



# TDD Steering Committee Quarterly Update

August 14, 2024

ONAL DEVELOPM

# COMMITTEE & TEAM INTRODUCTIONS

## **Gary**

Chris Harris

## **Hammond**

Brian Poland

## **East Chicago**

Debbra Gritters

## **Ogden Dunes**

Scott Kingan

## **Porter**

Michael Barry

## **Portage**

Tom Cherry

## **Michigan City**

Angie Nelson  
Deutch

## **South Bend**

Tim Corcoran

## **Valparaiso**

Beth Shrader

## **Dyer**

Scott Jefferson

## **Munster**

Chuck Gardiner

## **Beverly Shores**

Geof Benson

## **Pines**

Tammy Watkins

## **RDA**

Sherri Ziller  
Amy Jakubin  
David Wellman

## **KPMG**

Vince Dolan  
Lauren Wilson  
Tom Harmening

## **MKSK**

Eric Lucas  
Aaron Kowalski  
Valerie Berstene  
Tori Luckenbach

## **Policy Analytics**

Bill Sheldrake  
Dave Reynolds

# Agenda

- **Welcome and Introductions**
- **Approval of Minutes from May 15, 2024**
- **RDA Update on Rail Projects**
- **TDD Boundaries Update**
- **TDD Program Guide Update**
- **Next steps and questions**
- **Adjourn**



---

## Update on the Rail Investment

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 94% complete; train signals and operating systems and one major bridge remain in progress.

Current construction is focused on bridges, station areas, retaining walls, trackwork, and catenary.

Construction is 77% 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.



---

## Update on the Rail Investment

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

### 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 elimination of “street running” in Michigan City.

DT1 (Main rail project): Contract is substantially complete and very small number of punch list items remain.

DT2 (MC 11th Street Station): Completion of the garage is scheduled for February 2025.

Gary Miller Station (DT3), Portage/Ogden Dunes Parking Lot (DT4), Dune Park East Parking Lot (DT5) are complete.

Positive Train Control (DT6) is complete.

Overall, construction is 95% complete, 5% is attributable to the parking garage in Michigan City

Revenue Service began on May 14, 2024, earlier than the FTA grant commitment of November 6, 2024.



# TDD Boundaries

Update



# Remaining TDDs

---

- **Valparaiso:** work is ongoing. A draft boundary has been presented and reviewed with the city. We are currently working through some TDD/TIF interaction questions with legal counsel.
- **Beverly Shores/Pines:** In July, the Town Councils of both communities gave RDA the official go-ahead to draw up a TDD.
- **South Bend:** Information gathering is occurring.







# TDD Program Guide

TDD and TIF Interaction Deep Dive



# TDD vs TIF – Base Case

## **A TDD is very much like a TIF District:**

- It collects incremental property taxes, IC 36-7.5-4.5-21(a)
- The increment is defined the same way in a TDD as in a TIF district, the amount above the base year.
- The increment may be used for the same expenditures as the increment from a TIF district.

# TDD vs TIF – Base Case

## **TDD is different from a TIF district in the following ways:**

- The increment it collects is distributed by the County Auditor to the NW IN RDA for deposit into an account solely for the use of that municipality within that TDD.
- The incremental revenue may only be used within the boundaries of the TDD, not allowed for the purposes of “serving the district”.



# TDD vs TIF

## Case where the TDD Overlaps a TIF Created PRIOR TO January 1, 2017

- The municipality or the redevelopment commission is assumed to have obligations regarding the incremental revenues to be collected within the district. Therefore the language states, “...the development authority and the redevelopment commission receiving property tax revenues under IC 36-7-14 [this is the general TIF statute] shall use their best efforts to come to an agreement on how much property tax increment revenue will be allocated between the development authority and the redevelopment commission, recognizing that any existing obligation of the redevelopment commission would have priority over any later obligations of the redevelopment authority.” IC 36-7.5-4.5-21(b)
- The RDA is still allowed to receive increment – in this case – however it is subject to negotiations with the municipality or redevelopment commission; with the pre-existing obligations taking precedence.

# TDD vs TIF

## Case where the TDD Overlaps a TIF Created AFTER January 1, 2017, Overlaps a TDD

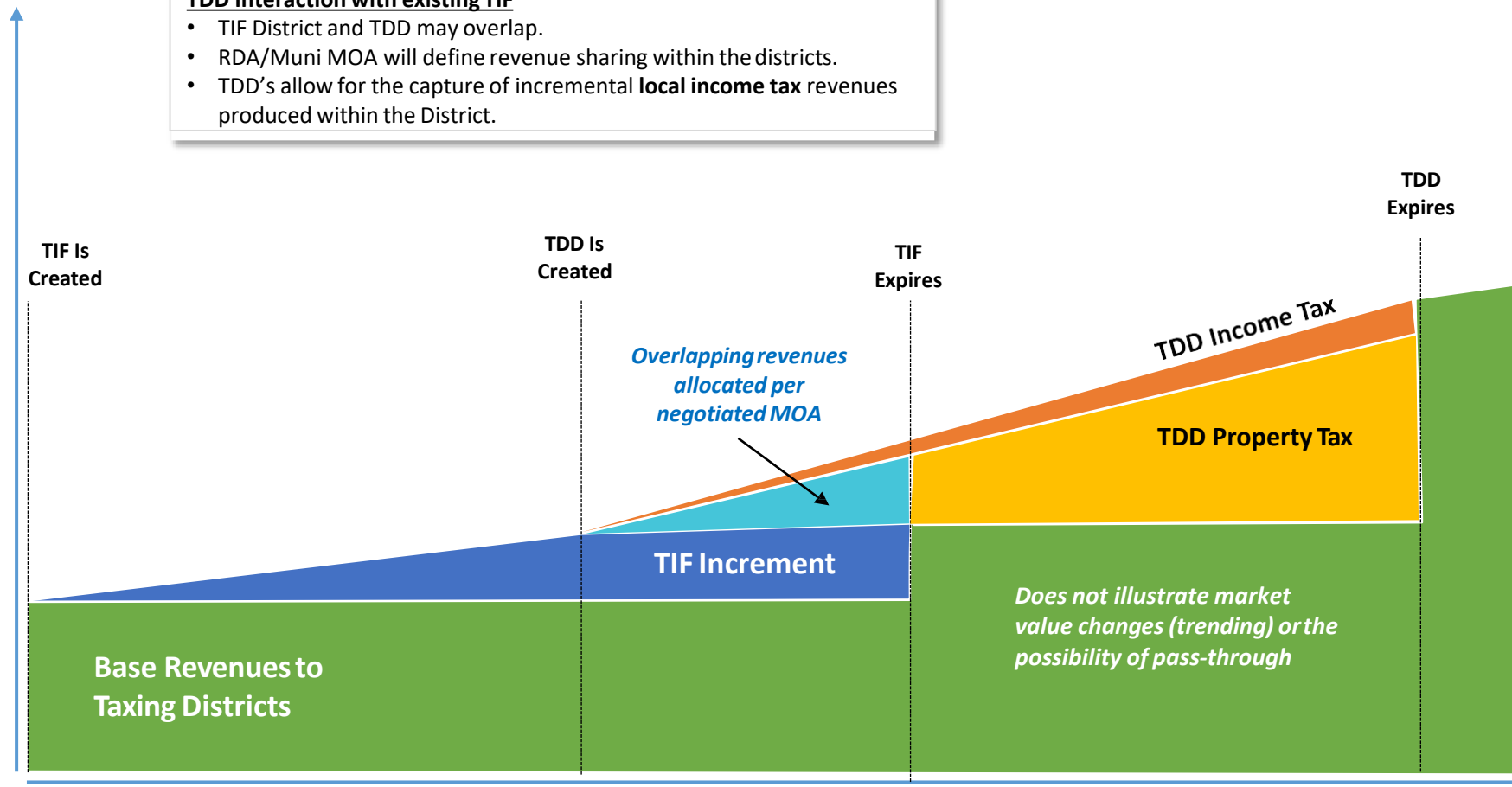
- The statute presumes that the municipality or the redevelopment commission that decides to create a TIF district that overlaps a TDD – the statute that created the TDD authority of the RDA was passed in the 2017 Session of the Indiana General Assembly – does so with the understanding that the incremental revenues derived from the overlapped district **would normally** be distributed to the RDA.
- There are reasons why a municipality might desire to have a TDD overlap a TIF district, even when the TIF was created after 1-1-2017. Those reasons include: the additional capture of incremental local income tax revenues, the extension of the district where the TIF has a limited life.



# TDD vs TIF – Base Case

## TDD Interaction with existing TIF

- TIF District and TDD may overlap.
- RDA/Muni MOA will define revenue sharing within the districts.
- TDD's allow for the capture of incremental **local income tax** revenues produced within the District.



# TDD vs TIF

## Consensus is to be Achieved in All Cases

- The RDA's purpose in creating TDD's is to enable a municipality to achieve its development objectives. The RDA is not creating TDD boundaries without the full consent of the municipality and presumably its redevelopment commission.
- The statute clearly maintains the municipality's authority for zoning and land use, whether inside or outside a TDD.
- The RDA has no authority to independently approve or finance projects without the consent of the local civil unit.
- In order for a TDD boundary to be approved by the RDA Board, and by the State Budget Committee, there has been a requirement for meetings with, public hearings regarding and finally approval by the local municipality.
- In the case of each TDD, a Memorandum of Agreement will be signed between the RDA and the local government to provide documentation as to the sharing and distribution of incremental revenues, among other administrative matters.





# Next Steps & Questions

Next Meeting: November 13, 2024