

DAWSONVILLE DOWNTOWN REVITALIZATION REVOLVING LOAN FUND APPLICATION PACKET

The Downtown Revitalization Revolving Loan Fund (DR RLF) was created by the City of Dawsonville, Georgia for the limited purpose of furthering the City's efforts to revitalize and enhance the downtown areas of the City by providing below-market-rate financing to fund capital projects in downtown areas where DR RLF will spur commercial redevelopment.

OBJECTIVE OF PROGRAM

The objective of the DR RLF program is to provide loan funds to local small businesses and industry located within the downtown area of the City from public resources. The fund shall be used exclusively for the following purposes:

- (1) To assist such small businesses and industry in the making improvements to the exteriors and roofing of structures located in the City as may be approved by the City Council; or
- (2) To assist such small businesses and industry in making improvements to sidewalks, parking lots, landscaping and other features and fixtures on the real property serving as the location of such small businesses and industry as may be approved by the City Council.

SCOPE OF PROGRAM

The DR RLF program is designed to assist retail, service, commercial, and industrial businesses in the City by providing short term, limited purpose financing. This financial assistance must result in the meeting of the overall program objectives, including but limited to furthering the City's goal of revitalizing Downtown Dawsonville.

PROMISSORY NOTE AND SECURITY

All loans made under the DR RLF program shall be evidenced by a promissory note executed in favor of the City by the business and guaranteed by all principals, including operators, of said business. All promissory notes shall be secured by such collateral as deemed reasonably necessary by the Mayor and City Council to secure the City's creditor position. All legal documentation shall require the approval of the City Attorney.

ADMINISTRATION

The DR RLF shall be administrated and implemented by City staff subject to direction from the Mayor and City Council. Loans from said fund shall:

- (1) Not exceed the amount of \$20,000.00 per loan recipient;
- (2) Not bear interest if repaid within 365 days of the date of the promissory note and shall bear interest at the rate of prime plus 2% thereafter;
- (3) Provide for repayment over a period not to exceed two (2) years with a minimum monthly payment of 5% of the original loan amount during the first year and 4% of the original loan amount plus interest in the second year until paid in full; and
- (4) Be made solely for the specific purposes as stated and provided for in this ordinance.

ELIGIBILITY

The DR RLF program for the City is limited to businesses located within the downtown area of the City as the same may be delineated from time to time by the Council.

- Applicants must also produce the following documentation with an application:
 - (1) A current profit and loss statement is required along with one for the past three years (if the business has been operating for that length of time);
 - (2) Tax returns for the prior two years shall be presented by all principals and operators guaranteeing the loan;
 - (3) A letter of commitment from the Applicant must accompany the initial application regarding the intended improvements to be funded by the loan funds;
 - (4) Described and documented ownership of collateral and its market value less any outstanding indebtedness or liens; and
 - (5) A list of credit references and how they can be contacted.

- Drawings, plans and details must be submitted to the Mayor and City Council before loan funds will be released.
- Funds awarded under this program must begin to be utilized within 60 days of award. A failure to begin work with the funds within 60 days or to complete the work within 180 days of commencement shall be an event of loan default.
- A public hearing by the Mayor and City Council will be required prior to loan approval or denial.
- Depending on the type of activity to be undertaken with the loan funds, various federal, state, and local laws may apply. The granting of a DR RLF loan does not constitute a permit for any construction activity.
- Applications regarding construction must comply with Davis-Bacon wage rate determinations and adequate environmental assessments.
- The Mayor and City Council reserve the right to request and require further information that they deem necessary in order to make a decision as to whether or not to approve an application under this program.

APPROVAL OF LOANS

- (a) The Mayor and City Council have the final authority to approve a project for funding under the DR RLF program.
- (b) The Mayor and City Council will not discriminate due to race, creed, color, age, sex, national origin, sexual orientation or disability in approving loan applications under the DR RLF program.
- (c) The Mayor and City Council may consider, but is not limited to, the following guidelines in evaluating the applications submitted for DR RLF loans:
 - (1) Credit worthiness, considering equity position and personal guaranty.
 - (2) Date of application.
 - (3) Additional jobs provided as a result of the loan.
 - (4) Impact upon improvement of the downtown area.
 - (5) Furtherance of the City's enumerated objective of the loan fund.

**DAWSONVILLE DOWNTOWN REVITALIZATION REVOLVING LOAN
FUND APPLICATION**

APPLICANT

Name of Business: _____

Name of Person Filing Application: _____

Phone: _____ Email: _____

Address: _____

Principals, including operators, of Business: _____

Description of Applicant's Business: _____

Description of Products/Services Offered by Applicant's Business: _____

Description of Proposed Collateral: _____

OWNER OF PROPERTY, IF OTHER THAN APPLICANT

Owner: _____ Contact Name: _____

Address: _____

Phone: _____ Email: _____

DESIGNATED PROPERTY

Address: _____

Within Dawsonville's Downtown Development Area? _____ (Y) _____ (N)

PROJECT

Overall Cost of Project: \$_____ Proposed Loan Amount: _____

Other Sources/Amounts of Funding for Project: _____

Description of Project (use additional pages if necessary): _____

Description of How the Project will Further the Objectives of the DR RLF Program (use additional pages if necessary): _____

Number of Anticipated Jobs Created: _____

Proposed Start Date: _____ Proposed Completion Date: _____

APPLICANT'S CERTIFICATION

I, (applicant name) _____ agree that the above constitutes the proposal for the Project at this time and that any changes or additional will require additional information. My signature certifies that I have read, understand, and agree to all of the program guidelines, regulations, and deadlines. I hereby submit this Application for the proposed Project and understand that this application is pending review by the City of Dawsonville. I possess the legal authority to apply for the loan and execute the proposed Project funded by the loan funds. I will comply with all local, state and federal laws and regulations in completing the Project funded by loans provided under the program. I hereby certify that I have not knowingly or willfully made or used a documents or writing containing any false, fictitious, or fraudulent statement or entry in the submission of this Application. I hereby authorize the Mayor and Council to check the credit and employment history of the Applicant and all proposed guarantors. I understand that funds awarded under this program must begin to be utilized within 60 days of the award and that a failure to begin work with the funds within 60 days or to complete the work within 180 days of commencement shall be an event of loan default.

Applicant's Signature: _____ Date: _____

Property Owner's Signature: _____ Date: _____

FIRST READING	<u>11/13/2012</u>
PUBLISHED	10/24&31 11/21&28
SECOND READING & PASSED	<u>12/3/2012</u>

AN ORDINANCE TO PROVIDE FOR A REVOLVING LOAN FUND FOR MAKING LIMITED PURPOSE LOANS TO LOCAL BUSINESS OWNERS TO STIMULATE DOWNTOWN DAWSONVILLE REVITALIZATION PROJECTS; TO PROVIDE FOR AN EFFECTIVE DATE AND FOR OTHER PURPOSES.

WHEREAS, the Mayor and Council have determined that it is in the best interest of the City of Dawsonville to create a Downtown Revitalization Revolving Loan Fund (DR RLF) for the limited purpose of furthering the City’s efforts to revitalize and enhance downtown areas of the City by providing below-market-rate financing to fund capital projects in downtown areas where DR RLF will spur commercial redevelopment;

NOW THEREFORE, pursuant to the authority granted to the City of Dawsonville by its Charter, the Mayor and Council of the City of Dawsonville hereby ordain as follows:

SECTION 1. Creation of program.

There is hereby created a revolving loan fund (DR RLF) for making limited purpose loans to owners of eligible commercial property within the City. The funds shall be budgeted and established from the City’s general fund and shall be in the initial amount of \$25,000.00. Said amount may be increased or decreased in the future by resolution of the Mayor and City Council.

SECTION 2. Objective of program.

The objective of the DR RLF program is to provide loan funds to local small businesses and industry located within the downtown area of the City from public resources. The fund shall be used exclusively for the following purposes:

- (1) To assist such small businesses and industry in the making improvements to the exteriors and roofing of structures located in the City as may be approved by the City Council; or
- (2) To assist such small businesses and industry in making improvements to sidewalks, parking lots, landscaping and other features and fixtures on the real property serving as the location of such small businesses and industry as may be approved by the City Council.

SECTION 3. Scope of program.

The DR RLF program is designed to assist retail, service, commercial, and industrial businesses in the City by providing short term, limited purpose financing. This financial

assistance must result in the meeting of the overall program objectives, including but limited to furthering the City's goal of revitalizing Downtown Dawsonville.

SECTION 4. Promissory Note and Security.

All loans made under the DR RLF program shall be evidenced by a promissory note executed in favor of the City by the business and guaranteed by all principals, including operators, of said business. All promissory notes shall be secured by such collateral as deemed reasonably necessary by the Mayor and City Council to secure the City's creditor position. All legal documentation shall require the approval of the City Attorney.

SECTION 5. Administration.

The DR RLF shall be administrated and implemented by City staff subject to direction from the Mayor and City Council. Loans from said fund shall:

- (1) Not exceed the amount of \$20,000.00 per loan recipient;
- (2) Not bear interest if repaid within 365 days of the date of the promissory note and shall bear interest at the rate of prime plus 2% thereafter;
- (3) Provide for repayment over a period not to exceed two (2) years with a minimum monthly payment of 5% of the original loan amount during the first year and 4% of the original loan amount plus interest in the second year until paid in full; and
- (4) Be made solely for the specific purposes as stated and provided for in this ordinance.

SECTION 6. Eligibility.

The DR RLF program for the City is limited to businesses located within the downtown area of the City as the same may be delineated from time to time by the Council.

SECTION 7. Application for loan.

(a) Applications will be provided by the City to all small businesses and industries interested in the DR RLF upon request. The form of the Application shall be designed by City staff subject to approval by the Mayor.

(b) The applicant must fully address the purpose of the loan and the time schedule for implementation if funded.

(c) Applicants must also produce the following documentation with an application:

- (1) A current profit and loss statement is required along with one for the past three years (if the business has been operating for that length of time);
- (2) Tax returns for the prior two years shall be presented by all principals and operators guaranteeing the loan;
- (3) A letter of commitment from the Applicant must accompany the initial application regarding the intended improvements to be funded by the loan funds;

- (4) Described and documented ownership of collateral and its market value less any outstanding indebtedness or liens; and
 - (5) A list of credit references and how they can be contacted.
- (d) Drawings, plans and details must be submitted to the Mayor and City Council before loan funds will be released.
- (e) Funds awarded under this program must begin to be utilized within 60 days of award. A failure to begin work with the funds within 60 days or to complete the work within 180 days of commencement shall be an event of loan default.
- (f) A public hearing by the Mayor and City Council will be required prior to loan approval or denial.
- (g) Depending on the type of activity to be undertaken with the loan funds, various federal, state, and local laws may apply. The granting of a DR RLF loan does not constitute a permit for any construction activity.
- (h) Applications regarding construction must comply with Davis-Bacon wage rate determinations and adequate environmental assessments.
- (i) The Mayor and City Council reserve the right to request and require further information that they deem necessary in order to make a decision as to whether or not to approve an application under this program.

SECTION 8. Approval of loans.

- (a) The Mayor and City Council have the final authority to approve a project for funding under the DR RLF program.
- (b) The Mayor and City Council will not discriminate due to race, creed, color, age, sex, national origin, sexual orientation or disability in approving loan applications under the DR RLF program.
- (c) The Mayor and City Council may consider, but is not limited to, the following guidelines in evaluating the applications submitted for DR RLF loans:
- (1) Credit worthiness, considering equity position and personal guaranty.
 - (2) Date of application.
 - (3) Additional jobs provided as a result of the loan.
 - (4) Impact upon improvement of the downtown area.
 - (5) Furtherance of the City's enumerated objective of the loan fund.

SECTION 9. Use of recaptured funds.

All funds recaptured by the City from the DR RLF program shall be accounted for separately and used only for future DR RLF loan purposes until such time as the DR

RLF program is terminated by resolution of the Mayor and Council.

SECTION 10. Use of grant funds.

Grants may be put into the revolving loan fund for and used for the purposes set forth in this ordinance or may segregated for a different purpose specified in the grant and thereafter those segregated funds may be used only for that specified purpose.

SECTION 11. Loan applicant assurances.

The following loan applicant assurances are required under this article:

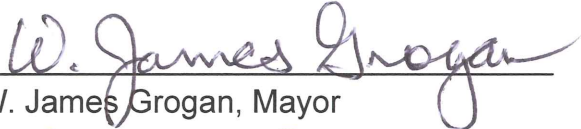
- (1) It possesses legal authority to apply for the loan and execute the proposed project funded by the loan funds.
- (2) It will comply with all local, state and federal laws and regulations in completing the project funded by loan funds provided under this section.
- (3) It will certify that is has not knowingly and willfully made or used a document or writing containing any false, fictitious, or fraudulent statement or entry.
- (4) The Mayor and the City Council are authorized to check the credit and employment history of the applicant and all guarantors.

SECTION 12. Effective Date.

This Ordinance shall become effective upon its approval by the City Council of the City of Dawsonville, Georgia.

APPROVED this 3rd day of December 2012 by the Mayor and Council of the City of Dawsonville, Georgia.

CITY OF DAWSONVILLE



W. James Grogan, Mayor



Chris Gaines, Council Member



Jason Power, Council Member




Angie Smith, Council Member



Mike Sosebee, Council Member

ATTESTED TO BY:



Bonnie Warner, City Clerk

