

The logo for the Regional Development Authority is a large, bold, black outline of the letters 'RDA'. The letters are filled with a vibrant, abstract landscape painting. The painting features a mix of colors including green, yellow, pink, purple, and blue, suggesting a coastal or natural setting with hills, water, and vegetation. The style is expressive and textured, resembling a watercolor or oil painting.

# 2024 Business & Economic Outlook

November 1, 2024

REGIONAL DEVELOPMENT AUTHORITY



# Northwest Indiana Regional Development Authority

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- 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

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- **WEST LAKE**

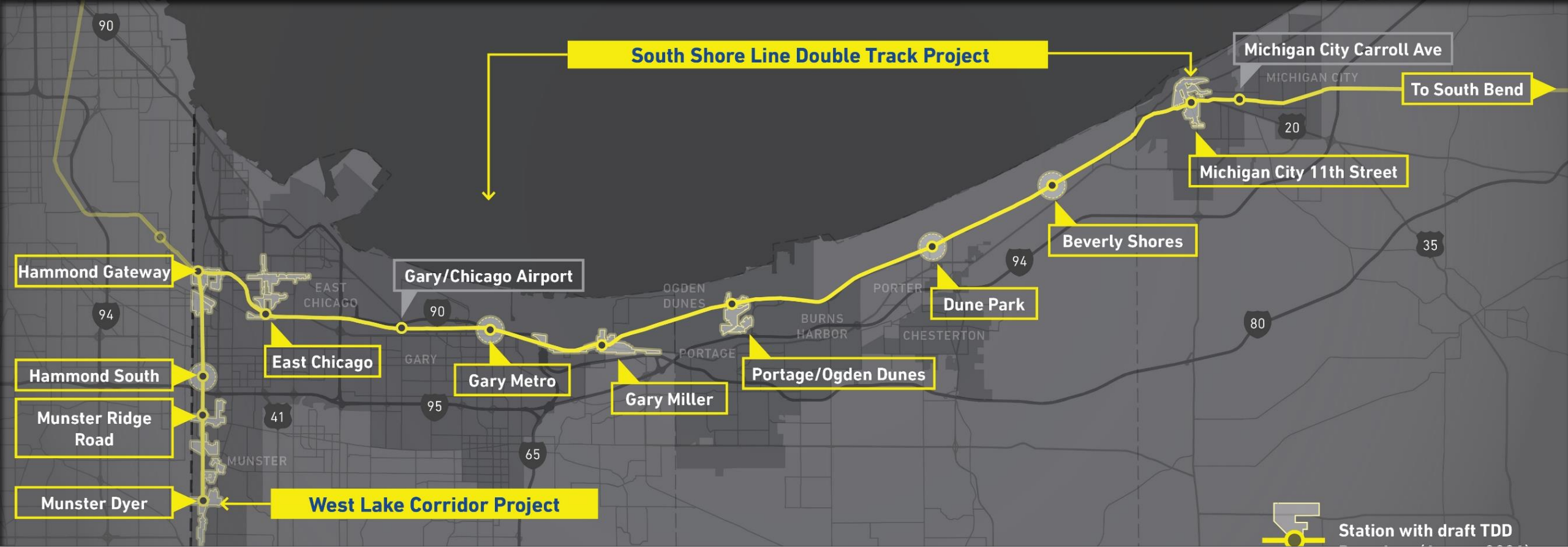
- 9-mile extension to Dyer, Indiana
- First extension of commuter rail in Northwest Indiana in over a century
- Project Cost: \$852 million
- Construction substantial completion in 2025, revenue service in 2026

- **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 elimination of “street running” in Michigan City
- Project Cost: \$643 million
- Construction is substantially complete, and revenue service began in May of this year.

**DONE!**





# 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.

# 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
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- **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

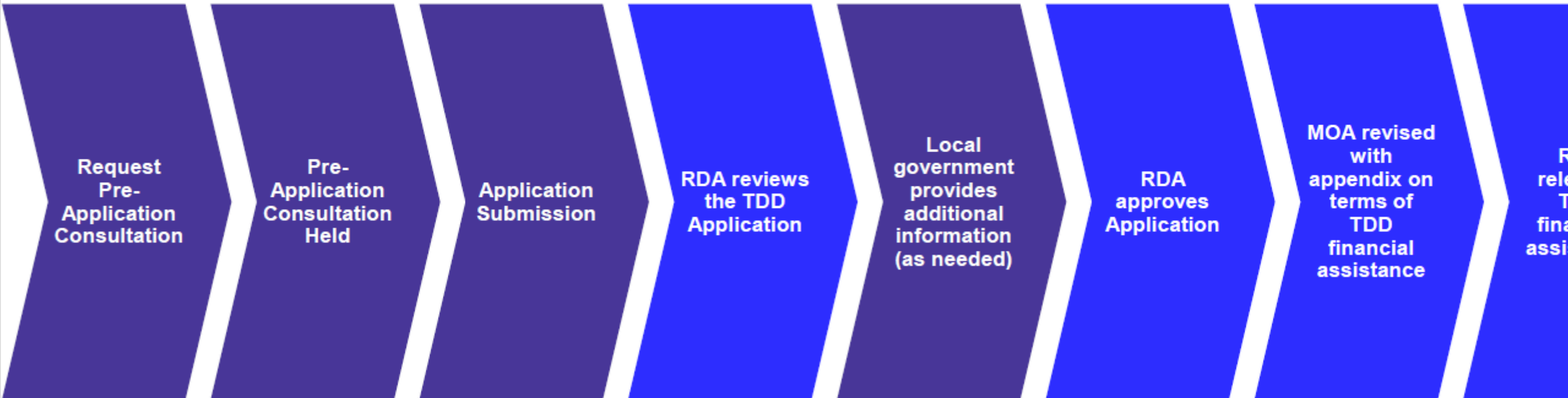
**As defined in the IC 36-7.5-4.5-23 et seq., there are several eligible project costs for a project. These include:**


- 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.

# TDD Financial Assistance: Application Process Overview



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

# Gary Blight Elimination and Metro Station Programs

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- In 2023, then-Senator Eddie Melton spearheaded legislation to provide state funding, subject to matching funds from Gary, for blight elimination in downtown Gary around the Metro Station and within the Metro Station TDD.
- Under the legislation, the RDA would match up to \$3 million from Gary in 2024 and 2025, for a total of \$12 million in blight elimination funds.
- Gary secured a \$3 million commitment from the Hard Rock Casino to gain the 2024 RDA match.
- The same legislation also provides up to \$75 million in state matching funds for the construction of a new Gary Metro multi-modal station, also subject to matching funds from Gary.

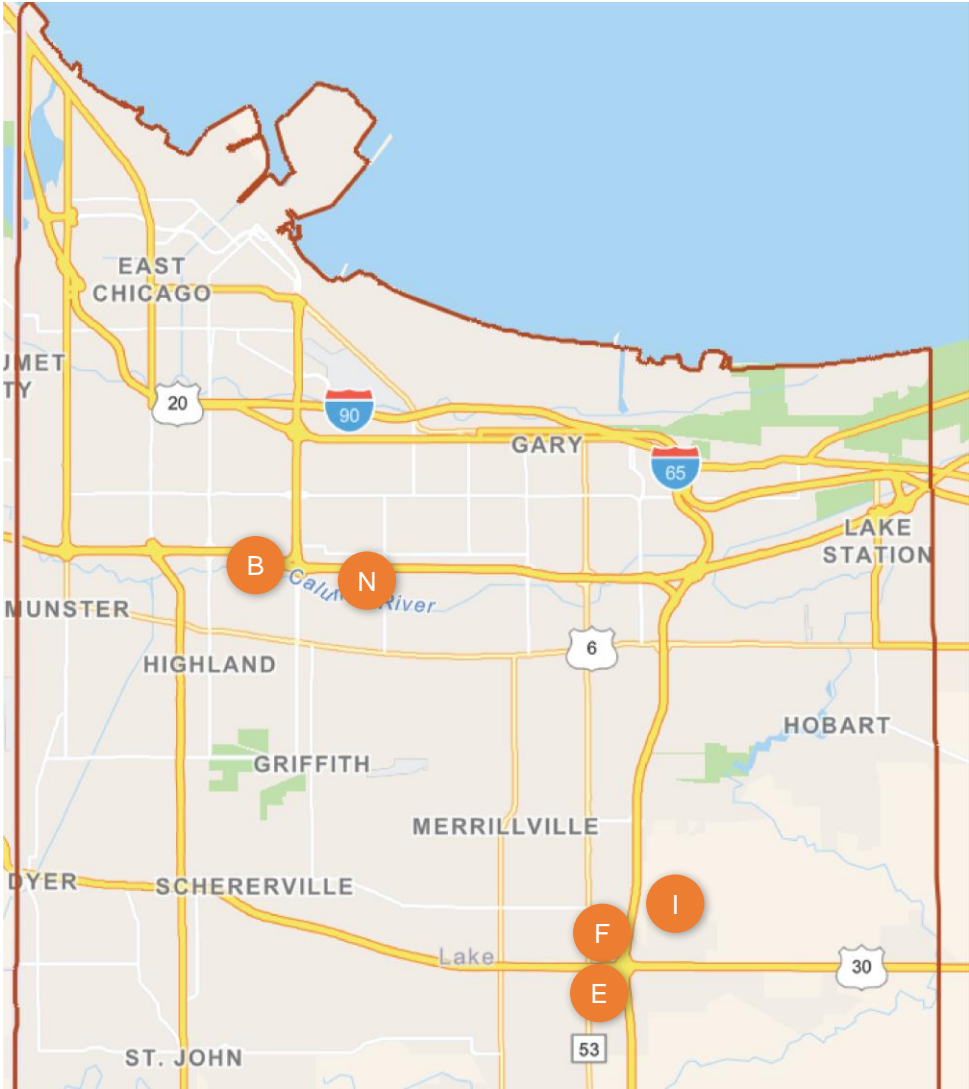




# Lake County Convention Center

- The RDA did a feasibility study re a Lake County Convention Center in 2018. It was requested by Lake County and the firm chosen was CSL, a highly regarded company specializing in convention and tourism facilities.
- Significant changes have taken place in the convention and tourism markets since 2018, not the least of which is the COVID pandemic, and the legislature wanted to see an update to the 2018 study
- The State is offering to provide up to \$100 million over 20 years to assist the County in building the facility, but the County must match those funds.
- The County is the decision-maker in this process and has until December 1, 2024, to “begin accepting proposals for the development, operation, and an ownership share in a Lake County convention and event center from any entity qualified to fund and operate a convention and event center.” IC 36-7.5-7-8(a).

# Site Analysis



## Northwest Indiana Convention Center Site Ranking Matrix - Top 5 Sites

		Site B Kennedy Avenue & I-94 Hammond	Site E Century Mall Merrillville	Site F I-65 & US30 Merrillville	Site I Patriot Park Hobart	Site N Hard Rock Casino Gary
Criteria	Priority Weight					
<b>Marketing Considerations</b>						
Proximity to headquarters hotel	Critical - 3	1	1	1	1	1
Concentration of hotel properties	Important - 2	3	2	2	2	1
Hotels within shuttle distance	Important - 2	3	3	3	3	1
Adjacent land use compatibility	Important - 2	3	2	1	3	2
Character / aesthetics	Important - 2	2	1	1	3	1
Proximity to retail & restaurants	Important - 2	3	3	2	3	3
Proximity to tourist attractions / entertainment	Important - 2	2	1	1	3	3
Knowledge of / familiarity with location	Important - 2	2	3	3	2	3
Proximity to airport	Minor - 1	2	1	1	2	2
<b>Project Development Considerations</b>						
Exhibit hall on one level	Critical - 3	3	3	3	3	3
Ability to construct meeting space	Critical - 3	3	3	3	3	3
Ability to construct surface parking	Important - 2	3	3	3	3	3
Ability to construct structured parking	Important - 2	2	3	3	3	3
Opportunities for future expansion	Important - 2	2	3	3	3	3
Opportunities for adjacent development	Critical - 3	1	3	3	3	3
<b>Site Access</b>						
Truck	Critical - 3	1	3	3	3	3
Pedestrian	Important - 2	2	1	1	2	1
Taxi, bus, and auto access	Important - 2	2	3	3	3	3
Public transportation	Important - 2	1	1	1	1	1
Overflow parking	Minor - 1	2	3	3	3	3
<b>Site Development Costs</b>						
Site acquisition cost	Critical - 3	3	1	1	2	2
Demolition & site preparation	Important - 2	1	1	3	3	1
Construction complexity/ soil suitability	Important - 2	1	3	3	2	3
<b>Finance and Operations</b>						
Capital/infrastructure support from local community*	Critical - 3	3	3	3	3	3
<b>Weighted Site Score</b>		<b>113</b>	<b>121</b>	<b>121</b>	<b>137</b>	<b>123</b>

\*Note that this is based on preliminary conversations and information about community support, and will be developed further in future project phases  
Source: Johnson Consulting

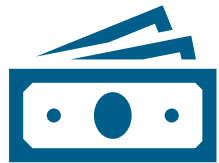


# Projections & Impacts – Economic & Fiscal Impacts

## Proposed Lake County Convention Center Facility Program

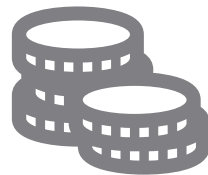
	SF
Exhibit Hall	40,000
Ballroom	18,000
Meeting Rooms	15,000
<b>Total Function Space</b>	<b>73,000</b>
<b>Total Gross Area</b>	<b>145,000</b>

Source: Northwest Indiana Regional Development Authority, Johnson Consulting



Annual economic impact of \$63.8 million, supporting 722 FTE jobs

\$3.5 million of estimated annual fiscal impact



## Proposed Lake County Convention Center Summary of Impacts

	One-Time Impact of Construction	Annual Impact of Facility Operations
<b>Economic Impact</b>		
Direct Spending	\$26,084,250	\$38,555,765
Indirect & Induced Spending	\$17,108,543	\$25,288,554
<b>Total Spending</b>	<b>\$43,192,793</b>	<b>\$63,844,318</b>
Increased Earnings	\$14,716,528	\$21,752,859
Employment (in FTE Jobs)	601	722
<b>Fiscal Impact</b>		
State Sales Tax	\$3,023,000	\$2,698,904
County Innkeeper's Tax (CIT)	\$0	\$457,925
Local Income Tax (LIT) (County)	\$698,959	\$365,956
<b>Total</b>	<b>\$3,721,959</b>	<b>\$3,522,785</b>

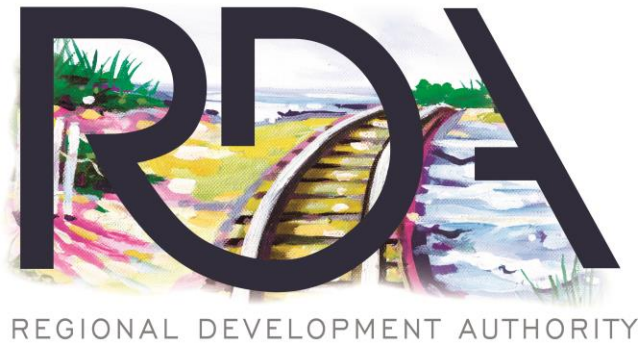
Source: IMPLAN, Johnson Consulting

# RDA Strategic Plan Update

## **RDA is updating its strategic development plan...**

- RDA issued a Request for Qualifications (RFQ) for firms to develop a comprehensive strategic development plan in November 2023.
- The RDA's mission to build the Region's major multi-jurisdictional infrastructure assets continues. However, the specific projects, the timing of those investments, and the possible returns to the regional economy have yet to be determined. The RDA sought a team of firms with several different skills sets, in combination and under the RDA's leadership, to construct a Comprehensive Strategic Development Plan to guide its mission and investments during the next two decades.
- Three firms were selected in Q1 2024:
  - WSP
  - Avenew
  - JQOL
- Update will be completed by the end of the year.





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**THANK YOU!**