

Appendix D: TIP Financial Plan.

APPENDIX D

FINANCIAL PLAN

Introduction

The joint FTA/FHWA Planning regulations identify three primary purposes of the financial plan for Transportation Improvement Programs:

To demonstrate how the TIP, if approved, will be implemented;

To identify resources from public & private sources that are reasonably expected to be made available to carry out the TIP; and

To recommend additional financing strategies to carry out needed projects and programs.

To demonstrate is to show or to prove by illustration and explanation. This financial plan represents an attempt to identify and document the full cost of operating, maintaining, and improving the entire transportation system in the three counties encompassing northwest Indiana.

Summary. The transportation network in the three-county area consists of approximately 5,900 miles of roadways of all classifications, 10 public transit systems, and many bicycle and pedestrian facilities. Local funding is the primary source of funding for the routine operation and maintenance of the system. With the exception of transit, where federal funds are used to offset some of the operating costs, federal funds are used almost exclusively for transportation system improvements only.

Between the years 2016 and 2019, taxpayers will provide, and INDOT and local units of government will spend about \$1.57 billion to maintain and improve the region’s surface transportation system. We estimate that of this total, about 33% (\$514 million) will be spent on (non-federal) maintenance and operations activities. The remaining 67% (\$1.06 billion) will be spent on capital improvements of all types, including highway/transit preservation and maintenance projects, and highway capacity expansion.

Projected Transportation Investments: 2016-2019		
Type	Annual Average	Four-Year Total
Operations & Maintenance--Non-Federal Funds		
INDOT	\$ 33,907,111	\$ 135,628,444
LPA's	72,579,301	290,317,204
Transit	22,028,385	88,113,540
Total Operations & Maintenance	\$ 128,514,797	\$ 514,059,188
Capital Investments--Federal & Non-Federal Funds		
INDOT	108,767,734	435,070,936
LPA's	87,635,108	350,540,433
Transit	67,886,637	271,546,548
Total Capital Investments	\$ 264,289,479	\$ 1,057,157,917
Grand Total	\$ 392,804,276	\$ 1,571,217,105

Local Data Sources. The source of the financial data for Local Public Agencies (LPA's) is from annual financial reports filed with and maintained by the Indiana State Board of Accounts (SBOA). These data were accessed using Indiana's Gateway for Government Units (Gateway), located at <http://www.in.gov/sboa/resources/reports/audit/>.

Adequacy of Funding for the Existing Transportation Network. The region's public transit operators appear to possess adequate financial capacity to successfully deliver service over the next four years. The routine maintenance of existing local highway infrastructure is typically funded with revenues from those state and local sources permitted by the Indiana General Assembly. These funds are considered to be marginally adequate for maintaining the local highway infrastructure in its current condition with funding for local highway reconstruction, rehabilitation and expansion historically provided from limited state and federal sources. The maintenance of designated Interstate, national and state highways is the jurisdiction of the Indiana Department of Transportation (INDOT).

State Sources of Revenue

Operations & Maintenance. Resources for operations and maintenance costs for the existing INDOT highway network were most recently quantified in their new 2014-2017 Statewide Transportation Improvement Program (STIP). The Indiana General Assembly appropriates funds into four expense categories for routine operations and maintenance in the state's biennial budget. Projected expenses for this four-year period and an annual average are shown following:

Projected INDOT Investments for Highway Operations and Maintenance 2016-2019				
Fund	2016-2019 Total (Statewide)	Average Per Year (Statewide)	Average per Year (Region)	2016-2019 Total (Region)
Total Highway Operations & Maintenance	\$ 1,654,005,407	\$ 413,501,352	\$ 33,907,111	\$ 135,628,443

The portion of INDOT's operations and maintenance expense attributable to Northwest Indiana are estimated. These estimates are based on the percentage of INDOT system miles that are located in Lake, Porter, and LaPorte Counties. Our most recent data (from 2005) indicates that about 8.2% of all INDOT road miles are within the region.

Actual projected highway construction and reconstruction project costs for the four year period from the 2016-2019 STIP are shown following:

Projected INDOT Investments for Highway Construction 2016-2019				
Fund	2016-2019 Total	Average Per Year (Statewide)	INDOT Projects in TIP	Average Per Year (Region)
Highway Construction--State Funds	\$ 3,034,050,000	\$ 758,512,500	\$ 71,980,397	\$ 17,995,099
Highway Construction--Federal Funds	\$ 2,808,000,000	\$ 702,000,000	\$ 363,090,538	\$ 90,772,635
Subtotal Highway Construction	\$ 5,842,050,000	\$ 1,460,512,500	\$ 435,070,935	\$ 108,767,734

Local Sources of Revenue—Highways

Routine maintenance, operations and improvements of existing local road and highway infrastructure is typically funded with revenues from local sources. Under Indiana law, the following accounts serve as the basic local sources of revenue for highway, road and street work:

- Motor Vehicle Highway Account
- Local Road and Street Account
- Cumulative Capital Improvement Funds
- Cumulative Capital Development Funds
- Cumulative Bridge Funds

Actual revenue and expense data for the region’s 44 Local Public Agencies for calendar year 2013 were downloaded from Indiana State Board of Account’s Gateway website and is displayed in the following table. Indiana requires all funds to balance out at the end of each calendar year—in instances where expenses in a fund exceeded revenue, revenue from other (un-named) funds was transferred into the fund (as an “Expense Transfer”). For purposes of the TIP, revenues and expenses have been flat-lined at 2013 levels. The principal source of funds for local road and street construction and maintenance operations comes from the Motor Vehicle Highway (MVH) and Local Road and Street (LRS) Accounts.

Motor Vehicle Highway (MVH)

This accounts for the construction and maintenance of streets, alleys and the operations of street maintenance activities of the public works department. Resources are derived from state motor vehicle (gasoline tax) distributions. It also includes the purchase of materials, labor and/or equipment required in the maintenance and construction of roads and bridges.

Local Road and Street (LRS)

This accounts for the operation and maintenance of the local and county road and street systems. Resources are derived from state gasoline tax distributions. These funds are used for engineering, construction or reconstruction of roads, streets or bridges.

Cumulative Capital Improvement Funds (CCI)

The money from this fund may be used for road construction or improvement, acquisition of land or right-of-way for streets, roads, alleys, sidewalks, thoroughfares and maintenance. This fund is collected from the state cigarette tax.

Cumulative Capital Development Funds (CCD)

This fund provides money for any purpose for which property taxes may be imposed.

Cumulative Bridge Fund (Cum Bridge)

This source of revenue provides funds for the cost of construction, maintenance, and repair of county highway bridges, approaches, and grade separations. County Commissioners may levy a tax in compliance with IC 6-1.1-41 in assessed valuation of all taxable personal and real property within the county. LaPorte County also maintains a “High Cost” Bridge fund.

Expense Transfers from General Fund and Other Sources

Indiana law requires all funds to be balanced at the end of the year. When over-spending has occurred in one or more accounts, a transfer of funds from another account is made so that the account will balance (i.e., expenses will equal revenues).

Local Financial Summary. The 2013 data shows revenue at about \$81 million for the year versus \$72.6 million in expenses. For the period of the TIP (2016-2019), we project revenue of about \$324 million and expenses of about \$290 million. From this we can only conclude that *there will likely be sufficient local*

financial resources to maintain the current rate of expenditure. The table below and on the following page show the baseline 2013 data.

Highway Operations and Maintenance: Baseline Annual Financial Data by Fund for Counties and Municipalities

Base Year: 2013

(For 2012)	MVH (Highway)		LRS		CCI		CCD		Cum Bridge		Expense Transfers
	Receipt	Disbursement	Receipt	Disbursement	Receipt	Disbursement	Receipt	Disbursement	Receipt	Disbursement	
Lake County	\$ 4,999,855	\$ 4,941,171	\$ 810,130	\$ 762,641	\$ -	\$ -	\$ 9,483,240	\$ 8,327,811	\$ 3,002,973	\$ 1,545,825	\$ -
Cedar Lake	338,523	309,514	125,715	104,380	30,661	35,181	181,993	289,707	-	-	61,890
Crown Point	2,495,320	2,096,123	363,629	357,587	76,041	163,359	716,174	1,624,885	-	-	590,790
Dyer	437,357	382,354	158,293	158,355	60,135	-	344,928	559,891	-	-	99,887
East Chicago	818,842	815,624	270,973	300,749	78,767	99,134	-	-	-	-	46,925
Gary	2,403,441	2,263,087	976,258	1,391,271	213,300	242,183	358,972	73,367	-	-	17,937
Griffith	759,681	757,128	163,463	125,061	52,036	16,203	-	-	-	-	-
Hammond	2,612,188	3,471,251	781,255	991,633	214,382	399,469	218,629	12,562	-	-	1,048,461
Highland	960,418	921,838	294,961	358,204	71,474	68,102	623,060	362,819	-	-	-
Hobart	1,316,092	1,345,492	317,529	-	77,071	-	825,232	1,139,899	-	-	-
Lake Station	731,304	651,238	147,575	258,538	33,345	74,951	-	-	-	-	72,503
Lowell	952,482	865,283	88,841	61,035	24,603	26,217	141,373	-	-	-	-
Merrillville	915,507	888,029	369,122	379,686	438,482	369,939	647,565	188,194	-	-	-
Munster	1,654,694	1,633,224	264,668	251,231	67,751	121,888	283,251	252,748	-	-	-
New Chicago	58,759	72,272	25,585	6,497	5,398	12,705	-	-	-	-	1,732
St. John	605,144	540,294	166,691	118,509	39,387	17,467	157,605	261,883	-	-	-
Schererville	1,268,353	1,064,690	283,097	218,858	77,559	69,318	700,441	761,080	-	-	-
Schneider	22,324	15,371	6,175	3,144	735	2,433	-	-	-	-	-
Whiting	136,727	75,397	45,490	59,162	13,254	-	-	-	-	-	-
Winfield	348,582	298,232	58,782	27,865	11,625	11,571	125,056	93,535	-	-	-
Total	\$23,835,593	\$23,407,612	\$ 5,718,232	\$ 5,934,406	\$ 1,586,006	\$ 1,730,120	\$ 14,807,519	\$ 13,948,381	\$ 3,002,973	\$ 1,545,825	\$ 1,940,125
(For 2012)	MVH (Highway)		LRS		CCI		CCD		Cum Bridge		Expense Transfers
	Receipt	Disbursement	Receipt	Disbursement	Receipt	Disbursement	Receipt	Disbursement	Receipt	Disbursement	
Porter County	\$ 3,476,776	\$ 4,130,821	\$ 963,166	\$ 562,317	\$ -	\$ -	\$ 1,706,527	\$ 2,129,918	\$ 640,789	\$ 1,106,752	\$ 1,142,550
Beverly Shores	106,041	91,801	25,683	27,588	1,626	614	10,574	3,208	-	-	-
Burns Harbor	152,420	48,995	15,960	1,600	3,066	-	32,438	84,810	-	-	-
Chesterton	861,508	942,542	131,350	70,775	34,670	-	270,731	186,887	-	-	-
Dune Acres	5,934	36,470	5,605	8,594	615	1,012	9,840	11,406	-	-	35,488
Hebron	99,715	96,918	35,429	43,568	9,877	15,256	25,345	32,331	-	-	17,707
Kouts	89,647	76,082	19,665	20,227	4,984	3,088	5,779	8,953	-	-	-
Ogden Dunes	198,591	178,888	18,283	18,304	2,944	1,665	-	-	-	-	-
Portage	2,947,799	3,002,930	353,379	480,880	694,677	597,000	429,944	470,823	-	-	125,834
Porter	539,227	606,862	59,145	5,712	12,885	-	100,651	79,502	-	-	-
Town of Pines	31,581	20,611	11,379	13,410	1,878	2,630	-	-	-	-	-
Valparaiso	1,412,266	1,562,136	345,217	610,690	84,156	-	281,196	258,400	-	-	308,391
Total	\$ 9,921,505	\$10,795,056	\$ 1,984,261	\$ 1,863,665	\$ 851,378	\$ 621,265	\$ 2,873,025	\$ 3,266,238	\$ 640,789	\$ 1,106,752	\$ 1,629,970
LaPorte County	\$ 3,447,902	\$ 3,060,659	\$ 740,934	\$ 635,001	\$ -	\$ -	\$ 444,626	\$ 110,798	\$ 893,869	\$ 1,184,990	\$ -
Kingsbury	6,466	-	2,733	3,000	642	197	-	-	-	-	-
Kingsford Heights	40,204	33,026	17,195	14,125	3,956	20,000	2,906	-	-	-	2,890
La Crosse	15,075	14,610	7,839	3,151	1,462	-	1,175	-	-	-	-
LaPorte	1,037,388	853,571	205,938	142,526	58,490	6,503	436,036	222,032	-	-	-
Long Beach	485,790	376,385	16,364	-	15,347	-	40,816	-	-	-	-
Michiana Shore	11,184	-	15,619	17,808	8,830	-	3,148	-	-	-	-
Michigan City	2,089,591	1,943,950	299,556	291,904	83,590	102,576	909,014	789,123	-	-	-
Pottawattamie Park	7,469	3,000	5,934	-	-	-	-	-	-	-	-
Trail Creek	92,700	107,771	31,541	49,981	2,878	14,297	10,907	60,000	-	-	94,023
Wanatah	292,951	110,532	11,427	-	2,780	-	14,650	1,714	-	-	-
Westville	149,156	172,626	44,743	46,868	15,524	15,000	19,045	-	-	-	6,026
Total	\$ 7,675,876	\$ 6,676,130	\$ 1,399,823	\$ 1,204,364	\$ 193,499	\$ 158,573	\$ 1,882,323	\$ 1,183,667	\$ 893,869	\$ 1,184,990	\$ 102,939

REVENUE SUMMARY										
	MVH	LRS	CCI	CCD	Cum Bridge	Other	Total Revenues	Expense Transfers	Adjusted Total Revenues	Estimated 2016-2019 Revenue Projection
Lake	\$23,835,593	\$ 5,718,232	\$ 1,586,006	\$14,807,519	\$ 3,002,973	\$ -	\$ 48,950,323	\$ 1,940,125	\$ 50,890,448	\$ 203,561,791.96
Porter	9,921,505	1,984,261	851,378	2,873,025	640,789	-	16,270,958	1,629,970	17,900,928	71,603,712
Laporte	7,675,876	1,399,823	193,499	1,882,323	893,869	-	12,045,390	102,939	12,148,329	48,593,316
TOTAL	\$41,432,974	\$ 9,102,316	\$ 2,630,883	\$19,562,867	\$ 4,537,631	\$ -	\$ 77,266,671	\$ 3,673,034	\$ 80,939,705	\$ 323,758,820

EXPENSE SUMMARY										
	MVH	LRS	CCI	CCD	Cum Bridge	Other	Total Costs (Expense)			Estimated 2016-2019 Costs (Expense) Projection
Lake	\$23,407,612	\$ 7,158,029	\$ 3,061,050	\$ 7,386,014	\$ 2,812,369	\$ -	\$ 43,825,074			\$ 175,300,295.04
Porter	10,795,056	1,863,665	621,265	3,266,238	1,800,279	-	18,346,503			73,386,012
Laporte	6,676,130	1,204,364	158,573	1,183,667	1,184,990	-	10,407,724			41,630,896
TOTAL	\$40,878,798	\$10,226,058	\$ 3,840,888	\$11,835,919	\$ 5,797,638	\$ -	\$ 72,579,301			\$ 290,317,203

Please note that these data does not include revenue for improvements in highway infrastructure made by municipal water and sewer agencies, improvements made with federal funds from either the U.S. Department of Housing and Urban Development (HUD), the U.S. Department of Transportation, U.S. Economic Development Administration (EDA), local Tax Increment Finance (TIF) Districts or other governmental bonding entities.

Sources of Revenue—Public Transit Operations

Public transit in Indiana is financed through a variety of funding mechanisms that varies in accordance with the transit operator’s organizational structure. Northwest Indiana has five (5) municipal transit operators that are departments of a unit of government, one (1) that is organized under Indiana’s Public Transportation Corporation statute, three (3) that are not-for-profit corporations, and (1) one commuter rail operator. Each is governed differently and have different revenue streams.

Public transit service is financed through a combination of multiple sources of funding—some of which subsidizes the service itself and some of which subsidizes the service user. The following table shows projected new public transit operating revenues over the period of the TIP.

Projected Public Transit Operating Revenue by Type 2016-2019						
Transit Operator	Farebox Revenue (2013)	Local Assistance (2013)	State Assistance (2013)	Federal Assistance (2013)	Total Annual Revenue	Total Revenue (2016-2019)
East Chicago Transit	\$ -	\$ 390,525	\$ 290,319	\$ 373,284	\$ 1,054,128	\$ 4,216,512
Gary Public Transportation Corporation	772,355	1,287,908	728,603	3,084,966	\$ 5,873,832	\$ 23,495,328
Michigan City Transit	95,299	374,444	247,144	608,605	\$ 1,325,492	\$ 5,301,968
Valparaiso V-Line	340,531	775,118	148,693	307,710	\$ 1,572,052	\$ 6,288,208
City of LaPorte (TransPorte)	101,948	178,852	70,430	215,187	\$ 566,417	\$ 2,265,668
NIRPC Subrecipients*	500,643	759,630	973,922	873,367	\$ 3,107,562	\$ 12,430,248
NIRPC Subrecipient Oversight	-	96,949	-	387,795	\$ 484,744	\$ 1,938,976
NICTD Commuter Rail	19,341,086	3,741,506	11,885,600	4,585,954	\$ 39,554,146	\$ 158,216,584
LaPorte County Commuter Bus (Triangle)**	-	78,742	-	314,968	\$ 393,710	\$ 1,574,840
Totals	\$ 21,151,862	\$ 7,683,674	\$ 14,344,711	\$ 10,751,836	\$ 53,932,083	\$ 215,728,332

* Includes North Township Government (Lake County), Opportunity Enterprises, Inc., Porter County Aging & Community Services, Inc., and South Lake County Community Services, Inc..

** New service started in January 2015.

Carryover funds from prior fiscal years and funds used for capital projects are not shown above.

Reasonably Expected Federal Aid for Local Projects

NIRPC anticipates that funding in all federal aid categories will be flat-lined for the foreseeable future. For MPO-selected projects, SFY 2015 funding level in each program has been multiplied by four to calculate the amounts reasonably expected in 2016-2019.

NIRPC reasonably expects to receive about \$48 million per year in new federal aid over the life of the TIP. About 60% of these funds will come from FTA and 40% from FHWA. Roughly 90% of these funds will be received in the Chicago Urbanized Area and 10% within the Michigan City-LaPorte Urbanized Area.

In addition, INDOT has allocated Prior Year Balance (PYB) funds to each urbanized area. These funds represent the unused balance of highway funds apportioned to MPO's at the close of SFY 2014. These balances [\$23.4 million (Chicago UZA) and \$2.6 million (Michigan City-LaPorte UZA)] are programmed in this TIP. INDOT will fund these projects with its own federal funds.

The following table shows reasonably expected new federal funds for the period of the TIP. These amounts do not include any unexpended earmarks or carryover FTA funds.

MPO-Allocated Federal Funds 2016-2019			
Annual Allocations by Urbanized Area and Type (2015 Base Year)			
Program	Chicago UZA	Michigan City-LaPorte UZA	Total
FHWA Surface Transportation Program	\$ 10,545,025	\$ 981,988	\$ 11,527,013
FHWA Highway Safety Improvement	2,752,256	308,261	3,060,517
FHWA Congestion Mitigation/Air Quality	3,345,842	587,952	3,933,794
FHWA Transportation Alternatives	961,809	93,608	1,055,417
Subtotal FHWA	\$ 17,604,932	\$ 1,971,809	\$ 19,576,741
FTA Sec 5307 Urban Area Formula Grants	11,510,760	900,010	12,410,770
FTA Sec 5337 State of Good Repair	15,078,820	-	15,078,820
FTA Sec 5310 Seniors & Persons with Disabilities	431,993	-	431,993
FTA Sec 5339 Bus Capital	448,756	-	448,756
Subtotal FTA	\$ 27,470,329	\$ 900,010	\$ 28,370,339
Total	\$ 45,075,261	\$ 2,871,819	\$ 47,947,080
<i>INDOT Prior Year Balance (PYB) Funds*</i>	<i>23,431,537</i>	<i>2,603,847</i>	<i>26,035,384</i>

* Non-Recurring--One Time Only.

MPO-Controlled Federal Funds: U.S. Federal Highway Administration (FHWA)

Surface Transportation Program (STP) Group I and Group II

STP are apportioned to states by a formula embedded in federal law by Congress. This formula also allocates funds to each state's urbanized areas.

Portions of Lake and Porter Counties lie within the Chicago Urbanized Area, which is the third most populous urbanized area in the nation. We anticipate approximately \$10.5 million in STP Group I funds per year over the life of the TIP—or a total of \$42.0 million.

STP Group II funds are also allocated by INDOT to the Michigan City/LaPorte Urbanized Area. We anticipate receiving about \$1.0 million per year, for a four-year total of about \$4.0 million.

Congestion Mitigation/Air Quality (CMAQ) Program

Congestion Mitigation and Air Quality (CMAQ) funds provide a flexible funding source to state and local transportation agencies for transportation projects and programs that contribute to improved air quality. Eligible activities include (among others) traffic signal, signal interconnect, intersection improvements and other direct traffic congestion relief projects, new public transit services, alternative fuels, bicycle and pedestrian facilities, and diesel retrofit and repower projects.

CMAQ funding is only available for use in areas that are identified as non-attainment for failing to achieve the National Ambient Air Quality Standards (NAAQS), as well as former nonattainment areas that are now in compliance (maintenance areas). Currently Lake and Porter Counties are classified as non-attainment; LaPorte County was found to be in attainment.

INDOT makes separate allocations of CMAQ funds to each qualifying non-attainment area. We anticipate CMAQ apportionments of about \$3.3 million per year in the Lake-Porter County Non-Attainment Area and about \$0.6 million per year in LaPorte County. Over the life of the TIP we anticipate new funding of about \$13.4 million in the Lake-Porter Area and \$2.3 million in LaPorte County. (This TIP assumes that LaPorte County will continue to be allocated CMAQ funds after State Fiscal Year 2015.)

Highway Safety Improvement Program (HSIP)

This program provides federal funds on an annual basis for highway safety-related projects. Fundable projects are those that are likely to reduce vehicle crashes. The Lake-Porter County area is allocated about \$2.7 million per year and LaPorte County receives about \$0.3 million per year. We anticipate that, over the life of the TIP, new HSIP funding for Lake and Porter Counties to be about \$11.0 million and \$1.2 million for LaPorte County.

STP Transportation Enhancement (TE) and Transportation Alternatives Program (TAP)

Prior to October 1, 2012, Congress mandated that ten percent (10%) of Indiana's statewide STP allocation be expended on transportation "enhancement" activities. These activities encompassed a broad range of activities, including bicycle/pedestrian recreational trails, streetscaping projects, historic preservation, and similar projects. This TIP has several legacy TE projects—which are set for FHWA fund obligation prior to October 1, 2015.

Since SFY 2013, each MPO has been allocated a pool of TAP funds for use on TAP-eligible projects. These projects are selected by the MPO. The Chicago Urbanized area is allocated about \$1.0 million per year and the Michigan City-LaPorte Urbanized area receives about \$0.1 million per year. We anticipate that,

over the life of the TIP, new TAP funding for Lake and Porter Counties will be about \$4.0 million and LaPorte County's share will be about \$0.4 million.

INDOT-Controlled Funds: U.S. Federal Highway Administration (FHWA)

National Highway Performance Program

NHPP Interstate: The State of Indiana has about 135 miles of Interstate highways located in the three-county metropolitan planning area. INDOT will spend federal NHPP funds on these facilities at a rate of 90% federal/10% state funds.

NHPP Other: In addition to 135 miles of Interstate highway, there are 103 miles of other expressways and principle arterial highways that comprise the National Highway System (NHS) in northwest Indiana. INDOT will spend federal NHPP funds on these facilities at a rate of 80% federal/20% state funds. NHPP-Other funds can also be used for Bridge rehabilitation or replacement projects.

Surface Transportation Program (STP)

STP funds provide states and local agencies with flexible funding that may be used for projects on any Federal-aid highway facility, including the NHS. INDOT allocates some STP funds to Indiana's urbanized areas (for use on local projects). It utilizes the balance for its own projects. A wide variety of projects are eligible for STP funding, but INDOT uses these funds primarily for roadway maintenance, bridge rehabilitation and replacement, and safety improvement projects.

INDOT-Selected Local STP Projects

STP Group III funds are apportioned for use in all incorporated areas in Indiana with a population between 5,000 and 49,999. STP Group III funds are not available to cities and towns in the STP Group I and II fund categories (i.e., those within the urbanized areas). STP Group III funds are administered by INDOT and made available to qualifying municipalities on competitive basis. In Northwest Indiana, only the Towns of Lowell and Westville qualify for STP Group III funding.

STP Group IV funds are apportioned for projects in areas where the population does not exceed 5,000 or in unincorporated areas. STP Group IV projects are competitively selected (like those under the Group III program) by INDOT. In Northwest Indiana, Lake County, LaPorte County and Porter County are eligible for STP Group IV funds in addition to incorporated rural communities of Hebron, Kingsbury, Kingsford Heights, Kouts, LaCrosse, Schneider and Wanatah. The TIP has several STP Group IV projects.

INDOT-Selected Local Bridge Projects

Prior to October 1, 2012, Congress had authorized funding for a stand-alone Bridge funding program. The MAP-21 legislation consolidated this program with other programs and there are a number of legacy (pre-2013) Bridge Program projects listed in the TIP.

INDOT has continued to select local bridge projects with its new federal funds.

INDOT-Selected Local TAP Projects

With its share of the TAP program resources, INDOT selects TAP-funded projects statewide. Most projects selected are located outside of Indiana’s urbanized areas. This TIP contains one INDOT-selected TAP project.

MPO-Controlled Funds: U.S. Federal Transit Administration (FTA)

Urban Area Formula Grants—Sections 5307/5340 Growing States

The FTA Section 5307/5340 formula grant program provides subsidies for public transit service provided within an urbanized area having a population of 50,000 or more. FTA makes grant awards directly to the eligible recipients for each UZA as designated by the Governor. Funds may be used for any eligible mass transportation project contained in Part 53 of Title 49, United States Code. FTA distributes Section 5307 funds to large urbanized areas (i.e., those with a population greater than 200,000) in accordance with a formula that considers population, population density and service statistics reported by transit operators. FTA distributes Section 5307 funds to small UZAs on the basis of population and population density only. Funds are apportioned to individual urbanized areas and not to specific transit providers. Thus, FTA makes separate apportionments to the Chicago urbanized area and the Michigan City urbanized area.

Chicago Urbanized Area. NIRPC, the Regional Transportation Authority of Northeast Illinois (RTA) and the Chicago Metropolitan Agency for Planning (CMAP) maintain a written Letter of Understanding which governs the manner in which the Section 5307/5340 funds allocated to the Chicago urbanized area are divided between Northwest Indiana and Northeast Illinois. The most recent Letter, which lapsed at the end of Federal Fiscal Year 2014, has been extended through Federal Fiscal Year 2015, allocates these funds on the same basis that FTA uses in allocating them across the nation. It is likely that, when new Letters are executed, this same distribution mechanism will be retained.

There are three (3) FTA Section 5307/5340 grantees in the Indiana portion of the Chicago UZA. These are the Gary Public Transportation Corporation (GPTC), Northern Indiana Commuter Transportation District (NICTD) and NIRPC. NIRPC provides Section 5307 assistance, on a pass-through basis to seven (7) other eligible transit operators: City of East Chicago, the Regional Bus Authority, Opportunity Enterprises, Inc., the Trustee of Lake County’s North Township, South Lake County Community Services, Inc., Porter County Aging & Community Services, Inc., and the City of Valparaiso.

In 2015, the Indiana portion of the Chicago Urbanized Area was sub-allocated about \$11.5 million in Section 5307/5340 funds. We anticipate a similar apportionment over the period 2016-2019. We do have a significant amount of carryover (about \$7.3 million) that may be spent during this time period

Michigan City Urbanized Area. The Michigan City urbanized area is under 200,000 in population--therefore, the Section 5307/5340 funds allocated there are apportioned to the Governor, who has designated the City of Michigan City and NIRPC (on behalf of the City of LaPorte) to administer grants for the two transit operators. The urbanized area’s two public transit operators desire to maximize their use of their annual apportionment for operating assistance and to seek alternative means of funding capital equipment.

In 2015, the Michigan City urbanized area received about \$900,000 in Section 5307/5340 funds. The four year total is about \$3.6 million.

FTA Section 5337 State of Good Repair (SOGR) Grants—(formerly Section 5309 Rail Modernization)

SOGR funding is intended to support the modernization of urban commuter rail systems throughout the country. By definition, these systems include only facilities that are at least seven years of age. SOGR funds are apportioned to each UZA with a qualifying commuter rail system.

Chicago Urbanized Area. Like the FTA Section 5307/5340 program within the Chicago UZA, there is a Letter of Understanding between NIRPC and the Regional Transportation Authority of Northeast Illinois (RTA) that governs the distribution of rail modernization funds. Like the Letter regarding Section 5307/5340 funds, the most recent Letter, which lapsed at the end of Federal Fiscal Year 2014, has been extended through Federal Fiscal Year 2015. It allocates 6.29% of the entire Chicago urbanized area's rail modernization apportionment to northwest Indiana. Each preceding Letter (beginning with the first one issued in 1992) has featured this same percentage split. It is thus reasonable to expect that this same distribution formula will be utilized indefinitely and that NW Indiana will receive an average of \$13.9 million per year from the Chicago UZA, for a total of \$43.2 over the life of the TIP.

South Bend Urbanized Area. The Northern Indiana Commuter Transportation District is also the sole recipient of FTA Section 5337 SOGR funds apportioned to the South Bend urbanized area. Funds from the two urbanized areas are co-mingled into a single FTA grant each year. In FFY 2015, the apportionment to the South Bend UZA was \$1.2 million. At this rate of apportionment, about \$4.8 million is expected to be received over the 2016-2019 period.

Section 5310 Grants for Seniors and Persons with Disabilities (Section 5310)

FTA Section 5310 funds are directly apportioned only to the Chicago Urbanized Area. This grant program provides transit service subsidies and capital assistance for transit service to senior citizens and persons with disabilities. FTA makes grant awards directly to designated recipients in each large UZA. These funds may be used for either operating, capital, or planning assistance.

The Indiana portion of the Chicago UZA is allocated about \$0.43 million per year. Over the life of the TIP we expect to receive \$1.7 million.

Section 5339 Bus Capital Program (Section 5339)

FTA Section 5339 funds are also apportioned to the Chicago Urbanized Area and to INDOT for other portions of the three-county area. This grant program provides capital assistance to operators of fixed route bus service. Currently the only eligible entities to receive this funding are the City of East Chicago, City of Valparaiso, and the Gary Public Transportation Corporation. FTA makes grant awards directly to designated recipients in each large UZA.

The Indiana portion of the Chicago UZA is allocated about \$0.45 million per year. Over the life of the TIP we expect to receive \$1.8 million.