



Request for Proposal



This Request for Proposal solicits proposals in providing underwriting or placement agent services to The Indianapolis Local Public Improvement Bond Bank (“Bond Bank”) for an upcoming bond issuance relating to the IndyGo Project, as further described herein. A submittal of a response does not guarantee that the firm will be contracted by the Bond Bank to perform any services. Please note all required legislative approvals of the Indianapolis Public Transportation Corporation, Bond Bank, and City-County Council have been received for this issuance.

The Bond Bank

The Bond Bank was created in 1985, pursuant to Indiana Code 5-1.4-3-1. The Bond Bank is an instrumentality of the City of Indianapolis (“City”) but is not a City agency and has no taxing power. The Bond Bank was created for the purpose of buying and selling securities of certain qualified entities (“Qualified Obligations”), including the City, Marion County (“County”), all special taxing districts of the City, all entities whose tax levies are subject to review and modification by the City-County Council under Indiana Code 36-3-6-9, charter schools sponsored by the Mayor of the City, and certain authorities or entities created under Indiana Code Title 36 that lease land or facilities to other qualified entities (collectively, “Qualified Entities”).

The Bond Bank serves as a conduit issuer and provides access to the capital markets for Qualified Entities. In addition, the Bond Bank also has general powers that include the power to enter into, make, and perform contracts of every lawful kind, provide general project support, and routinely manage many of the ongoing requirements that may exist in relation to the outstanding debt obligations of the Qualified Entities.

The Bond Bank is preparing to issue bonds for the purpose of providing funds to purchase the proposed Indianapolis Public Transportation Corporation Local Income Tax Revenue Bonds, Series 2021C (“IPTC Qualified Obligations”).

The Qualified Entity: IPTC

The Indianapolis Public Transportation Corporation (“IPTC”) is a separate municipal corporation of the City established and existing pursuant to Indiana Code (IC) 36-9-4 (“IPTC Statute”) to fund public transportation projects and issue bonds for the payment thereof. The IPTC, doing business as “IndyGo,” was formed on August 7, 1973, by the City-Council General Ordinance No. 36. The IPTC is under the control of its Board of Directors, which exercises executive and legislative powers of the IPTC. The Board of Directors has the power to do, among other things, the following: sue and be sued in any court having competent jurisdiction, contract and be contracted with, acquire real, personal and mixed property by deed, purchase, gift, grant, devise, lease, condemnation, or otherwise, and dispose of same, and make and adopt appropriate ordinances, regulations, orders, rules and resolutions, and do all things reasonable or necessary to carry out the work to perform the duties of the IPTC under the IPTC Statute. The IPTC is authorized to issue bonds to procure moneys to fund public transportation projects under IC 36-9-4, IC 6-3.6-6, IC 6-3.6-7, IC 8-25 and IC 5-1-14-4, each as amended.

For information regarding IPTC, respondents are encouraged to visit the following websites:

- General Information: <https://www.indygo.net/>
- COVID Related Updates (including 2020 monthly ridership statistics): <https://www.indygo.net/health/>
- Recent Standard & Poor’s Rating Action as posted on EMMA: <https://emma.msrb.org/ER1322098-ER1030254-ER1437193.pdf>

The IndyGo Project

The proposed IPTC Qualified Obligations will be issued for the purpose of providing funds to procure twenty-seven (27) 40-Foot Hybrid low floor buses to be utilized within the City and the County (“IndyGo”).

Project”). The IndyGo Project is in furtherance of the Marion County Transit Plan (“Transit Plan”). The Transit Plan recommends improvements to the local bus network operated by IndyGo, including (1) shorter wait times between buses, (2) increased bus services in the morning and later at night, (3) more efficient transfers, and (4) advanced payment and arrival technology on the busses, as well as the installation of three rapid transit lines.

The IPTC developed a five-year capital plan to implement the recommendations of the Transit Plan. The capital plan includes substantial investment in transit and transit-supporting infrastructure required to enable the IPTC to advance the Transit Plan. These investments include expenditures associated with rolling bus stock, enhancements to on-street infrastructure and bus rapid transit, IndyGo facilities, information technology and finance, and safety and security.

Outstanding IPTC Obligations

The IPTC has one outstanding long-term debt obligation in the principal amount of \$20,445,000. The proposed Qualified Obligations of the IPTC will be issued on a parity basis with the outstanding debt obligation which description is listed below.

- **Indianapolis Public Transportation Corporation Local Income Tax Revenue Bonds, Series 2018A (“2018A Bonds”)**
 - Pledge: Transportation LIT Revenues
 - Matures semi-annually on January 15 and July 15
 - Final maturity: January 15, 2028
 - Standard & Poor’s Rating: AA-
 - The outlook was revised to “Negative Outlook” in March 2020.

In addition to the above, IPTC has authorized the issuance of short-term tax anticipation warrants designated as Indianapolis Public Transportation Corporation Taxable Tax Anticipation Time Warrant, Series 2020 (Operating Fund) in an amount not to exceed \$20 million (“Notes”). The Notes are structured as draw notes and if needed, will be used to provide temporary loans for the use and benefit of the Operating Fund of IndyGo during the period January 1, 2021, through December 31, 2021, in anticipation of current taxes collectible in the year 2021.

Security

The proposed IPTC Qualified Obligations will be secured by a pledge of transportation local income tax revenues (“Transportation LIT Revenues”), as further described in the following paragraphs.

On November 8, 2016, Marion County voters voted in favor of a local income tax to improve the City’s transit system. On February 27, 2017, the City-County Council approved and adopted an ordinance pursuant to IC 6.3.6-7-27 and IC 8-25-3-1 imposing a local income tax rate of 0.25% on the adjusted gross income of local taxpayers dedicated to public transit projects in the County.

Upon collection, the Transportation LIT Revenues are retained by the County Auditor and deposited into the Marion County Transportation Fund established under IC 8-25-3-7 and used for the purposes thereof, including the payment of bonds issued for public transportation projects. All Transportation LIT Revenues deposited in the Marion County Transportation Fund are pledged in an amount sufficient for payment of principal and interest on the proposed Qualified Obligations of the IPTC on a parity with the 2018A Bonds. The 2021 certified Transportation LIT distribution, as provided by the Indiana State Budget Agency is \$63,573,989 compared to the 2020, 2019, and 2018 Transportation LIT Revenues distribution of \$59,569,430, \$56,858,347, and \$54,013,505, respectively. (Such collections do not purport to be a forecast of future Transportation LIT Revenues. There can be no guarantee that LIT Revenues today will represent future LIT Revenues available for debt service for the 2018A Bonds or the IPTC Qualified Obligations).

Debt Structuring Considerations

Project Fund Deposit	\$22,500,000
Authorized Max Par Amount	\$25,800,000
Authorized Max Interest Rate	5.00%
Authorized Max Term	15 Years*

Reserve Requirement	Combined reserve with the 2018A Bonds funded at the lesser of (i) the maximum annual debt service on all bonds, (ii) one hundred twenty five percent (125%) of the average annual debt service on all bonds, or (iii) ten percent (10%) of the proceeds of all bonds. (The current debt service reserve for the 2018A Bonds is \$2,859,052.)
Amortization	Level Debt Service
Maturity Dates	January 15 and July 15
Estimated Funding Date	April 7, 2021

*The proposed bonds will be amortized over the useful life of the buses being financed by the IPTC (12 years).

Response Requirements

1. Please provide a detailed explanation of your approach or methodology and proposed structure.
 - a. Please indicate whether a private placement or open-market issuance would be most advantageous to the Bond Bank and IPTC.
 - b. If applicable, please provide rating agency considerations for this transaction (if your response to 1(a) provides for a rating).
2. Please describe your proposed marketing strategy.
3. Please include a detailed list of your proposed fees.
 - a. Include your not-to-exceed underwriters discount and detailed out-of-pocket expenses.
4. Please provide additional considerations or experience that may be advantageous to this proposed issuance.

Proposal Submission

To be considered for selection, proposers must submit a complete signed response in PDF form via electronic mail to Eva.Flick@Indy.Gov.

The response should include the following:

- Cover Letter – not to exceed one page (not included in four-page limit) including providing primary contact information and serve as an executive summary.
- Response to Response Requirements – not to exceed four pages – utilizing 10-point size font.

Proposals must be received at the above location no later than the end of business, 4:30 p.m. Eastern Standard Time (Indianapolis time), on January 25, 2021.

The Bond Bank reserves the right to conduct interviews as part of the evaluation process but is not required to do so. Respondents selected for an interview will be notified of the specific time, place, and procedure for the interviews, if applicable.

Questions concerning this Request for Proposal should be submitted via email no later than noon on Wednesday, January 20, 2021, to Eva Flick, Project Manager, at Eva.Flick@Indy.Gov. Please allow up to two (2) business days for a response.

Note: The Bond Bank reserves all rights to amend the information in this Request for Proposal (“Request”). The Bond Bank may terminate discussions with any or all interested parties at any time. Information in this Request is considered preliminary, subject to change, and may be withdrawn at any time. It is not suitable for (nor is it intended to be used when) making any investment or underwriting decisions. In addition, the Bond Bank reserves rights to waive defects, irregularities or informalities and it may accept, use, or reject any part of any response at its discretion. No information submitted to the Bond Bank pursuant to this Request shall be treated as confidential or proprietary, as it may be used by the Bond Bank or the IPTC at any time for any purpose. The Bond Bank may postpone the date on which

responses are to be submitted or take any other action that it deems to be in its best interest. The Bond Bank is not responsible for and will not pay for any costs associated with your submission.