

THE BOND BUYER

Indiana lawmakers smooth path for commuter rail expansion

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Published

February 06 2018, 3:33pm EST

Legislation paving way for a \$1 billion expansion of a northern Indiana commuter rail line that runs to Chicago is advancing.

The state House unanimously approved a bill Monday that lays out the state's financing plan for improvements to the line with local funding sources covering half of the project cost and the rest expected from the federal government.

The bill authorizes the Indiana Finance Authority to sell bonds backed by previously allocated state and local tax revenues to fund the West Lake Corridor and Double Track projects on the South Shore Line. It also designates the IFA, Northwest Indiana Regional Development Authority and Northern Indiana Commuter Transportation District as the entities responsible for the construction, leasing and ownership of the rail projects, and allows each to contract as necessary to complete the work.

Federal funding would cover half of the cost of construction on the \$665 million West Lake expansion between Hammond and Dyer, and the \$312 million double-tracking between Gary and Michigan City. NICTD, which runs the South Shore Line, expects to hear about whether the projects will be approved in February, barring any delays at the federal level.

South Shore Line officials detailed \$138 million in capital project spending for 2018 and nearly \$1.2 billion for the next five years during the January meeting of the NICTD Board of Trustees. The size of any borrowing is not yet clear.

The plan includes completion of environmental studies, the beginning of final engineering work and property acquisition for the West Lake Corridor and Double Track projects, with \$46.2 million and \$30.8 million projected for 2018, respectively.

The full costs of the projects are part of NICTD's five-year capital plan. The total includes money already spent on the projects, including about \$6 million on double-tracking and at least \$15 million on West Lake.

The West Lake Corridor project would add a nine mile branch to the existing South Shore Line, running nine miles south from Hammond to Dyer with four new stations. NICTD operates the line. The project would provide new transit service between Dyer, Indiana and Metra's Millennium Station in Chicago, a total distance of approximately 29 miles.

When the proposed West Lake Corridor Project is advanced through the Federal Transit Administration's New Starts process, it is anticipated that the New Starts program will provide approximately half of the project's capital cost.

NICTD submitted the double track project -- which would add a second set of track -- for a formal project rating with the FTA in September 2017. The rating must be "medium" or higher before the project can progress in the federal funding pipeline. The project must also be listed in FTA's annual report on funding recommendations for fiscal 2019 to advance.

The South Shore Line serves four Indiana counties -- St. Joseph, LaPorte, Porter, and Lake -- and 19 stations from South Bend, Indiana to Millennium Station in Chicago. The commuter rail line also serves the south side of Chicago and shares trackage with the Chicago area Metra rail system.