

IndyGo Red Line Rapid Transit
Indianapolis, Indiana
Small Starts Project Development
(Rating Assigned November 2016)

Summary Description	
Proposed Project:	Bus Rapid Transit 13.1 Miles, 28 Stations
Total Capital Cost (\$YOE):	\$96.33 Million
Section 5309 Small Starts Share (\$YOE):	\$74.99 Million (77.8%)
Annual Operating Cost (opening year 2018):	\$7.03 Million
Existing Corridor Ridership (Warranted):	7,800 Daily Linked Trips
Overall Project Rating:	Medium
Project Justification Rating:	Medium
Local Financial Commitment Rating:	Medium

Project Description: The Indianapolis Public Transportation Corporation (IndyGo) proposes to build a bus rapid transit (BRT) line connecting the Indianapolis central business district (CBD) with the Village of Broad Ripple to the north, and the University of Indianapolis campus to the south. The project includes approximately 7.7 miles of dedicated bus lanes, traffic signal priority at intersections, and stations with weather protection, level vehicle boarding, real-time bus arrival information, and self-service fare vending. The project includes the purchase of 12 60-foot electric battery-powered buses. Service would be provided 20 hours per weekday, with buses every ten minutes during daytime hours and every 30 minutes during the evening. Weekend service would be provided 18 hours per day, with buses every 15 minutes during service hours.

Project Purpose: The project will provide fast, reliable, convenient transit service in a key corridor serving downtown Indianapolis. It will operate through the densest area of the city, which has among the most diverse land uses in the region. The route serves four major universities, several hospitals, government agency offices, other community services, and the new Downtown Transit Center, which offers transfer opportunities to numerous connecting bus routes. Although existing bus routes in this corridor have the highest ridership in the IndyGo system, the service can be slow and unreliable. Bus service speed and schedule reliability will be improved by the dedicated BRT lanes and traffic signal priority.

Project Development History, Status and Next Steps: IndyGo selected the locally preferred alternative for the project in September 2014. The project entered Small Starts Project Development in May 2015. It was adopted into the region's fiscally constrained long range transportation plan in August 2015. IndyGo completed the environmental review process with a documented Categorical Exclusion in October 2016. A Small Starts Grant Agreement is anticipated in summer 2017, and start of revenue service in late 2018.

Significant Changes Since Last Evaluation (November 2015): There have been no significant changes to the project in the last year.

Locally Proposed Financial Plan

<u>Source of Funds</u>	<u>Total Funds (\$million)</u>	<u>Percent of Total</u>
Federal:		
Section 5309 Small Starts	\$74.99	77.8%
USDOT TIGER VI Grant	\$2.07	2.2%
Local:		
IndyGo Capital Cumulative Fund	\$6.17	6.4%
Indianapolis Department of Public Works General Funds	\$6.00	6.2%
Metropolitan Development Commission Tax Increment Financing Revenues	\$6.00	6.2%
General Funds from Partner Agencies (Local Match for TIGER Grant Funds from Cities of Westfield, Carmel, Indianapolis and Greenwood)	\$1.10	1.2%
Total:	\$96.33	100.0%

NOTE: The financial plan reflected in this table has been developed by the project sponsor and does not reflect a commitment by DOT or FTA. The sum of the figures may differ from the total as listed due to rounding.

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Factor	Rating	Comments
Local Financial Commitment Rating	Medium	
Non-Section 5309 Small Starts Share	N/A	The Small Starts share of the project is 77.8 percent.
Project Financial Plan	Medium	
Capital and Operating Condition (25% of local financial commitment rating)	Medium-High	<ul style="list-style-type: none"> • The average age of the Indianapolis Public Transportation Corporation (IndyGo) bus fleet is 8.5 years, which is older than the industry average. • IndyGo has not issued bonds in the last two years. • IndyGo's current ratio of assets to liabilities as reported in its most recent audited financial statement is 2.10 (FY2015). • There have been no service cutbacks or cashflow shortfalls in recent years.
Commitment of Capital and Operating Funds (25% of local financial commitment rating)	High	<ul style="list-style-type: none"> • All of the non-Section 5309 Small Starts funds are committed. Sources of capital funds include a Transportation Investment Generating Economic Recovery (TIGER) grant, general revenues from the Cities of Indianapolis, Carmel, Greenwood, and Westfield; Metropolitan Development Commission tax increment financing revenues; general fund revenues from the City of Indianapolis Department of Public Works; and IndyGo Capital Cumulative Fund monies derived primarily from a local property tax levy. • Approximately 93.9 percent of funds needed to operate and maintain the transit system in the first full year of operation are committed or budgeted, and the rest are considered planned. Sources of funds include Federal 5307 formula funds, State Public Mass Transportation Fund proceeds, local property and excise tax revenues, local route advertising and service agreements, passenger fares, and revenues from a sponsorship of the Project.
Reasonableness of Capital and Operating Cost Estimates and Planning Assumptions/Capital Funding Capacity (50% of local financial commitment rating)	Medium-Low	<ul style="list-style-type: none"> • Capital revenue growth assumptions are reasonable when compared to recent historical experience. • The capital cost estimate is optimistic. • Regarding growth in operating revenue assumptions, special property and excise tax revenues are consistent with historical experience. Farebox collection projections are optimistic. • Operating cost estimates are conservative compared to recent historical experience. • IndyGo has access to funds via additional debt capacity, cash reserves, or other

		committed funds to cover cost increases or funding shortfalls equal to at least 15 percent of the estimated project cost and 12 percent of annual system-wide operating expenses.
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LAND USE RATING: Medium

The land use rating reflects population density within one-half mile of proposed stations, employment served by the line, and the share of legally binding affordability restricted (LBAR) housing in the station areas compared to the share in the surrounding county.

- The population density for all station areas is 4,300 persons per square mile, which corresponds to a Medium-Low rating. There are 145,000 jobs served by the line, which corresponds to a Medium-High rating. The average daily parking cost in the Indianapolis Central Business District is \$14, corresponding to a Medium-High rating. The proportion of LBAR housing in proposed station areas compared to the proportion in Marion County is 2.13, corresponding to a Medium rating. However, the share of LBAR housing in Marion County is greater than five percent, which increases the rating to a Medium-High.
- The northern portion of the corridor has low to medium density residential neighborhoods with small commercial centers. The central portion, which includes downtown Indianapolis, has higher commercial densities, but many vacant lots and storefronts. The southern portion has low to medium density residential neighborhoods and also has many vacant lots and storefronts.
- Most station areas have a well-connected pedestrian network, but main streets have high traffic speeds and long pedestrian crossings.

ECONOMIC DEVELOPMENT RATING: Medium-Low

Transit-Supportive Plans and Policies: Medium

- *Transit-Supportive Corridor Policies:* The Red Line Transit-Oriented Development Strategic Plan aspires to a range of residential densities in the corridor, with an average density of medium-high. The plans and policies in place in the Red Line corridor form a cohesive framework for improving pedestrian facilities in the corridor. However, few policy-level documents discuss parking needs or goals in the corridor.
- *Supportive Zoning Regulations Near Transit Stations:* The corridor has a mix of zoning regulations with zoning in the station areas between 38th Street and Downtown Indianapolis allowing for medium to high density residential development and some mix of uses; station areas in Downtown zoned for high density development with no height limits; and the rest of the corridor zoned for low-density residential development. There are few transit-supportive zoning regulations in most of the corridor outside of Downtown.
- *Tools to Implement Land Use Policies:* Outreach efforts were focused around the City of Indianapolis's comprehensive plan update process and efforts were made to address transportation and land use issues simultaneously. The development community has participated in larger planning efforts in the corridor. No regulatory or financial incentives to promote transit-supportive development were identified.

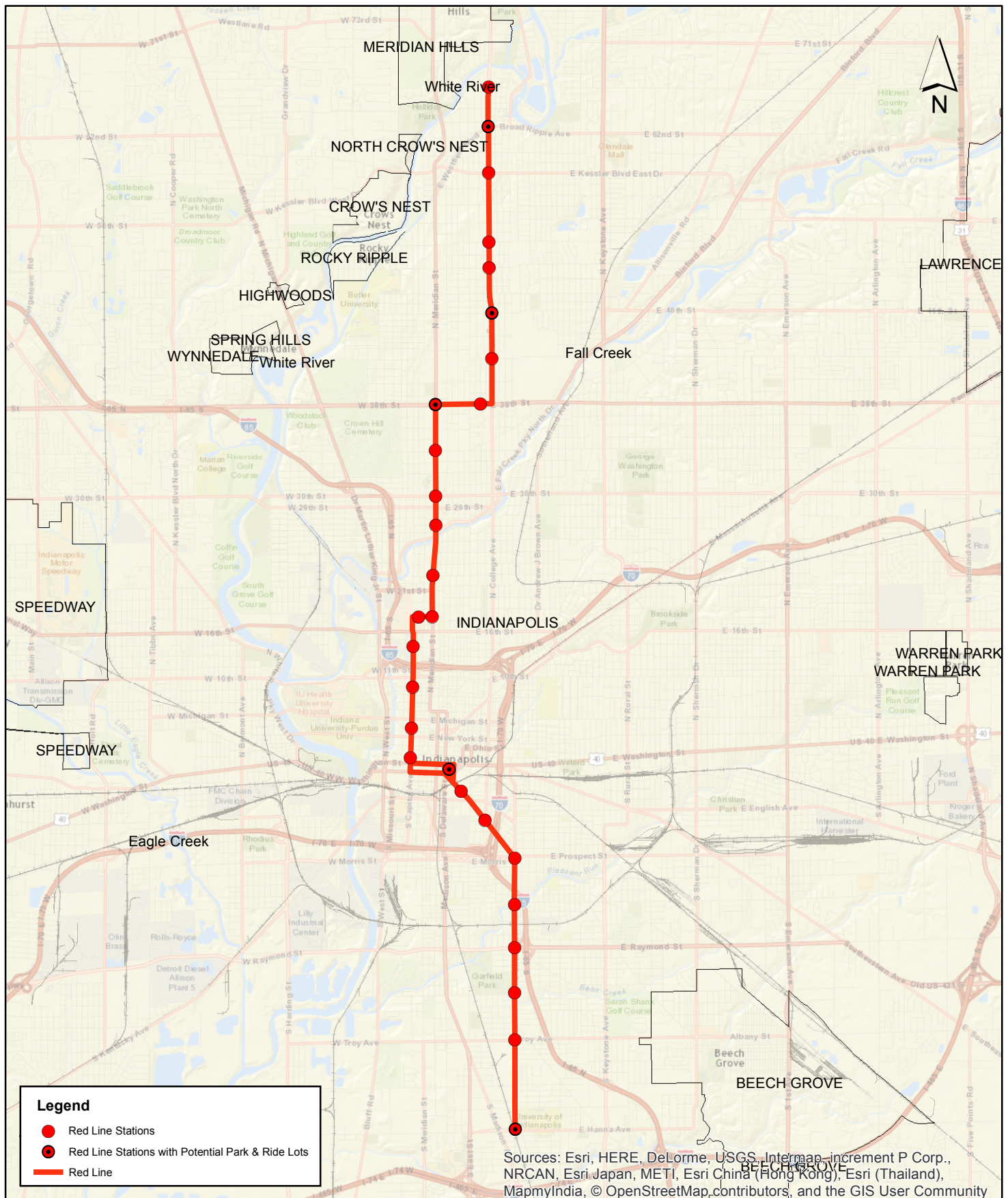
Performance and Impacts of Policies: Medium-Low

- *Performance of Land Use Policies:* There are several developments proposed in station areas, but their character is only marginally transit-supportive, with large setbacks and ample parking.
- *Potential Impact of Transit Investment on Regional Land Use:* The city's population is growing, the corridor has ample vacant land, and significant development activity is underway in parts of the corridor. However, development activity is not evenly distributed throughout the corridor and some neighborhoods appear unlikely to attract much development.

Tools to Maintain or Increase Share of Affordable Housing: Medium-Low

- As a part of its comprehensive plan update, the City of Indianapolis analyzed housing cost burden and needs in the corridor and the county as a whole. Specific plans, policies and financing tools to preserve and increase affordable housing are limited, but there are several proposed affordable housing developments in the corridor. All affordable rental units that receive public funds in the city are bound as affordable for a period of at least 15 to 20 years.

IndyGo Red Line Rapid Transit, Indianapolis, Indiana



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