

MRI Initiative

Name of program investment: CFO Cultural Investment Fund

Goal of investment: To create a fund to foster more arts and cultural opportunities in the greater Springfield area.

Background: The City of Springfield is in the process of its long-range strategic planning process. One of the components of the planning initiative is the arts, culture, & tourism planning committee. An identified challenge to increasing arts and cultural offerings is a lack of investment capital to pay “up front” expenses for contractual artists and exhibits.

Fund description: The fund is established for arts and cultural groups to borrow money to pay contractual obligations up front for artists, exhibits, and artistic rights. The loan would be repaid from ticket sales and other event revenue sources.

Loan terms: The loan would have a minimum of \$1,000, and a maximum of \$20,000. Any organization could not have more than \$20,000 outstanding at any time. Maximum maturity cannot exceed 90 days. The interest rate charged would be 4%, with 1% going directly to CFO program costs, and 3% a return on the fund. Defaults would create ineligibility for future participation.

Eligible participants: any 501c3 organization whose primary mission is arts or cultural education, advocacy, or offerings. These would include the performing and visual arts, as well as museums.

Other funders: Participating groups would also have to make an investment of \$2,500 into the fund to be eligible to make application for participation. That investment will become part of the fund and will share in any appreciation or loss, depending on fund performance. Withdrawal of the investment is not permitted to any organization with outstanding loans. Withdrawal from an investor also precludes them from participating in the fund for one year from the date of the withdrawal. Withdrawals would include the original \$2,500 and any appreciation or loss, depending on fund performance. Income and loss on the fund will be shared pro-rata among the investors.

Investment: Initial CFO investment \$50,000, with approval up to \$75,000 if needed.

Program review: MRI committee wants to review program in 180 days.

Application and approval: APSI would make recommendations to CFO staff for requests, considering break-even ticket sales needed, past experience, financial condition, and contract terms. CFO staff would have ultimate authority on request.

Promotion: Events funded using the Cultural Investment Fund should include the CFO logo in all marketing materials either as standalone or with phrasing such as “with assistance from the CFO Cultural Investment Fund.”

Geographical scope: Springfield/Greene County.