



CITY OF WEST POINT FORWARD FUND LOAN PROGRAM APPLICATION

Thank you for your interest in the City of West Point Forward Fund Loan Program (hereinafter the Forward Fund Loan Program). The mission of this fund is to encourage sustainable community development projects that further the economic growth of the community, create employment and housing opportunities for residents, and generally improve the City. The area of specific focus for this program is the 10th Street Area Redevelopment Plan designated district.

If you are prepared to submit a Forward Fund Loan Program application, and have provided the appropriate information to staff following the pre-application meeting, please contact the City Planner at (706) 645-3090.

The following guidelines are designed to assist applicants in submitting complete and competitive Forward Fund Loan Program applications and, if funded, to implement approved projects in accordance with all applicable laws and regulations. The Forward Fund Loan Program regulations should also be carefully reviewed since these guidelines are not intended to duplicate the regulations in their entirety, but rather to highlight important program requirements and emphasize critical steps in the process.

1. Eligible applicants and recipients of loan and/or grant funds awarded under this program shall include, but not be limited to, the City of West Point, West Point Development Authority, Downtown West Point Development Authority, West Point Housing Authority, or other local government authorities and joint or multi-county development authorities that are proposing projects within the City of West Point. When conditions dictate, and when authorized by law, the city may loan funds to a private company.
2. The minimum loan is \$50,000 per project.
3. Applicants must demonstrate that they have a viable project and clearly identify the proposed uses of the loan proceeds. Once approved, eligible uses of funds provided under the Forward Fund Loan Program include, but are not limited to, the provision of such public infrastructure, services, facilities and improvements such as: road improvements, water and sewer improvements, technology infrastructure, drainage improvements, other public utilities, public facilities and services specifically designed to increase economic opportunities through job training, workforce development, education and other employment support services, the acquisition, clearance and disposition of real property, site preparation, site improvements, real property rehabilitation, new commercial construction, new residential construction and the provision of planning services and technical assistance. The area of specific focus for this program is the 10th Street Area Redevelopment Plan designated district.
4. The Forward Fund Loan Program applications will be subjected to a rigorous analysis to ensure the applicants' ability to repay the loans in accordance with their specific terms and conditions.

5. Terms and conditions of loan repayment will vary on a project by project basis, depending on the proposed use(s) of the Forward Fund Loan Program proceeds and local and individual economic conditions. These terms and conditions will be incorporated in the loan agreement.
6. Usually, other funds should be used on an interim basis to finance construction of a project while Forward Fund Loan Program funds will provide permanent financing once the project is complete. However, the pre-application meeting (including the City receiving subsequent requested information) and application processes should be started as soon as possible; a Forward Fund Loan Program award may be made at the beginning of a project with conditions that will provide for the loan closing at the completion of the project. The initiation or completion of project activities using interim financing prior to loan approval *may* endanger Forward Fund Loan Program funding. Please check with the City of West Point as soon as it appears that such a situation may occur.
7. The conflict of interest provisions specified in the Forward Fund Loan Program regulations are strong and intentionally broad. It is imperative that the City of West Point be informed of any possibility for a conflict of interest, whether real or apparent, as soon as the applicant/recipient becomes aware of it in order to determine if it can be waived or mitigated for cause.
8. Forward Fund Loan Program applications are subject to the Georgia Open Records Act. Georgia Law requires that “all state, county and municipal records, except those which by order of a court of this state or by law are prohibited from being open to inspection by the general public, shall be open for a personal inspection of any citizen of this state at a reasonable time and place, and those in charge of such records shall not refuse this privilege to any citizen” (O. C. G. A. 50- 18-70). This means that past and current records on the use of Forward Fund Loan Program funds, including the Forward Fund Loan Program applications and supporting materials, are required to be open for public inspection. However, certain proprietary information which is required by the City to be included in an application and which constitutes a “trade secret” (O. C. G. A. 10-1-740 et seq.; 16-8-13 (a) (4)) is exempt from disclosure under O. C. G. A. 50-18-70. The applicant must clearly identify and mark any documents that contain confidential or trade secret information.
9. The City of West Point reserves the right to establish other guidelines or requirements in order to further the purposes of the Forward Fund Loan Program.

CITY OF WEST POINT FORWARD FUND LOAN PROGRAM APPLICATION
SECTION A – GENERAL INFORMATION

1. **Name of Applicant:** _____

Mailing Address: _____

City: _____ State: _____ Zip Code: _____

Applicant Contact Person: _____

Telephone Number: _____

Email Address: _____

2. **Name of Sub-recipient:** _____

Mailing Address: _____

City: _____ State: _____ Zip Code: _____

Sub-recipient Contact Person: _____

Telephone Number: _____

Email Address: _____

3. **Project Address:** _____

4. **Total Project Cost:** \$ _____ **Forward Fund Loan Requested:** \$ _____

5. **Applicant Certification:** I, the undersigned authorized representative of the applicant, certify to the best of my knowledge that the information contained in this application is true and correct.

Authorized Signature: _____ **Date:** _____

Name (printed): _____ **Title (printed):** _____

CITY OF WEST POINT FORWARD FUND LOAN PROGRAM APPLICATION

SECTION B – PROJECT SPECIFIC INFORMATION

Please provide a description of the project for which you are seeking a Forward Fund Loan, making sure to be as specific as possible in addressing each of the following items. Please provide typed responses on a separate attachment for all questions below (1-9).

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 Forward Fund Loan Program proceeds will be used for and the amount of financing needed to implement the total project; who will develop the project; where the project will take place (please give an exact or at least an approximate address); and the status of the project and its implementation schedule.

The project description should also address how the proposed project will assist the community in its efforts to revitalize and enhance the 10th Street Area Redevelopment Plan designated district.

2. 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 the Forward Fund Loan Program? Has permanent financing been committed?
- Who will be the primary borrower of the Forward Fund Loan Program financing?
- 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?

3. Collateral

The Forward Fund Loan Program requires that most loans be collateralized. Describe the collateral for the Forward Fund 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.

4. Timetable and Stages

Indicate your estimated project *timetable*, including where the project stands now, the estimated completion date, and at what *stage(s)* you will need Forward Fund Loan Program financing.

5. Eligible Activity

Indicate *each* eligible Forward Fund Loan Program activity you will be undertaking, for example, the provision of such public infrastructure, services, facilities and improvements as: road improvements, water and sewer improvements, technology infrastructure, drainage improvements, other public utilities, public facilities and services specifically designed to increase economic opportunities through job training, workforce development, education and other employment support services, the acquisition, clearance and disposition of real property, site preparation, site improvements, real property rehabilitation, new commercial construction, new residential construction and the provision of planning services and technical assistance. The area of specific focus for this program is the 10th Street Area Redevelopment Plan designated district.

6. Map of Project Location

Please attach a map that reflects the 10th Street Area Redevelopment Plan designated district and that clearly identifies the location of the proposed project within the district. Provide a few paragraphs of narrative regarding the area in which the project will take place, including, the specific portion of the 10th Street Area Redevelopment Plan designated district.

7. The purpose of the Forward Fund Loan Program is to finance activities that will assist applicants in promoting the economic security and creation and retention of economic opportunities for the citizens of West Point through the development and retention of employment opportunities in the City of West Point. Does this project meet this stated purpose? If not, please explain.

8. Describe the project's impact using the following measures.

- The number of jobs to be created or retained;
- The quality of jobs to be created or retained;
- The amount of new private leverage;
- The amount of new and/or retained taxes to be generated; and
- Verification that the project is within the 10th Street Area Redevelopment Plan designated district.

9. Additional required documentation:

- A preliminary engineering report (unless staff agrees the project does not necessitate one)
- Any additional information requested by the staff.

CITY OF WEST POINT FORWARD FUND LOAN PROGRAM APPLICATION

SECTION C – SUPPORTING DOCUMENTATION

In addition to the application information, the City of West Point will require several items of supporting documentation as part of your Forward Fund Loan Program application. Supporting documentation items will vary from project to project. A list included in the Standard Forms section of this application packet is designed to give you an idea of the types of supporting documentation items that may be requested in the Forward Fund Loan Program application. The staff is available to discuss the supporting documentation in more detail.

HOW TO APPLY

Once a pre-application meeting with staff has taken place and appropriate information has been provided to staff subsequent to the pre-application meeting, a completed application (one original and two copies) can be submitted to:

City of West Point
Attn: City Planner
Community Development Department
730 1st Avenue
West Point, GA 31833
Office (706) 645-3090
Fax (706) 643-8150

Standard Forms Follow (For use as needed)

Sources and Uses of Funds

In the "Source of Funds" column, indicate the amount of Forward Fund Loan Program financing requested and identify the sources and amounts of the balance of funding for your project (for example, bank financing, owner's cash investment). In the "Use of Funds" column, please show the uses of all of the proposed sources of funding (for example, property acquisition, renovation, construction). If a particular source of funding will be used for more than one activity, please indicate so. Be sure to identify the amount of equity in the project. **Note that the Forward Fund Loan Program generally requires an owner's equity injection in order for the project to be competitive.**

SOURCES AND USES STATEMENT *USE OF FUNDS*

Use: _____ Amount: \$ _____

TOTAL COSTS = \$ _____

SOURCE OF FUNDS

Lender/Equity Investor: _____ Amount: \$ _____

TOTAL SOURCES = \$ _____

NOTE – SOURCES MUST EQUAL USES

Credit Authorization

In connection with _____'s application to the City of West Point for assistance, I authorize the City of West Point or its agent to make inquiries as necessary to verify the accuracy of the statements made and to determine my creditworthiness. I further authorize the City of West Point or its agent to receive information, documents, credit reports, summaries, etc. received by other lenders in connection with any additional financial assistance I am pursuing as part of a complete financing package for the applicant business.

Authorized Signature

By: _____

Name: _____
(print or type)

Title: _____

Company: _____

Date: _____

Applicants should note that Georgia Law requires that “all state, county and municipal records, except those which by order of a court of this state or by law are prohibited from being open to inspection by the general public, shall be open for a personal inspection of any citizen of this state at a reasonable time and place, and those in charge of such records shall not refuse this privilege to any citizen” (O.C.G.A. 50-18-70). This means that past and current records on the use of the City of West Point funds are required to be opened for public inspection. However, certain proprietary information which is required by the City of West Point to be included in an application and must be supplied by a business in order to compete and which constitutes a “trade secret” (O.C.G.A. 10-17-140 et seq.; 16-8-13(a)(4)) is exempt from disclosure under O.C.G.A. 50-18-70. APPLICANT IS RESPONSIBLE FOR MARKING ALL DOCUMENTS THAT IT CONSIDERS CONFIDENTIAL OR TRADE SECRET.

PERSONAL FINANCIAL STATEMENT

CONFIDENTIAL

IMPORTANT: DIRECTIONS TO APPLICANT

To: _____

Address: _____

Personal Financial Statement as of _____
 (DATE)

APPLICANT'S NAME(S): _____

HOME ADDRESS _____

HOME PHONE _____

Read directions before completing Financial Statement.

Please check appropriate box

- Individual credit—If relying on your own income and assets and not the income and assets of a spouse or another person as a basis for extension or repayment or credit, complete the Financial Statement below only as it applies to you, individually. Do not provide any information about a spouse or other person. Sign the Financial Statement.
- Joint Credit If applying for joint credit or for individual credit relying on income or assets of a spouse or another person for extension and repayment of credit requested, complete the Financial Statement below. Include information about income, assets and liabilities of the spouse or other person. Both Applicant and Spouse or Co-Applicant sign this statement.
- Individual relying upon income or assets of spouse or other person. or Co-Applicant sign this statement.

Please do not leave any questions unanswered. Use "no" or "none" where necessary.

<i>Assets</i>	<i>In Even Dollars</i>	<i>Liabilities and Net Worth</i>	<i>In Even Dollars</i>
Cash on hand and in Banks—See Schedule A	\$	Notes Payable: This Bank—See Schedule A	\$
U.S. Government Securities—See Schedule B		Notes Payable: Other Institutions—See	
Listed Securities—See Schedule B		Schedule A	
Unlisted Securities—See Schedule B		Notes Payable—Relatives	
Other Equity Interests—See Schedule B		Notes Payable—Others	
Accounts and Notes Receivable		Accounts and Bills Due	
Real Estate Owned—See Schedule C		Unpaid Taxes	
Mortgages and Land Contracts Receivable— See Schedule D		Real Estate Mortgages Payable—See Schedule C or D	
Cash Value Life Insurance—See Schedule E		Land Contracts Payable—See Schedule C or D	
Other Assets: Itemize		Life Insurance Loans—See Schedule E	
		Other Liabilities: Itemize	
		TOTAL LIABILITIES	\$
		NET WORTH	\$
TOTAL ASSETS	\$	TOTAL LIABILITIES AND NET WORTH	\$

<i>Sources of Income</i>	<i>In Even Dollars</i>	<i>General Information</i>	
Salary	\$	Employer	
Bonus and Commissions		Position or Profession	No. Years
Dividends		Employer's Address	
Real Estate Income		Phone No.	
*Other Income: Itemize		Partner, officer or owner in any other venture? <input type="checkbox"/> No <input type="checkbox"/> Yes	
		If so, explain:	
TOTAL	\$		
*Alimony, child support or separate maintenance payments need not be disclosed unless relied upon as a basis for extension of credit. If disclosed, payments received under <input type="checkbox"/> court order <input type="checkbox"/> written agreement <input type="checkbox"/> oral understanding.			
Are any assets pledged? <input type="checkbox"/> No <input type="checkbox"/> Yes Detail in Schedule A			
Income taxes settled through (Date)			

<i>Contingent Liabilities</i>	<i>In Even Dollars</i>	<i>General Information (continued)</i>
As endorser, co-maker or guarantor	\$	Are you a defendant in any suits or legal action? <input type="checkbox"/> No <input type="checkbox"/> Yes If so, explain:
On leases		
Legal claims		Have you ever taken bankruptcy? <input type="checkbox"/> No <input type="checkbox"/> Yes If so, explain:
Provision for federal income taxes		
Other special debt, e.g., recourse or repurchase liability		Do you have a will? <input type="checkbox"/> No <input type="checkbox"/> Yes With whom?
		Do you have a trust? <input type="checkbox"/> No <input type="checkbox"/> Yes With whom?
TOTAL	\$	Number of dependents _____ Ages _____

Schedule A: Banks, Brokers, Savings & Loan Association, Finance Companies or Credit Unions. List here the names of all the institutions at which you maintain a deposit account and/or where you have obtained loans.

<i>Name of Institution</i>	<i>Name on Account</i>	<i>Balance on Deposit</i>	<i>High Credit</i>	<i>Amount Owing</i>	<i>Monthly Payment</i>	<i>Secured by What Assets</i>
TOTAL			TOTAL			

Schedule B: U.S. Governments, Stocks (Listed & Unlisted), Bonds (Gov't & Comm.), and Partnership Interests (General & Ltd.)

<i>Number of Shares, Face Value (Bonds), or % of Ownership</i>	<i>Indicate:</i> 1. Agency or name of company issuing security or name of partnership 2. Type of investment or equity classification 3. Number of shares, bonds or % of ownership held 4. Basis of valuation*	<i>In Name of</i>	<i>*Market Value</i>	<i>Pledged</i> Yes () No ()	
TOTAL					

*If unlisted security or partnership interest, provide current financial statements to support basis for valuation.

Schedule C: Real Estate Owned (and related debt, if applicable)

<i>Description of Property or Address</i>	<i>Title in Name Of</i>	<i>Date Acq.</i>	<i>Cost + Improvements</i>	<i>Present Mkt. Value</i>	<i>Mortgage or Land Contract Payable</i>		
					<i>Bal. Owing</i>	<i>Mo. Payt.</i>	<i>Holder</i>
TOTAL							

Schedule D: Real Estate: Mortgages & Land Contracts Receivable (and related debt, if applicable)

Description of Property or Address	Title in Name Of	Date Acq.	Balance Receivable	Monthly Payment	Mortgage or Land Contract Payable		
					Bal. Owing	Mo. Payt.	Holder
TOTAL							

Schedule E: Life Insurance Carried

Name of Company	Face Amount	Cash Surrender Value	Loans	Beneficiary
TOTAL				

I/we have carefully read and submitted the foregoing information provided on all three pages of this statement to the Lender named above. The information is presented as a true and accurate statement of my/our financial condition on the date indicated. This statement is provided for the purpose of obtaining and maintaining credit with said Lender. I/we agree that if any material change(s) occur(s) in my/our financial condition that I/we will immediately notify said Lender of said change(s) and unless said Lender is so notified it may continue to rely upon this financial statement and the representations made herein as a true and accurate statement of my/our financial condition.

I/we authorize the Lender to make whatever credit inquiries it deems necessary in connection with this financial statement. I/we authorize and instruct any person or consumer reporting agency to furnish to the Lender any information that it may have or obtain in response to such credit inquiries.

I/we also hereby certify that no payment requirements listed herein are delinquent or in default except as follows; if "NONE" so state.

Applicant's Signature _____ Date Signed _____ Social Security No. _____ Date of Birth _____

Spouse's or Co-Applicant's Signature _____ Date Signed _____ Social Security No. _____ Date of Birth _____

**Real Estate
Pro Forma Income and Expense Statement**

	Year 1	Year 2	Year 3
Gross Rent (s.f. x rent p.s.f.)			
+Tenant Contributions			
=Total Gross Rents (TGR)			
-Vacancy (% vacancy x TGR)			
=Effective Gross Rent (EGR)			
-Utilities			
-Maintenance			
-Security			
-Professional Services			
-Insurance			
-Real Estate Taxes			
-Management Fees			
-Other Operating Expenses			
=Net Operating Income (NOI)			
-Debt Service			
=Cash Flow			

Real Estate Ratios

Cash on Cash (CF/Equity)			
Debt Coverage (NOI//D/S)			
Break-Even Point (Exp+D/S/Gross Rent)			

Assumptions

Please attach a brief explanation of assumptions so that the reviewer may understand how each of the numbers on this pro forma income and expense statement was derived.

Schedule of Debts

Loan #1

Name of Lender: _____

Account #: _____

Loan Type (business or personal): _____

Original Loan Amount: _____

Loan Term (in years): _____

Interest Rate: _____

Current Loan Balance: _____

Monthly Debt Service: _____

Is the loan current? Circle Yes or No

Loan #2

Name of Lender: _____

Account #: _____

Loan Type (business or personal): _____

Original Loan Amount: _____

Loan Term (in years): _____

Interest Rate: _____

Current Loan Balance: _____

Monthly Debt Service: _____

Is the loan current? Circle Yes or No

Schedule of Debts

Loan #3

Name of Lender: _____

Account #: _____

Loan Type (business or personal): _____

Original Loan Amount: _____

Loan Term (in years): _____

Interest Rate: _____

Current Loan Balance: _____

Monthly Debt Service: _____

Is the loan current? Circle Yes or No

Loan #4

Name of Lender: _____

Account #: _____

Loan Type (business or personal): _____

Original Loan Amount: _____

Loan Term (in years): _____

Interest Rate: _____

Current Loan Balance: _____

Monthly Debt Service: _____

Is the loan current? Circle Yes or No

Schedule of Debts

Loan #5

Name of Lender: _____

Account #: _____

Loan Type (business or personal): _____

Original Loan Amount: _____

Loan Term (in years): _____

Interest Rate: _____

Current Loan Balance: _____

Monthly Debt Service: _____

Is the loan current? Circle Yes or No

Loan #6

Name of Lender: _____

Account #: _____

Loan Type (business or personal): _____

Original Loan Amount: _____

Loan Term (in years): _____

Interest Rate: _____

Current Loan Balance: _____

Monthly Debt Service: _____

Is the loan current? Circle Yes or No

CITY OF WEST POINT FORWARD FUND LOAN PROGRAM APPLICATION

Supporting Documentation List

The following lists the supporting documentation items needed to support your Forward Fund Loan Program application. Items underlined are usually critical. Other documentation may not be applicable to your project or will be required prior to disbursement of Forward Fund Loan Program funds. The City of West Point reserves the right to request other information. Please provide typed responses on a separate attachment.

Applicants should note that Georgia Law requires that “all state, county and municipal records, except those which by order of a court of this state or by law are prohibited from being open to inspection by the general public, shall be open for a personal inspection of any citizen of this state at a reasonable time and place, and those in charge of such records shall not refuse this privilege to any citizen” (O.C.G.A. 50-18-70). This means that past and current records on the use of the City of West Point funds are required to be opened for public inspection. However, certain proprietary information which is required by the City of West Point to be included in an application and must be supplied by a business in order to compete and which constitutes a “trade secret” (O.C.G.A. 10-17-140 et seq.; 16-8-13(a)(4)) is exempt from disclosure under O.C.G.A. 50-18-70. APPLICANT IS RESPONSIBLE FOR MARKING ALL DOCUMENTS THAT IT CONSIDERS CONFIDENTIAL OR TRADE SECRET.

I. General Project Information

- A. **Synopsis of Project** – Indicate: *who* will be the primary borrower(s) of the Forward Fund Loan Program financing and *who* will develop the project; *what* the Forward Fund Loan Program 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 Forward Fund Loan Program financing will be passed through any public intermediaries and combined with other financing instruments. The synopsis should also provide a description of the 10th Street Area Redevelopment Plan designated district and how this project will impact the district.
- B. **Corridor Feasibility/Marketing Analysis and Plan** – Existing 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** – Individual sources of financing and the specific uses of a particular financing source.
- 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 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. The City of West Point has a form available in the Forward Fund Loan Program 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. The City of West Point has a form available in the Forward Fund Loan Program application package.
- 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**. The City of West Point 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 Forward Fund Loan Program borrower.
- H. Company financial statements for the previous three years for the existing business that is the underlying Forward Fund Loan Program 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 Forward Fund Loan Program 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 Forward Fund Loan Program 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 for water and sewer improvements). 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.
- 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 the 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.
- G. **Appraisal** (prepared by an appraiser with credentials acceptable to the City of West Point and prepared on behalf of the City of West Point) 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 the City of West Point. Appraisals should only be ordered after consultation with the City of West Point.
- H. An **environmental analysis** acceptable to the City of West Point. Environmental analyses will not normally be required until after review by the City of West Point. Environmental analyses should only be ordered after consultation with the City of West Point.
- 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.



CITY OF WEST POINT FORWARD FUND
LOAN PROGRAM REGULATIONS

CITY OF WEST POINT FORWARD FUND LOAN PROGRAM REGULATIONS

Purpose

The City of West Point, Georgia welcomes applications for the City of West Point Forward Fund Loan Program (hereinafter the Forward Fund Loan Program), established through a 16-year payment in lieu of taxes agreement between the City of West Point and Kia Motors Corporation. The mission of this fund is to encourage sustainable community development projects that further the economic growth of the community, create employment and housing opportunities for residents, and generally improve the City. The area of specific focus for this program is the 10th Street Area Redevelopment Plan designated district.

The Forward Fund Loan Program is designed to be a flexible community and economic development tool; however, resources for the program are limited. All potential applicants should seek the advice of the City of West Point Planning Department prior to submitting an application. These regulations govern the operation of the Forward Fund Loan Program as established by the City of West Point Mayor and City Council through its resolution adopted on July 8, 2013.

The purpose of the Forward Fund Loan Program is to provide a program of financial investments that includes loans, grants, loan/grant combinations, and any other forms of assistance authorized by the City of West Point Mayor and City Council to finance activities that will assist applicants in promoting the economic security and creation and retention of economic opportunities for the citizens of West Point through the development and retention of employment opportunities in the City of West Point. The area of specific focus for this program is the 10th Street Area Redevelopment Plan designated district.

Eligible Applicants

Eligible applicants and recipients of loan and/or grant funds awarded under this program shall include, but not be limited to, the City of West Point, West Point Development Authority, Downtown West Point Development Authority, West Point Housing Authority, or other local government authorities and joint or multi-county development authorities that are proposing projects within the City of West Point. When conditions dictate, and when authorized by law, the city may loan funds to a private company.

Fund Availability

Funding appropriated or otherwise made available to the Forward Fund Loan Program will be made available to eligible applicants through an application process. Applications will be accepted by the City of West Point Community Development Department and will be reviewed based upon the established criteria.

Eligible applicants must apply for assistance under this program in a format and manner prescribed by the City of West Point. The Mayor and City Council at its discretion, upon staff recommendation, may grant funds to projects for public infrastructure or public facilities.

Eligible Activities

Eligible uses of funds provided under the Forward Fund Loan Program include, but are not limited to, the provision of such public infrastructure, services, facilities, and improvements as: road improvements, water and sewer improvements, technology infrastructure, drainage improvements, other public utilities, public facilities and services specifically designed to increase economic opportunities through job training, workforce development, education and other employment support services, the acquisition,

clearance, and disposition of real property, site preparation, site improvements, real property rehabilitation, new commercial construction, new residential construction, and the provision of planning services and technical assistance. The area of specific focus for this program is the 10th Street Area Redevelopment Plan designated district.

The City of West Point Mayor and City Council reserves the right to establish criteria regarding the nature, types, and forms of financial assistance that the Forward Fund Loan Program provides. In general, assistance will take the form of grants, low-interest loans, or loan/grant combinations. The exact structure and amount will be determined by the activity to be financed and the financial capacity of the applicant, business, and/or enterprise. Loans will be structured using generally accepted public and private financing instruments and procedures. All recaptured funds must be returned to the Forward Fund Loan Program fund.

Review of Loan Applications

Threshold Requirements (In order to be rated and reviewed, an application must meet all threshold requirements identified below):

1. The application is from an eligible applicant.
2. The project takes place within the City of West Point.
3. The proposed use of funds are for eligible activities and will be carried out in a manner consistent with the state constitution, state law, local law, and in accordance with the applicant's (or sub-recipient's) enabling legislation and authority.

All applications will be reviewed to determine the merit of the application and of the proposed uses of funds. In determining whether an applicant shall receive funding, the following criteria will be considered:

4. Each application will be reviewed based upon an analysis of the project's potential enhancement of community development opportunities, creditworthiness, overall project feasibility, project impact, and soundness of the proposed strategy. The analysis will include but is not limited to such factors as: impact on the community's tax base; degree of local commitment; consistency with local development plans, goals, and objectives; project readiness; project feasibility; reasonableness of cost estimates; elimination of blighting influences; total private capital investment; number of jobs created and/or retained; historic preservation impact; and potential state and regional impact.
5. In its review of applications, the City may, at its discretion, consult with other individuals or agencies as appropriate for the purpose of receiving information and/or advice. All relevant supporting documentation available (plans, studies, engineering reports, appraisals, etc.) should also be attached.
6. The criteria listed in this application is designed to assist the City in making its decision and provide prospective applicants with guidance as to the factors that their application needs to address in order to be competitive. The decisions made by the City shall be final and conclusive.
7. Supporting documentation will strengthen the application, and, if not provided, may be requested if deemed necessary to arrive at a recommendation. A preliminary engineering report is an example and would strengthen the application.
8. Other guidelines or requirements may be established by the City of West Point in order to further the purposes of the Forward Fund Loan Program.
9. Application submission procedures will be established by the City of West Point Mayor and City Council.

Awarding of Loan Funds

The award limit is set at a minimum of \$50,000 per project. Limits may be waived by the City of West Point Mayor and City Council.

Statement of Conditions

In addition to the specific certifications made by the applicant in accepting the commitment letter and in executing the loan agreement, the recipient further certifies or acknowledges that:

1. No applicable state laws, rules, regulations, or applicable local ordinances shall be violated in carrying out the project and expending the loan proceeds.
2. The recipient's accounting records of the loan funds shall be maintained in a manner consistent with generally accepted government accounting standards.
3. It is the recipient's responsibility to determine the laws applicable to the specific project and to meet ALL of its requirements (i.e. Georgia's Environmental Policy Act).
4. Loan funds shall be disbursed by the City in accordance with the provisions of the loan agreement. Those provisions may vary depending on each project's particular circumstances.
5. The City may make reviews and audits of the project including on-site reviews as may be necessary or appropriate to implement the program and insure the requirements contained in the loan agreement are met. In the case of noncompliance, the City at its sole discretion shall take such actions as it deems appropriate to prevent continuance of the deficiency, mitigate any adverse effects or consequences, and prevent a recurrence.
6. The recipient may be required to submit quarterly or other progress reports to the City in a format prescribed by the City. Failure to submit timely and acceptable reports may result in a request for immediate repayment of all funds from the recipient by the City.
7. Loan payments shall be due to the City or its agent in accordance with the terms and provisions of the loan agreement. All payments shall be made at West Point City Hall or at such other place as specified by the City.
8. The City reserves the right to establish other guidelines or requirements in order to further the purposes of the program.
9. The City reserves the right to request additional information as needed.
10. The initiation of project activities prior to an award could endanger Forward Fund Loan Program funding. While the Forward Fund Loan Program is flexible, initiation of project activities prior to award may indicate that Forward Fund Loan Program monies are not needed.
11. A project budget is required. The specific use of Forward Fund Loan Program monies should be clearly identified as well as the use of all other funds. All sources of funds should be identified. Sources of funds must equal uses. Prior to drawdown of funds or upon audit or monitoring of the Forward Fund Loan Program project, documentation will be required showing how Forward Fund Loan Program funds and other project funds have been spent.

12. The description of the project and activities are clearly described and documented.
13. The project will generate positive net public benefits as quantified by an acceptable public cost-benefit analysis, model, or methodology.
14. The responsibilities for carrying out each activity are clearly ascribed to a participating entity and each entity has firmly committed in writing to carry out its part.
15. Project readiness concerns are addressed (as applicable):
 - engineering/architectural/environmental;
 - infrastructure/utility access issues;
 - specific job and investment commitments;
 - commitments to fund operations/maintenance, etc.;
 - other public and private sector investors are committed and ready to invest;
 - all needed real property is acquired or under option;
 - environmental, regulatory, and liability concerns addressed (phase 1, government permits, etc.);
 - administrative capacity is adequate; and
 - (soft projects) professional service providers have adequate credentials and work history, etc.
16. Underwriting analysis (as applicable) has determined that the:
 - organizational status of benefiting entity is documented and reputable;
 - development entity 's performance and standing is secure in the following areas: capital management, debt capacity, management character and experience, collateral value, and economic and market conditions;
 - development entity's proposed development or business plan uses reasonable assumptions;
 - development entity's proposed development team (developer, contractor, property managers, syndicator, etc.) has a successful record of accomplishment;
 - proposed business plan, marketing strategy, and proforma are realistic; and
 - the development entity will be able to repay the City assistance (as applicable).
17. Project costs are verified through original source documents, architectural and engineering reports, or certified appraisals.
18. Applicant certifies that the project complies (or will comply) with all applicable federal, state, and local laws and regulations.
19. The benefiting entity is willing to back its commitments by entering into a legally binding agreement with the City that provides appropriate covenants for the delivery of proposed public benefits and acceptable security for the City's financing and repayment provisions or sanctions should promised benefits not occur.
20. The project will result in the enhancement of the workforce through job training, skill upgrades, education, etc.

21. The project is likely to lead to direct local impact by:
 - attracting related development/investment;
 - supporting/enhancing local development strategies and priorities;
 - supporting/enhancing local institutions and quality of life.
22. Financial and programmatic alternatives have been considered for the project and eliminated.
23. The project supports the overall objectives of the City of West Point.
24. The project represents an innovative approach to the development and retention of employment opportunities in the City of West Point.
25. The project is within the 10th Street Area Redevelopment Plan District.
26. No real or apparent conflict of interest shall be engaged in by any official, employees or agents of the recipient and sub-recipient(s) and any member of their immediate family, their partners and any organization which employs, or is about to employ any of the above. This prohibition prohibits both the solicitation and acceptance of gratuities, favors, or anything of monetary value from contractors, potential contractors, parties, or sub-agreements. It is the responsibility of the recipient to disclose to the City any relationship that might create a real or apparent conflict of interest as soon as the recipient becomes aware of it.
 - A) In general, no person who is an elected or appointed official, employee, agent, consultant, officer, or any person serving in a similar capacity with any participating public agency that exercises or has exercised any functions or responsibilities with respect to any Forward Fund Loan Program activities can benefit from a Forward Fund Loan Program project. Those persons who are in a position to participate in a decision-making process or gain inside information regarding Forward Fund Loan Program proposed or related activities, who may obtain a personal, financial interest, or benefit from the project, or have any interest in any contract, subcontract, or agreement with respect to any Forward Fund Loan Program project are also prohibited from benefiting from the project. The prohibitions against benefiting from a Forward Fund Loan Program project would apply to the covered individuals or those with whom they have family or business ties, for one (1) year following their tenure in the covered position.
 - B) Exceptions - Upon written request, the City of West Point Mayor and City Council may grant an exception to the provisions of paragraph A directly above, on a case-by-case basis, before funds are expended. Exceptions can only be granted when the City of West Point Mayor and City Council determines that the exception will serve to further the purposes of the Forward Fund Loan Program. To seek an exception, a written request for an exception must be submitted by the applicant to the City of West Point Mayor and City Council which:
 - Fully discloses the conflict or potential conflict of interest, prior to the applicant undertaking any action which results or may result in a conflict of interest, real or apparent; and
 - Describes how the conflict of interest was publicly disclosed; and
 - Includes a written opinion of the applicant's attorney that the interest for which the exception is sought would not violate state or local law.

Maintaining a Proper Accounting and Financial Management System

The first responsibility of Forward Fund Loan Program administration is setting up a proper financial management and accounting system that documents the financial aspect of the project within the State or Georgia laws, rules and regulations.

- Assure that adequate funds are available in the Forward Fund Loan Program before committing to any project.
- Funding will be disbursed based on the Loan Agreement and Loan Disbursement Schedule.
- Payments will be made by borrower based on the Loan Amortization Schedule.
- Follow the Governmental Accounting Standards Board rules and regulations.

Financial Underwriting Guidelines

Since local governments are required to conduct at least basic financial underwriting prior to providing financial assistance to a for-profit business, they should account for differences in the size and scope of a proposed project, and in the case of a micro enterprise or other small business, the capacity and level of sophistication due to its size.

As an example, in the case of a low-interest loan the objectives of the financial underwriting process are to ensure that:

- the recipient can repay the proposed assistance;
- project costs are reasonable;
- all sources of project financing are committed;
- to the extent practicable, Forward Fund Loan Program funds are not substituted for other possible financial support;
- the project is financially feasible;
- to the extent practicable, the return on the owner's equity investment will not be unreasonably high;
- to the extent practicable, Forward Fund Loan Program funds are disbursed on a pro rata basis with other finances provided to the project.

Financial Feasibility of the Project

The public benefit a local community expects to derive from Forward Fund Loan Program-assisted projects will not materialize if the project is not financially feasible. To determine if there is a reasonable chance for the project's success, the reviewer should evaluate the financial viability of the project. A project would be considered financially viable if all of the assumptions about the project's market share, sales levels, growth potential, projections of revenue, project expenses, and debt service (including repayment of the Forward Fund Loan Program assistance if appropriate) were determined to be realistic and met the project's break-even point (which is generally the point at which all revenues are equal to all expenses). Generally speaking, an economic development project that does not reach this break-even point over time is not financially feasible. Some exceptions should be noted:

- some projects make provisions for a negative cash flow in the early years of the project while space is being leased up or sales volume built up, but the project's projections should take these factors into account and provide sources of financing for such negative cash flow; and
- it is expected that a financially viable project will also project sufficient revenues to provide a reasonable return on equity investment. The reviewer should carefully examine any project that is not economically able to provide a reasonable return on equity investment. Under such circumstances, a business may be overstating its real equity investment (actual costs of the project may be overstated as well), or it may be overstating some of the project's operating expenses in the expectation that the difference will be taken out as profits, or the business may be overly pessimistic in its market share and revenue projections and has downplayed its profits.

In addition to the financial underwriting reviews carried out earlier, evaluate the management experience and capacity of the business owner. Based on this analysis, identify those elements, if any, that pose the greatest risks contributing to the project's lack of financial feasibility.

Loan Documentation, Servicing and Monitoring

Another important area of responsibility is the servicing and monitoring of the loan portfolio. Establish individual files for each loan. Periodically perform the following:

- Ensure timely collection of Forward Fund Loan Program loan payments. If necessary, mail an invoice for the payment several weeks before the due dates. Continually monitor all activity and follow-up with borrowers who are delinquent in repayment.
- Maintain loan documentation and appropriate tickler files to ensure compliance with amortization schedules, loan covenants, financial reporting requirements, insurance requirements, tax payments, etc. Follow-up is also needed to perfect security interest (UCC statements must be re-filed periodically) and check the condition of collateral.

In order to obtain payments when due and properly service and enforce loan covenants, local governments must have properly drafted loan documents for the particular loan being made. In addition, the documents must be properly executed, and the security agreements and UCC forms properly recorded with the appropriate County Court.

To accomplish these objectives, the Forward Fund Loan Program must have adequate legal counsel to draft loan documents that will stand up to federal and state laws governing commercial lending transactions. These laws tend to be very complex and are beyond the scope of this manual. However, loan documents generally need to document the borrower's:

- authority to borrow from the Forward Fund Loan Program;
- indebtedness to the Forward Fund Loan Program;
- responsibilities under the terms and conditions of the loan; and
- collateral for the Forward Fund Loan Program loan.

The loan documentation process is complex and full of pitfalls for the unwary. Work with legal counsel to determine what loan documentation is appropriate for your particular loan.

The basic loan documents routinely used in the Forward Fund Loan Program are outlined on the next page. Although each loan is unique, and usually requires additional special attention, some form of the following documents will be used in all cases.

- Loan Agreement – This is a general document that outlines the intended use of the loan proceeds, mandates specific requirements regarding loan disbursements, any fees charged to the borrower, regulatory compliance, and a host of affirmative and negative covenants. Requirements such as the submission of financial statements and insurance requirements will usually be found in this document.
- Promissory Note – The Note provides evidence of the borrower’s debt to the Forward Fund Loan Program. Specifically, it names the borrower, amount of debt, interest rate, and term of the loan.
- Security Agreement – The Security Agreement identifies the loan’s collateral and allows the Forward Fund Loan Program to take possession of the collateral in case of a loan default. This is often executed in conjunction with Uniform Commercial Code (UCC) filings, which “perfects” the Forward Fund Loan Program’s security interest and notifies other lenders that the collateral is encumbered.

If the loan is secured by real property, a Mortgage Deed to Secure Debt will also be executed. Both documents and the UCC filings must be properly recorded at the appropriate County Courthouse in order to be enforceable. UCC filings must also be renewed on a periodic basis (usually 5 years).

Administration Costs and Servicing Fees

There are certain costs associated with lending funds. All administration and servicing costs will be paid by the borrower.

- Troup County Clerk of Court
(Recording Fees; Intangible Tax)
- City of West Point
(Document preparation closing fee; Certification opinion to City)

Legal Documentation Required

- Loan Agreement
- Promissory Note
- Security Deed
- Borrower's Certificate
- Reaffirmation Affidavit
- Loan Disbursement Schedule
- Compliance Agreement
- Payment Information Disclosure
- Amortization Schedule