



Date of Memo: May 09, 2023
Current Meeting: May 19, 2023
Board Meeting: May 25, 2023

BOARD MEMORANDUM

TO: Indianapolis Public Transportation Corporation (IPTC) Board of Directors
THROUGH: President/CEO Inez P. Evans
FROM: Chief Financial Officer Bart Brown
SUBJECT: Consideration and approval of Resolution 2023-03 of reimbursement for anticipated debt issuance for Blue Line construction

ACTION ITEM A – 3

RECOMMENDATION:

Request Board to approve Resolution that allows IPTC to reimburse for certain preliminary expenditures related to the construction of the Blue Rapid Transit Line prior to the issuance of debt not to exceed \$100 million.

BACKGROUND:

The Blue Line is the third BRT infrastructure project, with more than half of the budget addressing the condition of the roadway, pedestrian facilities, and drainage. The Blue Line will follow IPTC's current Route 8, along Washington Street from Cumberland west to the Airport. With the Blue Line, local route improvements, and the density of the corridor, the Blue Line will extend the rapid-transit benefits to communities and neighborhoods all along its path. Staff is recommending borrowing to pay for the majority of IPTC's share of Blue Line infrastructure, rather than use on-hand tax collections and savings. The Blue Line will be used for decades but requires large upfront costs; borrowing enables IPTC to spread out those costs. As a result, taxpayers who will use the Blue Line in the future help pay for it. Borrowing also makes infrastructure projects more affordable by reducing the pressure on IPTC's budget in any given year.

DISCUSSION:

If the Board approves the construction of the Blue Line upon the approval of the Small Starts Grant from the FTA, this Resolution will allow IPTC to reimburse any expenditures from bond proceeds that are related to the design, construction, or the issuance of debt. The estimated amount of the bond issuance is \$100 million. Sale of bonds are anticipated for Fourth Quarter 2024. A Bond Ordinance will be presented to the Board either in Second or Third Quarter of 2024. The City-County Council would also need to approve an ordinance authorizing the sale.

ALTERNATIVES:

Reimbursement Resolution is not required but if not adopted then any eligible expenditures prior to issuance could not be reimbursed, thus reducing IPTC fund balances.

FISCAL IMPACT:

There is not a fiscal impact associated with this resolution.

DBE/XBE DECLARATION:

Any expenditures that are eligible for reimbursement are subject to DBE goals set for Blue Line.

STANDING COMMITTEE DISCUSSION/RECOMMENDATION:

This action will be reviewed by the Finance Committee on May 19, 2023.