

December 22, 2022

The Honorable Kyle Foster
Acting Chairman, Franklin County
Post Office Box 159
Carnesville, Georgia 30521

Re: Approval of Pre-Agreement Cost (PACA)
Franklin County – NVR Inc.
EIP for sewer infrastructure

Dear Chairman Foster:

The purpose of this letter is to respond to the Applicant's Initial Project Assessment (IPA) received December 8, 2022, as a request for Employment Incentive Program (EIP) Pre-Agreement Cost Approval (PACA) on the above-referenced project.

DCA has reviewed the Applicant's IPA regarding the possible submittal of a \$750,000 EIP grant application with the construction of sewer improvements needed to serve NVR, Inc.'s manufacturing expansion. The proposed project location is 10995 Old Federal Rd, Carnesville, GA 30521. The proposed project will have a private capital investment of at least \$542,169 and create 100 new, full-time jobs within twenty-four months of the EIP award, if funded.

We understand the total project cost is estimated to be \$1,292,169. Of the total project cost, the proposed funding from the EIP is \$750,000 for sewer infrastructure which includes \$220,000 for a 4" HDPE Force Main and \$530,000 for a pump station wet well. A private investment of \$542,169 from the Company will fund the remaining costs associated with contingencies, engineering, machinery, and equipment.

The application must include written commitments from all funding sources, including the financial institutions indicating financing is available to the Company. A brief history and description of the Company's organizational structure, key principals, and description of the new jobs created by salary range and benefits are supplements needed for a competitive application.

In regard to employment impact for the project, the Department understands the Company will create one hundred (100) new, permanent full-time jobs within two years. In order to be eligible for EIP funds, at least 51%, or fifty-one (51) of the new jobs to be created must be made available to or held by low to moderate-income (LMI) persons. In accordance with 24 CFR 570.483(B)(4), the project and the Company's facility will be located in Census Tract 13119890201 and Block Group 131198902001 respectively have 16.80% and 26.88% of their populations in poverty (American Community Survey 2017-2019 data), which does not qualify for the presumption of 100% LMI benefit.

The U.S. Department of Housing and Urban Development (HUD) requires income status and certain characteristic information on the employees be collected for purposes of statistical reporting. All new jobs must be created within two years of the approval of an EIP grant award, if one is made.

In order to maintain EIP eligibility, the Applicant and the Company must ensure that **before any work takes place**, all applicable CDBG laws and regulations (including the federal environmental review requirements, historic preservation and archeological review compliance, federal labor standards requirements, Davis-Bacon requirements, procurement requirements, etc.) have been satisfactorily addressed. We understand the County plans to comply with all state and federal requirements of the CDBG/EIP, including the NEPA environmental review. However, please note the following: **The NEPA review process must be completed prior to the start of any project site work.** In addition, prior to the start of any construction, DCA must receive Section 106 review comments from the State Historic Preservation Office (SHPO). If an EIP application has not yet been submitted to DCA it is the applicants' responsibility to obtain the SHPO Section 106 review comments. Please refer to the CDBG Recipient's Manual and contact Brittney Hickom, Compliance Officer at (404) 679-1597 if you have questions concerning compliance requirements.

Upon compliance with all applicable federal and state laws, the Applicant and the Company may proceed with the public infrastructure and site/facility activities. Should the Applicant be successful in obtaining EIP funds, the Department will allow any EIP eligible project-related expenditures by the Applicant and the Company after November 9, 2022 (IPA Meeting Date), in accordance with this letter, to be reimbursable "pre-agreement costs."

Please be advised this letter is not a commitment to fund, a notification of grant award, or acknowledgement that any of the proposed activities are eligible for EIP financing. Simply, certain activities carried out by the Applicant and the Company **after November 9, 2022**, but before a formal grant award, would not cause the Applicant to become "ineligible" to receive an EIP grant. Each EIP application must stand on its own merit and obtain sufficient points under the review process to obtain funding. Since the competitiveness of your EIP application is unknown at this time, **any group that secures financing and moves ahead with any portion of the project should do so under the full realization that EIP funding is not guaranteed.**

Please also be advised, one original and five (5) copies of the **EIP application must be submitted within ninety (90) days of this correspondence to maintain an active PACA. Extensions may be granted; however, this PACA will lapse one year from the date of this letter on December 22, 2023.** The most current EIP Application Manual is available through the DCA website at www.dca.ga.gov. The list of required documentation, as well as sample documents, can also be found in Appendix A – Exhibits Section of the EIP Application Manual.

Please make every effort to assure your application's competitiveness by providing:

- A complete application in a timely manner;
- Documentation throughout the application which consistently and adequately identifies and confirms the funding amounts from all sources to be used for the proposed public and private project activities;
- Franklin County's June 30, 2019, 2020, and 2021 audits.
- Copy(ies) of the warranty deed(s) of the property(ies) purchased by Franklin 85 Development, LLC.
- Evidentiary documentation of acquired easements
- Copy of the lease agreement between NVR Homes, Inc., and Franklin County Industrial Building Authority.
- Copy of Preliminary Engineering Report (PER)
- Commitment letter and/or term sheet from the lending organization
- Commitment letter from Franklin 85 Development, LLC for its \$517,169 contribution to project costs.
- Commitment letter from Franklin County for its \$25,000 contribution to project costs.
- Commitment letter from NVR Homes, Inc., as beneficiary, to provide a Letter of Credit in the amount of the EIP award, \$750,000, and its investment amount into the project, and the number of jobs to be created, of which the majority, 51%, must be held by low and moderate-income persons.
- Proof of registration with the Georgia Secretary of State for NVR Homes, Inc.
- Franklin 85 Development, LLC's outlined business plan and executive summary

Should you or any other interested party have any questions, feel free to contact EIP Program Manager Nick Mulkey, at (404) 679-3174.

Sincerely,


[Kathleen Vaughn \(Dec 22, 2022 10:56 EST\)](#)

Kathleen Vaughn
Director, Office of Community Development

KV/nm

cc: Derrick Turner – Franklin County
Patrick Larson – Georgia Mountains RC (via email)
Kathy Papa – DCA (via email)