

***REBUILDING***  
**PUBLIC TRANSPORTATION**  
**IN INDIANAPOLIS**

**THE INDIANAPOLIS TRANSIT TASK FORCE**

**FINAL REPORT**

**AUGUST 2004**

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## **EXECUTIVE SUMMARY**

Public transit is essential for the overall economic health and prosperity of Indianapolis, particularly in downtown and economic centers dispersed throughout the Indianapolis metropolitan area. Unfortunately, the current system has suffered from years of neglect and barely provides the essential services necessary to connect people to jobs, businesses, and services. Indianapolis needs a public transit system that is a viable component of the Indianapolis transportation network and plays a major role by providing economic, mobility, societal, and environmental benefits to the city and its residents. The current system is:

- Relatively efficient (cost of \$64 per hour versus Columbus, Ohio's transit service operating at \$84 per hour);
- Inadequate in terms of service, frequency and coverage area (30-60 minute headways and insufficient route coverage due to service to a limited area within Marion County);
- Inadequate in terms of local funding (As a comparison, Columbus, Ohio provides local contribution that is greater than IndyGo's entire budget). IndyGo is underfunded to meet current expectations. Recent financial injections will only allow current service levels to exist in the near term;
- Staffed by competent managers and employees who want to improve the system;
- Too reliant on property tax as single source of local funding;
- Underutilized - needs to be marketed, especially to employers;

To turn this around, the Indianapolis Transit Task Force recommends:

- A dedicated source of additional local funding;
- Reducing reliance on property taxes to fund IndyGo services;
- Generating varying sources of funding, including exhausting local authority to increase the current distribution of County Option Income Tax, 25% – 30% from farebox revenues as well as other local revenue sources such as sales tax (other than food and beverage), environmental impact fees, and charter and other services to capture discretionary riders, advertising on bus shelters, etc.;
- County-wide coverage on a minimum of 15-30 minute frequencies (preferably 10-20 minute frequencies), and flexibility to extend service beyond the Indianapolis metropolitan area through use of express routes, etc.;
- IndyGo is the core/foundation for a regional transportation system;
- IndyGo become the mobility manager for public transit, which would include involvement in any discussions on community and economic development for the Indianapolis metropolitan area. Public transit should also be part of a broader strategy

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discussion among the major planning stakeholders to address long-range planning and coordination of transit services to satisfy mobility needs;

- Public transit should be supported and utilized as a viable solution to address emissions reductions in the Indianapolis metropolitan area and surrounding counties that were recently designated as non-attainment for ozone and particulate;
- Extensive outreach and advocacy will be necessary in order to secure buy-in from the general public, elected officials, governmental entities, and other stakeholders; and
- Specific timelines should be developed wherein various service strategy options will be examined. The investigation would result in a recommendation(s) with defined scope, cost and timing.

In addition to these recommendations, the Task Force validated through this assignment, its research, and public/community stakeholder input that public transit contributes to sustainable development and livability in Indianapolis and supports its overall economic growth plan by:

- Providing access to jobs and local business activity;
- Providing a viable alternative to the automobile for residents who cannot or choose not to drive an automobile;
- Reducing traffic congestion, energy consumption, and automobile emissions;
- Strengthening neighborhoods, government and community services, business districts and supporting civic events by making them more accessible;
- Reducing the need to create additional parking facilities;
- Supporting the mobility of pedestrians and bicyclists; and
- Supporting the independence of the elderly and people with disabilities.

The Task Force assignment was executed over a six-month period. Subsequent activities responsive to these recommendations will involve the Task Force on an as needed basis. Over the next 90 days and beyond, the convening organizations and designated staff will develop/implement advocacy, outreach and funding strategies that align with the Task Force vision. Their efforts will be directly targeted towards creating awareness about the importance of transit and obtaining support to change the tide.

The recommendations in this report address short and long-term issues, which will require continued attention and collaboration to ensure solutions are implemented in a reasonable timeframe. The implementation strategies that will be developed in the next phase of this effort to rebuild transit will be prioritized, quantified in terms of cost and benefits, and communicated to a broad audience in order to secure buy-in. Additionally, those solutions that can be instituted in the near term should be implemented in order to maintain the momentum that was achieved during the Task Force planning process. Above all, the convening organizations (Indianapolis Public Transportation Corporation/IndyGo, the Greater Indianapolis Progress Committee, and

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the Greater Indianapolis Chamber of Commerce) should channel the collective strength of these organizations to execute long-term solutions that will create a sustainable difference in public transit in the Indianapolis metropolitan area.

## BACKGROUND AND OVERVIEW

In early 2004, Mayor Bart Peterson initiated a call to action by asking the Greater Indianapolis Progress Committee, the Greater Indianapolis Chamber of Commerce and the IndyGo Board of Directors to serve as conveners of the newly established Indianapolis Transit Task Force. The Mayor spoke to the Task Force at its kickoff meeting on March 22, 2004, and gave them the charge to “...find new solutions to the problems and issues that have confronted IndyGo for many years.” The Task Force was comprised of approximately forty (40) city leaders/community activists, transit riders, private citizens, and business leaders. During its six-month tenure, the Task Force accomplished the following tasks:

- Recommended a stable dedicated source of funding for improvements in public transit in Indianapolis;
- Voted to have the Indianapolis Public Transportation Corporation (IPTC) Board establish a cumulative fund to provide money for the acquisition of or additions to fixed assets;
- Adopted a vision for a new model for public transportation in Indianapolis;
- Convened a special public meeting to get feedback on the vision and other ideas;
- Examined models of public transportation systems across the country with a presentation from the Columbus Transit System;
- Considered innovative funding strategies to support the new model for public transportation in Indianapolis;
- Voted to have the IPTC Board maximize revenues from property taxes; and
- Developed final recommendations for strategic options for IndyGo.

The vision of the Task Force helped direct its deliberations, and was based on a general consensus to replace “minimalist” policies and practices with a preference to create a “first rate – world-class transit system in Indianapolis funded by a steady dedicated source of funding.”

### **The Task Force vision states:**

*Public transportation is vital to economic development and the continued growth of Indianapolis. The City of Indianapolis should have a public transportation system that effectively serves the Indianapolis metropolitan area, and is:*

- *Customer Focused (meeting the needs of the general public)*
- *Accessible to all segments of the population*
- *Operates at a maximum 15-30 minute frequencies (preferable 10-20 minute frequencies)*
- *Incorporates IndyGo as the core of a viable regional transportation system*

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- *Supported by a dedicated source of funding*

This final report includes documentation of the results of the initial phase of the Task Force's efforts, which includes recommendations for change. The second phase (not yet underway) of this process to rebuild public transit will focus on identifying funding strategies, creating advocacy initiatives, marketing and public relations to improve the image of public transit, gaining more community involvement, and identifying/prioritizing operational characteristics of the new model for public transportation in Indianapolis.

Changing from a minimalist approach to a world-class system will require continued advocacy, and an unwavering commitment by city leaders to adopt a dedicated source of funding for public transportation. As specific sectors of the Central Indiana economy continue to grow - in particular the hospitality, financial services and manufacturing sectors - the need for an attractive alternative to the automobile will grow. Worsening traffic congestion on many major arterial roads in the region and the designation as a non-attainment area for air quality lend credence to the need to provide IndyGo with the resources it needs to improve existing services and pragmatically expand service coverage.

If IndyGo were sufficiently funded it could deliver these substantial near term improvements. The following improvements could occur within 1-5 years:

- Increased service frequencies on core routes;
- Enhanced Open Door service for Seniors and those who are mobility challenged;
- Express Bus Services with a complementary park and ride lot network;
- Neighborhood circulator or shuttle services;
- Specialized services for high-density population centers such as colleges and universities, businesses and industrial parks;
- Late night or owl services for 'lifeline' routes to hospitals and service industries;
- Increased levels of student transportation for middle and high schools;
- Enhance the offering of services to be provided through Central Indiana Commuter Services (CICS); and
- Increased special event services.

Short-term improvements will set the stage for more capital-intensive improvements beyond the next five years such as bus rapid transit service and regional express bus services.

## **THE INDIANAPOLIS TRANSIT TASK FORCE**

The Indianapolis Transit Task Force was created to establish a vision for public transit for the Indianapolis metropolitan area. The vision would address the short and long-term funding issues facing IndyGo. The Task Force was comprised of people representing various constituent groups some of which included transit riders, major businesses (Lilly, Anthem, hotels/convention, etc.), neighborhood associations, and people with disabilities, the IndyGo transit union, local elected officials, and the Indianapolis Metropolitan Planning Organization. The composition of the Task Force can be found in the accompanying Document of Resources and References.

The Greater Indianapolis Progress Committee, the Greater Indianapolis Chamber of Commerce, and the Indianapolis Public Transportation Corporation (IndyGo) Board of Directors were the conveners of the Task Force meetings and decision-making process. The Task Force Co-Chairs were Myra Borshoff Cook, Joe Slash, and Curt Wiley.

The Task Force initiated a variety of actions, including:

- Increasing awareness of IndyGo's current and proposed route structures, financial challenges and proposed route changes;
- Reviewing information about how other communities have addressed their transit needs, particularly those cities Indianapolis frequently uses to compare itself against;
- Identifying and working with transit experts to analyze the need for additional changes to the current public transit system to meet the needs of the community in the next 1-5 years;
- Providing recommendations to improve the current public transit system; and
- Considering conceptual long-term improvements in public transit.

The final outcome of the deliberations of the Task Force in Phase I includes recommendations to improve public transit particularly focusing on the type and level of investment required for Indianapolis to have a top rate public transit system.

All of the Task Force meetings were open and attended by a sizable representation of the general public. Public comments were encouraged and received either verbally or in writing at each of the six Task Force meetings. Breakout sessions engaging the Task Force and the general public attendees at the May 17<sup>th</sup> meeting addressed specific Strengths, Weaknesses and The Art of the Possible for public transit in Indianapolis. The results of this meeting were used to help the Task Force develop strategies to address the key components of the new model for public transit in Indianapolis, which are:

- Customer Service – Serving The Indianapolis metropolitan area in its entirety;
- Frequency – Minimum of 15-30 minute frequency (preferably 10 – 20 minute frequency);

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- Types of Services/Levels of Services – Innovative and effective in serving the general public as well as the transit dependent;
- Special Services (charters, work trips, services to special populations, and special events);
- Regional Transit Authority (RTA) – Linking with the vision for the RTA and ensuring bus transportation is at the core of any proposals for light/rapid transit;
- Cost/Funding – Specific data on the investment necessary to support short and long-term changes in public transit in Indianapolis;

Public input was a critical element of the Task Force’s decision-making. In fact, a public meeting was held on July 1<sup>st</sup> specifically to obtain comments on the Task Force’s adopted vision and key components of the model for refining the Indianapolis public transit system. The public comments and results of a survey administered to the Task Force are included in the accompanying Document of Resources and References.

### **Snapshot of IndyGo**

IndyGo was founded in 1975, in response to a privately operated company going out of business shortly beforehand. A 1994 study suggested that IndyGo target “transit dependent” persons as its primary target audience. Since that time, the company has operated at levels less than adequate to serve Indianapolis residents. These are some of the major issues IndyGo is facing:

- Customer Focused: Insufficient resources have limited IndyGo’s ability to create a customer focused system, which provides convenient and easy access to information, trip planning, fare media, and timely commuter communication.
- Inadequate Local Revenue Sources: Funding sources that have not kept pace with increasing operating expenses. Transit companies in comparable Midwest cities have local funding sources that generate 30 to 50 percent more operating revenue than IndyGo.
- Marketing Image: IndyGo’s operating model has effectively sent a clear message to commuters: “Bus service is targeted to the transit dependent.” IndyGo has not adjusted its service model to compete for increased ridership, despite the fact that (a) there are a significant number of commuters who have expressed an interest in using mass transit if it were available; and (b) studies have shown that using mass transit is less costly than operating a single passenger vehicle.
- Route Frequencies: IndyGo needs to generate increased ridership in order to become more efficient. However, its best route frequency - - every 30 minutes during peak travel periods - - does not meet the needs or expectations of modern commuters. Transit companies that are successful in generating competitive ridership levels offer service every 15 minutes or less during rush hour.
- Outdated Service Model: Most of IndyGo’s routes are more than 20 years old. Except for minor adjustments due to traffic changes, those routes have ignored recent trends in residential and commercial development as well as the significantly altered travel patterns of commuters today.

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- Service Area Limits: Downtown Indianapolis attracts thousands of workers, many of whom travel from locations outside of Marion County. IndyGo cannot provide service to these people because it is legally prohibited from operating outside of Marion County. Last year's Hyperfix project and subsequent Park 'n Ride trial project demonstrated that suburban commuters would respond favorably if transit service were available.
- Lack of Planning: Historically, IndyGo has not conducted effective long-range planning or been vested in the long-range planning for the metropolitan area. This is one of the contributing factors for why overall congestion in the metropolitan area has not been addressed effectively, IndyGo's lack of access to major shopping and business venues, and bus routes that operate along narrow residential streets that are not suitable for bus traffic.
- View of Transit as a Social Service: In most other metropolitan areas, mass transit is considered by local policymakers to be an important component in the city's economy. Transit is an asset in attracting tourism. It plays a role in getting residents to work and students to schools and can be an important consideration developing efficient downtown land use policies and traffic management strategies. In Indianapolis, transit has predominantly been regarded as a social service.
- Air Quality Mitigation: As the city prepares for the U.S. Environmental Protection Agency sanctions for excessive levels of ozone, IndyGo needs to be considered as a primary mitigation solution in the region's plan to reduce pollutants from automobile usage.

### **The Role of IndyGo in the Economic and Social Life of Indianapolis**

Providing economic and social opportunities for the residents of a major city is one of the essential roles of a public transit agency. IndyGo has endeavored to do this for the workday commuters, students, service workers, and those entering the job market with its fixed route services. Seniors and those who are mobility challenged benefit from the operation of the agency's Open Door demand responsive transportation service.

As defined by IndyGo Onboard research, the majority of riders are young female workers from diverse ethnic backgrounds. Many lack automobiles making them dependent upon public transit service for their livelihoods. Without some form of public transportation service, the majority of current IndyGo riders would be disenfranchised, that is, their mobility would be gravely impaired and would possibly be forced out of the workforce and onto public assistance.

Another focus area includes students of the Indianapolis school systems. With the strains placed upon the budget of the Indianapolis Public School system particularly, student transportation via IndyGo could prove to be an added revenue stream. Clearly, this is another arena that could serve a greater good in the Indianapolis area.

Providing critical transportation services to economically disadvantaged workers, students, seniors and the mobility challenged is a job that IndyGo cannot forsake. Improving mobility and opportunity for these groups requires a significant investment on the part of the community. While IndyGo has continued to provide these services, its present level of funding does not allow

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the agency to provide levels and types of services that would greatly enhance economic and social opportunities for any of these groups.

In addition to providing mobility to various demographic groups, public transit is also a benefit to the local economy, and can be valuable to discretionary riders. The National Business Coalition for Rapid Transit conducted research in which the people polled, "...link public transportation to improved quality of life, believing that increased public investment in public transportation strengthens the economy, creates jobs, reduces traffic congestion and air pollution, and saves energy." This data was from a national survey, but the results could just as easily have stemmed from Indianapolis because the benefits are synonymous. Additionally, public transit produces sales, taxes, and reduces the amount of money spent on vehicle accidents.

One of the documents presented to the Task Force indicated that investment in public transit yields quantifiable results:

- 314 jobs created for each \$10 million
- A \$10 million investment yields \$30 million in sales
- For \$10 million invested in transit results in \$15 million saved in transportation infrastructure costs

*Source: Cambridge Systematics – Employment Impacts of Capital Investment and Operating Expenditures*

### **Efficiency of IndyGo**

When compared to transit agencies in similar sized Midwestern Cities, IndyGo has delivered value for the money provided to the agency. For example, an hour of transit service in Indianapolis costs \$64.00 while those same hour costs the taxpayers in Columbus, Ohio more than \$84.00 per hour. Despite having less than sixty-six percent (66%) of the available local funding of Louisville, Kentucky, IndyGo operates just about seventy-five percent (75%) of the miles and hours of service operated in the River City.

IndyGo management has streamlined its services, minimized administrative and other overhead costs and it has applied technology to its operations when and where possible. There is only so much that an agency can do when faced with ever rising operating costs led primarily by the skyrocketing cost of fuel. The Task Force supports the efforts of the current management team to improve public transit.

It is clear from the analysis of the Task Force and the public outcry resulting from IndyGo's mandatory reduction in service, that the public and the community's opinion leaders understand the important role that public transit plays in Indianapolis. IndyGo has realized the maximum level of economies of scale short of reducing its service levels.

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### **Relationship with the Regional Transportation Authority**

During the process of the Task Force's work, the Indianapolis-Marion County City-County Council voted to support the establishment of a Regional Transportation Authority (RTA) to plan regional transportation improvements over a nine county region in Central Indiana. The RTA will be established over the next year. An Executive Director whose position will be initially funded through a grant from the Metropolitan Planning Organization (MPO).

The support of the Greater Indianapolis Chamber of Commerce and other business and community-based organizations was crucial to the passage of this legislation. With the enabling ordinances in place, the RTA has much more work to do to win the active participation of the other eight counties, to secure dedicated sources of both capital and operating funds and to develop a multimodal regional transportation plan.

The Task Force supports regional transportation, and the philosophy that a healthy bus transit system must be established and become a key component of the Indianapolis regional transportation system. It stands to reason that the improvements to IndyGo precede regional rail in order to ensure that the broader regional network is supported by a strong feeder system that is provided by bus service.

IndyGo and the RTA must collaborate and support each other during this period for without the support of the other, neither organization will succeed. For the region to be convinced of the need for an RTA, IndyGo must first solve its problems. The fate of the RTA will be tied directly to two IndyGo projects-Central Indiana Commuter Services, IndyGo's newly established regional commuter services program, and Regional Express Bus Services. The success of these two projects will do the most to vindicate the need for cooperation on regional transportation challenges. The futures of IndyGo and the RTA will be tied together requiring a great level of cooperation and collaboration.

## **STRATEGIC OPTIONS FOR INDYGO**

The Indianapolis Transit Task Force mission states that public transit is important to economic development and the continued growth of the City of Indianapolis. This statement portrays the sincere commitment of the Task Force and the community that supports public transportation to creating a quality public transit system for Indianapolis that is efficient and effective. Efficient - in that it provides quality services at the lowest possible cost to the taxpayers and effective - in that it operates the types and levels of service that the public wants and needs.

There are a number of short and long-term options to implement as well as new service standards and short-term commitments. Some of the short-term operational and policy related goals are meant to:

- Implement the recommendations from the Indianapolis Transit Task Force;
- Enhance the quality of IndyGo services;
- Expand service frequencies;
- Improve Open Door service;
- Implement regional express bus service, and other bus and/or van pool options such as the Central Indiana Commuter Services;
- Create community-based services;
- Implement special transportation services in high-density settings such as area colleges and universities, and industrial business parks;
- Establish lifeline transportation services for the good of the community;
- Increase the level of student transportation in cooperation with the area school systems; and
- Ensure public transit is included in any development, air quality, and overall mobility discussions.

### **Required Short-Term Commitments**

Here are just a few actions that should be considered in the near term:

1. Provide Quality Service - IndyGo must continue to focus on service quality and provide the highest quality service to existing riders in order to maintain their trust and confidence.
2. Increase Ridership - It is possible for IndyGo to begin its renewal without adding any more service but to concentrate on service quality and marketing.

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3. Maximize Use of Current Financial Resources - IndyGo has done well with limited resources. Its innovative efforts to begin Central Indiana Commuter Services and to operate the Hyperfix services are testimony to this fact.
4. Make Capital Investments in Technology that Enhance Efficiency - IndyGo has established a cumulative capital fund for the purpose of providing local share to match Federal Transit Administration Capital Grants. IndyGo can make strategic capital investments in items such as computerized scheduling software, automated vehicle locators and efficient engine technologies that can save the agency hundreds of thousands of dollars over the next decade. Major savings can be realized through restructuring IndyGo service by scheduling fixed route and paratransit service with advanced scheduling software, a technology that would realize a substantial portion of that savings over the next decade.
5. Seek Rapprochement with Labor - IndyGo should make steps to solve outstanding issues with organized labor so that the agency can present a united front to the public.
6. Operate IndyGo on a Prudent Basis - IndyGo must continually prove to the non-riding, taxpaying public that it is good steward of the public's funds. Operating the agency with strict financial controls would go far in reestablishing the trust of the public.
7. Adopt Service Standards - Any business must be able to continuously improve its operations by self-evaluation. IndyGo must adopt service standards so that the agency does not repeat the public perception problems that humbled the agency during the past six months. Adopting and publicizing service standards would begin to build trust with current riders because they would come to understand that ridership must sustain transit service. Some of the best marketing of transit services comes from 'word of mouth' support provided by existing riders. If service standards are widely publicized and understood, it would be easier for IndyGo to adjust its services when necessary. Specifically, these standards should focus on convenience, reliability, and added value. Each of these factors is described in detail below.
  - **Convenience** is most closely associated with service frequency. As mentioned earlier, service frequencies on major IndyGo routes are every 30 minutes in peak hours and as much as 90 minutes in the off peak. Most successful transit agencies operate 5 to 10 minute frequencies during peak hours and 30 minute frequencies during the midday and evening. Frequency contributes to increased ridership by reducing actual travel time, it makes the need to transfer to another route simpler, it makes transit service more attractive for short trips and it makes transit attractive to discretionary riders. In order for IndyGo to grow its market and to attain the viability necessary to secure a dedicated source of funding, the agency needs to make its services more attractive to the discretionary market, that is, people who have a choice in commuting.
  - **Reliability** correlates to buses arriving on time, all of the time. Making a transit agency reliable begins with Service Standards. IndyGo is currently operating on Service Standards that were adopted more than a decade ago. In order to rationalize IndyGo services, the agency must first conduct a Comprehensive Operational Analysis of all of its routes and then adopt service standards once all routes have been recalibrated to meet present day demand.

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- **Added Value** is in the eye of the beholder. A transit service is a value if it delivers the right combination of convenient and reliable service at the right price. Often riders, even those who are economically disadvantaged, are willing to pay a higher fare for services that operate frequently and on time. IndyGo fares have undergone slight increases to meet funding short falls over the past five years. One strategic option would be to maintain fares at current levels until the completion of the Comprehensive Operational Analysis and the adoption of Service Performance Standards. Insuring value cannot be measured without consistent market research.

### **Service Strategy Options**

IndyGo must focus its attention on implementing a variety of strategic options while also helping to meet the agency's economic and social responsibilities to the residents of Indianapolis. Here are but a few of the service strategy options to be considered.

1. Increased service frequencies on core routes - IndyGo current service frequencies are not convenient for current riders and not attractive to lure new riders. IndyGo's first priority should be to serve the needs of its existing riders better by increasing service frequencies on major line haul routes to a minimum of every fifteen (15) minutes in peak hours and thirty (30) minutes in the off peak.
2. Open Door service for seniors and those who are mobility challenged - While the liberal service policy is admirable, IndyGo should seek to find other sources of funding to reduce the net cost of providing Open Door services. These alternative sources of funding; adult day care, nutrition programs, etc., are key to insuring that the Open Door Program does not absorb an increasingly large percentage of the IndyGo operating budget.
3. Express Bus Services with a complementary park and ride lot network - The success of the Hyperfix Service proved that there was a discretionary rider market for IndyGo service beyond the boundaries of Marion County. With the expansion of job-related travel into neighboring counties such as Hamilton and Hancock Counties, IndyGo would have a robust market for these services in both directions if a regional transportation network is created. Express bus service would also enable IndyGo to attract more discretionary riders to the system, insuring a broader base of support for a dedicated source of local funding.
4. Neighborhood circulator or shuttle services - Short-trip transportation services that meet localized need for travel are growing across the United States. Students, seniors and young mothers are the primary users of these services. Line-haul, fixed route services meet the need of workday commuters, but other forms of transportation must be offered in order to tap new and emerging markets.
5. Specialized services for high-density population centers such as colleges and universities, business and industrial parks - Growth potential for IndyGo services lies also in service the needs in geographically specific areas such as IUPUI. The success of IndyGo's downtown electric shuttle buses proves this point that transit can be successful if the service design and delivery strategies meet well defined needs. In addition to

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IUPUI, there are other developments with densities that would support such special service. Because of the nature of these services, IndyGo would be justified in negotiating purchase of service agreements so that the burden of cost of providing these services is shared with the developers or property owners.

6. Late night or owl services for 'lifeline' routes to hospitals and service industries - At the recent public hearings there were many stories told of the need for lifeline services to hospitals and other medical institutions that operate 24/7. In order to reestablish its position as a viable provider of public transit services, IndyGo should provide levels of service that meet the need of essential workers at the region's medical institutions.
7. Increased levels of student transportation for middle and high schools - During the inception of IndyGo, the agency provided service to middle and high school students under contract to the Indianapolis Public School System. This service not only boosted agency ridership, it allowed for more effective use of the agency's fleet and it provided a much needed additional source of revenue for the agency. With the recent cutbacks in school busing services, IndyGo would be well served by entering into negotiations with area school systems to once again provide school service either through direct subsidy payments from the school systems or through the wholesale purchase of student tickets. The preferred method to operate these services would be through a purchase of service agreement. Offering discounted tickets may not allow IndyGo to return its entire cost of operating a higher level of service directly for school students.
8. Enhance the offering of services to be provided through Central Indiana -Commuter Services - The carpool, vanpool and transportation demand services to be provided by the IndyGo-funded Central Indiana Commuter Services (CICS) are a complement to the traditional bus service. It will be broadened over time to areas where demand is warranted.

Other strategic options that would increase ridership during the short term include an increased commitment to marketing the IndyGo's services as well as enhanced customer amenities including bus shelters, and better signage.

### **Funding Options**

The Board of Directors of IndyGo took an important first step by establishing a Cumulative Transportation Fund in June 2004. This fund will enable IndyGo to match Federal Transit Administrative Capital Grants in future years. This is one of several options that should be considered towards securing dedicated sources of local funding.

## FUNDING OPTIONS

<u>Tax</u>	<u>Yield</u>	<u>Approvals</u>
<b>County Option Income Tax</b> (New funding - 2/10 of 1% with 85% available for distribution)	<b>\$17 Million</b>	<b>City/County Council</b>
<b>County Option Income Tax Pro Rata Share</b> (Obtain a prorated share of the County Option Tax, which is forecasted to generate \$102,000,000 in FY 2005 annually. The existing tax is set at a present rate of 7/10 of One (1) percent for Police and Fire Pensions)	<b>\$2 Million</b>	<b>City/County Council</b>
<b>Environmental Impact Fees (Parking)</b> (This is a Parking Facilities fee of \$1.04 to \$1.56 per day on all commercial parking facilities that equates to .13 cents at the lower rate and .20 per hour at the higher rate. Government lots, residential parking facilities and other special use facilities would be exempt)	<b>\$2 Million</b>	<b>City/County Council</b>
<b>Environmental Mass Transit Fee (Wheel Tax)</b> (This is a fee of \$5 charged for each car or small truck registered in The Indianapolis metropolitan area. There are currently 660,687 cars registered in the county. This fee would be charged in addition to existing fees.)	<b>\$3 Million</b>	<b>Legislature</b>
<b>Sales and Use Tax-Dedicated 1/4 of One Cent</b> (Establishes a 1/4 of One (1) percent tax on all sales in The Indianapolis metropolitan area)	<b>\$38 Million</b>	<b>Legislature</b>
<b>Advertising Revenue</b>	<b>\$600 Thousand</b>	<b>IndyGo</b>
<b>Savings from Maintaining Shelters</b>	<b>\$200 Thousand</b>	<b>IndyGo</b>
<b>Sales Tax on Rental Cars</b>	<b>To Be Determined</b>	<b>To Be Determined</b>
<b>Gasoline Sales Tax/ Restore</b>	<b>To Be Determined</b>	<b>Legislature</b>
<b>Public Mass Transportation Fund</b>		

Additionally, the Task Force recommends that the County Option Income Tax be fully explored as a means of identifying financial resources to address transit deficiencies. The Sales and Use tax provides the greatest chance at closing the gap on long term funding for IndyGo. As shown in the funding chart above, one-quarter cent would provide IndyGo with a level of funding comparable to what is generated to support the Columbus transit system.

## **CONCLUSION**

Public transit is an integral part of the overall economic development growth plan for Indianapolis. Not only is it linked directly to job creation, it also provides a mobility option for people without automobiles and/or who choose to ride transit. It also provides access to various services throughout the Indianapolis area. Without public transit, the overall economic vitality of Indianapolis would be drastically impaired. The loss of public transit would result in a loss of jobs and increased unemployment as well as loss of competitiveness with other metropolitan areas. Public transit is a critical link to the economic vitality of Indianapolis.

The charge to the Indianapolis Transit Task Force was to make recommendations that would turnaround a “minimalist” transit system, and rebuild public transportation in Indianapolis. The Task Force adopted a vision to address the issues and stigmas that have plagued public transit in Indianapolis for decades. The Task Force realized that the problems were far greater than some of the members had anticipated. But, as the facts were presented along with public testimonies, the Task Force realized that the current management team is moving in the right direction and would reach its goals with the appropriate level of public support and funding. This change in perception as well as philosophy marks the beginning of a movement to revamp the current system, identify a dedicated source of funding for public transit, and solidify public support for public transit. The changes will require continuous advocacy as well as legislative and financial support to address short and long term issues that have created a “minimalist” public transit system in Indianapolis.

The next steps are most critical, and should focus on implementing the following Task Force recommendations:

- A dedicated source of additional local funding;
- Reducing reliance on property taxes to fund IndyGo services;
- Generating varying sources of funding, including exhausting local authority to increase the current distribution of County Option Income Tax, 25% – 30% from farebox revenues as well as other local revenue sources such as sales tax (other than food and beverage), environmental impact fees, and charter and other services to capture discretionary riders, advertising on bus shelters, etc.;
- County-wide coverage on a minimum of 15-30 minute frequencies (preferably 10-20 minute frequencies), and flexibility to extend service beyond The Indianapolis metropolitan area through use of express routes, etc.;
- IndyGo is the core/foundation for a regional transportation system;
- IndyGo become the mobility manager for public transit, which would include involvement in any discussions on community and economic development for the Indianapolis metropolitan area. Public transit should also be part of a broader strategy discussion among the major planning stakeholders to address long-range planning and coordination of transit services to satisfy mobility needs;

## *Rebuilding* Public Transportation in Indianapolis

- Public transit should be supported and utilized as a viable solution to address emissions reductions in the Indianapolis metropolitan area and surrounding counties that were recently designated as non-attainment for ozone and particulate;
- Extensive outreach and advocacy will be necessary in order to secure buy-in from the general public, elected officials, governmental entities, and other stakeholders; and
- Specific timelines should be developed wherein various service strategy options will be examined. The investigation would result in a recommendation(s) with defined scope, cost and timing.

Additionally, implementation actions should focus on increasing advocacy, outreach and public awareness to draw support for changes in public transit, defining the service characteristics and standards by which IndyGo will operate, and developing accountability factors to monitor the operations of the new model for public transit. The next steps beyond this Task Force assignment that are anticipated to evolve over the next 90 days include presentations to the governing bodies of the Indianapolis Public Transportation Corporation, the Greater Indianapolis Progress Committee, and the Greater Indianapolis Chamber of Commerce as well as other individual and organizational stakeholders; development and implementation of an Advocacy and Outreach Plan; and identification of sources of funds to sustain long-term improvements in public transit in the Indianapolis metropolitan area.