



2012 & 2013 ANNUAL REPORT



Oyster Bamboo Fly Rods, Blue Ridge

*Building Public-Private
Partnerships
to Revitalize
Georgia's Downtowns*

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Mike Starr



Throughout 2012 and 2013, the Georgia Cities Foundation has continued to play a significant role in helping cities revitalize and grow the economic value of their downtowns. Through the Revolving Loan Fund, the Green Communities Fund, and other services, the Foundation has continued to be both an advocate and a catalyst for responsible downtown development.

Beginning in 2011, the Foundation's loan activity has largely returned to the levels experienced prior to the Great Recession, with the Foundation providing more than \$1.1 million in low-interest loans in both 2012 and 2013. Additionally, in 2012-2013, the Foundation provided four Green Communities loans for energy efficient projects totaling \$382,767. Finally, in 2013, the Foundation provided its first downtown loan through the Georgia Funding for CDFI's program, which is funded through the federal State Small Business Credit Initiative (SSBCI).

As of December 31, 2013, the Foundation has closed ninety-three downtown revolving loans totaling more than \$15.7 million dollars for downtown projects in forty-seven cities. These loans have helped to generate more than 220 new businesses, 1,100 new jobs, and 175 housing units in our downtown areas, while leveraging almost \$80 million in private investment. Additionally, at the close of 2013, the Foundation has provided fifteen Green Communities Fund loans totaling \$1,464,446 for energy efficient projects in eleven cities.

Going forward, the Foundation seeks to continue its service to the downtowns of Georgia through innovative programs and services that will help promote sustainability and growth, as evidenced below:

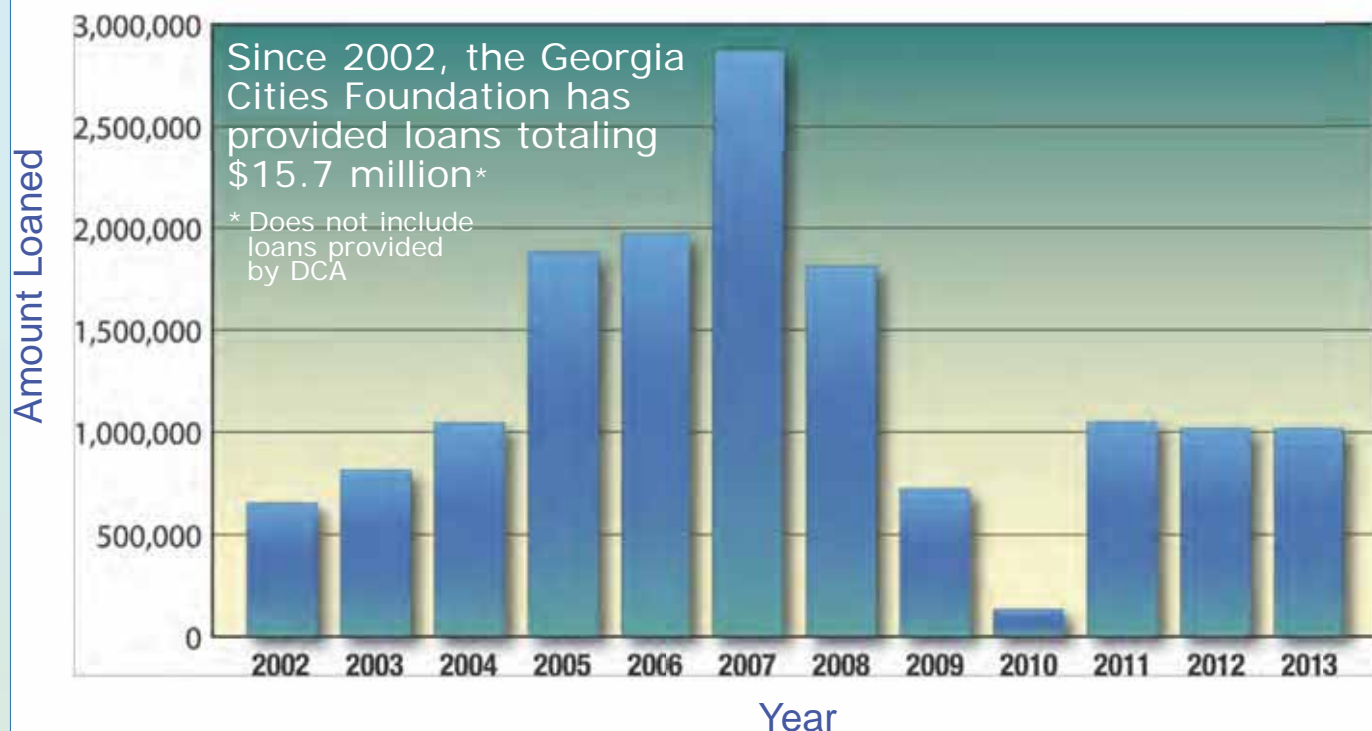
First, the Foundation seeks to continue its investment in the Georgia Downtown Renaissance Partnership. In conjunction with the Georgia Municipal Association, the University of Georgia, and others, the Downtown Renaissance Partnership developed three pilot programs in 2013 in response to the recommendations of the GMA/GCF Special Downtown Development Tax Force. The pilot programs – the Renaissance Strategic Visioning & Planning (RSVP), Downtown Renaissance Fellows, and the planned Downtown Renaissance Planning and Design Practicum - have been well-received, to date.

Second, the Foundation seeks to assist the Georgia Municipal Association in developing training programs targeting downtown professionals and municipal officials, including the repurposed Heart & Soul Bus Tour and an Advanced Downtown Development Authority training course.

Lastly, the Foundation seeks to utilize its designation as a CDFI to access federal and private funding sources in order to capitalize its loan fund programs.

On behalf of the Foundation's Board of Directors, I want to thank our partners, financial benefactors, and other supporters that have helped create the success of the Foundation. We look forward to expanding the Foundation's reach into more Georgia downtowns, as we strive to fulfill our mission of serving as a catalyst for downtown redevelopment.

GCF Loan History*



GCF RLF Loans

(as of 12/31/2013)

**New Jobs
in Downtown Area: 1,121**

**Funded
Projects: 93**

**New Housing
Units: 185**

**New Businesses
in Downtown Area: 222**

**Private Investment: \$79.6
million**

*Does not include loans provided by DCA

GCF Loans 2012 & 2013

2012 Loans

- ◆ 8 Revolving Loan Fund (RLF) loans totaling **\$1,126,979**
- ◆ 4 Green Communities Fund loans totaling **\$382,767**

2013 Loans

- ◆ 7 Revolving Loan Fund (RLF) loans totaling **\$1,123,017**
- ◆ 1 GCF – SSBCI loan totaling **\$70,000**

Grants Received 2012 & 2013

2012

- ◆ Georgia Power Foundation: **\$50,000**
 - ◆ Kirbo Charitable Trust: **\$50,000**
 - ◆ AGL Resources Private Foundation: **\$2,500**
- 2012 Total: \$102,500**

2013

- ◆ Callaway Foundation: **\$50,000**
 - ◆ Peyton Anderson Foundation: **\$75,000**
 - ◆ Georgia Power Foundation: **\$25,000**
 - ◆ AGL Resources Private Foundation: **\$2,500**
- 2013 Total: \$152,500**



GCF Financial Programs:

Revolving Loan Fund Program (RLF)

Provides low-interest financing for acquisition/rehabilitation/in-fill construction of downtown buildings.

Green Communities Fund (GCF2)

Provides low-interest financing for acquisition/rehabilitation/in-fill construction of downtown buildings.

State Small Business Credit Initiative (GCF-SSBCI)

Provides access to capital through low-interest financing for small businesses in order to create job opportunities in underserved communities.

GCF Loan Program Summary – As of December 31, 2013

| | GCF RLF Projects | GCF RLF Loan Amounts | GCF-SSBCI Projects | GCF-SSBCI Loan Amounts | GCF2 Projects | GCF2 Loan Amounts |
|---------------------------|------------------|----------------------|--------------------|------------------------|---------------|-------------------|
| Loans Closed | 93 | \$15,735,324 | 1 | \$70,000 | 15 | \$1,464,446 |
| Loan Commitments | 9 | \$1,612,197 | 2 | \$530,815 | 2 | \$159,301 |
| Applications under Review | 5 | \$860,515 | 2 | \$276,000 | 1 | \$31,074 |
| Totals | 107 | \$18,208,036 | 5 | \$876,815 | 18 | \$1,654,821 |

Georgia Cities Foundation Highlights

2012

- GCF approved as a lender for the State of Georgia's State Small Business Credit Initiative (SSBCI), funded through the federal Small Business Jobs Act of 2010.
- GCF partners with the Georgia Municipal Association (GMA) and the University of Georgia to establish the Georgia Downtown Renaissance Partnership and develops three pilot programs designed to help cities and local leaders focus on the importance of downtown planning and visioning.

2013

- GCF reaches the \$15 million level in total loans provided through its RLF program.
- GCF closes its first SSBCI loan for the Port City Deli project in downtown Bainbridge.

State Small Business Credit Initiative (SSBCI) Program

In April 2012, the Georgia Cities Foundation was approved as a lender for the State of Georgia's State Small Business Credit Initiative (SSBCI). Funded through the federal Small Business Jobs Act of 2010, SSBCI is a \$1.5 billion initiative designed to strengthen state lending programs that support small businesses and manufacturers. The State of Georgia was allocated almost \$48 million through SSBCI, with three programs being approved: 1) Georgia Funding for CDFIs; 2) Georgia SBCG, or Small Business Credit Guarantee; and 3) GCAP (Georgia Capital Access Program).

As a non-depository Community Development Financial Institution (CDFI), the Foundation has participated as a lender in the Georgia Funding for CDFIs program, which is designed to provide access to capital to small businesses to create job opportunities in low-to-moderate income, minority, and other underserved communities. As of December 31, 2013, the Foundation had provided loans and loan commitments totaling \$600,815 through its GCF-SSBCI loan program.

2012-2013 Loan Projects

Featured Project

The Baldwin, Milledgeville

Many of the Georgia Cities Foundation's Revolving Loan Fund (RLF) loans are for projects requiring complex financing structures. One example is The Baldwin, a mixed-use project in downtown Milledgeville. This building rehabilitation project created two new commercial spaces and 15 residential loft apartments in downtown Milledgeville.

This building, which was constructed in 1903 and formerly housed a department store, is located in the heart of Milledgeville's downtown area, between Georgia College and Georgia Military College. The project's developer originally planned to develop a boutique hotel in the building, but the Great Recession prompted him to consider other opportunities for the building.

This project is a prime example of how financing programs can be layered to fund a downtown project. In addition to bank financing, the developer utilized a variety of public and non-profit financing programs, including the Georgia Cities

| | |
|-----------------------------|--------------------|
| Bank Financing | \$1,277,500 |
| Redevelopment Fund Loan | \$500,000 |
| GCF Loan | \$250,000 |
| DCA DD RLF Loan | \$250,000 |
| Green Communities Fund Loan | \$150,000 |
| Tax Credits | \$759,448 |
| Developer Equity | \$358,965 |
| Total | \$3,545,953 |



Foundation's Revolving Loan Fund and Green Communities Fund (for energy efficiency improvements) programs, the Georgia Department of Community Affairs' Downtown Development Revolving Loan Fund (DD RLF) program, and the Redevelopment Fund program, which is also administered by DCA. Additionally, the developer obtained state and federal historic preservation tax credits, which were sold and used as equity for the project. The developer also received approximately \$15,000 in rebates for the purchase and installation of energy-efficient appliances within the project.



BEFORE
PHOTOS



Featured Project

Oyster Bamboo Fly Rods, Blue Ridge



The investments that the Georgia Cities Foundation helps to finance often include owner-operated small businesses. Oyster Bamboo Fly Rods, which manufactures high-end custom bamboo fly rods, began as a home-based business in 1998. As the business grew, the owners leased commercial space in downtown Blue Ridge for their operations, which included manufacturing (bamboo fly rods), retail (fly rod sales), and workshop space (the owners conduct fly rod-making workshops one week each month). The owners eventually outgrew their leased space and began looking for a suitable location to construct a new facility for their business. They also wanted to construct guest rooms to house their workshop participants and other guests.

In 2012, the owners purchased a vacant lot on East Main Street in downtown Blue Ridge and constructed a three-story infill building which now houses Oyster Bamboo Fly Rods, the Cast and Blast Inn, which contains four guest rooms, and leasable commercial space on the basement level. The Georgia Cities Foundation provided a \$160,000 RLF loan for this project, which had a total project cost of \$597,500.



| | |
|---------------------------------|------------------|
| Bank / Private Lender Financing | \$340,000 |
| GCF Loan | \$160,000 |
| Developer Equity | \$97,500 |
| Total | \$597,500 |



Georgia Cities Foundation 2012-2013 Loan Projects



Fitzgerald – 121 & 123 East Pine Street

In January 2012, the Foundation provided an \$80,000 loan to the Downtown Development Authority of Fitzgerald to partially finance the acquisition and rehabilitation of a dilapidated building located at 121 & 123 East Pine Street in downtown Fitzgerald. The completed project now houses 3,600 square feet of street-level commercial space and an 1,800 square foot upper-level residential apartment. The total project cost is \$223,608.



Augusta – 566 Broad Street Project

In April 2012, the Foundation provided a \$105,931 loan to the Downtown Development Authority of Augusta to partially finance renovations to a commercial building located at 566 Broad Street in Augusta. The completed project now houses leasable space for a restaurant, Café 209, as well as five leasable commercial/office spaces. The total project cost is \$264,829.

Macon – 377 Cotton Avenue

In December 2012, the Foundation provided a \$150,000 loan to the Macon-Bibb County Urban Development Authority for the rehabilitation of a commercial building located at 377 Cotton Avenue in downtown Macon. The Authority provided a simultaneous loan to 377 Cotton, LLC, the project's developer. The completed project now houses one commercial space, six residential units, and twenty-one mini-storage units. The total project cost is \$710,000.



Bainbridge – Crave Eatery Project

In February 2012, the Foundation provided a \$79,800 loan to partially finance the acquisition of a commercial building located at 310-312 East Water Street in downtown Bainbridge. The completed project houses a restaurant named Crave Eatery. The total project cost is \$133,000.



Dawsonville – Dawsonville Moonshine Distillery Project

In July 2012, the Foundation provided a \$107,468 loan to the Dawsonville DDA for renovation/equipment of a commercial space in downtown Dawsonville. The completed project houses the Dawsonville Moonshine Distillery. The total project cost is \$268,671.



Blue Ridge – Korzep Building

In February 2012, the Foundation provided a \$176,000 loan to the Fannin County Development Authority to partially finance the construction of an infill building at 524 Main Street and 53 Roberts Way in downtown Blue Ridge. The completed project houses three commercial spaces. The total project cost is \$530,000.



Augusta – 1151-1155 Broad Street

In December 2012, the Foundation provided a \$193,780 loan to the Augusta DDA for the rehabilitation of a commercial building located at 1151-1155 Broad Street and 1130 Jones Street in downtown Augusta. The DDA provided a simultaneous loan to 1151 Broad Street, LLC, the project's developer. The completed project now houses four residential apartments and 2,400 square feet of improved commercial space. The total project cost is \$484,452.



Hapeville – 601-603 N. Central Avenue

In March 2013, the Foundation provided a \$182,017 loan to the Hapeville Development Authority to partially finance the renovation of a commercial building located at 601-603 North Central Avenue in downtown Hapeville. The completed project houses two commercial spaces. The total project cost is \$455,042.



Sylvester – Hal Carter Project

In June 2013, the Foundation provided an \$80,000 loan to the Sylvester DDA to partially finance the acquisition of six neglected commercial buildings in downtown Sylvester. The completed project will house leasable commercial spaces. The total project cost for acquisition is \$120,000.



Ellijay – 24-28 River Street

In March 2013, the Foundation provided a \$125,000 loan to the Ellijay DDA to partially finance the renovation of a commercial building located at 24-28 River Street in downtown Ellijay. The completed project houses a restaurant and leasable commercial space. The total project cost is \$675,000.



Augusta – 834 Greene Street

In September 2013, the Foundation provided a \$250,000 loan to the Augusta DDA for the rehabilitation of a historic building located at 834 Greene Street in Augusta. The completed project houses six residential apartments. The total project cost is \$716,370.



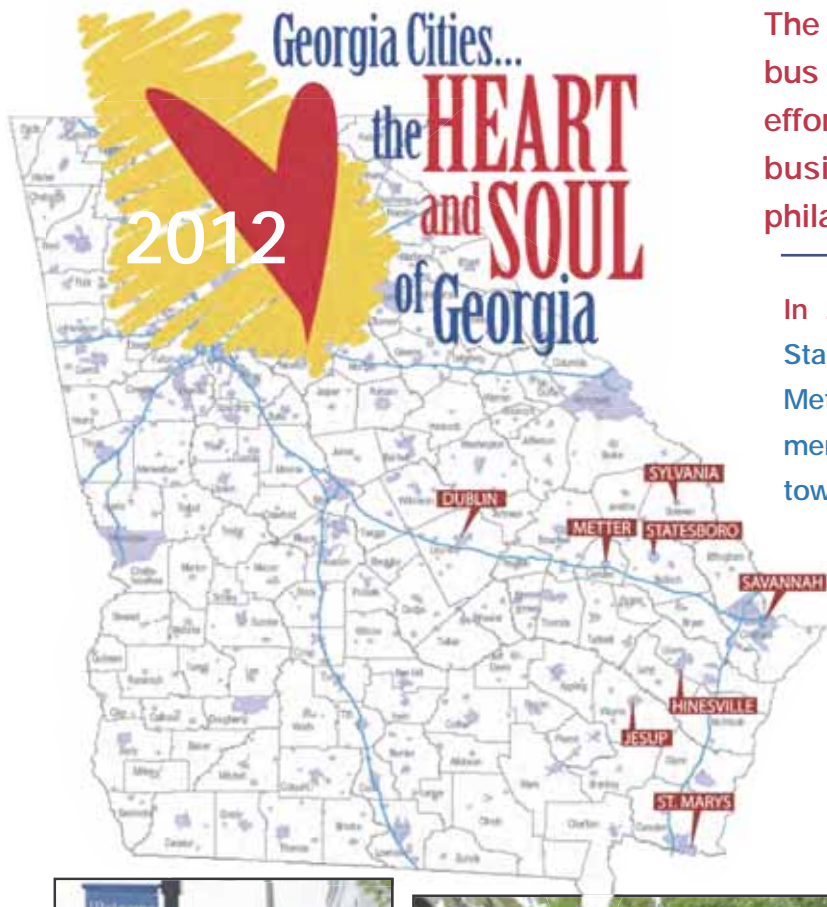
Hapeville – Slideways

In September 2013, the Foundation provided a \$60,000 loan to the Hapeville Development Authority to partially finance leasehold improvements and equipment at a commercial building located at 760 S. Central Avenue in downtown Hapeville. The completed project houses a new restaurant, Slideways. The total project cost is \$476,694.



Dahlonega – McGuire House

In December 2013, GCF provided a \$250,000 loan to the Dahlonega DDA to partially finance the renovation of the historic McGuire House building and to construct an adjoining building on the property located at 135 North Chestatee Street in downtown Dahlonega for use as a special events facility and a 13-room hotel, the Dahlonega Square Hotel. The total project cost is \$700,000.



The Georgia Cities Foundation has conducted a bus tour every year since 2001 as part of an overall effort to educate and inform state agency heads, business leaders, downtown developers and philanthropists of the importance of successful

In 2012, the bus tour traveled to Dublin, Sylvania, Statesboro, Hinesville, Jesup, St. Marys, Savannah, and Metter, where participants learned how public investment can often spur private investment in many downtown areas.



downtown development and its role in supporting overall economic development efforts for communities and regions. Attendees see first-hand how successful public-private partnerships create thriving downtowns and vibrant communities.

In 2013, the bus tour traveled to Eatonton, Milledgeville, Macon, Hawkinsville, Columbus, West Point, LaGrange, Carrollton, and Newnan, where participants learned how loft housing, higher education, and tourism can be used to revitalize many downtown areas.



Congratulations

Renaissance Award 2012

John Lewis

Cartersville property owner John Lewis has been selected as the recipient of the Georgia Cities Foundation's "Renaissance Award." Lewis, who has restored more than 30 offices and buildings in downtown Cartersville, accepted the award at the Georgia Municipal Association's Annual Convention in Savannah on Sunday, June 24.

The Renaissance Award recognizes an individual or organization that has made a significant contribution to the revitalization of one or more of Georgia's cities.

Lewis, who was nominated by the city of Cartersville, has served as a catalytic preservationist for downtown Cartersville for the past decade. His redevelopment work in Cartersville has inspired other downtown property owners to do the same.

Over the last 10 years Lewis has revitalized more than 25 percent of the buildings in the downtown historic business district, an effort that is credited with the creation of more than 100 new downtown jobs.



John Lewis and Mike Starr

More than just a property owner and preservationist, Lewis has maintained a live, work, play vision of downtown that includes recruiting specific businesses needed in downtown, mentoring new business owners, working with the Etowah Valley Historical Society to recognize outstanding contributors to preservation efforts, assisting with a bi-annual tour of homes, and researching histories of each downtown property so he could place "year established" signage on each building. Lewis also provided research and funding to support the addition of the

downtown area to the National Register of Historical Places.

"John Lewis' footprint can be seen all over downtown Cartersville," said Georgia Cities Foundation President Mike Starr. "His hard work in the areas of historic preservation and downtown development has helped transform a once sleepy downtown Cartersville to a shopping, dining and cultural destination."

Renaissance Award 2013

Thomas M. Kirbo and Irene B. Kirbo Charitable Foundation

The Thomas M Kirbo and Irene B Kirbo Charitable Foundation has been selected as the recipient of the Georgia Cities Foundation's 2013 Renaissance Award. Foundation representative Lillian Kirbo Ansley of Atlanta accepted the award at the Georgia Municipal Association's Annual Convention in Savannah on Sunday, June 23.

The Thomas M Kirbo and Irene B Kirbo Charitable Foundation has played a leading role in the ongoing story of downtown Bainbridge redevelopment. It has contributed approximately \$800,000 to downtown Bainbridge projects, an investment that has spurred job growth, sustained the integrity of historic buildings and helped to create a vision for future projects.

The Foundation's involvement in downtown Bainbridge includes providing a \$125,000 matching grant for the restoration of the former Bainbridge City Hall and Firehouse, which now serves as Bainbridge's culture center, home to the Bainbridge-Decatur County Council for the Arts, the Decatur County Artists' Guild, and the A to Z children's boutique.

The Foundation also contributed \$200,000 to the Water



Lillian Kirbo Ansley and Mike Starr

Street redevelopment project, creating a revolving fund that allows the Downtown Development Authority to purchase, rehabilitate and then sell Water Street properties as they become available. Now boasting occupied condos, offices, restaurants and retail outlets, Bainbridge's Water Street bustles as it once did in the early part of the 20th century.

Additionally, the Foundation has generously donated funds to the Bainbridge Connectivity Project and the Bainbridge Little Theater and provided for a \$50,000 grant to the

Georgia Trust for Historic Preservation, specifically to help spur the redevelopment of downtown Bainbridge's Broad Street Corridor.

"Without question, the Thomas M Kirbo and Irene B Kirbo Charitable Foundation has been an instrumental player in turning downtown Bainbridge into a vibrant place to live, work, dine, and play," said Georgia Cities Foundation President Mike Starr. "They have also been financial and personal supporters of the work of the Georgia Cities Foundation, extending their reach well beyond Bainbridge."



Juanita Jordan

Georgia Cities Foundation Honors Juanita Jordan

The Georgia Cities Foundation honored longtime board member Juanita Jordan with its inaugural President's Award on June 24, 2012, during the Georgia Municipal Association's Annual Convention in Savannah.

Ms. Jordan retired as President of the Peyton Anderson Foundation in Macon after serving the organization for more than 22 years. Additionally, she served on the Georgia Cities Foundation's Board of Directors since its inception in 1999.

Georgia Cities Foundation President Mike Starr lauded Jordan as a tireless advocate of Georgia cities and their downtown areas.

"Under her capable leadership, the foundation that she has managed for more than two decades has invested more than \$60 million in projects designed to stimulate investment, encourage quality development and improve lives and enhance the communities of Middle Georgia and the state," Starr said. "Ms. Jordan is widely regarded as both the visionary and the architect of many of the significant projects that are changing the quality of life in Middle Georgia, including several projects in downtown Macon."

As Jordan was unable to be in Savannah for the GMA convention, accepting the award on her behalf was Peyton Anderson Foundation incoming President Karen Lambert.



Accepting the award on her behalf was Peyton Anderson Foundation incoming President, Karen Lambert.



Pilot Programs

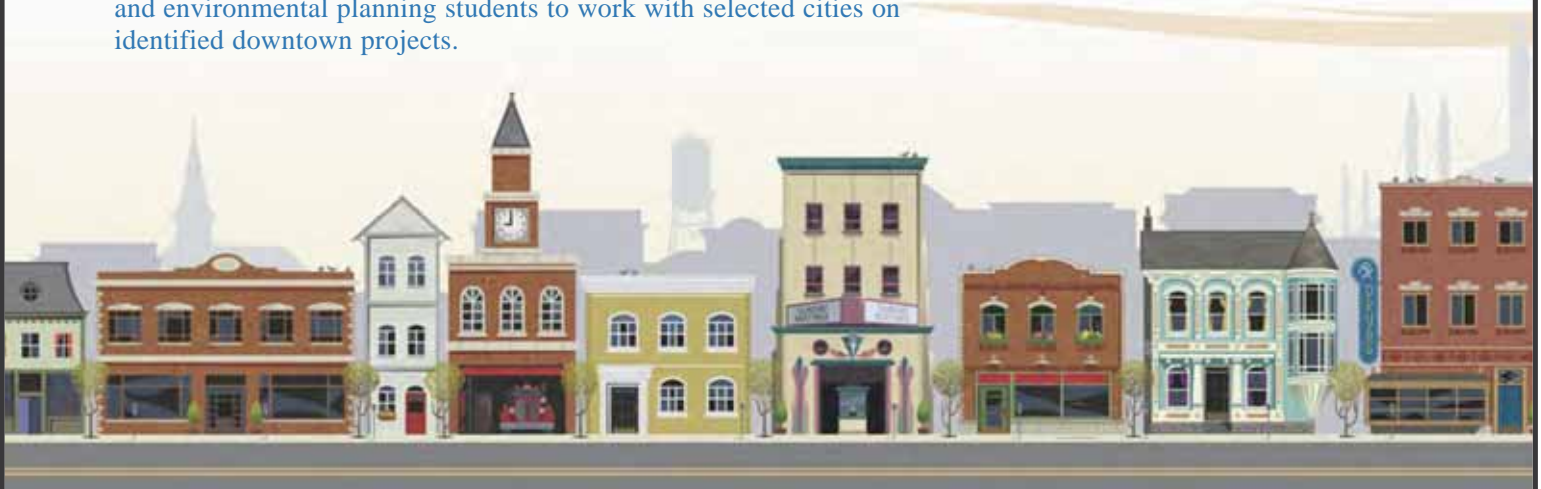
Georgia Downtown Renaissance Partnership Pilot Programs Underway

In 2011, a Special Downtown Development Task Force co-chaired by Lieutenant Governor Casey Cagle and Georgia Cities Foundation President Mike Starr recommended the creation of a Downtown Capacity Building Partnership, which has been named the Georgia Downtown Renaissance Partnership.

The Partnership, consisting of the Georgia Municipal Association, the Georgia Cities Foundation, and the University of Georgia, working in cooperation with the Georgia Department of Community Affairs and the Georgia Downtown Association, has been established to help cities and local leaders focus on the importance of downtown planning and visioning. The Partnership seeks to serve as the cornerstone in helping create locally developed plans that are supported by both elected officials and the business community.

During 2013, the Georgia Downtown Renaissance Partnership developed the following pilot programs to assist cities with downtown strategic visioning, planning, design and technical services:

- ◆ **Renaissance Strategic Visioning & Planning (RSVP) Program:** This program assists cities in creating an initial vision and short-term work program for their downtown areas. Pilot cities in 2013 included Bainbridge, Cairo, Cedartown, and Perry.
- ◆ **Downtown Renaissance Fellows Program:** Through this program, an undergraduate landscape architecture student at UGA was assigned to each of the pilot cities of Gainesville, Milledgeville, and Porterdaleduring the summer of 2013 to provide technical and design services. The pilot cities provided positive feedback regarding the quality of work they received through this program.
- ◆ **Downtown Renaissance Planning & Design Practicum:** The Planning & Design Practicum, which is being offered at the University of Georgia during the 2014 spring semester, will assign ten landscape architecture and environmental planning students to work with selected cities on identified downtown projects.





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