

## MEMORANDUM

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**TO:** Legacy Fund Task Force

**FROM:** Greater Fort Wayne Chamber of Commerce  
Fort Wayne-Alten County Economic Development Alliance  
Downtown Improvement District  
Downtown Development Trust  
Allen County-Fort Wayne Capital Improvements Board  
Northeast Indiana Innovation Center  
Northeast Indiana Regional Partnership  
WorkOne Northeast  
Regional Chamber of Northeast Indiana

**DATE:** March 31, 2011

**RE:** Legacy Fund

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Thank you for your work on behalf of our community. The Legacy Fund presents a tremendous opportunity for our community and you are wise to be thoughtful in your deliberations.

Tempting as it may be to present a series of "must have" projects and uses for the Legacy Fund, the organizations represented in this memorandum would prefer a more deliberative and thoughtful approach. Given the challenge to rebuild our economy, develop strategies for long term meaningful job growth, and position our community to be competitive in the coming decades, our recommendations to the Legacy Fund Task Force are described below.

We believe it is critical that a material portion of the Legacy Fund should be committed to projects and activities which will improve the competitive position of our community. The relative decline in our local economy was documented in the initial presentation made to the Task Force by the Community Research Institute. We can ill afford to not take full advantage of this unique situation to allocate Legacy resources toward investments which most directly create employment opportunities and subsequent personal and community income creation. It is only through sustained economic prosperity that Fort Wayne will be able to maintain and expand our quality of life and, at the same time, reduce the demands placed on the community when our residents are not able to secure quality employment. We are in need of transformative actions which can provide the catalyst for job growth and substantial private sector investment. Our Legacy Fund initiatives must be strategic and designed to continue the rebuilding of our community's economic engine.

We suggest that potential uses of the Legacy Fund should be subjected to satisfying a threshold which will safeguard the Fund from perhaps worthy, but less long-term consequential investments, and provide the basis for the strategic redevelopment of our economy.

We would submit that any proposed use of the Fund should be required to meet the following three key priorities:

- **Leverage**: Use of the funds should be leveraged with other investment. Each organization which is a party to this Memorandum would commit to use their best efforts to bring about requests for investment which are leveraged with other sources of investment;
- **Transformative Change**: Use of the funds should cause transformative change for our community. Transformative changes should include a commitment to funding and promoting the entrepreneurial investment that can grow over time into the region's largest employers. We need to plant our seed corn as part of the investment strategy supporting entrepreneurial growth; and
- **Strategic**: Investment of funds should be strategic, factoring in the strengths, assets and economic development objectives of our community. Economic development investments in which our community has no core strength, history, expertise, or in which we do not have a demonstrated likelihood of success, should be carefully scrutinized. We should not be afraid to embrace investments which mature over time and which, in the long term, may be more meaningful.

In pursuing these priorities, we recognize economic development and strategic growth is not always linear or predictably timed. Due to lack of available investment funds, our community has struggled in the past from the inability to respond quickly to economic development opportunities which can bring about job growth and meaningful private sector investment. Some substantial portion of the Legacy Fund should be set aside as an investment or "revolving loan fund" dedicated to Core Economic Development Investments.

In addition, investments should, whenever possible, help our workforce be prepared for the challenges and demands of a modern, world-wide, and competitive economy. Core Economic Development Investments should cause substantial job creation of a type and quality which enhances our community's average wages.

We would also strongly encourage that any proposed use of the Legacy Fund for Core Economic Development Investments should be supported by the organizations included in this memorandum. This combined support effort will maximize the likelihood of priorities being coordinated and projects thoroughly scrutinized by the organizations and elected officials charged with advancing our economic development interests. Of course, any proposed investment of the Legacy Fund should be benchmarked against best practices with achievable and measurable results. Lastly, in certain investments, it may be appropriate to expect a direct financial return on the funds invested. Although not appropriate with each investment, opportunities to earn direct financial returns on investment should also be considered. With strong encouragement from both the City of Fort Wayne and Allen County, the Alliance Board of Directors has committed to preparing an updated economic development strategy for our community in 2011. Completion of such an effort should assist in identifying more specific economic development action items that would be appropriate initiatives for Legacy funding.

The Legacy Fund is the result of visionary thinking of community leaders and many years of diligent, hard work. The result of our work needs to be more than just the aggregate of the Fund's dollars, or a series of disconnected, "footloose" investments. We also strongly suggest that the Legacy funds not be used as a replacement for current and ongoing community responsibilities for traditional economic development and infrastructure activities.

Our community is blessed with many tremendous assets, opportunities and talented individuals who, we are confident with time, coordinated effort and carefully thought out strategy, will be able to most effectively develop and implement initiatives which would see to the investment of the funds in the most effective manner. A race to the bank in the pursuit of stand-alone pet projects would be ill-advised, given both the opportunity the Legacy Fund presents and the challenges with which our community is faced.

Not every great idea is known today. Some proposed investments can be made quickly, others are best considered and made over time. We do, however, ask that the commitment be made to protect and invest the lion's share of the Fund, as projects and opportunities are developed, in investments that will reshape our economy for the long term.

We are recommending that a substantial portion of the funds committed to Core Economic Development Investments be placed in control of a Trust Board to be created which would be charged with responsibility for overseeing economic development investments. This would permit a much more considered, strategic, long term investment of the Fund.

The type of projects which should be considered in the short term would include support for:

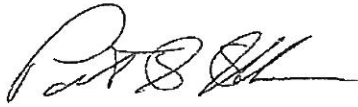
- Entrepreneurship within the community;
- Retention and growth of our current business base;
- Workforce development initiatives; and
- Downtown development.

**Given the overwhelming and compelling need to restart our economic engine, develop transformative change and provide strategic, coordinated, well thought out and tested measurable investments, our strong recommendation is that a substantial majority of the Legacy Fund should be committed to be used for only Core Economic Development Investments. To this end, we recommend 80% of the Fund be targeted for Core Economic Development Investments.**

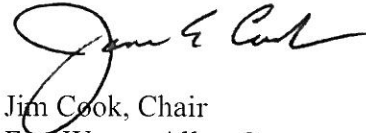
In the coming months and years ahead, we are confident that with the coordinated leadership of the organizations represented in this Memorandum, together with the Mayor and the members of the Common Council of the City of Fort Wayne, the use of the Legacy Fund toward Core Economic Development Investments can be most effectively deployed. While we have evaluated a number of such investment opportunities, our considered counsel is to engage patience and prudence while proposals are properly formulated, tested and challenged. In conjunction with preparation of the economic development strategy as previously referenced, we

would propose to develop a series of initiatives which satisfy the foregoing criteria and address critical Core Economic Development needs. With a commitment to proceed in this fashion, we believe the results will serve our community for generations to come.

Thank you again for your thoughtful consideration of and anticipated recommendations for use of the Legacy Fund. We would be pleased to discuss further with the Legacy Committee these proposed recommendations.



Pat Sullivan, Chair  
The Greater Fort Wayne  
Chamber of Commerce



Jim Cook, Chair  
Fort Wayne-Allen County  
Economic Development Alliance



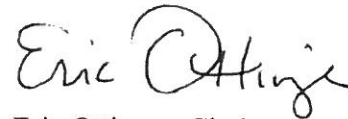
Richard Davis, President  
Downtown Improvement District



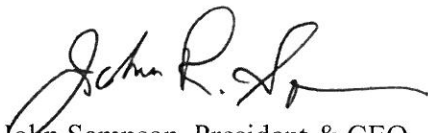
Maclyn Parker, Chair  
Downtown Development Trust



J. Benjamin Campbell, President  
Allen County -Fort Wayne  
Capital Improvements Board



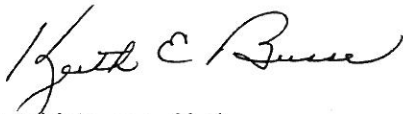
Eric Ottinger, Chair  
Northeast Indiana Innovation Center



John Sampson, President & CEO  
Northeast Indiana Regional Partnership



Keith Davis, Chair  
WorkOne Northeast



Keith Busse, Chair  
Regional Chamber of Northeast  
Indiana