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GUEST COMMENTARY

MICHAEL NOLAND: Rail projects opening world of opportunities

Michael Noland

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Tony V. Martin, The Times

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When you are constantly being asked by people from all over the country about how they can get on board and be a part of the economic growth that is coming to this region, you know that we are a hot commodity. We are truly a ground floor opportunity in a growth sector region that has so many people excited. Our secret is out; Northwest Indiana is one giant hub of economic opportunity with limitless potential. We have been laying the groundwork to make our economic offering top notch for years and now it is time to reap the benefits of our investments.

What sets us apart from other areas of the country? Let's start with an abundant supply of fresh water given our location next to Lake Michigan. We love that our weather has four seasons, and though winter can offer challenges, we are generally immune from the natural disasters facing many areas in the country such as floods, fires, earthquakes and hurricanes. We have first class infrastructure featuring a great network of highways, access to major airports, ports along Lake Michigan and service from most of the nation's largest freight railroads. Our business climate is very friendly, promoting good jobs and supporting our economy; it's no wonder we are consistently ranked in the top 5 places to locate a business across the country.

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We can't leave out quality-of-life opportunities like our state and national parks, an ever expanding network of bike trails, and, of course, great schools from elementary through world class universities. We certainly can cite our low taxes, our state's AAA

credit rating and \$6 billion rainy day fund which makes our state the envy of many. I submit that it's not any one of the above attributes that sets us apart, but a combination of all of these factors that has us positioned for success.

Here at the South Shore Line we are proud to be a part of the current and future success of northwest Indiana. Our \$650 million Double Track project and the \$950 million West Lake Corridor project are deep into construction mode, and when finished will nearly double the amount of commuter rail service we provide to our residents today. These projects are by far the largest investments in the railroad in our 115 year history and the largest public transportation projects ever in the State. In our estimation, they will further serve to unlock the tremendous potential that exists in our part of this great state.

Beyond the incredible improvements in connectivity to Chicago, the nation's third largest economy, that our projects will bring to the region, we are already seeing nearly \$500 million in private sector development. This investment is occurring before any of our new service is added. Just look at what is happening in communities up and down the line. In Michigan City at the site of the new downtown station at 11th Street and Franklin an \$80 million mixed use development is set to start construction later this summer. This project is being constructed by Indianapolis-based Flaherty and Collins, and is being led by the Michigan City Redevelopment Commission. It will transform an entire city block into a new station, a parking structure with over 500 spaces, 10,000 square feet of office space and over 200 luxury apartments. This development will anchor future transit-oriented development (TOD) opportunities in Michigan City. In fact, there is a \$250 million hotel/condominium development 1/2 mile from the station set to break ground later this year that has publicly cited the existence of the Double Track project as a leading factor in the decision to move forward. In Hammond there is the \$30 million restoration of the historic Bank Calumet building called the Banc, which is located several blocks from a potential future new station along the West Lake Corridor. This is an incredible re-use project led by Northwest Indiana Development Group that will transform this vacant high rise into over 100 luxury apartment buildings. This project is also part of the City of Hammond's multi-million-dollar investment to reimagine

their downtown based upon guidance from nationally recognized TOD guru Jeff Speck. The West Lake Corridor project has been cited by Hammond's mayor as the prime motivator in the city's decision to make this investment in this area. These projects represent the tip of the iceberg of the projected \$2.5 billion in private sector investment anticipated to follow the South Shore Line projects. The State of Indiana has invested \$500 million in these projects and expects at least a \$2 return for every \$1 they have invested. If these early development projects are any indication of future growth, I suspect that this \$2.5 billion projection is a very conservative estimate and their ROI will be significantly higher.

Circling back to the projects on the South Shore Line, in just 15 months we will complete the Double Track project, adding 14 additional trains every weekday, reducing time to and from Chicago and greatly increasing our on-time performance. In May of 2025 we will open the new West Lake Corridor service, providing commuter rail connectivity for the ever-expanding population of western Lake County. This service will add 12 one-seat rides to and from the City of Chicago every weekday, plus a shuttle train that will run from Munster/Dyer to north Hammond and connect up to the South Shore Line at the new Gateway Station providing full off-peak, evening and weekend service.

Ridership in the post-COVID era has certainly been significantly reduced due to changing work patterns in the central business district. However, though we are seeing strong indications that ridership is starting to rebound, the significant upgrades that we will be providing for our customers from these two projects put us in a very strong position to attract new riders to the system. In addition to the opportunities for TOD that these projects will provide, we know from our most recent survey data that the average household income for those riding our trains is over \$90,000 per year. This is significantly higher than the overall average household income for residents of Northwest Indiana. By providing greater opportunities to our residents to get to the higher paying jobs in Chicago, which pay on average 40% more than similar jobs in Northwest Indiana, we all benefit from this income boost that will be brought back to the region and reinvested in our economy.

Beyond the two major projects mentioned above, we are also looking to enhance our service offering in St. Joseph County by moving our location at South Bend International Airport (SBN) from the east side of the terminal to the west side. This move will reduce travel time to and from Chicago by close to 15 minutes for every train, bringing the overall commute time on our limited stop trains to around 90 minutes. This reduction in time will not only support additional ridership, but will strengthen the business ties between the South Bend and Chicago markets. SBN also has plans to open international freight cargo opportunities that would be supported by connecting a freight rail spur off our mainline into the west side of the airport. With a faster connection to the airport, and the construction of hi-level platforms at 11th Street in Michigan City, we have plans to provide near hourly shuttle service to and from the airport making connections to flights out of SBN all the easier for residents in the region.

Finally, the South Shore Line is working with local leaders to establish a potential tech corridor by building new fiber optic lines to run along the Metra Electric District in Illinois and South Shore Line in Indiana that tie into the high-speed data centers in Chicago and South Bend that connect to New York City. These plans are in the early stages of discussion but offer incredible and truly exciting growth opportunity for northwest Indiana and have the potential to give this region a national presence.

At the outset of this article, I said that we are much like a ground floor opportunity. The message to the investment community is clear; get in now! The longer you wait, the higher the price of admission.

Michael Noland is president of the South Shore Line/NICTD.