

# READI 2.0 Policy Overview

## Program Purpose

To accelerate the state's economic growth, Indiana launched the Regional Economic Acceleration and Development Initiative (READI). READI builds on the framework and successes of the Indiana Regional Cities Initiative and the 21st Century Talent Initiative, encouraging neighboring communities across the state to work collaboratively to develop a bold vision for their future that, when implemented, will attract, develop and retain talent in Indiana.

READI 1.0, as the first iteration of the initiative, is demonstrating the impact and viability of investing in the built environment to drive growth and prosperity. These investments are beginning to demonstrate that investments in quality of life and quality of place assets play a vital role in this effort.

Talent retention and attraction remain critical to Indiana's long-term economic development prospects and its quality of opportunity goals. For READI 2.0, there is an opportunity to generate stronger returns for Indiana and our individual community partners through greater alignment between the IEDC and our partner regions in goal and project identification and financial support.

## READI 2.0 Goals & Focus Areas

Maintaining and accelerating the momentum in Indiana through sustained investments in our goals of quality of place, quality of life, and quality of opportunity with their associated projects is vital to retain Indiana's competitive position to attract and retain people in communities across the state. The following goals and focus areas will continue to be priorities for READI 2.0:

### Quality of Life

Projects that directly impact the well-being and health of residents

- Tourism, arts, culture and community projects
- Family-support initiatives (Childcare and healthcare access)
- Trails and parks (Active recreation and public spaces)

### Quality of Place

Projects that directly impact essential community infrastructure

- Housing availability and affordability (New and rehabilitated units)
- Growth infrastructure (Water, sewer, roads, and utilities)
- Mixed-used developments (Residential and commercial along with a mix of other uses)
- Blight Remediation and Redevelopment

### Quality of Opportunity

Projects that generate economic opportunities for current and future residents

- Infrastructure leading directly to jobs
- Talent supply and education (Talent development and attraction)
- Innovation and entrepreneurship

## Program Structure

READI 2.0 was created by P.L. 201-2023 and received a \$500 million appropriation to support investments in capital and infrastructure projects that will stimulate population growth across the state. The IEDC will provide financial commitments to regions that submit an application for grants or loans from the fund to implement their **Regional Economic Acceleration and Development Strategy**, as defined by Indiana Code 5-28-43-6 (the "Application"). READI 2.0 will function much like the first iteration of the initiative and will include competitive grant and/or loan commitments being made to regions that submit an application to the IEDC in the form of a visionary investment strategy/plan.

Like the first phase of the READI program, the IEDC is seeking applications from eligible regional economic acceleration and development organizations that focus on improving the quality of life, quality of place and quality of opportunity within defined regions across the state. Applications must comply with the Application/Plan Content Guidelines of this policy and demonstrate the region's capacity to leverage public, private, and philanthropic funding to successfully implement the region's strategy.

To be clear, a brand-new strategic plan is not needed. Instead, the regions should use the plans developed in 2021 as the baseline for a revised **Regional Economic Acceleration and Development Strategy** to be used as its funding application to IEDC. The expectation for this revised strategy is to be a long-term strategic plan and vision for what the region seeks to achieve in alignment with the state's Key Performance Indicators (KPIs). Regions may also include example projects that help the Board understand the types of investments under consideration as it implements its multi-year strategy. The application should not include every investment the region may make in the event the IEDC commits funding to its implementation.

Example projects must be contemplated by, or be aligned with, the strategies included within the application.

The IEDC will explore a variety of financing options including loans / revolving loan funds, to be managed by the IEDC, as its commitment to a project.

**Total Appropriation: \$500,000,000**

**Maximum Commitment to a Region: \$75,000,000**

## ELIGIBLE ACTIVITIES

Eligible project activities are limited to capital projects or infrastructure improvements. A capital project is a project to build, improve, maintain, or develop a significant fixed asset. A capital project includes, but is not limited to: (i) construction or rehabilitation of new or existing facilities, (ii) acquisition of tangible personal property or equipment with a useful life of at least one (1) year and used for a particular purpose aligned with the owner's business or governmental purpose; (iii) land acquisition; (iv) other expenses directly related to items (i) - (iii) including professional services, installation costs, debt or lease payments, permitting fees, developer and property management fees, legal expenses, or other project costs approved by the IEDC. Infrastructure projects may be publicly or privately-owned and include water, wastewater/sewer, utilities such as electricity, gas and broadband, roads and sidewalks, and parking garages.

## MATCH REQUIREMENTS

Attracting private investment is a major goal of the READI 2.0 program. Regions should attract a minimum 4:1 match at a regional level across their portfolio of projects. 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.

## Program Metrics

The IEDC will establish Key Performance Indicators (KPIs) for the program which align with the overall goals of the READI program. The following KPIs have been established for READI 2.0:

- Population growth
- Per-capita income growth
- Increase in employment opportunities
- Educational attainment
- Number and affordability of housing units developed
- Increase in childcare capacity
- Increase in innovation activities
- Increase in private investment

In addition to overall program goals, project-level KPIs will also be established to help achieve program goals.

## Eligible Entities

As established by legislation, the two types of eligible entities that may apply for READI 2 funding are development authorities and qualified nonprofit organizations. Entities permitted by Indiana Code § 5-28-43-2 to submit an application 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 nonprofit 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 nonprofit organization an exception to this general rule if the organization establishes controls that guarantee regional stakeholder engagement in the allocation of READI funds. This can include, but 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.

## Regional Composition

Eligible applicants should represent a region that self-selects, based on historical regional partnerships and strategic planning efforts, transportation and employment flows between partner communities, inclusion in the same metropolitan statistical area, and other datapoints that demonstrate regional interconnectivity.

The IEDC encourages regions to remain the same as those that participated in the first phase of the initiative but would also support the consolidation of participants into a single region if the datapoints outlined above justify such a consolidation. Regional groupings should be finalized as soon as possible after program rollout.

## Application Requirements & Evaluation

The IEDC will provide a standardized application form titled **Regional Economic Acceleration and Development Strategy** (application) that must be used by each region submitting a proposal for funding

through the READI 2.0 initiative.

As part of this process, the region's development strategy should be considered a compelling proposal that focuses on transformative opportunities for growth in alignment with IEDC objectives. The strategy should not include a full list of projects, but specific project examples and distinct opportunities to support the region's vision. This development strategy will serve as the basis for READI 2.0 investment commitment.

The IEDC Board may establish a strategic review committee to assist in the evaluation of applications for an award commitment from the fund.

A region's **Regional Economic Acceleration and Development Strategy** (application) will be evaluated based on the strength of the vision in their proposal, its economic impact, focus on rural communities, alignment to economic development objectives / KPIs and collaboration among state, regional and community stakeholders. Specific application requirements and content as well as evaluation criteria are available as a separate policy guidance document

## Award Allocation & Implementation

An award allocation to a region will not be for specific projects, rather a commitment to the implementation of their **Regional Economic Acceleration and Development Strategy** (their application as submitted and in accordance with this policy).

After making an award to a region, the IEDC will participate in project identification, evaluation, selection decisions and project execution with the region. This partnership approach provides greater intentionality for meeting state goals and alignment with other activities occurring or planned to occur within individual communities and surrounding regions.

Investments in specific projects will be in the form of grants, loans or other financial instruments as determined by mutual agreement between the region and the IEDC. The IEDC is seeking to deploy READI 2.0 funding in a more sustainable manner, supporting projects that recycle the IEDC's investment funding to allow the region and the IEDC to invest in more projects.

Loans or other investments (including investment funds for targeted project types) will be managed by the IEDC.

The IEDC shall provide final approval of project investments and will contract directly with project owners, reducing the administrative burden on regions receiving state financial commitments.

## Proposed Timeline

### **AUGUST 31, 2023**

Program announcement and launch

### **SEPTEMBER 2023**

**Information sessions and question period through September 30, 2023. Questions can be asked during information sessions or emails to [READI@iedc.in.gov](mailto:READI@iedc.in.gov)**

### **OCTOBER 13, 2023**

FAQs posted publicly

### **SEPTEMBER 2023-FEBRUARY 2024**

Regions develop their funding applications; IEDC visits each participating region to see READI 1.0 investments and discuss future vision/strategy

### **FEBRUARY 16, 2024**

Regional applications due to IEDC

### **APRIL 2024**

Proposed IEDC Board approval of investment commitments / allocations to regions. Exact date to be announced at a later date.

### **MAY 2024**

IEDC begins coordination with regions in identifying regionally significant capital and infrastructure projects for investment

## Reporting & Compliance

IEDC will manage the administrative and compliance responsibilities for the award and any projects receiving funding. These projects will be subject to procurement guidelines set by the IEDC.