



Athens Downtown Development Authority

Memorandum

Listed on this sheet, are loans, grants, and tax incentives that are available to business owners and property owners within the ADDA boundary.

Athens Downtown Janey Mae Cooley Façade Grant Program

The Athens Downtown Development Authority (ADDA) Janey Mae Cooley Façade Grant Program is intended to stimulate investment in the revitalization and preservation of building exteriors in Athens' historic downtown area, the heart of the Athens Historic District and a source of pride for our community.

Matching funds are made available for eligible improvements to business facades that are easily visible and in public right-of-ways, such as those that face a public street or a parking area. Improvements must preserve the individual character of each building with its unique features, historic appearance and significance, as well as make a contribution and impact to the appeal of the downtown area. Note that all such improvements must meet the Historic Preservation Commission's design standards if located within the Historic District.

The Janey Mae Cooley Façade Grant Program is funded by the ADDA and administered by the Façade Grant Committee (FGC). The FGC will determine the amount of matching funds based on the proposed façade change, grant funds available, and the number of requests under consideration.

ADDA Micro Revolving Loan Program

Small business owners within the Athens Downtown Development Authority boundary are eligible to apply for a small business loan through the ADDA Revolving Loan Program. The ADDA will run a credit check through Innovative Credit Solutions and then partner with First American Bank to process the loan applications. The loan itself comes from ADDA, and the loan payments will be made payable to ADDA. Once credit has been approved, downtown business owners can obtain a business loan for:

- **Fixed asset acquisition (land, buildings, machinery and equipment);**
- **Working capital;**
- **Proceeds may not be used for refinancing existing debt or for lines of credit.**
- **Business must remain in the downtown district for duration of loan payback period or be subject to immediate collection.**

Businesses can borrow up to \$10,000, and will incur a loan fee equal to 5% of the amount borrowed.

Athens Downtown Development Authority will run a credit check through Innovative Credit Solutions. Your loan application will be considered in the public monthly ADDA Board Meeting.

Georgia Cities Foundation Revolving Loan Fund can be applied for at any time during the year. Georgia Municipal Association and the Foundation staff will review applications to determine if the project fits the overall objectives of the Foundation and is likely to have a positive economic impact on the community. Applications are evaluated based on leadership, accountability, long-term sustainability, and potential for private investment. Projects should encourage spin-off development, add jobs, promote downtown housing, or add to the cultural enrichment of the community. Each application must also undergo credit underwriting.

The following projects are considered eligible for Georgia Cities Foundation Revolving Loan Fund: real estate acquisition, building rehabilitation, new construction, and green space and parks. The following projects are considered ineligible for Georgia Cities Foundation Revolving Loan Fund: operating expenses and administration, local revolving loan funds, public infrastructure projects, streetscapes, and façade projects.

The Foundation presently provides loans up to \$250,000. The interest rate of 3%, and the repayment period is normally 10 years, not to exceed 15 years with the last payment a balloon payment. Georgia Cities Foundation recommends a 50-40-10 financing structure for projects, with 50% of the project cost being financed through conventional lenders, 40% being financed through low interest loan programs such as the Georgia Cities Foundation Revolving Loan Fund, and 10% being the developer's equity participation.

For additional information, please contact Perry Hiott at (678) 686-6207, or Chris Higdon at (678) 651-1018.

Website: <http://www.georgiacitiesfoundation.org/LoanFund.aspx>

State Small Business Credit Initiative (SSBCI) On September 27, 2010, President Obama signed into law the Small Business Jobs Act of 2010 (the "Act"). The Act created the State Small Business Credit Initiative, which was funded with \$1.5 billion to strengthen state programs that support lending to small businesses and small manufacturers. Under the State Small Business Credit Initiative, participating states will use the federal funds for programs that leverage private lending to help finance small businesses and manufacturers that are creditworthy, but are not getting the loans they need to expand and create jobs. The State Small Business Credit Initiative will allow states to build on successful models for state small business programs, including collateral support programs, Capital Access Programs (CAPs) and loan guarantee

programs. Existing and new state programs are eligible for support under the State Small Business Credit Initiative.

For additional information, please contact Holly Hunt at (404) 679-3144, Timothy Smith at 404-679-0568, Joanie Perry at (404) 679-3173 or Brian Williamson at (404) 679-1587

Website: <http://www.georgia-ssbci.org>

Federal and State Tax Incentives for Historic Rehabilitation Programs

- 1. Federal Rehabilitation Investment Tax Credit (RITC)** – A federal income tax credit equal to 20% of rehabilitation expenses. Available ONLY for income-producing properties. The application is first reviewed by the Historic Preservation Division, and then forwarded to the National Park Service for final decision. This Program is available nationwide.
- 2. State Preferential Property Tax Assessment for Rehabilitated Historic Property** – Freezes the county property tax assessment for over 8 years. Available for personal residences as well as income-producing properties. Owner must increase the fair market value of the building by 50 – 100%, depending on its new use.
- 3. State Income Tax Credit for Rehabilitated Historic Property** – A state income tax credit of 25% of rehabilitation expenses. The credit is capped at \$100,000 for personal residences and \$300,000.00 for income-producing properties. This program's percentages and caps are effective for projects completed after January 1, 2009.

For additional information, please contact Carole Moore, Tax Incentives & Grants Coordinator carole.moore@dnr.state.ga.us, phone (404) 651-5566 or Molly McLamb, Tax Incentives Specialist molly.mclamb@dnr.state.ga.us, phone (404) 651-5567

Website: <http://georgiashpo.org/incentives/tax>

The Georgia Downtown Renaissance Fund affirms the importance of Georgia's downtowns by offering local governments, downtown development authorities, urban redevelopment authorities, special districts, and non-profit organizations with financial and technical assistance to encourage economic and small business development, training, design assistance, and financing in the effort of improving downtown districts.

- The GDRF creates a revolving loan fund at the state level that originates qualified investments in downtown districts. These investments may be in the form of technical assistance, loans, loan guarantees, or any combination thereof.

- Loan amounts may generally be up to \$500,000 with the sub-recipient business providing no less than 10% cash equity in the project. Financial responsibility to repay the loan rests with the ultimate borrower.
- A GDRF loan guarantee may be provided to lenders on behalf of eligible applicants for eligible activities and to small businesses who otherwise could not obtain necessary financing on their own. The loan guarantees shall generally be up to 50% of the original principle amount of a lender's loan, or \$500,000, whichever is less, and the sub-recipient business must provide no less than 10% cash equity in the project.
- Technical assistance awards will generally be limited to \$50,000 and may include direct payment of vendors providing assistance, in-kind design or other services provided by DCA, training and professional development services, community planning and outreach services, and technical assistance related to the financing of community or economic development related projects.

Complete details about The Downtown Renaissance Fund can be found at <http://www.dca.ga.gov/economic/Financing/programs/RenaissanceFund.asp> or contact Brian Williamson, Deputy Commissioner, brian.williamson@dca.ga.gov

Small Business Development Center (SBDCs) provide a vast array of technical assistance to small businesses and aspiring entrepreneurs. By supporting business growth, sustainability and enhancing the creation of new businesses entities, SBDCs foster local and regional economic development through job creation and retention. As a result of the no cost, extensive, one-on-one, long-term professional business advising, low-cost training and other specialized services SBDC clients receive, the program remains one of the nation's largest small business assistance programs in the federal government. The SBDCs are made up of a unique collaboration of SBA federal funds, state and local governments, and private sector resources.

SBDCs provide services through professional business advisors such as: development of business plans; manufacturing assistance; financial packaging and lending assistance; exporting and importing support; disaster recovery assistance; procurement and contracting aid; market research services; aid to 8(a) firms in all stages; and healthcare information. SBDCs serve all populations, including: minorities; women; veterans, including reservists, active duty, disabled personnel, and those returning from deployment; personal with disabilities; youth and encore entrepreneurs; as well as individuals in low and moderate income urban and rural areas. Based on client needs, local business trends and individual business requirements, SBDCs modify their services to meet the evolving needs of the hundreds of small business community in which they are situated.

For more information, please call their office (706) 542-7436 or go to their website <http://www.georgiasbdc.org>