



COMMUNITY DEVELOPMENT

Thomas C. Henry, Mayor

Engage • Innovate • Perform

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LEGACY FUNDING PROGRAM REVIEW POLICY AND APPLICATION PROCESS

"Let's look into the future, with wisdom and boldness. Let's use this treasure to strengthen our community and make it a place of pride and opportunity for all."

Mayor Tom Henry, 2011

In 2011, the Legacy Task Force evaluated and distilled hundreds of potential proposals from the community for investing funds from Community Legacy. Together with the subsequent Champion Teams' recommendations a number of initial projects, each ready for implementation, were selected for funding. From time to time new initiatives and previously submitted concepts will emerge or resurface and deserve a thorough (re)evaluation. The adoption of a consistent set of guiding policies, and a transparent process for potential initiatives to be considered for funding was required.

To that end, the City of Fort Wayne has established an ongoing review process to explore concepts and proposals seeking financial support from the Community Legacy fund. Each proposal is evaluated on its potential based on the Guiding Principles set forth in the Community Legacy, previously known as Legacy Trust, Ordinance (G-35-12) and the subsequent recommendations made by the Legacy Task Force and Champion Teams.

Oversight / Management

The Community Development Division of the City of Fort Wayne will manage the Funding Review process. Based on the guiding principles and community priorities identified in the original process, proposals will follow a prescribed application process to be considered for funding.

An Equal Opportunity Employer



Legacy Joint Funding Committee (LJFC)

A review committee of nine appointees will be responsible for evaluating potential proposals. The group will provide a recommendation, based on a simple majority vote, regarding the request for Legacy funding to both the Mayor and City Council. Appointed annually, the committee will be composed of the following members:

<u>Member:</u>	<u>Appointed by:</u>	<u>Number:</u>
Administration officials	Mayor	3
City Council members	City Council	3
Citizens	One each by Mayor & City Council + One selected by the other 8 members of the LJFC	3
		Total: 9

The LJFC will annually elect a chairperson for the group.

Proposal Considerations

The legislation approving the deployment of Community Legacy funds designates that only the Mayor of the City of Fort Wayne, or members of Common Council are eligible to propose initiatives for Legacy Funding. Using a two-pronged approach, the process described herein provides an entry point for citizens, businesses and institutions to submit potential proposals for consideration.

PART I: Proposal initiated by Mayor or City Council member

Because these proposals will be heavily supported with public funds, such projects will be referred directly to the Legacy Joint Funding Committee for review and evaluation. See Part III

Nothing in this policy should be construed to prevent the Mayor or Council from making proposals directly through legislation based on the present circumstances.

Where unanticipated, unbudgeted or extraordinary expenses occur; either the Mayor or Council may propose access to funding directly through legislation.

PART II: Proposal initiated by a private or non-profit entity

- a. Legacy Background and Funding Process: Proposal sponsors are encouraged to visit www.legacyfortwayne.org to learn about Legacy background, Guiding Principles and criteria used for evaluating projects for funding. Information about previously funded projects and the process for new projects to be considered is available there.
- b. Pre-proposal meeting: Proposal Sponsors are encouraged to contact the Division of Community Development for an initial proposal review. Proposal Sponsors will be provided with the guidance to complete a Concept Letter for review and possible invitation to apply for Legacy Funding. Proposal Sponsors will be encouraged to carefully study the evaluation criteria to determine if their proposal will meet the requirements for consideration.

- c. Concept Review: All Concept Letters will be distributed to the Mayor and City Council upon receipt; however the Legacy Joint Funding Committee will evaluate Concept Letters on a semi-annual basis in May and November. Using Guiding Principles and evaluation criteria developed by the Legacy Task Force, Concept Letters will be reviewed for their potential. The Legacy Joint Funding Committee will present to the Mayor information about all Concept Letters received during the period and will make recommendations regarding each. Projects will either be:
 - i. Invited to complete a full application, or
 - ii. Notified that Legacy Funding will not be considered. Proposal Sponsor will be provided with feedback regarding strengths and weaknesses of the submitted Concept Letter.
- d. Invitation to Apply:
 - i. Application will require details of the proposal. Proposal Sponsors should be prepared to provide detailed information including:
 - 1) Project costs/budget
 - 2) Capital need/financing plan
 - 3) Project team
 - 4) Site control/construction plans
 - ii. Community Development will consult with the Proposal Sponsor throughout the application process to ensure the final submission includes the necessary documentation.
 - iii. Loan Requests require a review and certification regarding the opportunity cost to the Legacy Fund. As part of the Legacy Application review:
 - 1) Proposal Sponsor will provide financial documents required by Community Development staff.
 - 2) Proposal Sponsor will work with Community Development staff to develop a mutually acceptable term sheet.
 - 3) The CTIC will review the negotiated term sheet and supporting documentation in order to provide an assessment and evaluation of the opportunity cost associated with providing the loan from the Legacy Fund.
 - 4) The CTIC will provide a report to the Legacy Joint Funding Committee, which will summarize the opportunity cost and any observations regarding the terms and conditions of the proposed loan.
 - 5) The Legacy Joint Funding Committee will make a recommendation based on Application information provided and the evaluation report provided by the CTIC.

PART III: Legacy Funding Recommendations

- a. Proposal sponsors receiving an invitation to apply will be provided with the application format, and should be prepared to discuss the project in detail, specifically as it relates to the evaluation criteria.
- b. The Legacy Joint Funding Committee will evaluate all public projects and applications to ensure they meet the criteria established for evaluation. A weighted average score will be calculated to assure consistency and minimize bias among Committee members.

- c. The Committee will make a Do Fund or Do Not Fund recommendation and will inform both the Mayor and City Council of its decision.
- d. The Committee may request additional information from the Proposal Sponsor.
 - i. A Do Fund recommendation will initiate the process for the Proposal Sponsor to work with Community Development to document the funding terms through a memorandum of understanding, and the drafting of a resolution for a vote of City Council and upon passage, the Mayor's signature. The City of Fort Wayne and the Proposal Sponsor will negotiate a written agreement for mutual understanding of all terms.
 - ii. Funding is contingent upon documented mutual agreement to terms.
 - iii. Any material changes to the proposed terms of the grant/loan after passage of the Resolution will require the re-evaluation of the grant/loan pursuant to these guidelines.
- e. A Do Not Fund recommendation will include a feedback report to the Proposal Sponsor indicating the evaluation areas where the Committee concluded the project did not meet the threshold for Community Legacy funding.

Evaluation of Proposals

Eligible Proposals:

- 1) Must be within the boundaries of the City of Fort Wayne or principally benefit the citizens of Fort Wayne.
- 2) Proposals reviewed during the initial Legacy Community Engagement process of 2011 that did not receive funding must show significant growth, change or maturity of original concept to be reconsidered.
- 3) Starting in 2014, proposals that do not receive funding may only be re-submitted with thorough documentation addressing all feedback given when the Legacy Joint Funding Committee determined the Concept Letter to be ineligible for funding.

Ineligible Proposals:

- 1) In general, Legacy funds are not available for ongoing operating expenses unless part of a larger project that will reach a sustainable level and require no further funding or will return original funding to the Legacy Fund upon reaching financial stabilization.
- 2) Legacy funds are not available for existing programs or to fund maintenance.

Evaluation:

The Legacy Funding Review process will use a balanced approach to evaluate potential projects.

Role of the Legacy Joint Funding Committee: The committee shall determine whether the proposal meets the guiding principles, areas of focus and key criteria identified by the original 2011 Legacy Task Force.

Proposal Sponsors must provide relevant details and list proposed benefits to the community in these categories:

- 1) ***Transformative outcome.*** Describe how the proposal will substantively improve the landscape of Fort Wayne either figuratively or literally.
- 2) ***Amount of investment leverage.*** How will the project maximize leverage opportunities? What are the sources, both public and private, of funding beyond Legacy funds? Are funds in place or committed? Describe project budget and financing gap.
- 3) ***Serve as a catalyst for additional development.*** How will the proposal attract development or other improvements in the immediate vicinity?
- 4) ***Local focus.*** Describe in detail how the Legacy Fund will remain within Fort Wayne. Be as specific as possible.
- 5) ***Considers and aligns with adopted community plans.*** Will the project be sensitive to Plan-It Allen and subsequent area and special purpose plans, including Bike Fort Wayne, Walk Fort Wayne, Front Door Fort Wayne?
- 6) ***Long term sustainability.*** Is the proposal is well developed and provides a solid business model? Provide details.
- 7) ***Alignment with identified community priorities.*** Is the impact of the concept / proposal aligned with community priorities?

Identified Community Priorities

- A. 21st Century Talent (e.g. education, training, workforce development);
 - B. Economic Development (e.g. retaining, growing and attracting employers);
 - C. Entrepreneurship (e.g. new/start-up businesses, venture capital);
 - D. Infrastructure (e.g. services and facilities that support economic development); and/or
 - E. Quality of Life (e.g. arts and cultural resources, community amenities, aesthetics).
- 8) ***Improve the local economy.*** How will the proposal attract new jobs, provide an expanded tax base, and/or stabilize distressed or threatened neighborhoods.
 - 9) ***Three overarching areas of focus.*** How will the proposal address one or more of the listed focus areas? Is the proposal bold? Will it be recognized as having moved the community forward? Be specific.
 - A. **Core Economic Development** - To secure a solid economic foundation for Fort Wayne's future, while aligning with and advancing the Fort Wayne economic strategy.
 1. **Business Attraction and Retention**
 2. **Strategic Infrastructure**
 - B. **Downtown / Riverfront Development** - To improve and develop two of Fort Wayne's great assets: downtown and its rivers.
 1. **Catalytic Downtown Development Incentives.**
 - i. Aggressive support system for entrepreneurial and early stage companies
 - ii. Live-work space development
 - iii. Post-secondary education presence
 - iv. Development incentives
 - v. Downtown transit

- vi. Downtown commercial development
 - 2. **Riverfront Development** - Focusing riverfront development in the downtown area to promote both the use of the rivers and the downtown area is a natural connection. The Task Force highlighted the importance of prioritizing riverfront planning initiatives and encouraging riverfront development projects. Catalytic projects noted include a large-scale development at the area known as North River.
 - 3. **Arts and Culture** - The Task Force supported a strong arts and culture presence in downtown to improve community identity, destination development, and attraction of residential development. Legacy should encourage innovation and creativity for a thriving and diverse downtown. Examples include:
 - i. Youth arts programming
 - ii. Innovative art and technology
 - iii. Public art
- C. Youth/Prep Sports Initiative** - Build on existing strengths to enhance sports opportunities for Fort Wayne youth/prep sports.

Role of the Community Trust Investment Committee (CTIC):

Investments of the City of Fort Wayne Community Trust's ("Trust") Legacy Fund follow the principles of the Indiana Uniform Prudent Investor Act (the "Act"). Loans extended by the Trust upon the recommendation of the Legacy Joint Funding Committee (LJFC) are by nature below-market and will include an inherent subsidy. Accordingly, any such loans are not considered "investments" subject to the prudent investor rule under the Act.

- 1) It shall not be the role of the CTIC to evaluate whether a particular Legacy Fund grant/loan request meets the guiding principles, areas of focus and key criteria created by the original 2011 Legacy Task Force. Any such evaluation is the role of the LJFC and the Common Council.
- 2) For loan requests under this policy, the CTIC shall:
 - a. Quantify the opportunity cost to the Legacy Fund of funding the loans as shown in the negotiated term sheet and supporting documentation.
 - b. Provide such other financial information and/or unique considerations of the Trust to the LJFC which will assist the LJFC in evaluating such loan requests.

Due Diligence:

In addition to the information provided for the above evaluation criteria, proposal sponsors should be prepared to discuss the following aspects of their proposal:

- Market/feasibility studies, whether complete or needed
- Economic impact studies, whether complete or needed
- Financial model:
 - o Investment strategy

- o Partners/leverage resources committed
- o Ongoing operational plan (budget)
- o Maintenance requirements
- Steps to implementation
- Implementation timeline

Long Term Commitment Required:

To realize the desired transformational effect on the community the concept / proposal must be considered a permanent and/or sustainable improvement. To that end, funding agreements crafted between the City of Fort Wayne and Project Sponsor of the proposal will include a long-term commitment to maintain the agreed project. Depending upon the size of the investment and individual aspects of the project, the agreement may require commitments of 20 or more years of sustained community presence.

Other:

While the process for evaluating and recommending proposals seeks to cover the original goals of Community Legacy and the criteria from the original Legacy Task Force, it would not honor the true intent if it failed to provide for emerging, unique opportunities. The guidelines and rules in this document may be inadequate or serve to artificially inhibit or restrict approval for proposals not envisioned at the time of adoption. It is imperative that such possibilities are recognized and pursued where and when appropriate.

Careful evaluation of all potential projects, especially the bold and creative, should be considered. To capture these unique opportunities, allowances may be made to adjust for opportunities may not precisely comply with these guidelines.

One example of innovative Legacy funding is the use of a loan for early-stage project investment. Funds will not only be returned to Community Legacy, but a return on investment provides supplemental income to the Community Legacy Fund. Where possible, unique forms of investment or terms for return of equity should be encouraged.

The original Legacy Task Force strongly encouraged creative solutions. To that end, a standardized review process documented here is not meant to unduly restrict innovative concepts from receiving a full evaluation. Considerable effort will be made in the review of proposals/concepts to assure flexibility is accommodated where merited.