



Date: September 08, 2021
 Current Meeting: September 16, 2021
 Board Meeting: September 23, 2021

BOARD MEMORANDUM

TO: Indianapolis Public Transportation Corporation (IPTC) Board of Directors
THROUGH: President/CEO Inez P. Evans
FROM: Vice President of Finance/Chief Financial Officer Bart Brown
SUBJECT: Consideration of Bond Issue of \$65,000,000 to Support the Certain Public Transportation Projects

ACTION ITEM A – 9

RECOMMENDATION:

Request the Board introduce an ordinance of the Indianapolis Public Transportation Corporation authorizing the issuance of local income tax revenue bonds for the purpose of providing funds to pay the costs of certain public transportation projects listed below. In addition, staff requests the Board schedule a public hearing on this matter at its regular scheduled Board meeting on October 28, 2021 and take final action.

BACKGROUND:

On June 24, 2021 the Board approved a reimbursement resolution in anticipation of issuing debt to support the renovation and construction costs of facilities at 9503 E. 33rd Street and 2425 W. Michigan Street. In addition, with the construction of the Purple Line now underway an additional 22 sixty-foot, all electric buses will be needed at a minimum to service that route.

DISCUSSION:

The bond proceeds of no more than \$65,000,000 will support the following projects estimated at \$107,430,000. Remaining funds for these projects if approved will be sought through FTA grants or Board can approve to use unrestricted funds from its cash balances.

Michigan Street – Phase 1 and 2 (building) including Furniture, Fixtures, Equipment (FFE)	\$2,725,000
Michigan Street – Phase 3 Bus Storage, Site development/Paving, lighting, fencing, heat lamps, drainage	\$1,800,000
East Campus A Building including FFE	\$2,475,000
East Campus B Building with Elevator including FFE	\$3,920,000
East Campus New Garage & Demo (Two-Story, expanded 150 bus) including FFE	\$35,000,000
UV-C Lighting for IPTC Fleet and Facilities	\$2,900,000
Computer Aided Dispatch (CAD) system	\$10,000,000
Rural Street underpass reconstruction	\$6,610,000
<u>30 60-foot electric buses</u>	<u>\$42,000,000</u>
TOTAL	\$107,430,000

ALTERNATIVES:

The Board could choose to pay in cash but that would deplete the corporation’s fund balances to a level that is contrary to the Agency’s reserve fund policy and could jeopardize funding of the other capital projects under the capital plan.

FISCAL IMPACT:

Interest rates are still near historical lows for municipal borrowing and should remain there throughout 2021. Using an assumed interest rate of 4.0% (on a conservative basis) the Corporation can expect to pay yearly debt service estimated at \$5,700,000. First installment estimated due date July 2022.

DBE/XBE DECLARATION:

Staff will seek to engage XBE underwriters through the Indianapolis Improvement Bond Bank.

STANDING COMMITTEE DISCUSSION/RECOMMENDATION:

This action will be reviewed by the Finance Committee on September 16, 2021.