



Initial Project Assessment for Downtown Development Revolving Loan Fund

Thank you for your interest in the Downtown Development Revolving Loan Fund (DD RLF) of the Georgia Department of Community Affairs. Attached, please find an Initial Project Assessment (IPA) that contains several questions regarding your proposed project. Your answers to these questions will help us determine whether your project is eligible for DD RLF funding. A DCA employee will be available to assist you in understanding these questions. In most cases, both the applicant local government (city or county) and the proposed borrower business will need to provide information to complete this form.

Please be advised that your completion of this IPA **does not constitute submission of a DD RLF application and is not a commitment to fund or a notification of contract award, or notification that any proposed activities are eligible for DD RLF financing.** Simply, DCA needs certain information about your project before it can provide advice about the project's eligibility and competitiveness for funding.

Each DD RLF project will be subject to credit underwriting and each application must stand on its own merit and obtain sufficient points under the formal review process to be funded. **Any group or individual that secures financing and moves ahead with any portion of the project should do so under the full realization that DD RLF funding is not guaranteed until a loan commitment has been executed by DCA. Note that beginning the project before review by our office may make the project ineligible for funding. This can include such actions as beginning construction, acquiring property, and closing interim or permanent loans.**

The application may be submitted electronically to oed@dca.ga.gov or a hard copy (one original and two copies) may be mailed to:

Georgia Department of Community Affairs
Attn: DD RLF Program Manager
Office of Economic Development
60 Executive Park South, N.E.
Atlanta, Georgia 30329-2231

Please Note: An application is not considered complete unless the executed signature page (page 5 below) is included.

1. Project Description

Describe your project. Provide sufficient detail for a clear understanding of the entire project, including the interested parties and their names and a description of any sub-recipient business. Please indicate: what activities the DD RLF proceeds will be used for; where the project will take place (please give an exact address); and the status of the project and its implementation schedule.

The project description should also address how the proposed project will assist the applicant community in its efforts to revitalize and enhance its core downtown commercial district.

2. Sources and Uses

Indicate the amount of DD RLF financing requested and show how the proposed sources and uses will be allocated. Show the other financing sources and the related dollar amounts. Also show the purpose(s) for which the funds will be used, and in what amounts. Be sure to identify the amount of equity in the project. **Note that the DD RLF generally requires an owner’s equity injection and commercial financing in order for the project to be eligible and competitive.**

SOURCES AND USES STATEMENT

USE OF FUNDS		SOURCE OF FUNDS	
Use	Amount	Lender/Equity Investor (e.g., 5 th National Bank, owner)	Amount
Land	\$		\$
Building Construction	\$		\$
Rehabilitation	\$		\$
Furniture, Fixtures & Equipment	\$		\$
Working Capital	\$		\$
Infrastructure	\$		\$
Other	\$		\$
TOTAL COSTS =	\$	Total Sources =	\$

USES MUST EQUAL SOURCES

3. Financing Structure

Describe the principal parties in your deal and how funds will flow to the project. For example:

- Who will provide the equity?

- Who will provide the permanent financing, other than DD RLF? Has permanent financing been committed?
- Is interim financing needed? If yes, who will provide the interim financing and has it been committed?
- Who will own the assets upon completion?
- If real estate is involved, has it been acquired or is there an option on the property?

4. Repayment Schedule

If possible, please indicate your preferred *interest rate and term*.

5. Collateral

The DD RLF program requires that most loans be collateralized. Describe the collateral for the DD RLF loan, and, if applicable, the proposed collateral for other project debt. Examples of collateral might be:

- A first or second lien on real property;
- A first lien on machinery or equipment; or
- The pledge of marketable securities.

6. Time Table and Stages

Indicate your estimated project *timetable*, including where the project stands now and at what *stage(s)* you will need DD RLF financing.

7. Eligible Activity

Indicate *each* eligible DD RLF activity you will be assisting or undertaking, for example, land acquisition, building acquisition, new construction, rehabilitation, green space/parks, historic government buildings.

8. Public Benefit Standards

If your project is an *eligible* downtown development activity, it must provide a certain level of *public benefit*. For example, meeting downtown development needs, meeting aesthetic or historic preservation needs, job creation or retention, etc. Therefore, indicate how your project will benefit the downtown area in which it is located.

9. Map of Project Location

Please attach a map that reflects the downtown area of your community and that clearly identifies the location of the proposed project. Pictures of the proposed building or site may also be submitted if available.

10. Credit Information

Should you decide to go forward with a DDRLF loan application, certain financial information will be required to allow DCA's underwriting staff to conduct a credit analysis on the project and potential borrowers. Attached as Exhibit A to this IPA is a list of the supporting documentation that is required with a DDRLF application. DCA's underwriting staff is available to discuss questions regarding the credit requirements of the program.

11. Whom May We Contact

In order for DCA to contact you directly, please provide the following:

Contact Person: _____ Phone: _____
Address: _____ City : _____
Contact Phone: _____ Fax: _____ e-mail: _____

Local Government Signature

By: _____
Name: _____
(print or type)
Title: _____
Date: _____

Development Authority Signature

By: _____
Name: _____
(print or type)
Title: _____
Date: _____

Business Signature

By: _____
Name: _____
(print or type)
Title: _____
Company: _____
Date: _____

**DD RLF Supporting Documentation
All Applicants**

Note: Items underlined are usually critical for most projects. Other documentation **may** not be applicable or will be required prior to disbursement of DD RLF funds. DCA field representatives and program and credit managers are available to discuss what particular supporting documentation would be needed in individual cases. DCA reserves the right to request other information.

I. General Project Information

- A. **Synopsis of Project** - Indicate: *who* will be the primary borrower(s) of the DD RLF financing and *who* will develop the project; *what* the DD RLF proceeds will be used for and the amount of financing needed to implement the total project; *where* the project will take place; *when* the project will be implemented; and *how* the DD RLF financing will be passed through any public intermediaries and combined with other financing instruments. The synopsis should also provide a description of the downtown area and how this project will impact downtown.
- B. **Downtown Feasibility/Marketing Analysis and Plan** – Existing downtown plans relevant to the project should be provided. Relevant information could include any market or feasibility studies and various analyses that examine trade areas, tenant mix, over/under supply mixes in retail markets, etc.
- C. **Source and Use Statement** – **If needed** for further explanation of the DD RLF Budget Form, include on a single sheet the individual sources of financing and the specific uses of a particular financing source. This statement should reconcile to the DD RLF Budget Form.
- D. **Resumes of the principals** involved in day-to-day management of the project.
- E. **Plans, Specifications, Renderings and Architectural Drawings** that have been approved by appropriate local and state regulatory and historic preservation agencies.
- F. **Property Management Plan** (for real estate projects) that outlines a plan for the renting and merchandising of space in the renovated facility, the operation and maintenance of the facility and what party will be responsible for the financial and day-to-day management of the property.

II. Financial and Company Information

- A. **Personal financial statement** current within 60 days for each proprietor, partner or stockholder with 20% or more ownership of the project. DCA has a form available on its web site and in the DD RLF application package; a standard form from a commercial bank may be used as well.
- B. **Personal tax returns** for the previous three years for each proprietor, partner or stockholder with 20% or more ownership of the project.
- C. A **year-end real estate pro-forma for the first two years** of the project with **a written explanation of assumptions**. The pro-forma should include gross rent, vacancy rate, net rent, operating expenses including taxes, utilities and maintenance, net operating income, debt service, and cash flow. For tax credit projects, an after-tax cash flow estimate should be provided.
- D. A **schedule of debts** which includes the original date and amount, monthly payment, interest rate, present balance owed, maturity, to whom payable, and collateral securing any short-term and long-term loans that the project business or the developer(s) currently have outstanding or have planned for the next 12 months. Please indicate whether each loan is current or delinquent.
- E. The **names of affiliated (through ownership or management control) and subsidiary businesses**. DCA may require financial statements be provided.

- F. A copy of **existing or proposed lease agreement(s)**.
- G. Corporate **tax returns for the previous three years** for the existing business that is the underlying DD RLF borrower.
- H. Company financial statements for the previous three years for the existing business that is the underlying DD RLF borrower as well as interim financial statements within 60 days of the application.
- I. A **year-end pro-forma balance sheet and income statement for the first two years** of the business that is the DD RLF borrower with **a written explanation of assumptions**.
- J. A monthly cash flow analysis for the first 12 months of operation or for three months beyond the breakeven point (whichever is longer) together with a written explanation of assumptions for any new business that is the DD RLF borrower.
- K. The most recent **Audited Financial Statements** of the local government *if the local government is the ultimate borrower* (e.g., a city that borrows funds to renovate a historic city hall). Interim financial statements may be required.

III. Supporting Cost Documentation, Site Control, etc.

- A. A copy of **key cost documents** such as real estate purchase agreements, contractor cost estimates, vendor quotes for machinery and equipment, etc.
- B. **Purchase Option, Sales Agreement, or Warranty Deed** for any real estate needed to undertake the project.
- C. **Financial Commitment Letter(s)** from participating financial institution(s) and public agencies. The letter(s) should indicate the amount, rate, term, and contingencies associated with the financing, and **the reasons why it wishes assistance in the financing of the project**.
- D. **Commitment Letter(s)** from participating business(es) or tenants. The letter(s) should indicate the number of full-time jobs to be created and/or retained and the amounts of any private investment that will occur as a result of the project.
- E. **List of Available Collateral** with prior liens noted.
- F. **Proposed-Use Certification** from local government that certifies the project will comply with all applicable land-use, environmental and other applicable local laws as well as any special requirements involving community improvement districts, special tax districts, or redevelopment areas. (Please provide copies of applicable local legislation.)
- G. **Appraisal** (prepared by an appraiser with credentials acceptable to DCA and prepared on behalf of DCA) for any real estate to be financed or an **independent appraisal** on an “as completed basis”. Appraisals will not normally be required until after review by DCA. Appraisals should only be ordered after consultation with DCA.
- H. An **environmental analysis** acceptable to DCA. Environmental analyses will not normally be required until after review by DCA. Environmental analyses should only be ordered after consultation with DCA.
- I. If the business is a franchise, include a copy of the Franchise Agreement and the Franchisor’s Disclosure Statements that is required by the Federal Trade Commission.