



Date of Memo: August 08, 2023  
Current Meeting: August 17, 2023  
Board Meeting: August 23, 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:** Introduction and setting Public Hearing for the approval of Ordinance 2023-01 Bond issue of \$125,000,000 to support the Blue Line Bus Rapid Transit (BRT) construction costs

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**ACTION ITEM A – 3**

**RECOMMENDATION:**

Request the Board introduce an ordinance of the Indianapolis Public Transportation Corporation authorizing the issuance of local income tax revenue bonds for \$125,000,000 for the purpose of providing funds to pay the costs of Blue Line BRT construction. In addition, staff requests the Board schedule a public hearing on this matter at its regular scheduled Board meeting on September 27, 2023 and take final action during that meeting.

**BACKGROUND:**

IPTC’s new Blue Line, the third phase of the Bus Rapid Transit system. This route will travel on Washington Street from Cumberland, Indiana to the Indianapolis International Airport.

On May 23, 2023 the Board approved a reimbursement resolution in anticipation of issuing debt.

**DISCUSSION:**

The bond proceeds of no more than \$125,000,000 are part of IPTC’s local share of a Small Starts Grant and will support the construction costs of the Blue Line. The ordinance allows for the early issuance of Bond Anticipation Notes to fund early construction expenditures. It also allows to take advantage of Federal and State loan programs that can offer lower interest rates. It is anticipated that no debt will be issued until 2024 or later.

**ALTERNATIVES:**

IPTC does not have the monetary reserves to pay for construction costs with cash. Declining to approve debt could jeopardize the Small Starts Grant through the FTA.

**FISCAL IMPACT:**

Using an assumed interest rate of 5.0% (on a conservative basis) the Corporation can expect to pay yearly debt service estimated at \$9,959,058. First installment is estimated in January 2025.

**DBE/XBE DECLARATION:**

Staff will seek to engage XBE underwriters through the State or City’s Bond Banks.

**STANDING COMMITTEE DISCUSSION/RECOMMENDATION:**

This action will be reviewed by the Finance Committee on August 17, 2023.