

**AN ORDINANCE APPROVING THE CREATION OF A
REVOLVING LOAN FUND FROM THE CITY OF FORT
WAYNE COMMUNITY LEGACY FUND.**

Whereas, the City of Fort Wayne ("City") has created the City of Fort Wayne Community Legacy Fund ("Legacy Fund") to invest in projects that will have a collective impact that leads to transformational change within the community; and

Whereas, the City through the Legacy process has received unprecedented public input from across the community and has worked with citizens, business leaders and elected officials to develop implementation priorities; and

Whereas, the City seeks to advance transformational projects for our community with a focus on economic development, downtown and riverfront development, and youth development/prep sports; and

Whereas, each Legacy project provides our community with an opportunity to make our City stronger and better positioned for growth; and

Whereas, the Common Council of the City has received a request to establish a revolving loan fund within the Legacy Fund for the City to be used to fund various expenditures of the City otherwise paid with City revenues, including property taxes, income taxes and other items that provide a source of funding to the City; and

Whereas, the City is subject to provisions of state and federal law that have adversely affected the reliability, the timing and the level of funding sources which have historically enabled the City to provide governmental services; and

Whereas, the establishment of the revolving loan fund within the Legacy Fund is a wise and economical use of the Legacy Fund as such a revolving loan fund will: (i) allow the City to use an existing source of funds to meet expenditures; (ii)

1 eliminate the need to borrow and the associated borrowing costs that would
2 otherwise be incurred for such expenditures; (iii) allow the City to continue to
3 provide governmental services without interruption due to delays in the receipt of
4 funds or decreases in the amount of funds to the City; (iv) provide flexibility and
5 allow the City to be more nimble in connection with its services and projects as any
6 possible delays in receipt of funds will have less or no impact; and (v) allow the City
7 to return all principal to the Legacy Fund a timely manner at the end of the term
8 established for the revolving loan fund; and

9 **Whereas,** the Common Council of the City has determined to utilize funds
10 from the Legacy Fund to establish a revolving loan fund for the City as prescribed by
11 this ordinance;

12 **NOW THEREFORE, BE IT ORDAINED BY THE COMMON**
13 **COUNCIL OF THE CITY OF FORT WAYNE, INDIANA:**

14 **SECTION 1.** The Common Council hereby authorizes the Board of Trustees
15 of the Legacy Fund to instruct the financial institution serving as the trustee of the
16 Legacy Fund to establish a revolving loan fund for the City as follows:

17 **Revolving Loan Fund**

18 Funds in an amount of Five Million Dollars (\$5,000,000) will be held in a
19 subaccount of the Legacy Fund to serve as the "Revolving Loan Fund" for the City.
20 Such funds held as the Revolving Loan Fund in the subaccount shall be used for City
21 expenditures and shall be made available to the City Controller to draw on as needed
22 for all items that otherwise are paid for or funded with City funds. The City
23 Controller is hereby authorized to draw funds by filing a written request with the
24 trustee for the Legacy Fund that sets out the amount of funds to be drawn and the
25 date such funds will be drawn. All draws from the Revolving Loan Fund shall be
26 recorded by the City Controller and a report summarizing all draws, amounts and the
27 purpose for each draw shall be compiled and submitted quarterly by the City
28 Controller to the Common Council.

The Revolving Loan Fund shall be established and draws may be made therefrom upon the effective date of this ordinance. The term of use for the Revolving Loan Fund shall expire five (5) years following the effective date of this ordinance ("Repayment Date"). During such five year term, draws made from the Revolving Loan Fund may be repaid and such repayment shall cause the balance available in the Revolving Loan Fund to increase by an amount corresponding to the amount of such repayment. Draws made from the Revolving Loan Fund shall not bear interest. The aggregate of the principal amount of all unpaid draws made from the Revolving Loan Fund shall be due for payment on the Repayment Date, unless forgiven by the Common Council.

On the Repayment Date, the subaccount serving as the Revolving Loan Fund shall cease to exist, and such funds shall remain a part of the Legacy Fund and shall no longer be subject to this ordinance.

The creation of the Revolving Loan Fund and the repayment of draws made therefrom shall not be construed to create a "debt" of the City subject to the 2% debt limitation contained in the Indiana constitution.

SECTION 2. This ordinance shall be in full force and effect from and after its passage and any and all necessary approval by the Mayor.

Council Member

APPROVED AS TO FORM AND LEGALITY

Carol Helton, City Attorney