



READI 2.0 REDEVELOPMENT & ART INITIATIVE

The Indiana Regional Economic Acceleration and Development Initiative (READI) was launched in 2021, with the purpose of promoting strategic investments to position Indiana as a magnet for talent and economic growth statewide. That initial \$500 million program engaged 17 regions spanning all 92 counties, with stakeholders proposing more than 350 READI projects in 2022 alone, all focused on three key areas: Quality of Life, Quality of Place and Quality of Opportunity. READI's initial investment has attracted over \$12 billion of additional committed investment to date. After the proven success of READI 1.0, Governor Eric J. Holcomb made an expansion of the program a priority in his 2023 Next Level Agenda, and the Indiana General Assembly approved another \$500 million for READI 2.0.

READI 2.0 will create an even brighter future across Indiana with an emphasis on growing Indiana's population. This will happen through community-focused projects that drive quality of life development for current and future generations of Hoosiers.

Some common themes arose through READI 1.0, including a need for additional tools for revitalizing vacant and blighted properties, and equipping communities with assets for arts and cultural amenity growth.

Through the Lilly Endowment Inc.'s \$250 million gift, the Indiana Economic Development Corporation (IEDC) is proud to launch an additional component of READI called the **Redevelopment & Arts Initiative** to advance and support two transformative initiatives focused on: (1) systemic community challenges associated with deteriorating, vacant, abandoned and/or blighted properties statewide; and (2) elevating the vitality of Indiana's arts and cultural community through regional investments that benefit every resident's quality of life, retain citizens and attract future generations of Hoosiers.

Total Appropriation: **\$250,000,000**

Blight Reduction & Redevelopment: **\$185,000,000**

- Consists of project funding, administration and technical assistance, and Development Fellowship Program.

Arts & Culture Initiative: **\$65,000,000**

- Consists of project funding, consulting services and technical assistance.

The **Redevelopment & Arts Initiative funds** will not be allocated to each region in lump sums. READI 2.0 regions will present priority projects that align with all relevant criteria, and awards will be issued on a project-by-project basis.

ELIGIBLE ENTITIES

Proposals are restricted to the regional planning organizations that are part of the READI 2.0 program, although funds may be dispersed to the regional organization, public entities, non-profit organizations, or for-profit owners focused on delivering community-wide benefit.

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As established by legislation, the two types of eligible entities that may apply for READI 2.0 funding are development authorities and qualified non-profit organizations. Entities permitted by Indiana Code § 5-28-43-2 to apply for a grant or loan from the fund include:

- A regional development authority (RDA) including those formed under:
 - IC 36-7.5
 - IC 36-7.6
 - IC 36-7.7
- A regional strategic development commission established under IC 36-7-39
- A qualified non-profit organization formed to support economic development across the region, and which does not represent a single interest group or local unit(s) within a single county.

The IEDC reserves the right to provide an existing non-profit organization an exception to this general rule if the organization establishes controls that guarantee regional stakeholder engagement. This can include, but is not limited to, establishing a partnership, committee or board that meets the other requirements of this policy and that is comprised of members that represent the entire region.

READI 2.0 regional maps and contacts can be found [here](#).

TECHNICAL ASSISTANCE

In addition to real estate and arts and culture projects selected for funding, the IEDC is committed to providing technical assistance, capacity building and professional development opportunities for local and regional leaders, local organizations, and artists in each focus area. This will support Hoosier communities in building capacity, creating long-term, strategic and sustainable approaches to blight remediation and redevelopment, as well as arts and culture economies.

Technical assistance for local community artists could include business preparation (P&L, pricing, financial analysis, etc.), becoming market-ready for competition or festivals. Among some of the technical trainings for real estate development, the IEDC will structure a Development Fellowship Program that allows local stakeholders to have more hands-on experience with real estate developments. This program is still at its conceptual stage and will be built out over the coming months.

The technical assistance component of this program will cultivate a talent pipeline to lead future initiatives and strengthen the Hoosier creative community. The IEDC will partner with key stakeholders to provide this assistance. More information to follow on these opportunities.

The program will also support capacity building for organizations committed to implementing the plans and projects funded through this program, which will lead to more sustainable practices and investment in focus areas of the program.

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PROGRAM STRUCTURE

Through the READI 2.0 application and regional framework, each region will identify a maximum of four potential opportunities in each category and submit them to the IEDC for review. Projects must align with the goals outlined in this initiative and with the [KPIs of READI 2.0](#). Only regions receiving READI 2.0 funding will be eligible to request funding for this initiative. The IEDC will also determine the appropriate ownership model (e.g., grant, loan, equity and structure of each investment) for each participating entity and define clear goals and outcomes for each project that reflect the priorities described above.

Following the IEDC's review of this first round of regional requests, the IEDC may offer select regions the opportunity to submit additional or supplemental requests if additional funding is available.

REPORTING & COMPLIANCE

The IEDC will manage the administrative and compliance responsibilities for the award and any projects receiving funding. Projects will be subject to terms set by the IEDC.





BLIGHT REDUCTION & REDEVELOPMENT

Indiana has invested in communities statewide to increase housing and build more vibrant places through programs such as the Redevelopment Tax Credit, Regional Cities Initiative and READI. However, there are communities still burdened with deteriorating and vacant properties, stemming from communities still combating unprecedented social and economic events that took place in the last 15 years. Some of these issues have been exacerbated by regional and local market forces driven by poverty, insufficient income levels and population decline, resulting in abandoned properties and a significant financial impact on surrounding property owners and communities. To address this, governmental and philanthropic entities are often asked to contribute significant resources, in the form of personnel as well as capital to acquire land, mitigate decay and rebuild communities.

The IEDC will allocate \$185 million to the strategic Blight Reduction & Redevelopment Initiative that will focus on property rehabilitation projects, including historic structures, remediation, rehabilitation or demolition with new construction and single-family home rehabilitation to assist a targeted community. This strategic investment paired with the IEDC's ongoing efforts allows Indiana to continue increasing quality of life and quality of place efforts.

ELIGIBLE PROJECTS

Eligible redevelopment projects must involve the redevelopment or rehabilitation of vacant, deteriorating, underutilized or blighted properties that have a demonstrated impact on the valuation of the subject asset and surrounding property values ("Blighted Properties"). Blight could also be classified as substantial blight ordinances filed by the governing jurisdiction. Vacant should be defined as 1) uninhabited residential single-family properties that have been vacant for a year or more, or 2) commercial buildings in which at least 50% of the building is vacant for more than one year or at least 75% vacant and poses a significant opportunity for redevelopment. The IEDC will remain flexible if communities can create a compelling case as to certain properties being considered blight or vacant.

Eligible activities may include rehabbing historic structures, repurposing closed industrial plants to create inviting community spaces or mixed-use developments, or demolishing vacant, single-family homes to construct new affordable housing. If the IEDC commits **Redevelopment & Arts Initiative** funding to a project, the project must begin construction within two years. If it is apparent that the project will not meet that deadline, or if the redevelopment of the Blighted Property has not commenced within this timeframe, the IEDC may reallocate the funding to other projects under this program that are supported by qualifying regional organizations participating in READI.

DISBURSEMENT & MATCH REQUIREMENTS

The IEDC anticipates all redevelopment initiative funding will be dispersed in one of three investment models, be it a grant, loan or equity position (each structure will be tailored). Similar to READI 2.0, individual projects within this program should attract a minimum 4:1 match. This includes a required 1:1 match from local public funding and 3:1 match from private and philanthropic sources. At least 60% of the match should be from private sources.

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APPLICATION GUIDELINES

Part 1: Executive Summary

- Detailed project description and summary,
- Details of how the proposed project will have a regional impact,
- Detailed summary of the potential end users of the project, including a space allocation and how end uses fill a community demand,
- Number of full-time jobs created and potential averages wages,
- Site development plan including interior and exterior photographs (if there is an existing building),
 - detailed architectural/engineering plans,
 - drawings/renderings of the proposed development,
- Proposed budget and itemized budget,
 - supporting documentation including a detailed construction budget,
 - sources and uses,
 - expected funding request.
- Detailed project cash-flow proforma that includes, at a minimum,
 - estimated annual gross income,
 - estimated annual operations and maintenance expenses (and other related costs),
 - estimated annual net operating income,
 - estimated annual debt service.

*For projects still in the development or concept phase, include all the above information in your summary and add what additional supports (e.g., capacity building, technical assistance, feasibility studies) you need to finalize the project proposal.

Part 2: Review of Data

- Describe the region's expected demographic and economic projections within the next 5 years and how the region expects them to change if the development plan and investments are successfully implemented.
- Economic impact analysis for the project.

Part 3: Action Plan

- Identify the planned investment required to successfully implement each of the identified and prioritized projects outlined in the application including how much anticipated private, philanthropic, local, state and federal funding would be required. For projects still in development, provide an example of a peer project that closely aligns with what is planned.
- Identify key partner organizations and anchor institutions and their expected roles in helping implement the proposed investments.
- If applicable, explain how the proposed investments would leverage additional investments within the immediate proximity or a plan to make additional investments within the surrounding area to enhance the viability, economic and quality of life benefit of each project.
- If applicable, describe the plan to maintain, or activate the asset the IEDC is investing in (e.g., if the state is being asked to invest in a public art initiative).

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- Each project should contemplate a multi-year timeline and include expected milestones to measure successful implementation.
- Provide expected project timeline that includes key project milestones including securing public and private financing, construction start date, and anticipated project completion.

EVALUATION FRAMEWORK

The IEDC and the state will evaluate proposed projects and include outside counsel when warranted. Projects should:

- Have the potential to deliver the greatest public benefit;
- Embody transformational change;
- Align with the region's overall plan and READI 2.0 KPIs
- Advance quality of place at a high level with a focus on attracting and retaining people;
- Directly benefit entrepreneurs, creatives and the creative economy in the region;
- Leverage existing assets, including natural assets such as trails, parks, rivers;
- Facilitate partnerships with public and private stakeholders;
- Focus on Indiana's rural and disadvantaged communities;
- Demonstrate capacity and commitment to maintain and sustain proposed investments;
- Demonstrate potential to spark additional development or investment in the region.





ARTS & CULTURE

The IEDC will allocate approximately \$65 million of the **Redevelopment & Arts Initiative** funding to support a first-of-its-kind, statewide Arts & Culture Initiative to advance regional creative transformation by investing in public art and cultural amenities. Indiana's arts industry contributes \$7.6 billion annually to the state's economy. Arts and culture investments have a significant impact on the vibrancy of a community, leading to improved perceptions with resulting population and economic growth.

Accessible, high-quality arts and cultural assets and amenities around the state can help Indiana improve the quality of life for Hoosiers today and attract even more from outside of Indiana to become Hoosiers tomorrow.

The proposed Arts & Culture Initiative seeks to engage with residents and communities across boundaries of creative disciplines, geography and demographics to unleash regional creative transformation through capacity building, investment in public art and cultural amenities accessible to the entire community. Substantial investment in art, culture and creativity is needed to complement the other quality of place investments the IEDC and its local partners are making each day. The IEDC is proposing a targeted investment strategy that builds a critical mass of authentic, bold, artistic and cultural assets with a long-term plan for their maintenance and expansion. Communities must also showcase their ability to maintain these assets long term.

ELIGIBLE PROJECTS

The funds will provide support to regions as they work with a broad cross-section of regional and community residents to envision and develop arts and culture projects that align with their strategic plans, such as:

- Public art including murals, sculptures, installations, programmable lighting on key assets, or other artistic community improvements;
- Development of museums, performing arts venues, art centers, art studio complexes or other culturally significant attractions or facilities (including improvements to existing facilities);
- Art and cultural competitions or festivals, provided the applicant demonstrates long-term funding commitments to sustain any such effort;
- Initiatives to attract nationally and internationally recognized arts and cultural performances to Indiana;
- Initiatives to support the further development of a region's creatives and creative economy; and,
- Development of visual architectural design elements that are unique to local communities.

The IEDC and the state will evaluate proposed projects in partnership with the Indiana Arts Commission and a panel of third-party experts from creative industries. Communities must also showcase a sustainability model to maintain assets and events long term.

If the IEDC commits funding to a project, there will be an expectation that the project will substantially proceed within two years. If it is apparent that the project will not meet that deadline, or if the investment has not commenced within this timeframe, the IEDC may reallocate the funding to other arts and culture projects supported by qualifying regional organizations.

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DISBURSEMENT & MATCH REQUIREMENTS

The IEDC anticipates all Arts & Culture Initiative funding will be dispersed in one of three investment models, be it a grant, loan or equity position (each structure will be tailored). Depending on the project and need to reduce or supplement public resources to make the project viable, funds for selected projects could be contributed to public entities, non-profit organizations or for-profit owners focused on delivering community-wide benefit. The IEDC will have flexible terms on match for arts and culture projects associated with the **Redevelopment & Arts Initiative**, given the nature of eligible projects. Regions' portfolios of READI 2.0 projects will still need to adhere to the 4:1 match requirement detailed in the READI 2.0 criteria.

APPLICATION GUIDELINES

Each proposal will need to include the items listed below. The Executive Summary and any appendices may be branded or customized by the region so long as the content of the submission complies with the following requirements.

Part 1: Executive Summary

- Describe the region's overall plan for arts and culture, and what the region seeks to accomplish when that plan is successfully implemented.
- Describe in a clear and compelling way each of the four proposed arts and culture investments for the region and include in their descriptions:
 - How each is aligned with the region's arts and culture plan and the region's overall plan;
 - How each advances quality of place;
 - How each embodies transformational change in the region;
 - How each leverages existing regional arts and cultural assets;
 - How each was identified (e.g., an existing asset or initiative; result of a regional call for proposals; result of community engagement or regional planning efforts or by some other method);
 - How each interconnects with both existing assets and the other proposed arts and cultural projects to form a regional identity;
 - What the audience for each is, and:
 - How each benefits tourists in the region and how that benefit was determined;
 - How each benefits the residents of the region and how that benefit was determined;
 - How each benefits creatives in the region and how that benefit was determined;
 - An assessment of the "readiness" of each proposed investment from "shovel ready" to still in development or concept*; and,
 - Proposed budget and timeline.

*For projects still in the development or concept phase, include all of the above information in your summary and add what additional supports (e.g., capacity building, technical assistance, feasibility studies) are needed to finalize the project proposal.

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Part 2: READI

- Provide an honest assessment of the region's arts and culture planning including how the region identified and prioritized projects for investment and engaged stakeholders in the process, as well as the status of the region's investments in arts and culture initiatives through the READI program to date.
- Provide an honest assessment of the region's current or future capacity both to maintain and sustain the proposed investments in arts and culture and to continue a focus on arts and culture in the future.
- Provide an honest assessment of the potential for these projects to be catalysts in communicating the need and justification for continued public investment in arts and culture;
- Describe the capacity of the regional organization to engage in building arts and culture in its region, including its strengths and weaknesses. Describe any capacity building, technical assistance or support needed to sustain these efforts.
- Identify lessons learned to date and any issues that, if addressed, would increase opportunities for successful implementation of the region's proposed arts and cultural initiatives.

Part 3: Action Plan

- Identify the planned investment required to successfully implement each of the identified and prioritized projects outlined in the application, including how much anticipated private, philanthropic, local, state and federal funding would be required. For projects still in development, provide an example of a peer project that closely aligns with what is planned.
- Identify key partner organizations and anchor institutions and their expected roles in helping implement the proposed investments.
- If applicable, explain how the proposed or potential investments leverage additional investments within the immediate proximity or a plan to make additional investments within the surrounding area to enhance the viability, economic and quality of life benefit of each project.
- If applicable, describe the plan to maintain or activate the asset in which the IEDC is investing (e.g., if the state is being asked to invest in a public art initiative).
- Identify how the region plans to communicate funded initiatives to relevant audiences.
- Each project should contemplate a multi-year timeline and include expected milestones to measure successful implementation.

EVALUATION FRAMEWORK

The IEDC and the state will evaluate proposed projects in partnership with the Indiana Arts Commission and a panel of third-party experts from creative industries based on the extent to which they:

- Have the potential to deliver the greatest public benefit;
- Embody transformational change;
- Are aligned with the region's arts and culture plan and the region's overall plan;
- Advance quality of place at a high level with a focus on attracting and retaining people;
- Directly benefit creatives and the creative economy in the region;
- Leverage existing regional arts and culture assets;

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- Interconnect with both existing assets and the other proposed arts and cultural projects to form a regional identity;
- Facilitate partnerships with public and private stakeholders;
- Focus on Indiana's rural communities;
- Demonstrate capacity and commitment to maintain and sustain proposed investments;
- Demonstrate potential to spark additional development or investment in the region.

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