

# Generating an *Invested Public Funding™* System

## Overview

### Assemble Creative Base Layer Resources

**FuelingMain** creates capacity for its clients to assemble what they have with what they need into a set of three resources that establish a base layer for collective actions.

- A. **CONTEXT:** Together, we identify what community system project(s) generates broad interest for what you have been working on and is best suited for local investment, using investment structures that fit the project.
- B. **DESIGN:** Citizen learning and exchange of ideas are key to a municipality/county-specific platform that facilitates civic imagination and, at the forefront, allows citizens to invest in their communities for a return that circulates more capital back into the community.
- C. **CREATE:** Explore ways to increase revenue streams, build community connections, and grow your audience base, turning your community into a financially and politically invested public.

### Circulating Capital and Build an *Invested Public™* on the **FuelingMain** platform

The **FuelingMain (FM)** platform allows you to implement and manage robust project initiatives and offerings with three dashboard attributes that build an attractive invested public and circulate increasing amounts of capital through your community.

- A. **GENERATE:** Your initiatives and project offerings are scaled appropriately to attract creative and engaged accredited and non-accredited investors. They are designed to fit the particularities of the project (e.g., appropriate investment structures) and to generate returns to your invested public.
- B. **IMPLEMENT:** Raise the needed capital to start building your community system projects, laying the groundwork for future initiatives and offerings. Build more flexibility and creativity into discussing and designing municipality/county projects along with an increased speed of implementing those projects.
- C. **CIRCULATE:** Investor, municipality, and company dashboards are designed with individual localities in mind that manage the pivotal multi-scale investment process and the circulation of increasing amounts of capital back to your citizens and, ultimately, through the community.

## **An Alternative Public Financing System That Creates Expanded Opportunities**

Assembling the base layer resources that are implemented on the **FM** project management platform helps our clients build a local *invested public™* dashboard to participate in opportunities in their community and beyond. It also helps clients align current financing with our alternative system our alternative systems of financing, all for the purpose of enhancing our clients' productivity and balance out a community's financing methods to suit its economic and social circumstances.

In the **near-term** here are some outcomes in which the **FM** alternative financial system alters and enhances community financing dynamics and public engagement by supporting the ability of clients to tackle the following community development situations:

### **1. Implement community projects currently sitting in reports.**

There are hundreds of thousands of project ideas sitting on shelves in reports, and probably a similar number of projects in the minds of your municipal/county staff and your citizens. Speed up the delivery timeframe of these projects and increase the flexibility, creativity and scope by which projects get conceptualized, designed, and implemented.

### **2. Provide additional capital to projects that are already funded but where citizens did not get everything they wanted.**

At times a project has been included in the budget, has funding but then it is determined that what has been funded and what the community wants is slightly different, so that \$10 million project is now \$15 million. This might mean that the additional \$5 million will just have to be built at a later date, but the big downside is that the \$5 million difference today is a \$10 or \$15 million difference three years from now. However, now you can see if there is enough community interest to finance the difference – saving money and having the community get all of what it wants/needs on the same timeline as the original project.

### **3. Enhance, generate and implement projects that are embedded in sustainability and resiliency reports.**

The biggest impediment to turning sustainability and resilient initiatives into actual projects is the lack of financing, cited by nearly half of mayors in a recent Bloomberg report. Lack of financing is seen as more significant than policy barriers, the understanding of the projects benefits or public support. We believe that cities and counties can vastly increase their implementation of sustainable/resilient projects when the financing is aligned with public support, and the understanding of the projects benefits. Not only does the public become

more educated about the project(s) social and environmental outcomes, they also are the ones to gain through their investment in the project(s).

**4. Open up the public private partnership (PPP) process to small and mid-sized firms –generating designs matched with symbiotic deal term structures.**

For types of project that could be organized as a Public Private Partnership (PPP), how could it look, if the city designed some of their Request for Proposals (RFPs) to reflect an *Invested Public Private Partnership (IPPP)* strategy? Small and mid-sized firms could run point on raising the capital for the city/county project where the citizens of the community own a significant percentage of the IPPP and a percentage is owned by one or multiple firms. This would allow for more symbiotic deal terms to emerge, involve more competition and cooperation from a larger number of firms, put more power back into the hands of the city and/or county, while circulating more capital through the community and increasing citizen buy-in.

**5. Pursue multiple strategies and tactics designed to increase the implementation of projects in under served communities.**

One of many approaches is to bundle projects across communities, located within a specific city/county then, through tactical design tools, maximize the number of projects implemented. Depending upon whether the community is urban, suburban or rural, cities and counties have their own particular context around these issues. We explore multiple pathways with our clients to help develop the strategies that fit their context.

**Mid-, and long-term** outcomes for communities expand their ability to:

**6. Circulate increasing amounts of capital directly into communities**

For each project, the goal is to continually optimizing for maximum local citizen investment while rounding out the project investment opportunity with other sources of capital. As you increase the number of projects and the number of local citizen investors over time, not only are more projects getting done that the community needs and wants, but more revenue is flowing through the local community - naturally enhancing the business environment and local government revenues.

**7. Develop a continually growing base of citizens, foundational and institutional investors for successive projects**

As the number of local citizen investors increases, so will the number of non-local citizen investors and other forms of institutional capital. You own the access to these investors through your FuelingMain dashboards.

**8. Speed up the adoption of new technologies**

Design projects with the latest and best technologies, implementing sustainable, resilient, and regenerative project designs that build in the externalities when desired and practical.

## **9. Enhance and expand the ways communities can design their 5, 10, 15 and 20 plus year development and growth plans.**

What could the future of your community look like when 10, 20 or 30% of the projects in your short-, mid- and long-term plans are designed with an *invested public*<sup>™</sup> capital strategy. We are not discounting the power of traditional municipal bond funding future planning purposes, just enhancing it with small, more flexible and creative project capital strategies where your citizens have a higher level of engagement and direct involvement on multiple levels.

The above outcomes have the potential to open up the public conversation around:

## **10. Tax abatements**

Companies prefer coming into communities that are growing and healthy. An expanding invested public keeps more wealth circulating through the community and allows more projects to be completed. This gives a municipality greater leverage when designing their tax abatement strategies.

## **11. Taxes**

For the mid- and long-term, building an invested public circulates more revenue through the community, improving the tax profile for the city/county and leading to expanded options for funding the community's needs and how it wants to grow.

## **12. Traditional debt financing**

Municipal bonds and bank debt are a primary way to finance community projects. The problem with these traditional debt instruments is that you might get the project you want, but the 3%, 4%, 5%, 6%, 7% or more that you pay on that debt is extracted from the community. The vast majority traditional debts go to large national and international institutions that do not reside in the community. Going forward, keep a growing percentage of future investor payments in the pockets of your citizens, circulate more capital through your community, while improving and increasing your communities access to capital.

*The FM system does not replace traditional debt financing; it is used as an additional tool for getting needed projects in the city/county accomplished, while cultivating an invested public for implementing successive projects.*

## **13. Improving the capital cash account**

We believe that the **FM** citizen funding strategy has the ability to improve our municipality/county clients' capital cash side of the equation. Or, at the very least could be accounted under a separate fiscal entity due to its unique capability of circulating more capital through the community. Either way, a **FM** funding strategy should improve the debt rating for your city/county by improving the flows of capital through your community.

Contact us for more details on the above content and to continue the conversation on how the **FuelingMain Invested Public Funding™** system can become a constructive part of your community building process.

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