TDD/TIF Boundary Overlap:** Local Government may assign all or a portion of the TIF's revenue to the RDA for purposes of supporting a Project, in exchange for TDD financial assistance. This would be established by a pledge resolution of the Local Government and serve as an amendment to the MOA. No TIF revenues in support of outstanding bonds will be transferred to the RDA.



**Public Hearings:** RDA to hold a public hearing once every three years to determine whether all or a portion of the TDD incremental revenue will be distributed to the RDA. Local Government to provide RDA requested support in carrying out hearings.



**Amendments to the MOA:** For each project, the MOA will be amended to include the details of the Project's TDD financial assistance, timing, repayment, and other terms.





# Next Steps & Questions

Next Meeting: August 14, 2024