

Cashing In on Commuter Rail

Vanessa starts her day like many Hoosiers: a few sips of coffee, a quick glance at the news and she's off to work. She takes the South Shore train line in Northwest Indiana to her job in Chicago, but that's after a long drive to the train station. She longs for a quicker, easier way for the first part of that commute.

"Even though Indiana has an advantage (in attracting businesses and residents) with lower tax rates and a lower cost of living, we lack commuter connectivity to the Chicago market," asserts Dave Wellman, communications director for the Northwest Indiana Regional Development Authority (RDA).

Although Vanessa (described in the above scenario) is fictional, her experience is familiar to many of the 10,000-plus people who live in Indiana, but work in Chicago. A proposed eight-mile extension of the South Shore line, which currently runs from South Bend to Chicago, could shorten their commutes, connect them to high-paying jobs and attract new businesses to Indiana.

"When companies are saying, 'Where can we expand from downtown Chicago?' they're looking at where their employees live, which (in many cases) is in all of the other suburbs of Chicago – not here," Wellman remarks.



If full funding is secured for extension of the South Shore line in Northwest Indiana, additional trains could begin running as early as 2022.

The long-debated initiative – known as the West Lake Corridor extension – would start in Hammond and run south to Dyer. It would cost approximately \$571 million. The hope is that further expansion would eventually encompass Lowell and Valparaiso (in Porter County).

In 2013, 373 new and expanding companies in Chicago created 10,000 jobs and generated \$2.8 billion in investment. In addition, people employed in Chicago are paid 39% more (on average) than those with similar positions in Northwest Indiana.

"People riding the existing South Shore line bring just under \$250 million a year (their aggregate salary) back to Northwest Indiana to spend," Wellman observes. "We're projecting that once the West Lake Corridor gets going in a decade, we'd have approximately \$150 million more."

He says the extension can help to "reverse a lot of the trends in Northwest Indiana that are going in the wrong direction." Among them is an aging population (the extension aims to attract young people to live in Lake County), a declining population and shrinking median household incomes (dropping 9.6% and 15.25%, respectively, since 1970).

"There's absolutely no reason for that, given the economic engine we have right next door," Wellman asserts.

The RDA will contribute \$8 million (\$4 million annually was directed to the organization by the state after a Lake County tax loophole was closed during the 2014 legislative session) per year to help fund construction. As of April 1, county government and several communities (using portions of their County Economic Development Income Tax funds) had pledged support and brought officials closer to realizing an \$8 million match. More communities were expected to make commitments as *BizVoice*® went to press.

RESOURCE: Dave Wellman, Northwest Indiana Regional Development Authority, at www.in.gov/rda

Delivering Fresher Food Faster

Build it and they will come.

That philosophy is driving efforts to launch a direct rail connection from northern Indiana to Tampa, Fla. that would carry produce, dairy and other perishable goods in refrigerated cars. Dubbed the Green Express, it can play an important role in revitalizing a portion of the state's economy.

A CSX transportation line will connect the INland Logistics Port at Kingsbury (ILP-K) with the Port of Tampa (Florida's largest and most diversified). From there, products can be shipped to and from international destinations.

Located near LaPorte and approximately 45 miles southeast of Chicago, ILP-K is an intermodal facility in the more than 2,000-acre Kingsbury Industrial Park. It provides rail and truck access to the Upper Midwest Consumption Zone, which can reach 41 million people in one day's drive.

"We're talking about approximately 40 train cars refrigerated with produce getting back and forth between the Port of Tampa and Kingsbury in 56 hours, which is a shorter timeframe than (what's possible) on a truck," explains Matt Reardon, executive director of the LaPorte County Economic Development office.

"There's a huge economic benefit to the person selling the produce, the person buying the produce and the consumer, because you'll get a better, fresher product at the end of it."

The Green Express would also increase opportunities for partnerships with farmers and growers in Mexico, Central America and South America.

"To be able to get the products and produce from (countries such as) Chile and Peru and Guatemala all the way up to Tampa can be a huge advantage," Reardon stresses.

In addition, he hopes to attract manufacturers to ILP-K, where they would process imported goods in what he envisions as a food park.

"If I (sell pineapples), we chop the pineapple. We package it. That creates additional jobs – whether it's pineapples or avocados or any other produce," he contends. "We're prepared and have the land available to attract the manufacturers to do it there."

Reardon says the project, in development for a number of years, is nearing the final planning stages.

"This is a fairly complicated transaction. You have railroads involved and multi-national shipping companies. I wish I could say it's easy, but it's not. But at the end of it, it will certainly be worth it."

RESOURCE: Matt Reardon, LaPorte County Economic Development, at www.laportecounty.org

By Symone C. Skrzycki