

**A RESOLUTION APPROVING THE DISTRIBUTION OF FUNDS FROM THE
CITY OF FORT WAYNE COMMUNITY LEGACY FUND.**

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

Whereas, the City of Fort Wayne 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 of Fort Wayne 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, by working together, we will leave a lasting Legacy for future generations;

NOW THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF FORT WAYNE, INDIANA:

SECTION 1. The City of Fort Wayne Common Council hereby authorizes the Board of Trustees of the City of Fort Wayne Community Legacy Trust Funds to distribute to the following project:

Bridge of Grace Hope Unleashed Project

Funds in the amount of \$1,000,000 will be provided to Bridge of Grace from the City of Fort Wayne Community Legacy Fund pursuant to the attached City of Fort Wayne Legacy Agreement with Bridge of Grace.

SECTION 2. This Resolution 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

Malak Heiny, City Attorney



COMMUNITY DEVELOPMENT

Thomas C. Henry, Mayor

Engage • Innovate • Perform

City of Fort Wayne
Community Development
200 East Berry Street, Suite 320
Fort Wayne IN 46802
260.427.1127

MEMO

To: Common Council Members

From: Sharon Feasel – Development Finance Administrator,
Community Development Division

www.cityoffortwayne.org

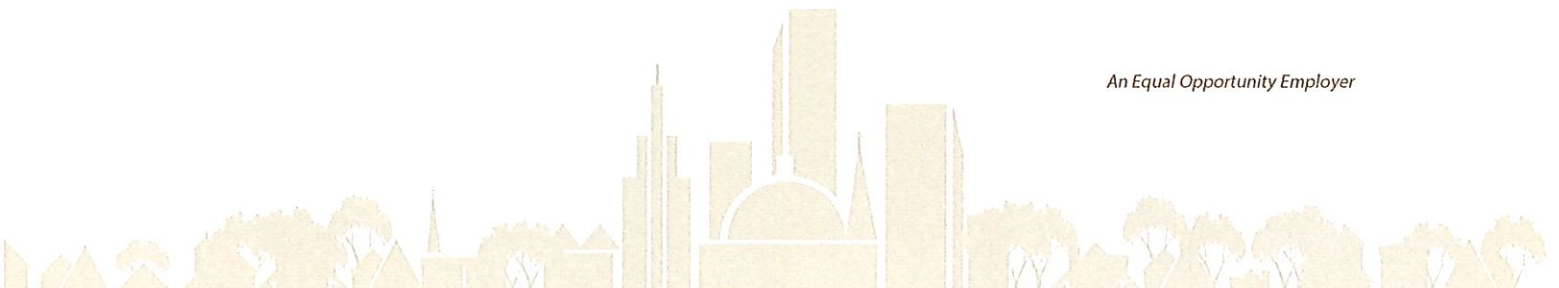
Date: February 14, 2023

Re: Legacy Fund Grant for Bridge of Grace – Hope Unleashed project

Bridge of Grace has undertaken a \$17 million multi-faceted community development project. The center piece of the effort is an early childhood development center. With significant private funding in place the project sponsor received support from the Legacy Joint Funding Committee in late 2022. Today we will be submitting a resolution to Common Council asking that \$1,000,000 of Legacy funds be pledged to the project.

Thank you for your consideration and if you have any questions please contact me at 427-2107.

An Equal Opportunity Employer



**CITY OF FORT WAYNE
LEGACY FUND
AGREEMENT
WITH BRIDGE OF GRACE**

This Agreement (the "Agreement") is entered as of the Effective Date (as hereinafter defined) by the City of Fort Wayne, Indiana (the "City") and Bridge of Grace ("Recipient") (the City and Recipient being collectively referred to herein as the "Parties"). The Parties, in consideration of the mutual covenants, obligations and agreements set forth herein, agree as follows:

WHEREAS, Fort Wayne Common Council Resolution 12-12-15 (the "Resolution") authorized the expenditure of funds from the Legacy Fund to invest in projects that will have an impact and change within the community; and

WHEREAS, the Parties desire to enter into this Agreement to enhance access to quality care and education for children from the beginning of their educational journey through the construction and operation of a new early childhood development center; and

WHEREAS, the Recipient will invest in an early childhood development center adjacent to its current location which will be designed and operated to provide a high-quality child care and educational experience; and

WHEREAS, the Parties desire to enter into this Agreement in order to achieve the purpose stated herein in accordance with and subject to the terms and conditions hereof;

NOW, THEREFORE, for and in consideration of the mutual considerations hereinafter set forth, the parties hereto agree as follows:

1. Purpose of the Agreement. The purpose of this Agreement is to promote educational, employment and cultural opportunities for the citizens of Fort Wayne Indiana, and to provide support for transformational projects in the community. In furtherance thereof, the City has agreed to award to the Recipient, subject to the terms and conditions hereof, certain financial assistance herein to construct an early childhood development center at 5100 Gaywood Drive, in Fort Wayne, Indiana, as part of a long-term strategy to cultivate home ownership, implement economic development tactics, and revitalize nearby neighborhoods with the addition of an inclusive early childhood development center. The HOPE Unleashed project is a comprehensive approach to community improvement.

2. Definitions.

- a. The "Application" means the Legacy Fort Wayne Fund Application, a copy of which is attached hereto as Exhibit 1 and incorporated hereby by reference.

b. "Project" means the design, development and construction of an early childhood development center at 5100 Gaywood Drive, as described in the Application, and in the Design Documents and Construction Documents attached hereto as Exhibits 2 and 3 respectively and incorporated herein by reference.

c. "Facility" means the Recipient's completed, fully operational and occupied building.

d. "Grant" means the amount of funds described in Section 6, hereof which the City may award to Recipient to pay for a portion of the costs to construct those components of the Project described in attached Exhibit 2, subject to Recipient's performance in all respects of the terms and conditions of this Agreement.

e. "Fund" means the Legacy Fort Wayne Fund, as provided by the Resolution.

f. "Effective Date" means the date on which the second of the Parties executes the Agreement.

3. Term of the Agreement. This Agreement shall commence on the Effective Date and shall continue until the twentieth (20th) anniversary of the date on which the Facility is issued a Certificate of Occupancy by the Allen County Building Department (the "Term"). The Recipient shall use its best efforts during the Term to maintain normal and customary operations at the Facility and to develop, maintain and expand the community engagement programs described in the Application.

4. Investment in the Project. Recipient will invest the sum of Sixteen Million Thirty-Nine Thousand and Five Hundred and Fifty-Six Dollars (\$16,039,556) in developing and constructing and completing the Project.

5. Timing of the Grant. Recipient may request payment of the Grant under this Agreement provided that Bridge of Grace has received ninety percent (90%) of funding for the Project. Recipient shall provide City with documentation satisfactory to the City of total funds received concurrent with requesting payment of the Grant by City.

6. The Grant. The Grant shall not, in any event, exceed the maximum sum of One Million Dollars (\$1,000,000) and will be paid, subject to Recipient's performance of the terms and conditions of this Agreement, in a single payment upon Recipient's written request therefor.

7. Responsibilities of Recipient. Recipient has made certain representations and covenants to the City in Part III of the Application regarding the Project, including the amount of investment, the community-based programs and community engagement activities to be created and administered and the economic and community impact to be generated by the Project during the Term. Recipient represents and covenants that it will use its best efforts during the Term to continuously maintain update and improve in all material respects the Facility and the programming and activities associated therewith and will develop, maintain and expand the community-based programs and community

engagement activities all as described in the Application, through the investment to be made, the Facility to be constructed and the new learning opportunities to be created and operated by the Recipient. Recipient's representations and covenants are a material inducement to City agreeing to award the Grant to Recipient. In the event Recipient breaches any of the representations or covenants contained in the Application or this Agreement, or otherwise defaults in the performance of any other provision of this Agreement, as determined by City in its sole discretion, the Grant shall be repaid by Recipient pursuant to Section 9 hereof. Without limiting the foregoing, examples of Recipient's default which shall require a repayment of the Grant to City shall include:

- a. The Recipient shall fail to design, construct and operate in its totality as an early childhood childcare and educational experience as described in the Application.
- b. The Recipient's community outreach programs and activities described in the Application are not developed or are materially reduced, modified or are eliminated during the Term.

The terms and provisions of this Section 7 notwithstanding, Recipient may from time to time during the Term request the City to permit a material change in the direction or focus of Recipient's community-based programs and/or community engagement activities. Any such request shall be in writing and shall provide a detailed description of the reason for such request and the program and/or proposed modification or activity changes that will result from such requested. Each such request shall be considered in good faith by the City which shall take into consideration the reason for Recipient's request and the impact on the community of such change to the program and/or activity changes or modifications. The City may grant or deny any such request by the Recipient in the City's absolute discretion and the City's decision in each instance shall be binding upon the Recipient.

8. Reporting Obligations of Recipient.

- a. The Recipient shall submit to the City during the Term, no later than June 30th following the close of the Recipient's most recent fiscal year the information for such preceding fiscal year listed below, in a format acceptable to the City:
 - 1. A description of all programs, activities and educational uses of the Facilities during the immediately preceding fiscal year. The report shall include on a monthly basis the number and description of full and part time positions at the Facility and the number and ages of students served.
 - 2. Such supplemental and/or clarifying information and data which the City may request in writing after reviewing the information submitted by Recipient pursuant to Section 8.a.1, within fifteen (15) days following City's request.
 - 4. Such other data and information regarding matters relating to Application, the Grant, the Project and the Facilities as City may reasonably request in writing within thirty (30) days following City's request.

Recipient shall certify under oath the accuracy of all information in each report submitted to the City under this Section 8.

9. Non-Compliance: If the City determines in its sole discretion that the Recipient is not in compliance with the requirements of this Agreement in any material respect, the City may, upon thirty (30) days written notice to Recipient which shall include a reasonably detailed description of such non-compliance and which shall provide Recipient the opportunity to explain the reasons for and an opportunity to cure the noncompliance, take any action the City deems appropriate in City's sole discretion, including the termination of this Agreement. In the event of such termination prior to the award of the Grant, the Recipient shall waive and relinquish the right hereunder to request the Grant and the City in its sole discretion shall have no obligation to award the Grant to the Recipient. If the Grant has been paid to the Recipient prior to termination of the Agreement under this Section 9, the Recipient shall repay the Grant to City within one hundred eighty (180) days of City's written request for repayment. The amount to be repaid to the City by the Recipient shall be:

- (a) the Grant received by the Recipient, if the date of the non-compliance occurs during the first ten (10) years of the Term; or
- (b) a pro-rated share of the Grant received by the Recipient, based upon the date of non-compliance date during the second ten (10) years of the Term.

10. Notice to Parties. Any notice, statement or other communications sent to the City or the Recipient shall be sent to the following addresses, unless otherwise specifically advised.

To the City of Fort Wayne:

Malak Heiny
City Attorney – City of Fort Wayne
200 East Berry St., Suite 430
Fort Wayne, IN 46802
PH: (260) 427-1395
e-mail: Malak.Heiny@cityoffortwayne.org

To Bridge of Grace:

Javier Mondragon
CEO – Bridge of Grace
5100 Gaywood Drive
Fort Wayne, IN 46806
PH: (260) 744-4446
e-mail: jmondragon@bridgeofgracecmc.org

11. **Authority to Bind.** Notwithstanding anything in this Agreement to the contrary, the signatory for the Recipient represents that he/she has been duly authorized by the Recipient to execute this Agreement and to bind the Recipient to each of the representations, covenants, and obligations of Recipient contained herein.

12. **Amendment of this Agreement.** This Agreement or any portion hereof may only be amended by a writing executed by the Parties.

13. **Assignability.** The Recipient shall not assign this Agreement or any portion thereof without the prior written consent of the City, which consent may be withheld at the City's discretion.

14. **Remedies not Impaired.** No delay or omission of any party in exercising any right or remedy available under this Agreement shall impair any such right or remedy, or constitute a waiver of any default or acquiescence thereto.

15. **Compliance with Laws.** The Recipient agrees to comply with all applicable federal, state and local laws, rules, regulations and ordinances and all provisions required thereby, whether now existing or hereafter enacted, which are included and incorporated by reference herein, in the design, development and construction of the Project, in the management and operation of the Facility, in the community outreach programs and activities, and in Recipient's performance under this Agreement.

Pursuant to I.C. '22-9-1-10 and the Civil Rights Act of 1964, Recipient shall not discriminate against any employee or applicant for employment, to be employed in the performance of this Agreement, with respect to the hire, tenure, terms, conditions or privileges of employment, or any matter directly or indirectly related to employment, because of such person's race, color, religion, sex, disability, national origin, handicap or ancestry. Breach of this covenant may be regarded as a material breach of this Agreement.

The Recipient affirms under the penalties of perjury that the Recipient does not knowingly employ an unauthorized alien. The Recipient affirms under the penalties of perjury that the Recipient has enrolled and is participating in the E-Verify program as defined in IC 22-5-1.7-3. The Recipient agrees to provide documentation to the State of Indiana that the Recipient has enrolled and is participating in the E-Verify program. Additionally, the Recipient is not required to participate if the Recipient is self-employed and does not employ any employees. The City may terminate for default if the Recipient fails to cure a breach of this provision no later than thirty (30) days after being notified by the City.

16. **Governing Laws.** This Agreement shall be construed in accordance with and governed by the laws of the State of Indiana, notwithstanding its choice of law rules to the contrary or any other state's choice

of law rules. Suit, if any, shall be brought in a court of applicable jurisdiction situated in Allen County, Indiana.

17. **Entire Agreement.** This Agreement, entered into of even date herewith, and any attachments hereto, contain the entire understanding of the Parties and this Agreement supersedes all prior agreements and understandings, oral or written, with respect to the subject matter enclosed herein and contemplated hereby.

18. **Release and Indemnification.** The Recipient hereby forever releases, acquits and discharges and agrees to indemnify, defend and hold harmless the City, its divisions, departments, officers, employees, representatives and agents (individually, an "Indemnatee" and collectively, the "Indemnitees"), to the extent permitted by law, from and against all claims, demands, charges, causes of action, lawsuits, costs and expenses (including legal costs and attorney's fees) of every kind and nature, both known and unknown and whether now existing or hereafter arising, caused by, related to or in any way associated with (a) the execution, administration, operation or termination of this Agreement, (b) the failure of the City to award or pay the Grant; (c) the repayment of the Grant or any portion thereof to the City, and (d) any act or omission of the Recipient, Recipient's contractors, subcontractors, vendors, suppliers, employees, representatives, licensees, invitees, authorized agents, or the act or omission of any third party in connection with: (i) the design, development, construction, operation, management, control and use of the Facility and its premises; and (ii) any property loss or personal injury (including death) which is directly or indirectly related to or the result of any act or omission to act of any nature by any party which occurs at any time and under any circumstance in, on or about the Facility and its premises. In no event shall the City be liable to any party for or provide indemnification to any party for any direct, indirect, special, incidental, consequential or punitive damages, costs or expenses arising directly or indirectly from any act or omission to act by any party relating in any manner to this Agreement, the Application or the activities described herein or therein or contemplated hereby or thereby. The covenants contained in this Section 18 shall survive indefinitely following the expiration or termination of the Agreement for any reason.

19. **Severability.** The invalidity of any section, subsection, clause or provision of this Agreement shall not affect the validity of the remaining sections, subsections, clauses, or provisions of this Agreement.

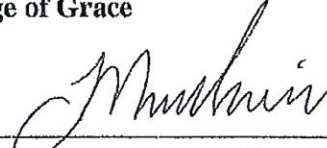
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IN WITNESS WHEREOF, the Parties, by their respective duly authorized representatives, have executed this Agreement on the dates entered below.

The City of Fort Wayne

By: _____ Date: _____, 2023
Thomas C. Henry, Mayor

Bridge of Grace

By:  _____ Date: 02/07, 2023
Javier Mondragon – Founder & CEO



COMMUNITY LEGACY FUND APPLICATION

OCTOBER 1, 2022

PART I: APPLICANT INFORMATION

1. PROPOSAL NAME:

- HOPE Unleashed

2. PHYSICAL ADDRESS OF PROPOSAL:

- Bridge of Grace, Inc
5100 Gaywood Drive
Fort Wayne, IN 46806

3. NAME AND ADDRESS OF PROJECT OWNER:

- Bridge of Grace, Inc
5100 Gaywood Drive
Fort Wayne, IN 46806

4. DESCRIBE THE PROPOSED PROJECT.

Bridge of Grace respectfully requests \$1,000,000 in funding from the Community Legacy Fund for our HOPE Unleashed capital campaign to build an early childhood development center. The child care center will be located adjacent to our current location on Gaywood Drive in southeast Fort Wayne. The child care center is a critical component of our larger community development plan called HOPE Unleashed.

In February of 2022 we launched HOPE Unleashed, a holistic capital campaign for southeast Fort Wayne. The HOPE Unleashed initiative includes Housing, Opportunity, Progress, and Education in the Mount Vernon Park and Pettit-Rudisill neighborhoods and southeast Fort Wayne. Our goal is to raise \$19 million to cultivate home ownership, implement economic development tactics, revitalize our neighborhood with a clinic and renovated park, and build a high-quality, inclusive early childhood development center. HOPE Unleashed is comprehensive approach to community improvement in four key focus areas:

Housing: Our goal is to lower rental rate and increase access to home ownership by purchasing 25-30 current rental properties. We will work to increase stability for families by working with them on a path from renting to homeownership. By providing access to affordable housing, financial literacy, and investment, we will improve quality of life by increasing the rate of homeownership and reducing the risk of involuntary displacement.

Opportunity: Increase access to economic opportunity in southeast Fort Wayne by repurposing vacant green lots, retail, and public spaces and into places- like incubators, farmers markets, and pop-up retail markets- that cultivate entrepreneurship. Additionally, we will promote collaboration among existing business owners. Over the long term, implementing initiatives that strengthen existing businesses can reduce regional wage and opportunity gaps and increase access to gainful employment. We are also including additional space for staff and community work space which will allow us to increase our neighbors' access to technical support and resources.

Place-Based Progress: Revitalize our community by renovating Brewer Park. The renovation of the park will improve walkable infrastructure, create multi-age play space, and increase quality of place. Our neighborhood association worked with Fort Wayne Parks and Recreation for a year to develop a master plan that was adopted by the Board of Park Commissioners. In our capital campaign, we raised \$500,000 toward the park renovation. Other funds for the park include: \$2,000,000 ARPA funds (approved by City Council September 20, 2022) and \$250,000 from the Fort Wayne Parks and Recreation Capital Budget. We anticipate that these improvements will not only beautify our community, but also positively impact our neighbors' mental, physical, and emotional wellbeing.

Education and Health: To close the opportunity gap and ensure strong starts for our neighbors and their families we will build an early childhood development center and a community health clinic. The early childhood development center will serve more than 200 children ages 0-5 every day through full-day child care and developmental programming. The clinic will serve families and neighbors through physical care and mental health services. (see more information below)

Target Population:

Bridge of Grace has traditionally served the roughly 1,500 residents (or 550 households) in the Mount Vernon Park (MVP) Neighborhood. Neighborhood demographics, and Low-Income Working Families: The Growing Economic Gap, indicate that roughly 80-90% of our patrons are living in households whose income level is near or below the low-income threshold. In recent years, our housing and outreach efforts have grown to include projects in the Pettit-Rudisill neighborhood just north of MVP. While Pettit-Rudisill's population is about three times larger than that of MVP, it's economic and racial demographics are similar. Each neighborhood is diverse with most residents being African American, Hispanic, and Asian.

EARLY EDUCATION INITIATIVE:

The Background: For over ten years, Bridge of Grace has been focused on breaking the cycle of poverty through education and afterschool programming. But we found that we were being reactive to the problem by starting with elementary students. To be proactive, we had to commit to starting earlier – at birth or even before by working with pregnant moms.

One of our first community programs was developed through a partnership with Levan Scott Academy, the public elementary school located directly across from Bridge of Grace. After building a relationship with the staff and principal, it became evident that Bridge of Grace could help the school by providing tutors and mentors through after-school programs to support students who need extra academic support.

Levan Scott Academy has an amazing staff and is filled with great students from our community. However, the school consistently falls in the bottom 10% on performance standards for the state of Indiana. This is not due to lack of committed, qualified teachers; or simply because the students do not care. Rather this stems from a much bigger systemic issue of the *opportunity gap*.

Professors Prudence Carter from Stanford University and Kevin Welner from University of Colorado-Boulder wrote an article for the New York Daily News about how the opportunity gap is affecting our most vulnerable children. In the article they wrote:

"Children learn when they have opportunities to learn, and the richer those opportunities from the very earliest age, the greater the learning." 6

Unfortunately, learning opportunities for our children living in poverty are scarcer than those of children from affluent families. In their article, Carter and Welner use a metaphor that describes the differences of learning opportunities based on socioeconomic status. Imagine being in a large city and needing to get to the top floor of a high-rise. Affluent families' educational experiences are compared to riding the express elevator straight to the top. Middle class families have a longer ride with a little more struggle to the top on smoothly running escalators. While their ride requires more effort than the affluent families, it is much easier than that of lower-income families. For lower-income families, their journey to the top is more like walking up a steep stairwell that has broken steps and no handrails. 6

Learning opportunities are often dependent on families' socioeconomic status because of the resources and access available. Affluent families have access and financial means to provide quality care for their young children in the best pre-schools. They also have time and resources to provide their children with learning opportunities and experiences in and out of the home. These opportunities also exist for those in upper middle-class families. However, for lower middle-class families living paycheck to paycheck and those living in poverty, the access and financial means for learning opportunities is increasingly more challenging due to lack of time, resources, and access.

The opportunity gap in our community is prevalent, but it doesn't have to be. As a community we can narrow the gap by providing low-income children with a fair start. This means providing families with high-quality early care and education in the first three years of life and continuing with quality learning opportunities in pre-K, Kindergarten and beyond.

Teachers at Levan Scott Academy, and many other schools just like it, will tell you that many of their students do not come to kindergarten and first grade ready to learn. In fact, kindergarten readiness assessments show that students are "behind" their peers before the first day of school has even begun. To get kindergarteners on grade level, schools hire teachers who are solely focused on academic interventions in small groups and one-on-one tutoring. This is a huge expense to the school systems, but an even bigger cost is in retention. "In 2016, Indiana spent \$24 million in kindergarten remediation, the most spent on any grade level."⁸

Schools and teachers are faced with the very real problem of the opportunity gap turning into a large achievement gap. It becomes the school's responsibility to narrow the gap and get all students on grade level. But with lack of resources and time, large class sizes and too many students to reach, inner city schools are fighting a losing battle. Research tells us that school readiness makes a big difference in school success and beyond. "When a young child enters kindergarten ready for school, there is an 82% chance that child will master basic skills by age 11, compared with a 45% chance for children who are not school ready."⁷

Yet, policy is often reactive to the issue of the opportunity and achievement gaps by putting funding in K-12 interventions. These interventions are incredibly costly and are often too little, too late. Children who are behind in kindergarten often stay behind. Research shows that low-income fourth graders are thirteen times more likely to drop out of high school. Half of those students are more likely to be unemployed and 8 times more likely to be incarcerated.¹⁰

To close the gaps and create systemic change, we *must* focus our efforts on being *proactive*. This means starting early, in the first three years of a child's life. Providing children and families with access to quality care and education from the very beginning is a complete game changer and is proven to close the gap.

The Research: Ninety percent of a child's brain is developed before the age of five. Even more, the first three years are a critical time for brain development because there are one million NEW neural connections happening every second. These connections can either create strong or weak foundations for learning later. For the children in our neighborhood to be ready for success in school, and beyond, we must ensure that all caregivers of young children are brain builders.

Dr. James Heckman is a Nobel Laureate, Professor of Economics at the University of Chicago, and a researcher in the field of early education. Much of his research focuses on the long-term effects of high-quality care and education and the significant impact it has, even into adulthood. His latest study shows that high-quality birth-to-five programs for children living in poverty can deliver a 13% per child, per year return on investment through better outcomes in education, health, social behaviors and employment, reducing taxpayer costs down the line and preparing the country's workforce for a competitive future.

The Need for Early Childhood Development Center in Our Community:

Our child care center will increase the number of high-quality child care spaces in our zip code. According to the state of Indiana, the 46806 zip code has approximately 1600 children under the age of six who need child care, but only 950 child care spots. This data shows the struggle of families to find child care. Our center will help provide 120 more spaces for infants, toddlers, and preschoolers. But that is not where the need stops, we must also increase quality. Less than 40% of the child care programs in 46806 zip code are considered high-quality. Our center will be a state licensed, high-quality child care facility that will strive to have the highest accreditation and state rating. We will also go above these standards by being trauma informed, based in child development principles, use research-based practices, and will include Infant and Early Childhood Mental Health Endorsements.

PART II: PROJECT INFORMATION

1. PROVIDE PROJECT DETAILS:

- Total Project Cost:
The total cost for the project is \$19,000,000. The focus of this grant is for the building of the early childhood development center that will provide full-day child care for infants, toddlers, and preschoolers in our community.
 - Housing: \$1,500,000 – Purchasing 25-30 Homes
 - Opportunity: \$1,000,000 – Purchasing Commercial Property
 - Progress: \$500,000 – Renovation of Brewer Park
 - Education & Health: \$16,000,000 – Early Childhood Development Center (state licensed child care center), Community Health Clinic, Bridge of Grace Offices/Community Workspace
- Project's Future Timetable – Design and Construction:
 - Site Preparation Begins – September 2022
 - Construction Documents Completed – September 2022
 - Subcontractors Secured and Updated Budget Submitted – October 2022
 - Early Material Procurement – October / November 2022
 - Ground Breaking – February/March 2023
 - Construction – 15 months
 - Anticipated Ribbon Cutting/Opening – May/June 2024

2. DESCRIBE CAPITAL NEED:

- Financing Requirements / Sources of Capital
 - **Exhibit 1** – Capital
 - Sources/Uses Statement p. 1-2
 - Detailed Budget p. 3-56
 - Financing Status –
 - Capital for Compassion p. 6-16
 - PNC Soft LOI p. 17-18
 - Long-Term Sustainability –
 - Child Care Center Business Plan p. 19-41
 - Bridge of Grace 8-year Operations p. 42
- Provide:
 - Anticipated Financing Closing Date – February 2023
- **Exhibit 2** – Additional Grants and Incentives Benefiting HOPE Unleashed
 - Road Improvements p. 1-3
 - Brewer Park Email p. 4

3. PROJECT TEAM:

- Contact Information for the Project Sponsor:
Bridge of Grace
5100 Gaywood Drive
Fort Wayne, IN 46806
260.744.4446
- Full contact information for all financial partners:
 - New Market Tax Credits Consultant
John A. McGeehan
Capital for Compassion
178 River Hills Drive. Holland, MI 49424
616.786.9926
 - Loan Partner – still in discussion phase
Pat Gamble-Moore
PNC
Community Development Banking
Patricia.Gamble-Moore@pnc.com
 - PRIVATE Donors
See attached document. This document is to remain confidential and not be public as many of our donors do not wish to be public or the amount of their contribution to be public. We have not included contact information. If you wish to see the pledge cards, please let us know and we will submit them for the committee to see. Thank you for understanding the need for our funders' privacy. (see Exhibit 1 – sources and uses)

4. ADDITIONAL INFORMATION AS APPROPRIATE

- **Exhibit 3** - Site Control & Zoning Approval. p. 1-74
- Construction Contract & Schedule: This is currently being finalized by Weigand. We anticipate having the contract and schedule completed by November 2022.
- **Exhibit 4** - Plans & Specifications
 - Renderings p. 1-2
 - Maps p. 3-4
 - Elevations & Floor Plans p. 5-12

5. ADDITIONAL INFORMATION

- **Exhibit 5** Feasibility Study p. 1-23
- Market Study: Bridge of Grace conducted a market study to determine the need for child care in our community.
 - NOT ENOUGH CHILD CARE ACCESS: According to the state of Indiana, in the 46806 zip code there are an estimated 1600 children who need care and only 950 spots. This means that there are approximately 650 children who need care in our zip code alone. Our center increase capacity by 120 spots for families.
 - LACK OF SPOTS FOR INFANTS AND TODDLERS: Another piece that we took into consideration was the ages of children we will serve in our center. Taking care of infants and toddlers is very expensive due to the ratio of adult to child. Because of this, not all child care homes or centers accept infants. Many start at two years of age or some even have only preschool. We have heard from many parents that finding infant and toddler care has been challenging and a reason they have not been able to go back into the work force. Our center will serve infants, toddlers, and preschoolers.
 - We have been working with The Child Care Resource Network, our regions Child Care Resource and Referral (CCR&R) agency. They agree that there is a great need for increased high-quality care in our area, as well as the greater Fort Wayne area.
- Economic Impact: By fast tracking quality of place and economic development initiatives in southeast Fort Wayne, the HOPE Unleashed plan will result in increased household income, increased access to discretionary income, improved levels of educational attainment, stabilized and elevated local property values, and improved local health outcomes. HOPE Unleashed will proved an estimated 140 temporary construction jobs and 55 jobs for state with an average wage of \$45,000 per year.
- Economic Model
 - Partners/ Leverage Resources Committed

- Ongoing Operational Plan
- Maintenance Requirements: The building will be new and will have less maintenance requirements than an older building. However, we will have a maintenance contract with a company to ensure the building stays in great condition for years to come.
- Steps to Implementation:
 - Research and Development Phase
 - Hire architect and contractor.
 - Determine initial fundraising goal.
 - Recruit capital campaign committee.
 - Feasibility Study
 - Begin Fundraising & Applying for Grants
 - Work with architect firm to finalize plans.
 - Work with state licensing to check plans.
 - Final budget from contractors.
 - Site Development.
 - Break Ground.
 - 15-18 months of construction.
 - Center and clinic open.
- Implementation Timeline: We started the process of research and development back in 2018 and officially became a focus in 2020.
 - April 2020: Bridge of Grace hired Kelli Packnett as the Early Childhood Development Director.
 - April 2020 – December 2020: Research phase began- listening to stakeholders, analyzing data, and understanding the need.
 - Summer 2020 – Develop HOPE Unleashed, a holistic plan for community development that includes early education and housing, economic opportunity, and quality of place.
 - Fall 2020 – Hired Design Collaborative and Weigand Construction to determine initial budget of construction.
 - Fall & Winter 2020 - Developed business plan for the Early Childhood Development Center, a full-day child care center that will serve over 120 children – including a proforma.
 - March 2021 – Engaged Parkview about community clinic.
 - May 2021 – Recruit Capital Campaign Committee: Chuck Surack, Vicki James, Kathy Callen, and Mike Packnett.
 - August 2021 – Hired consultant for capital campaign and feasibility study.
 - February 2022 – Mayor Henry and his team came for a site visit and suggested applying for Legacy Funds.

- May 2022 – Design Documents finalized and Budget Reviewed.
- August 2022 – Site development started to prepare for construction.
- September 2022- Construction Documents Finished
- October 2022 – Subcontractors and Final Budget.
- October 2022 – February 2023 – Early procurement of materials as needed based on the market.
- February 2023 - Break Ground, construction begins.
- 15-18 months of construction
- Work with state licensing to ensure status for opening day
- Spring/Summer 2024 Opening Day
- Open Early Childhood Development Center with limited capacity and will grow to full capacity in the first 8 months.
- Open center with level PTQ 1 or 2; work in first 2 years to reach PTQ 4 and be nationally accredited.

PART III: ECONOMIC / COMMUNITY IMPACT

1. TRANSFORMATIVE OUTCOME

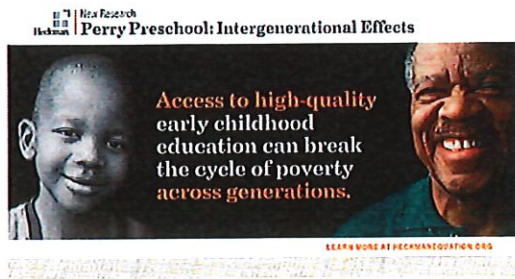
The HOPE Unleashed Initiative is transformational for our community. The area we serve in the 46806 zip code has seen a lot of disinvestment. Our community also has a high level of poverty, and we know that hope is often missing in these circumstances. We chose to name our capital campaign HOPE Unleashed, because we believe that hope is within each one of our neighbors and it simply just needs to be unleashed. This \$19 million investment is a catalyst.

As individuals and corporations make the decision to relocate to Fort Wayne, demand, property values, and rental rates have risen. This has threatened to displace tenants in lower income communities and has increased levels of concentrated poverty and lower quality of life. Increasing access to stable, affordable housing will not only reduce transience but also increase access to discretionary time and income. Our plan to purchase 25-30 homes that are current rental properties and transform them into homes owned by our neighbors will transform our community and the people in our neighborhood.

In our region, communities of color are driving growth. In the Fort Wayne Metro Region, people of color went from 9.9% to 16.3% of the population. While increased diversity has been demonstrated to promote innovation and improve the ability to attract and retain young professional talent, large unemployment and wage gaps persist for people of color and those living in underserved communities in Fort Wayne. By implementing initiatives that strengthen existing businesses and helping business owners of color gain access to affordable commercial and retail space and receive technical assistance business supports, we can help reduce the wage and opportunity gaps and increase access to gainful employment. Once we can buy the commercial properties we have identified, we will be able to put a plan in place with our neighbors that begins to support the entrepreneurs in our community.

Obesity has risen steadily in Indiana over the last two decades. Underserved communities in southeast Fort Wayne experience elevated rates of illness including high blood-pressure and diabetes, and obesity due- in part- to food insecurity, lack of access to preventative care, and lack of physical activity. The renovation of Brewer Park is transformational for our community because it will increase the beauty and health of neighborhood. Providing more space for exercise and gathering will support better health outcomes.

Many children in our community are entering kindergarten and are not ready. Our local school system is seeing children in our neighborhood school coming 2-3 years behind when they start pre-k and kindergarten. And this gap only widens as the children get older. But research is clear that high-quality early learning is the key to breaking the cycle of poverty and closing the opportunity gap by giving children a strong start.



go into the next generation. The children of the child who was in high-quality child care also see effects as they grow and become adults. There are increased health outcomes, lowered rates of incarceration and behavior issues in school, increased higher education graduation, employment gains, wage increases, and better family outcomes.

Dr. James Heckman is a Nobel Laureate and professor of economics at University of Chicago. He and his team have done extensive research on the effects of high-quality early education. They have found that the effects are multigenerational – effecting not just the child in care, but the parent who gets to go to school or seek better employment because their child is safe and learning. But it doesn't stop there, their research also shows that the effects

2. AMOUNT OF INVESTMENT LEVERAGE.

Bridge of Grace has been seeking public and private investments for the HOPE Unleashed capital campaign. Our goal is \$19,000,000 for the entire campaign.

PRIVATE FUNDS

Business	\$ 1,200,000	Individual	\$ 100,000
Business	\$ 1,000,000	Individual	\$ 100,000
Individual	\$ 1,000,000	Foundation	\$ 100,000
Foundation	\$ 1,000,000	Foundation	\$ 100,000
Foundation	\$ 1,000,000	Business	\$ 100,000
Foundation	\$ 1,000,000	Foundation	\$ 75,000
Foundation	\$ 1,000,000	Foundation	\$ 50,000
Foundation	\$ 500,000	Foundation	\$ 50,000
Foundation	\$ 300,000	Individual	\$ 50,000
Foundation	\$ 300,000	Business	\$ 30,000
Individual	\$ 250,000	Individual	\$ 25,000
Business	\$ 225,000	Individual	\$ 10,000
Business	\$ 150,000	Individual	\$ 5,000
Individual	\$ 100,000	Business	\$ 5,000

PRIVATE FUNDING: Twenty-eight unique donors have donated or pledged a total of \$9,825,000 in private funding for the campaign. The donations include seven foundations, individuals, and businesses that have donated at least \$1,000,000. There are another twelve donors who have pledged between \$100,000-\$500,000. Another five pledges have been promised for \$1,672,500 but we have not yet received their pledge cards.

PUBLIC FUNDING: We are seeking \$7,500,000 in public funding. We have turned in the READI Grant to the RDA and will be presenting to the RDA Board soon. We have hired Capital for Compassion as our consultant for New Market Tax Credits and they have been working to market our project around the country. We expect to find out which CDE's receive allocations sometime this fall. Finally, we are requesting Legacy Funds because of Mayor Henry's support for our project that he believes will be truly transformational.

- o READI Grant: \$4,000,000
- o New Market Tax Credits: \$2,500,000
- o Legacy Funds: \$1,000,000

Total Pledges:	\$ 9,825,000.00
Pending:	\$ 1,672,500.00
Possible Public Funds:	\$ 7,500,000.00
	<u>\$ 18,997,500.00</u>

TOTAL FUNDING: Assuming we can get all public funding and pending pledges, we will be very close to our \$19,000,000 goal. If there is a funding source that we do not receive, we are committed to bridging the funding gap by fundraising more private funds, finding more grant dollars, and using a loan to cover the remaining gap. The Bridge of Grace board

and the capital campaign committee are committed to ensuring this project is fully funded. The capital campaign committee is comprised of co-chairs Chuck Surack and Vicki James and members Kathy Callen and Mike Packnett.

BUDGET BREAKDOWN:

HOUSING: Funding Complete - \$1,500,000 raised

OPPORTUNITY: Not Yet Funded - \$1,000,000 goal

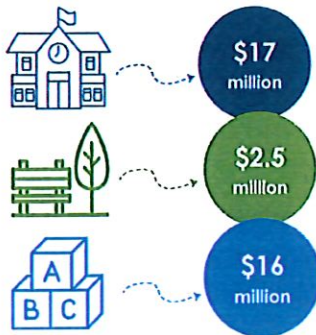
PROGRESS: Funding Complete - \$500,000 raised

EDUCATION, HEALTH, & OFFICES - \$7,825,000 raised of the \$16,000,000 goal (\$1,672,500 pending)

During the Feasibility Study, the OPPORTUNITY goal of raising funds to purchase commercial properties for future redevelopment was the lowest on the list of priorities of the people interviewed. With this information in mind, we will also consider a phased approach to the campaign and make this the last piece for funding if needed. Although, we see this as a critical component to help our neighbors increase their income through entrepreneurship and other job opportunities in the neighborhood.

3. SERVE AS A CATALYST FOR ADDITIONAL DEVELOPMENT.

Investment in Mount Vernon Park - New Construction



Southeast Fort Wayne has seen a lot of disinvestments over the last decades. But we are starting to see momentum again, especially in our neighborhood. Within a three-block section there is over \$35 million of investment – Levan Scott Academy (FWCS) is doubling in size and has started construction on an expansion that is estimated to cost \$17,000,000. The Brewer Park renovation is estimated to cost \$2,500,000. The building for Bridge of Grace will cost \$16,000,000. Our building includes a physical care and mental health clinic that Parkview Health invested in because of the HOPE Unleashed project. Because of the large investments happening here, the City of Fort

Wayne is also investing in infrastructure in this area. Public Works has budgeted for street improvements on Fairfax, Elmrow, and Wilson that will be another \$1,200,000 investment. This work is expected to be completed after the building construction in 2024-2025.

This project includes infrastructure, amenities, and quality education which will attract more development and people. Before these new projects described above, we had already seen home prices in Mount Vernon Park increase 36% in the last ten years, showing that the neighborhood is a desirable location to live. Adding more amenities and improving the infrastructure will only further increase those home prices and make it more appealing to bring business to the area.

4. LOCAL FOCUS.

HOPE Unleashed has a local focus through our choice of design/architects and construction firms based in Fort Wayne. Design Collaborative and Weigand Construction have been partners from the beginning. They are both leaders in the industry in Fort Wayne and have been incredible to work with in the process.

HOPE Unleashed also has a local focus through our location. We are located in southeast Fort Wayne in the 46806 zip code and have served the community for ten years through focused neighborhood revitalization and community development initiatives. We are committed to serving the neighborhoods of Mount Vernon Park and Petit-Rudisill, as well as serving the greater southeast area. Each one of the four focus areas of HOPE Unleashed has a local focus:

Housing: Purchasing 25 homes in the Mount Vernon Park and Petit-Rudisill neighborhoods.

Opportunity: Purchasing vacant commercial space in the 46806 in the light commercial developments between the 2 neighborhoods we serve.

Place-Based Progress: Renovation of the neighborhood park.

Education and Health: Child care and a health clinic that will serve children and families in our community. While these services will be open to all, the primary focus will be on our neighbors in southeast Fort Wayne.

5. CONSIDERS AND ALIGNS WITH ADOPTED COMMUNITY PLANS.

In January 2021, the Planning & Policy Department of the City of Fort Wayne adopted the Southeast Strategy Update Document. The HOPE Unleashed initiative supports many of the goals laid out in this strategy.

- Community & Pride – our project adds to high-quality visual character of the physical environment by building a beautiful space for the clinic and early childhood development center.
- Economic Development & Revitalization – The teachers at our center will be paid a wage that is above the average wage for a child care worker. Our focus on entrepreneurs will ensure inclusive and equitable practices. Building the community health clinic will improve access to health and wellness services.
- Housing & Neighborhoods – Increasing homeownership is a value of Bridge of Grace. We believe in ensuring our neighbors can afford to own a home and that they are not priced out due to high increase in the market. So, we will continue to ensure market sustainability. Part of our housing strategy includes working with our neighbors to prepare to own a home. This includes the finances, but also includes all pieces of owning a home such as maintenance and other things to consider.

ACT- Allen County Together was released in November 2021. The priorities of our project align in the following ways:

Guiding Principle 1: High Growth – Support the growth of the community by providing high-quality child care and health care.

Guiding Principle 2: Innovative – Strengthen the entrepreneurial ecosystem.

Guiding Principle 3: Inclusive – Catalytic development projects in southeast Fort Wayne. Make Fort Wayne a desirable place to live for diverse talent. Addresses workforce issues like wages and child care.

6. LONG TERM SUSTAINABILITY.

Long-term sustainability is a major focus of the HOPE Unleashed initiative. Before we began the fundraising efforts for the capital campaign, we focused on the research and development phase.

-Housing has been a focus of ours since 2016. Since then, we have completed 23 renovations of blighted homes in our community and these homes now have residents. Our housing program is currently a self-sustaining program. We have an expert committee working with Bridge of Grace staff to ensure that the growth planned in HOPE Unleashed will be sustained and the housing program will be able to thrive.

-Purchasing the vacant commercial lots is an important component of our plan. We will only be purchasing the lots at this time and will maintain the lots with our social enterprise, MVP Landscaping. Later, we will engage our community to learn more about what their dreams are for those spaces in our community. We will come together to make and implement the plan.

-The renovation of Brewer Park is an exciting amenity for our neighborhood. This is a city park and will continue to be maintained by the city. We will work as an organization to continue connecting the community to the park through events and gatherings so that the community has ownership of the park and continues to help take care of and preserve the beauty.

-The early childhood development center is a critical need in our community. Unfortunately, high-quality, trauma-informed child care is not a self-sustaining model. We anticipate needing to fundraise an additional \$150,000 every year to ensure that we break even. We have been planning for this and already have secured a foundation who has pledged \$50,000/year for the next five years. This means we will need to raise \$100,000. We continue to look for other donors who will support in this way. If we are not able to find specific donors to pledge the remaining \$100,000, we will fundraise the remaining amount through social media campaigns, annual fundraisers, and grants. We have a great donor base and are confident we will be able to raise the funds needed each year.

7. ALIGNMENT WITH IDENTIFIED COMMUNITY PRIORITIES.

The HOPE Unleashed project aligns with community priorities in many ways.

Housing: Supports infrastructure, quality of life and economic development. Decreasing blighted properties in our community benefits the quality of life. Decreasing the rental rate creates stability in the neighborhood that adds to the economic development of our community.

Opportunity: Supporting economic development and entrepreneurship is the focus of this portion of the capital campaign. Purchasing vacant commercial space will allow future development of third spaces in our community for people to gather like a coffee shop or a sit-down restaurant. Creating a marketplace for our neighborhood would allow our residents to sell products, food, and hand-made items without a long-term commitment so they can test their items with shoppers. A retail space for entrepreneurs to have a low-risk, short-term lease to sell their products will make a safe place for community members to test the market and have data to seek funding for a long-term business model.

Place-Based Progress: The renovation of the neighborhood park will have a direct effect of increasing quality of place and infrastructure in our community. This amenity will increase the beauty and health of the neighborhood and will be a catalyst to attract more business and people looking to live in a thriving community.

Education and Health: The community clinic is adding more infrastructure into our community by providing health services to our neighbors. And the addition of the high-quality early childhood development center has a direct tie to increasing economic development. To attract and retain talent, we must have high-quality child care.

8. IMPROVE THE LOCAL ECONOMY.

In the long-term, the goal of the HOPE Unleashed project is to break of the cycle of poverty by removing barriers and closing the opportunity gap in our community.

Through the housing initiative, we estimate our neighbors will gain more than \$3,000 a year by decreasing monthly costs of paying rent (around \$700-\$850/month) to paying a mortgage (around \$250-350/month). In economic opportunity impact, we will provide opportunities to increase the number of entrepreneurs, build more social enterprises, and increase employment in our community. When it comes to progress of our community, renovating Brewer Park is estimated to result in up to \$2,000,000 of increased home value for the roughly 180 houses nearest the park. The clinic will remove barriers to access for physical and mental health care. More access to care for pregnant women, children, and other neighbors means a decrease in infant mortality, increase in life expectancy, and overall better health for our neighbors.

James Heckman, from *Lifecycle Benefits*

High quality birth-to-five programs for disadvantaged children can deliver a

13%

Return on Investment

Starting earlier provides greater returns. Learn more.

www.heckmanequation.org

Providing high-quality early learning programs in low-income areas see an incredible rate of return on investment. When you invest \$1 in early learning, the return is \$7 on the investment. This is a 13% ROI and will have a direct impact on our local economy now and for decades to come.

The early childhood development center will focus on impacting our community by increasing the number of children who enter kindergarten ready for success. All children who graduate from our program will pass kindergarten readiness assessments.

The center will prepare the future workforce, ensure more parents are able to work or go back to school and will provide more than 25 jobs that will increase the AML of our immediate community. In addition, the center will:

- Serve 120 children daily through full-day child care
- Serve more than 50 children daily through developmental programming
- Increase the number of child care spaces for infants and toddlers in our community
- Employ more than 25 highly qualified and trained staff in child development

9. THREE OVERARCHING AREAS OF FOCUS.

HOPE Unleashed is a bold project that focuses on core economic development. Bridge of Grace is in an area of economic distress. Many of the households in our neighborhood are low-income. The goal of this project, and all the work of Bridge of Grace, is to break the cycle of poverty in our community. To move our community forward and transform it to a more stable and thriving community, we must raise the level of income for our neighbors. To do this, we must:

- Increase health and welfare of our neighbors. Brewer Park will provide our neighbors with a place to walk safely, areas to play together, include beauty with nature and art, and provide a space to socialize with family and friends.
- Increase high-quality child care in our community.
 - This will provide higher paying jobs for many of our neighbors. We will have over twenty teaching positions that will provide \$36,000 in salary and will also include benefits.
 - Provide 120 high-quality spots for children in our community so their parents can work or go to school.
 - Increase kindergarten readiness.
- Stabilize our community through increased homeownership.
- The community clinic will provide quality health care to our neighbors while removing barriers to care.