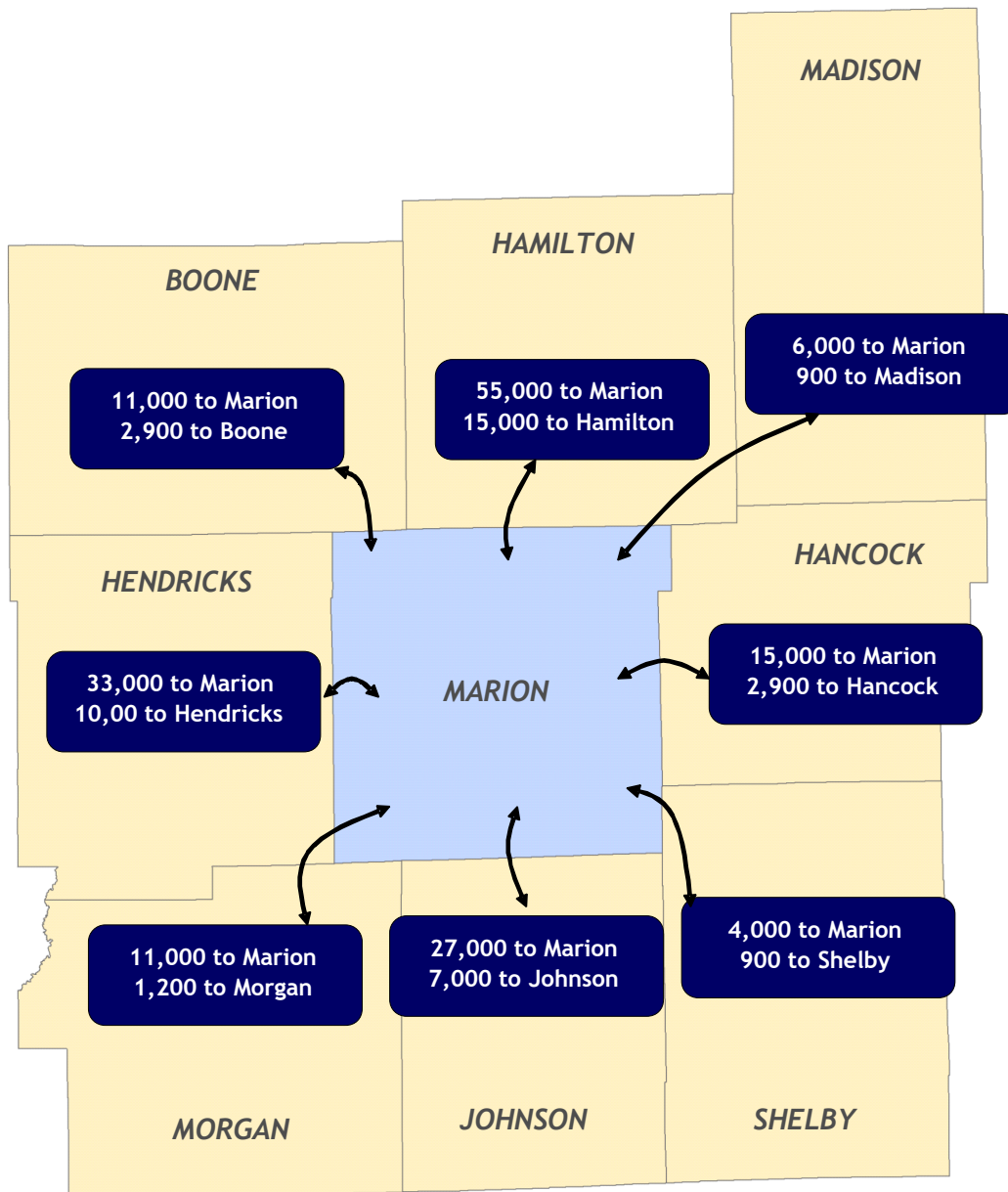


Strategy to Fund Regional Infrastructure

Local Income Tax Increment Allocation Concept



REGIONAL COMMUTING PATTERNS



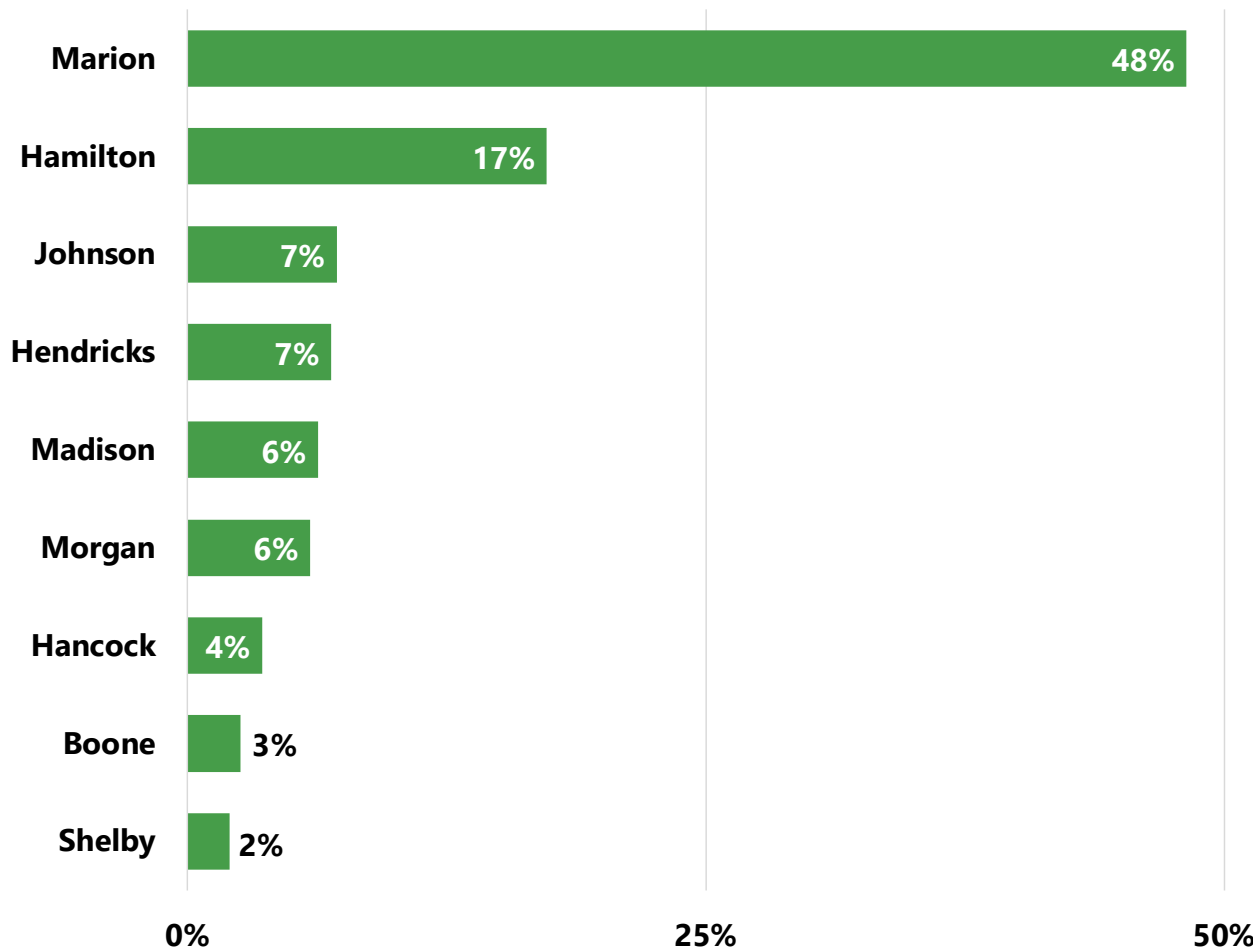
In total, 161,500 workers (23%) who work in Marion County every day commute from surrounding counties.

Wages taxed via the local income tax, are taxed by the county of residence.

Source: IT-40 data compiled by the Indiana Business Research Center

Distribution of Vehicle Miles Traveled among Central Indiana Counties (2016)

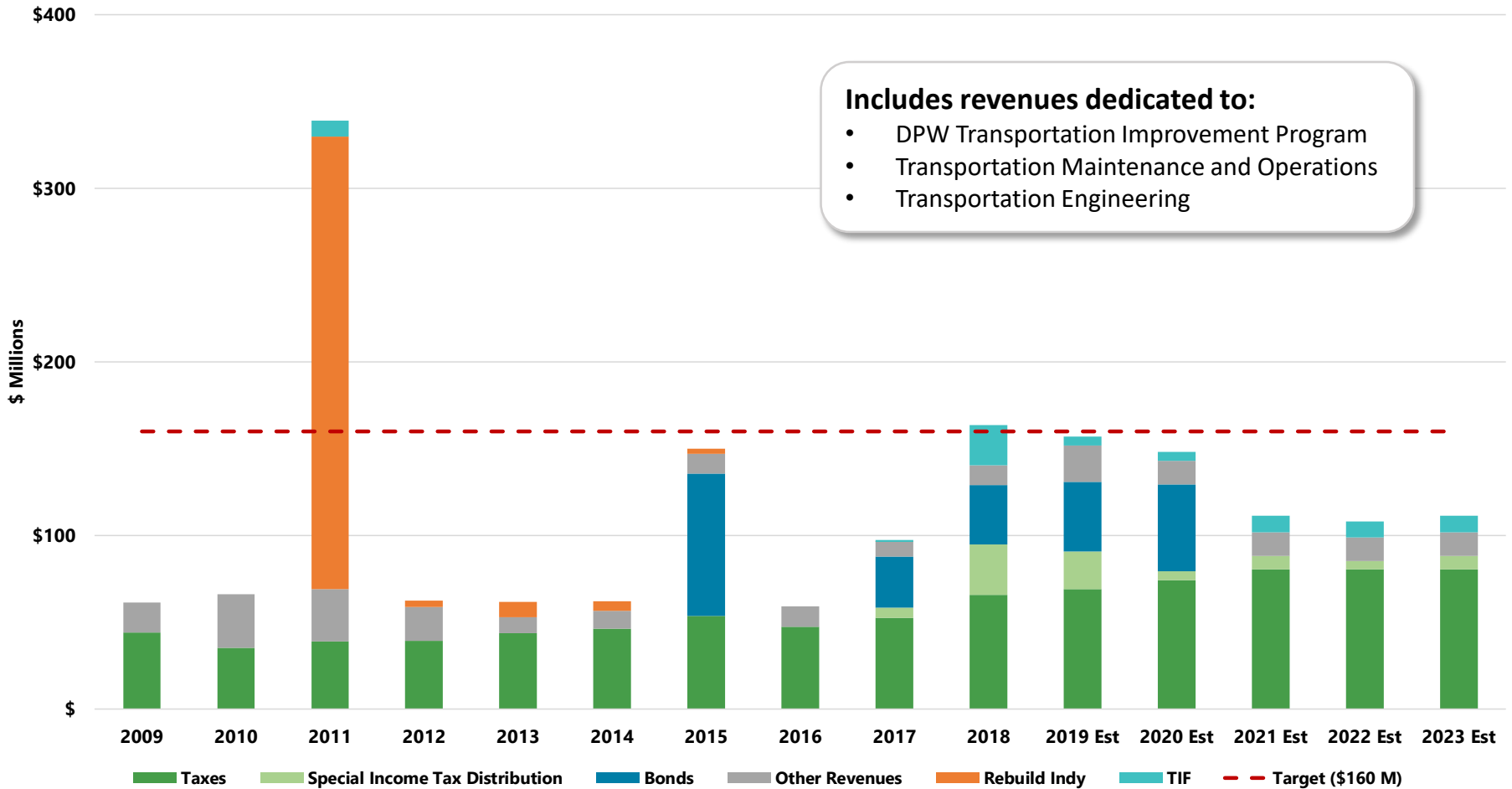
Includes Non-Interstate Freeway, Major Arterial, Minor Arterial Roads



- Vehicle miles traveled (VMT) data is published by INDOT for all counties.
- VMT is a proxy for the use of infrastructure and the costs required to sustain the transportation network.
- Only non-interstate freeways, principal arterials and minor arterials (major thoroughfares) are included because of their role in intra-regional transportation.

Source: INDOT

Annual Indianapolis Infrastructure Funding by Source



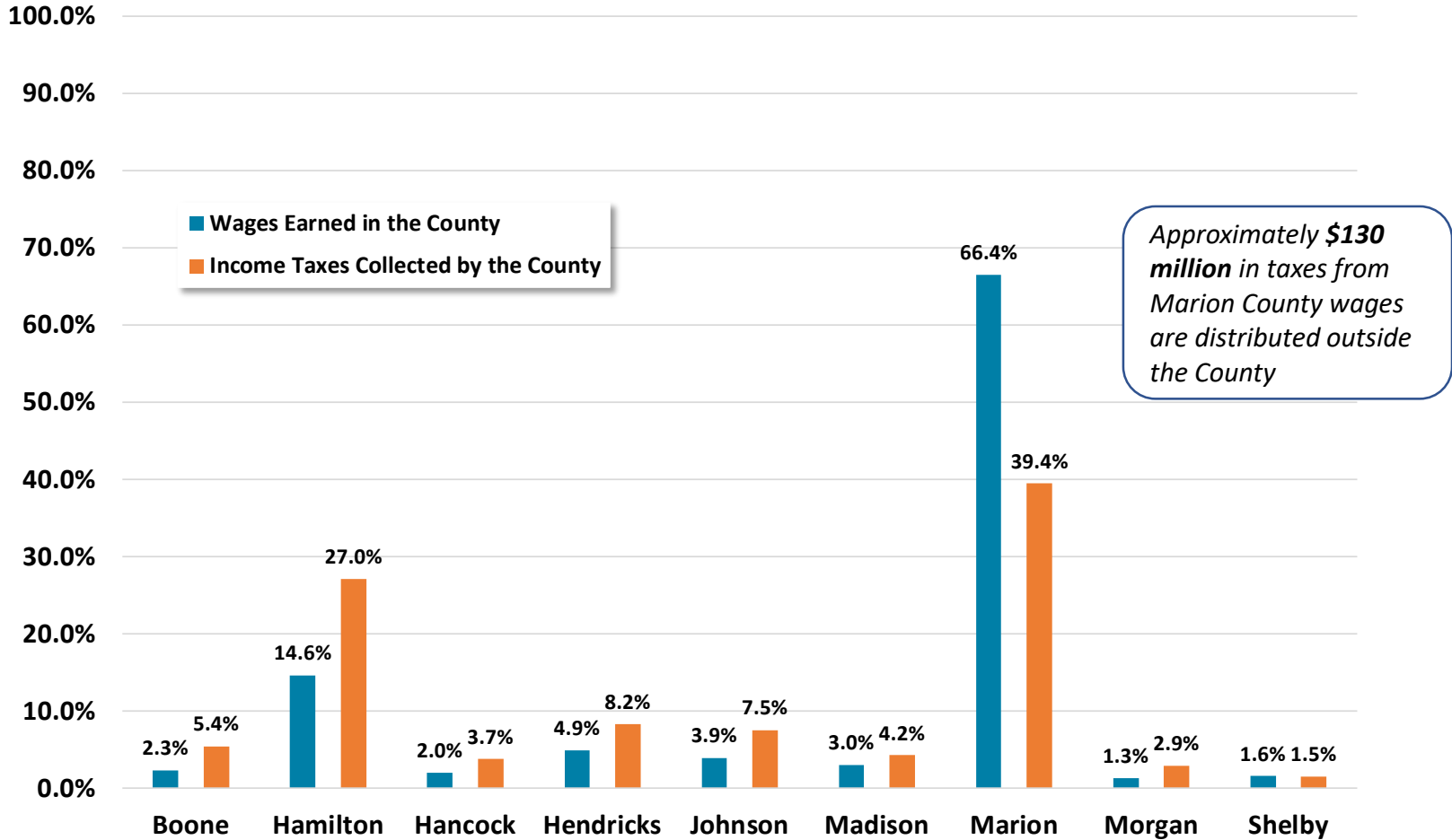
Source: Indianapolis Office of Finance and Management

FOUR YEAR CAPITAL FUNDING PROJECTIONS

DPW Capital Program	2019	2020	2021	2022	2023	TOTAL
Funding Sources						
LRS Construction Neighborhoods	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 25,000,000
MVH Construction Neighborhoods	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 25,000,000
New Funding HB 1002	\$ 10,000,000	\$ 7,500,000	\$ 4,250,000	\$ 3,500,000	\$ 3,500,000	\$ 28,750,000
Gas Tax Funding	\$ 20,000,000	\$ 17,500,000	\$ 14,250,000	\$ 13,500,000	\$ 13,500,000	\$ 78,750,000
City Cumulative - Transportation	\$ 560,000	\$ 560,000	\$ -	\$ -	\$ -	\$ 1,120,000
County Cum - Streets	\$ 4,240,000	\$ 4,240,000	\$ -	\$ -	\$ -	\$ 8,480,000
Parking Capital	\$ 3,700,000	\$ 6,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 21,700,000
New Bonds (\$120M)	\$ 30,000,000	\$ 50,000,000	\$ 40,000,000	\$ -	\$ -	\$ 120,000,000
New Funding COIT Money	\$ 17,000,000	\$ 5,000,000	\$ 8,000,000	\$ -	\$ -	\$ 30,000,000
BRT Money	\$ -	\$ 500,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 3,500,000
Other Local Funds	\$ 55,500,000	\$ 66,300,000	\$ 53,000,000	\$ 5,000,000	\$ 5,000,000	\$ 184,800,000
Community Crossings Grant	\$ 1,933,359	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 5,933,359
Multi Modal	\$ -	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 4,000,000
LPA Federal Aid	\$ 17,326,658	\$ 33,570,199	\$ 21,986,897	\$ 13,630,000	\$ 19,070,659	\$ 105,584,413
Indianapolis Neighborhood Infrastructure Program (INIP)	\$ 3,259,607	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ -	\$ 15,259,607
Tax Increment Financing	\$ 12,200,000	\$ 5,000,000	\$ 9,240,000	\$ 9,240,000	\$ 9,240,000	\$ 44,920,000
PPP/Grant/Donation	\$ 1,335,729	\$ 40,000	\$ 4,900,000	\$ -	\$ -	\$ 6,275,729
External Funds	\$ 36,055,352	\$ 44,610,199	\$ 42,126,897	\$ 28,870,000	\$ 30,310,659	\$ 181,973,107
Funding Sources Total	\$ 111,555,352	\$ 128,410,199	\$ 109,376,897	\$ 47,370,000	\$ 48,810,659	\$ 445,523,107



Comparison of Wages Earned vs. Income Taxes Collected in the 9-County Region



Source:

Wages: Woods and Poole estimate of wages earned

Collections: Indiana State Budget Agency; normalized to an equal tax rate



Local Income Tax Rates in Central Indiana



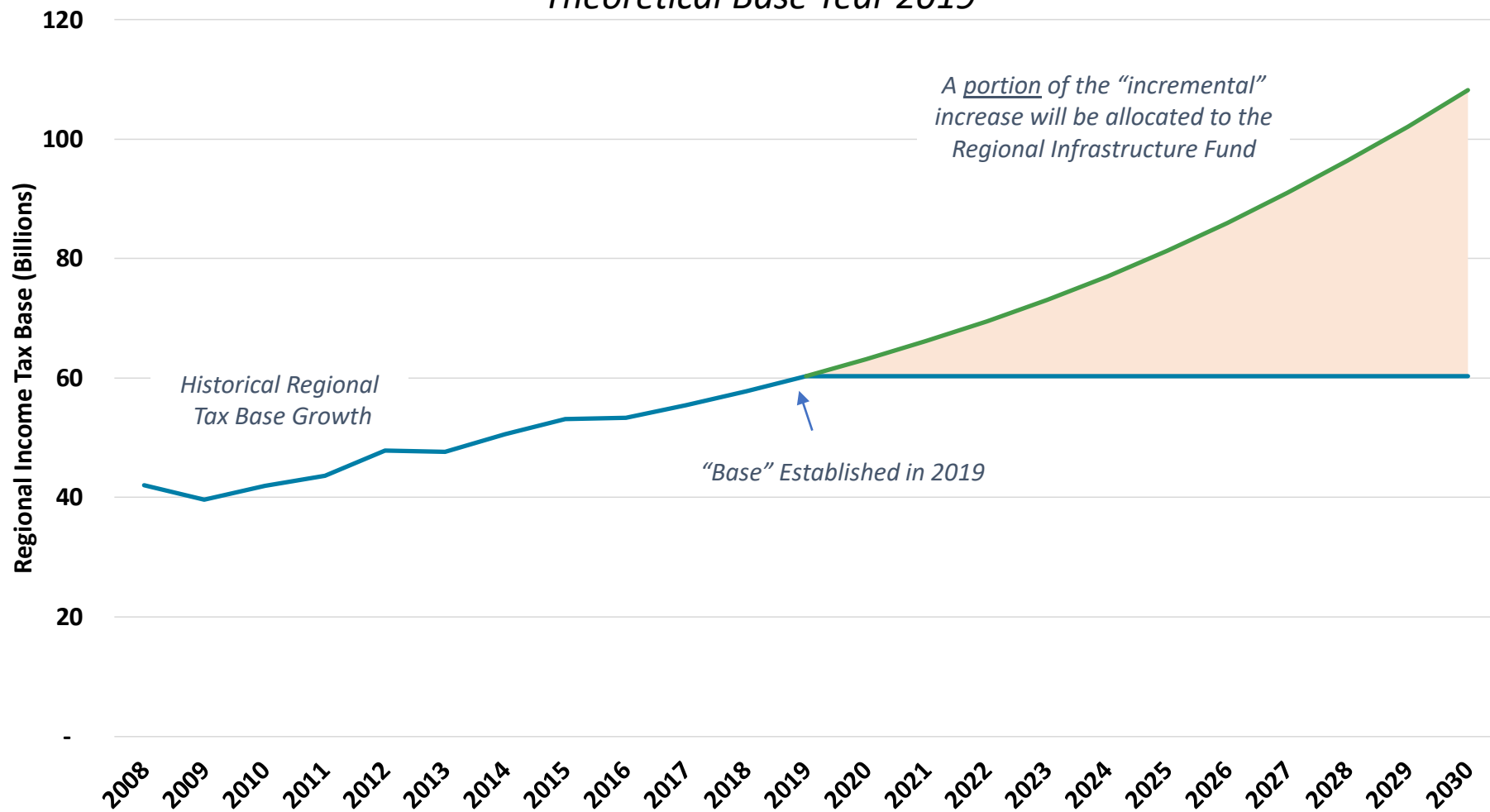
- Local income tax rates range from 1.00% in Hamilton and Johnson Counties to 2.72% in Morgan County.
- Marion County's current income tax rate is 2.02%
- In some counties, a portion of the income tax rate is dedicated to special uses, such as public transit, jails, or property tax relief [sometimes via bonding].
- Each county in the 9-county region already imposes an "Expenditure Rate" for spendable income tax revenue of at least 1.00%.



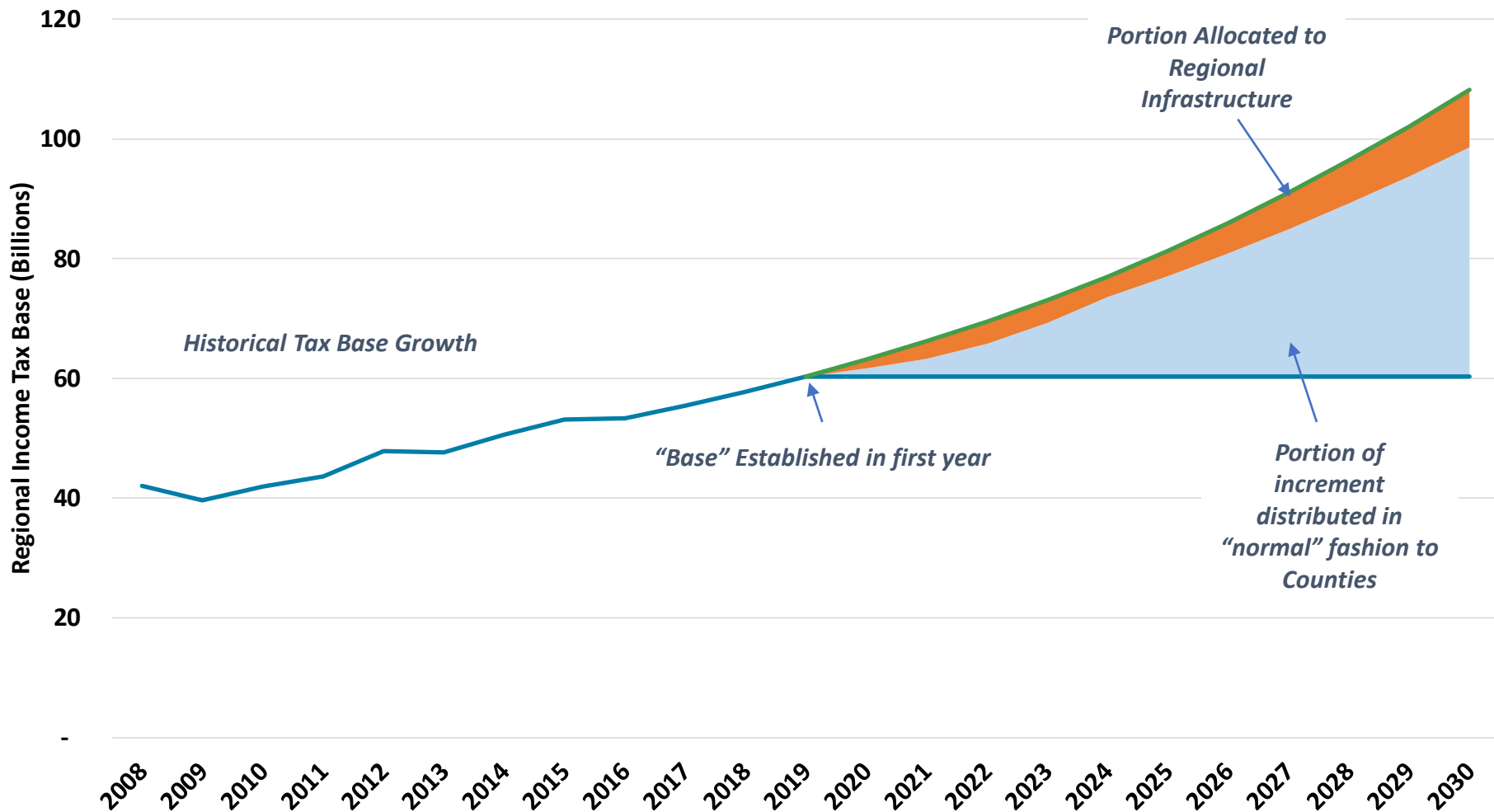
1. Transportation infrastructure is a critical component to the growth of a regional economy.
2. The cost burden of critical infrastructure is shared unevenly across the region.
3. Vehicle miles travelled (VMT) or alternative metrics demonstrate the usage of infrastructure assets between and among Central Indiana residents.
4. A basic policy premise is: the users of infrastructure assets should bear the costs in relation to their usage.

A "TIF-Like" Income Tax Concept

Theoretical Base Year 2019

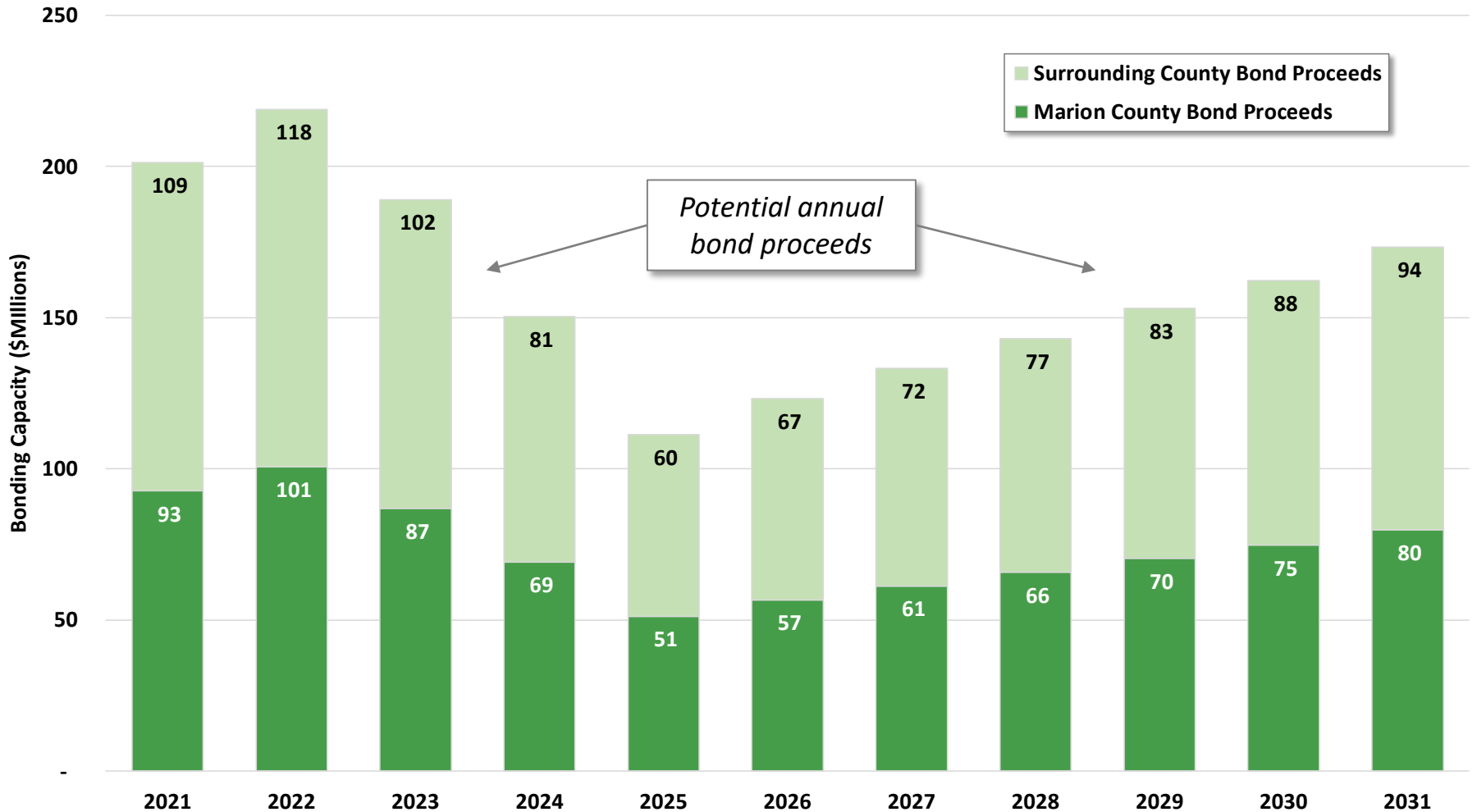


Illustrative Incremental “Set Aside” – How much to Allocate?

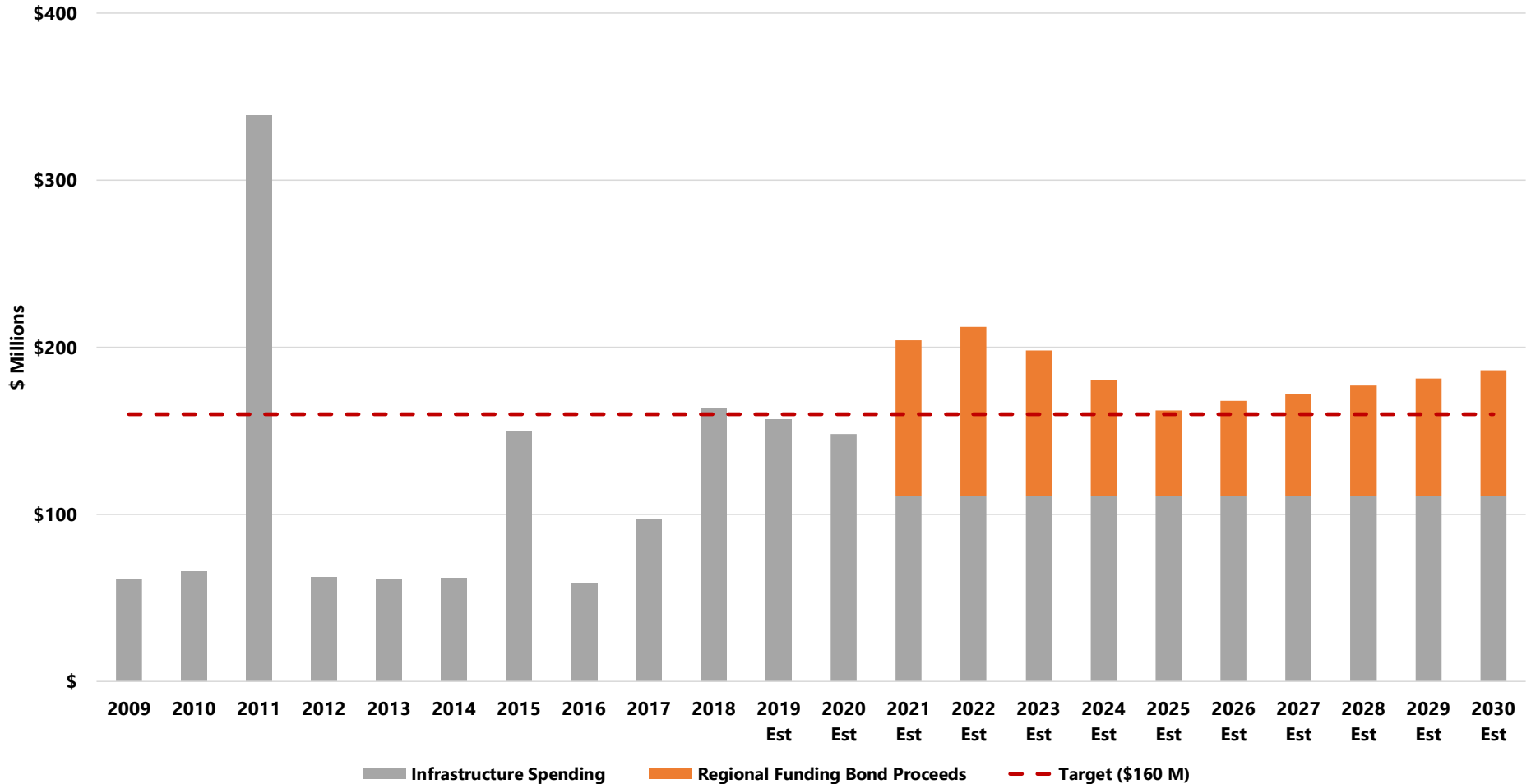


Approximate Annual Bonding Capacity – Bond Proceeds

20 Year Term; 3.5% Rate (dollars in millions)



Annual Indianapolis Transportation Funding – with Regional Infrastructure Proceeds



Funding Contribution from Income Tax vs. VMT Based Distribution

