

FAIR OAKS RANCH MUNICIPAL DEVELOPMENT DISTRICT POLICY FOR EVALUATION OF DEVELOPMENT PROJECTS

(Approved 10-13-2021 and reaffirmed by Resolution 2023-02 on 10-11-2023)

POLICY STATEMENT

Purpose

The purpose of the Policy for Evaluation of Development Projects is to establish an objective and consistent process for evaluating proposed development projects to ensure that Fair Oaks Ranch Municipal Development District (MDD) Board (the Board) project grant awards are in compliance with legal and policy requirements and provide enduring value for Fair Oaks Ranch.

Policy Statement

It is the policy of the Board that evaluation, approval, and funding of development project grants will be conducted in accordance with approved guidelines established by the Board.

Process Framework

A development project evaluation process will be established through guidelines approved by Board to ensure that development project grant proposals are consistently and objectively evaluated. The overall framework for the guidelines will include the following:

1. Each proposed development project grant will be evaluated to determine merit for funding based on the MDD Board's assessment of eligibility and quality.
2. To assess eligibility of proposed development project grants, the Board will establish a Eligible Project Category List (Appendix A) to describe the types of projects that are qualified for MDD funding consideration. The categories on the Eligible Project Category List may be modified at the discretion of the Board. Items may be placed on the Eligible Project Category List by the MDD Board based on the following criteria:
 - 2.1. Compliance with relevant statutes and City ordinances & codes
 - 2.2. Alignment with MDD Board's mission, goals & objectives
3. The Board will establish Project Application & Evaluation Guidelines (Appendix B) to evaluate eligible development project grant proposals in an objective and consistent method. The Project Application & Evaluation Guidelines may be modified at the discretion of the Board.

Process Implementation and Review

1. The MDD Board Treasurer is responsible for implementing and managing the evaluation process (Appendices A and B) and reporting results to the Board
2. Any member of the Board may propose changes to the evaluation process, but action of the Board is required to make a material change to the evaluation process and associated guidelines.
3. The Board will review this policy and associated guidelines (Appendices A and B), as deemed necessary, but no less often than once every two years, and will take action to reaffirm, modify or replace the policy or guidelines.

Appendix A
MDD Eligible Project Category List

Category Name	Category Description
Façade Improvement Program	Matching funds reimbursement to incentivize façade improvements to bring existing qualified store fronts up to FOR form-based zoning standards
Infrastructure Projects	<ul style="list-style-type: none">• Contributions in aid of construction for utility infrastructure as an incentive for qualified commercial or mixed-use development projects, or• Reimbursements for costs incurred on projects or initiatives that enable or promote business development
Civic Venues & Related Improvements	Reimbursement for construction or remodeling costs as an incentive for qualified civic venue projects
Recreation & Community Projects	<ul style="list-style-type: none">• Contributions in aid of construction for qualified recreational facility projects, or• Reimbursements for costs incurred on qualified projects or initiatives that enable pedestrian and bicycle mobility by means of a contiguous park & trail system

Appendix B

Project Application and Evaluation Guidelines

1. Project Application Guidelines

1.1. Project Scoring Dimensions

For each proposed project, information & documentation should be collected and analyzed to gain satisfaction that the project is eligible for funding based on reasonably satisfying the requirements under each of the following dimensions:

- Compliance: MDD statutory constraints; City ordinances & codes
- Fit to FOR MDD mission, goals & objectives
- Economic and/or quality of life benefits: extent & duration
- Project quality: counterparty qualifications, project delivery risk and ongoing operations risk

1.2. Application Submittals

The required information & documentation may be satisfied via the following means:

- The required type and extent of information required may be submitted using an application form provided by the MDD or a grant proposal submitted by the applicant.
- Additional information required to assess an application may be requested from the applicant via a direct request from the designated MDD representative.
- Additional information required to make a final decision could be requested via a direct request from the MDD Board to the applicant.

1.3. Applicant Contact & Background Information

- Names and contact information for the natural person and/or entities that will have primary responsibility for delivery of the project and outcomes/ongoing benefits.
- If applicant is an entity, names and contact information for all principals who will have a significant role in the project.
- Legal form of entity
- Primary area of business activity
- Single point of contact for communication regarding application
- Resume: Applicant experience relevant to ability and capacity to deliver on project commitments

1.4. Project Contact Information

- Project site physical address
- Name of owner of project site property
- Site Owner's physical mail address, telephone number and email address

1.5. Project Summary Information

- Project Title
- Project Executive Summary (Template provided by MDD):
 - Executive outline of project objectives, desired outcomes & community benefits, including economic impact
 - Total project cost
 - Grant request
 - Other sources of financing
 - Target commencement date
 - Target completion date

1.6. Application Documents (provided at Applicant's discretion or requested by MDD based on project category & scope)

- Property owner acknowledgment & consent
- Detailed project work plan & timeline
- Project budget
- Plan for post-construction upkeep and ongoing operations of asset
- Design drawings
- Contractors & subcontractors
- Material specifications
- City zoning & permits documentation, as applicable
- Detailed information relating to project objectives, outcomes & community benefits (optional at Applicant's discretion)

1.7. Conditions & Acknowledgements

- One grant at a time per applicant/property owner.
- Grant acceptance is at MDD discretion.
- Grant is based on availability of funds within the MDD budget.

Exhibit B

- Grant is subject to acceptance of MDD Terms & Conditions.
- Grantee is obligated to fulfill commitments of project objectives & benefits.

2. Project Evaluation Guidelines

2.1. Due Diligence Evaluation Criteria

For each proposed project, sufficient and competent information should be collected and analyzed to allow the Board to determine that the project reasonably meets the Board's standards for granting funds to a project. For all proposed projects, the following dimensions will be evaluated:

- **COMPLIANCE**
- **FIT**
- **BENEFITS** - Economic and/or quality of life benefits: extent & duration
- **RISK** - Project quality: counterparty qualifications, project delivery risk and ongoing operations risk

2.2. Evaluation Methodology

All project proposals will be assessed as follows:

- The President of the Board may choose to establish a subcommittee to perform the evaluation.
- If a subcommittee is used to perform the evaluation, the subcommittee will provide a report and recommendation to the Board for consideration and possible action.
- The project evaluation represents one aspect of the Board's considerations in making a grant award decision.
- COMPLIANCE will be evaluated based on the eligibility of project in accordance with Eligible Project Category List (Appendix A).
- Information provided by the applicant will be evaluated to determine FIT, BENEFITS, and RISK.
- FIT will be evaluated based on conformance with the MDD mission goals and objectives.
- BENEFITS will be evaluated for economic and/or quality of life benefits, including extent and duration of the benefits to Fair Oaks Ranch.
- RISK will be evaluated for project quality considering counterparty qualifications, project delivery risks and ongoing operations risks.

Exhibit B

- The desired outcome of the Boards deliberation will be to arrive at a decision that a project qualifies or does not qualify for funding based on COMPLIANCE, FIT, BENEFITS and RISK.
- The decision to approve project grant funding and funding amount is at the discretion of the Board.
- The decision regarding the availability and source of funds for a proposed project is at the discretion of the Board