

PALM BEACH COUNTY  
BOARD OF COUNTY COMMISSIONERS

5A-3

AGENDA ITEM SUMMARY

Meeting Date: 12 -5-06

Consent

Regular

Workshop

Public Hearing

Submitted By: Economic Development Office

I. EXECUTIVE BRIEF

**Motion and Title:** STAFF RECOMMENDS MOTION TO APPROVE: the First Amendment to the FY 2006 / 2007 Annual Action Plan, which will provide funding to four (4) businesses under the Community Development Block Grant (CDBG) Economic Development Set-Aside Program.

**Summary:** The proposed amendment will allow for the funding of four (4) businesses which were recommended for funding by the Overall Economic Development Program (OEDP) Sub-Committee under the CDBG Set-aside Program for Economic Development. The four (4) businesses will create a minimum of 51 new full time equivalent jobs. The Set-Aside funding recommended will leverage \$1,979,500 in City and Private Investments. The individual funding recommendations are as follows: 1) Bryan Boysaw & Associates - \$60,000; 2) Hartman Windows & Doors, LLC. - \$100,000; 3) MD Now Medical Centers, Inc. - \$150,000; 4) Tripp Electric Motors, Inc. - \$400,000; Districts # 1, 2, 6 and 7 (DW)

**Background and Policy Issues:** An amount of \$710,025, which represents the 10% set-aside from the FY 2006 / 2007 CDBG Program, is available for distribution under the CDBG Economic Development Set-aside Program. The recommendations for funding of the four (4) businesses were approved by the Overall Economic Development Program (OEDP) Sub-Committee on August 10, 2006.

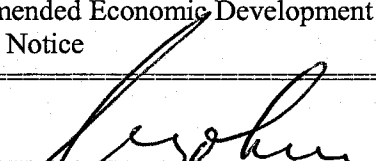
Pursuant to the HUD rules and regulations located at 24 CFR Part 91.505, Palm Beach County is required to make an amendment to its approved Annual Action Plan whenever it makes one of the following decisions: 1) to make a change in its allocation priorities or a change in the method of distribution of funds; 2) to carry out an activity, using funds from any program covered by the Annual Action Plan or Final Statement (i.e. Community Development Block Grant (CDBG), Home Investment Partnerships (HOME), Emergency Shelter Grant (ESG) Programs, and program income not previously described in the Plan; or 3) to change the purpose, scope, location, or beneficiaries of an activity. The proposed amendment consists of changing the scope of an activity previously identified under general description in the Annual Action Plan for Fiscal Year 2006 / 2007. Under the Department of Housing and Community Development's (HCD) Guidelines for Amendments and Revisions to the Annual Action Plan, this constitutes a regular amendment. Prior to amending the Annual Action Plan, Palm Beach County is required to provide citizens with reasonable notice and opportunity to comment on the proposed changes. Regular amendments do not require a comment period. The advertisement notifying the public of the regular amendment was published in the Palm Beach Post on Sunday, September 24, 2006.

The Annual Action Plan for FY 2006 / 2007 was approved by the BCC on July 11, 2006 (R-2006-1333). The proposed First Amendment consists of changing the scope of the ten percent (10%) set-aside for economic development activities, which was approved as a part of the Annual Action Plan. The change of scope involves the identification of the funded activities. On May 7, 2006, EDO published a Notice of Funding Availability (NOFA) in the Palm Beach Post notifying the public of funding under the program and outlining the program's criteria. Also, it was posted on the Department's website. A total of eight (8) completed / eligible applications were received.

**Attachments:**


1. First Amendment to the Annual Action Plan FY 2006 / 2007
2. List of Recommended Economic Development Applicants
3. Copy of Public Notice

Recommended By:

  
Economic Development Director

11-16-06  
Date

Approved By:

  
Deputy County Administrator

11-29-06  
Date

**I. FISCAL IMPACT ANALYSIS**

**A. Five Year Summary of Fiscal Impact:**

Fiscal Years	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Capital Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Operating Costs	\$710,000	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
External Revenues	(< <u>\$710,000</u> >)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Program Income (PBC)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
In-Kind Match (PBC)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>NET FISCAL IMPACT</b>	<b>\$0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b># ADDITIONAL FTE POSITIONS (Cumulative)</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Is Item Included In Current Budget? Yes x No

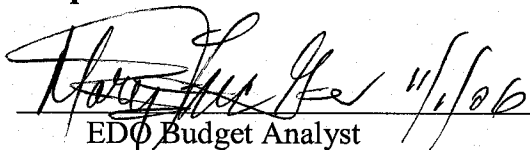
Budget Account No: Fund 1101 Department 143 Unit 1431 Object 8201

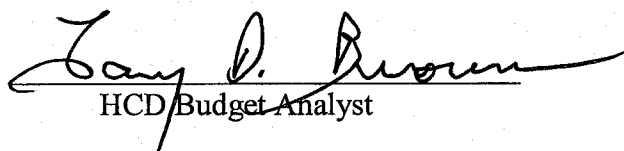
Program Code/Grant Year: BG70 / GY06

**B. Recommended Sources of Funds/Summary of Fiscal Impact:**

Approval of this agenda item will appropriate funds in the amount of: Bryan Boysaw & Associates, 771 Village Boulevard, Suite 202, West Palm Beach - \$60,000; Hartman Windows & Doors LLC, 531 Southern Boulevard, West Palm Beach - \$100,000; MD Now Medical Centers, Inc., 4570 Lantana Road, Lake Worth - \$150,000; Tripp Electric Motors, Inc., 1233 NW Avenue L, Belle Glade - \$400,000.


**C. Departmental Fiscal Review:**

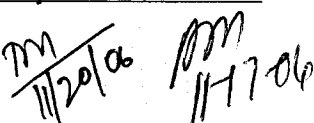
  
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 EDO Budget Analyst

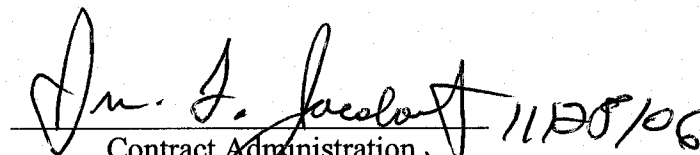
  
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 HCD Budget Analyst

**III. REVIEW COMMENTS**

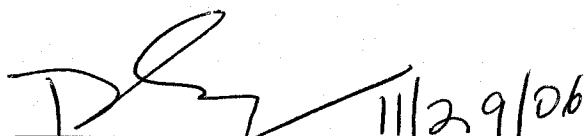
**A. OFMB Fiscal and/or Contract Administration Comments:**

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 OFMB

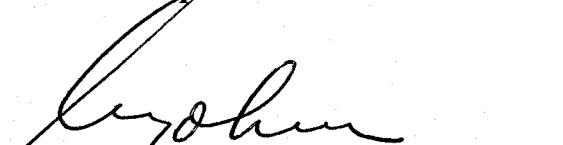
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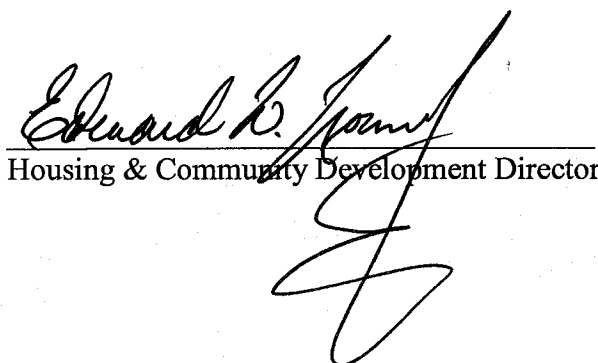
 11/28/06  
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 Contract Administration

**B. Legal Sufficiency:**

 11/29/06  
 \_\_\_\_\_  
 Assistant County Attorney

**C. Other Department Review:**

  
 \_\_\_\_\_  
 Economic Development Director

  
 \_\_\_\_\_  
 Housing & Community Development Director

This summary is not to be used as a basis for payment.

**Palm Beach County  
Economic Development Office**

**First (1st) Amendment to the Annual Consolidated Plan for FY 2006 / 2007**

The Palm Beach County Department of Housing and Community Development was allocated \$7,100,250 under the U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) Program for FY 2006 / 2007. The total amount of CDBG funds available in FY 2006 / 2007 is \$7,400,250, which includes the entitlement amount of \$7,100,250 and estimated program income of \$300,000.

Palm Beach County submitted to HUD on **August 9, 2006**, its Annual Action Plan for FY 2006 / 2007 which detailed Palm Beach County's utilization of CDBG, HOME, and ESG Program funds for FY 2006 / 2007. Each CDBG activity targeted for funding is an eligible activity under Block Grant Regulations, and meets at least one (1) of the following three (3) National Objectives:

- 1) Benefiting low- and moderate-income persons;
- 2) Aiding in the prevention or elimination of slums and blight; and
- 3) Meeting an urgent community development need.

**CDBG ACTIVITY TO BE CHANGED IN SCOPE TO IDENTIFY FUNDED ACTIVITIES**

<b><u>Project Name/Area</u></b>	<b><u>Activity/Location</u></b>	<b><u>Est. Amount</u></b>
Economic Development 10% Set-aside.	Ten percent of the total CDBG entitlement amounting to \$710,025 was set aside to fund eligible economic development activities. The following activities were selected for funding: Bryan Boysaw & Associates, 771 Village Boulevard, Suite 202, West Palm Beach - \$60,000; Hartman Windows & Doors LLC, 531 Southern Boulevard, West Palm Beach - \$100,000; MD Now Medical Centers, Inc., 4570 Lantana Road, Lake Worth - \$150,000; Tripp Electric Motors, Inc., 1233 NW Avenue L, Belle Glade - \$400,000.	
	<b>Total Activity Changed In Scope:</b>	<b>\$710,000</b>

**Activity Classification**

Per HUD Regulations: Special Economic Development- 24 CFR 570.203(a) and 203(b)

**CDBG National Objective**

Per HUD Regulations: Job Creation/ Retention Activities- 24 CFR 570.208(a)(4)

Implementing Agency(s): Bryan Boysaw & Associates, 771 Village Boulevard, Suite 202, West Palm Beach - \$60,000; Hartman Windows & Doors LLC, 531 Southern Boulevard, West Palm Beach - \$100,000; MD Now Medical Centers, Inc., 4570 Lantana Road, Lake Worth - \$150,000; Tripp Electric Motors, Inc., 1233 NW Avenue L, Belle Glade - \$400,000.

Source of Funding: Reporting Category(s):

**Palm Beach County  
Economic Development Office  
Notice to the Public**

Palm Beach County Economic Development Office (EDO) proposes to amend the Annual Action Plan for Fiscal Year 2006 / 2007. Palm Beach County Department of Housing and Community Development (HCD) will notify the U.S. Department of Housing and Urban Development (HUD) of this amendment.

**Proposed First (1st) Amendment to the Annual Action Plan for FY 2006 / 2007**

The total amount of CDBG funds available in FY 2006 / 2007 is \$ 7,400,250, which includes the entitlement amount of \$7,100,250 and estimated program income of \$300,000.

**CDBG ACTIVITY TO BE CHANGED IN SCOPE TO IDENTIFY FUNDED ACTIVITIES**

<u>Project Name/Area</u>	<u>Activity/Location</u>	<u>Est. Amount</u>
Economic Development 10% Set-aside.	Ten percent of the total CDBG entitlement amounting to \$710,025 was set aside to fund eligible economic development activities. The following activities were selected for funding: Bryan Boysaw & Associates, 771 Village Boulevard, Suite 202, West Palm Beach - \$60,000; Hartman Windows & Doors LLC, 531 Southern Boulevard, West Palm Beach - \$100,000; MD Now Medical Centers, Inc., 4570 Lantana Road, Lake Worth - \$150,000; Tripp Electric Motors, Inc., 1233 NW Avenue L, Belle Glade - \$400,000.	

**Total Activity Changed In Scope:                                 \$710,000**

This Amendment will be available for public inspection at EDO, and will become final after a 30-day public comment period and approval by the Board of County Commissioners. All comments must be in writing and received by the Economic Development Office at 301 North Olive Avenue, 10<sup>th</sup> Floor, West Palm Beach, FL 33401, no later than October 20, 2006. **IN ACCORDANCE WITH THE AMERICANS WITH DISABILITIES ACT (ADA), THIS AD AND DOCUMENTS LISTED ABOVE MAY BE REQUESTED IN AN ALTERNATE FORMAT. PLEASE CONTACT EDO AT (561) 355-3624.**

**PUBLISH: September 24, 2006**

**CDBG ECONOMIC SET ASIDE PROGRAM - FY 2006 / 2007**  
**FUNDING RECOMMENDATION BY GRANT REVIEW COMMITTEE AND OEDP SUB-COMMITTEE**

Applicant/ Contact Person	Proposed Activity Description/Location	Jobs Claimed*	Project Cost	Activity Cost	Request	OEDP Sub- Committee Recommendation	Summary of Staff Comments and Applicable OEDP Sub-committee Funding Conditions
<p><b>Business Name:</b> Bryan Boysaw &amp; Associates</p> <p><b>Contact Person:</b> Bryan Boysaw</p> <p><b>Current Address:</b> 771 Village Blvd., Suite #202 West Palm Beach, FL 33409</p> <p><b>Office Phone:</b> (561) 242-5223</p>	<p>Bryan Boysaw &amp; Associates respectfully request funds to acquire property. Acquiring this property will also allow Bryan Boysaw &amp; Associates to expand to meet its growing business needs and create four jobs.</p> <p><b>Project Location:</b> 501 Rosemary Avenue, West Palm Beach, FL 33401</p> <p><b>Project Commission District: #7</b></p>	4 C	\$150,000	\$150,000	\$60,000	\$60,000	<ul style="list-style-type: none"> <li>• Request of \$60,000 for <b>ACQUISITION OF PROPERTY</b> for new law firm was recommended by the review committee and the OEDP Sub-Committee. The applicant was requesting consideration for retained jobs, but the retained jobs were not eligible and therefore not considered in the review committee's decision. The new jobs to be created were enough to grant the applicants request</li> <li>• Bryan Boysaw &amp; Associates is an existing Palm Beach County business, established in the State of Florida on March 6, 2000.</li> <li>• Documentation was received and confirms compliance with West Palm Beach's zoning regulations.</li> <li>• Uniform Relocation Act is not applicable, because a letter was received from the owner of the building (<i>who also occupies space in the building and operates a corner store</i>) stating that he is not looking to relocate the business and in fact the business would be closing its doors for good. THE GRANT REVIEW COMMITTEE HAS ASKED THAT THE CURRENT BUILDING OWNER/OCCUPANT PROVIDE PALM BEACH COUNTY WITH A NOTARIZED LETTER that officially confirms his intentions (<i>applicant provided a letter, but the letter was not notarized</i>).</li> <li>• The applicant is located within an Entitlement City. While the initial letter of support was received from the City of West Palm Beach, this grant award is contingent upon receiving final approval from the West Palm Beach City Commission to provide the dollar-for-dollar match requirement of \$60,000.</li> <li>• One of the project conditions is a satisfactory environmental review (<i>in accordance to Palm Beach County and HUD Policies</i>).</li> <li>• Please note that other funding conditions / Federal requirements could include an Asbestos Survey and a Lead Base Paint Survey.</li> </ul>

**CDBG ECONOMIC SET ASIDE PROGRAM - FY 2006 / 2007**  
**FUNDING RECOMMENDATION BY GRANT REVIEW COMMITTEE AND OEDP SUB-COMMITTEE**

Applicant/ Contact Person	Proposed Activity Description/Location	Jobs Claimed*	Project Cost	Activity Cost	Request	OEDP Sub- Committee Recommendation	Summary of Staff Comments and Applicable OEDP Sub-committee Funding Conditions
<p><b>Business Name:</b> Hartman Windows &amp; Doors, LLC</p> <p><b>Contact Person:</b> Clifford Hartman</p> <p><b>Current Address:</b> 531 Southern Blvd., West Palm Beach, FL 33405</p> <p><b>Office Phone:</b> (561) 296-9600</p>	<p>Hartman Windows &amp; Doors is requesting financial assistance for the purpose of purchasing a CNC Machining Center. This CNC machine is a specialized flexible manufacturing system for the production of windows and doors and handles multiples tasks. Included with the machine purchase is the software needed to operate it.</p> <p><b>Project Location:</b> 531 Southern Blvd., West Palm Beach, FL 33405</p> <p><b>Project Commission District: #2</b></p>	10 C	\$266,000	\$266,000	\$100,000	\$100,000	<ul style="list-style-type: none"> <li>In FY 2003 / 2004, Hartman Windows &amp; Doors was awarded \$100,000 from the Economic Set-Aside Program for equipment. Palm Beach County, Department of Housing and Community Development (HCD), had been responsible for the Set-Aside Program until FY 2006 / 2007. As a result HCD is responsible for all active agreements prior to FY 2006 / 2007.</li> <li>The new <b>EQUIPMENT</b> request will be conditioned (<i>based in part</i>) on the compliance to the FY 2003 / 2004 Set Aside agreement. Per that agreement, the findings must confirm the creation of 6.67 FTE.</li> <li>Purchase of equipment must be in accordance with Palm Beach County's Procurement Policy.</li> <li>Hartman Windows &amp; Doors is an existing Palm Beach County business, established in the State of Florida on February 26, 1996.</li> <li>The applicant is located within an Entitlement City. While the initial letter of support was received from the City of West Palm Beach, this grant award is contingent upon receiving final approval from the West Palm Beach City Commission to provide the dollar-for-dollar match requirement of \$100,000.</li> </ul>
<p><b>Business Name:</b> MD Now Medical Centers, Inc.</p> <p><b>Contact Person:</b> Peter Lamelas, MD</p> <p><b>Current Address:</b> 4570 Lantana Road Lake Worth, FL 33463</p> <p><b>Office Phone:</b> (561) 963-9881</p>	<p>The project involves the purchase of medical and computer equipment for a new urgent care/walk-in medical center. MD Now Medical will implement a fully integrated, fully automated, computerized (paperless) medical practice with the newest enhancements including upgraded diagnostic and clinical capabilities.</p> <p><b>Project Location:</b> 8371 North Military Trail, Palm Beach Gardens, FL 33410</p> <p><b>Project Commission District: #1</b></p>	10C	\$1,254,000	\$937,000	\$210,000	\$150,000	<ul style="list-style-type: none"> <li>MD Now Medical Center confirmed acceptance of the reduced amount (<i>of \$150,000</i>) if approved by the BCC.</li> <li>In FY 2004 / 2005, MD Now Medical Center was awarded \$167,480 from the Economic Set-Aside Program for specialized equipment for use at the medical facility. PBC, Department of Housing and Community Development (HCD), had been responsible for the Set-Aside program until FY 2006 / 2007.</li> <li>The new <b>EQUIPMENT</b> request will be conditioned (<i>based in part</i>) on the compliance to the FY 2004 / 2005 Set-Aside agreement. Per that agreement, the findings must confirm the creation of 11 FTE.</li> <li>Purchase of equipment must be in accordance with Palm Beach County's Procurement Policy.</li> <li>MD Now Medical Center is an existing Palm Beach County business, established in the State of Florida on June 27, 2003.</li> <li>Specifically the items that are eligible for funding are: Computerized Radiology Equipment, X-Ray Machine Unit Computer Integrated, EKG Stress Test Unit, EKG Machine w/computer, Autoclave, Otoscope-Ophthalmoscopes, Spot Vital Signs machines and Computerized Lab equipment and Computerized Inventory Management. General office equipment such as computers, copiers, scanners and printers are ineligible and cannot be funded.</li> </ul>

**CDBG ECONOMIC SET ASIDE PROGRAM - FY 2006 / 2007**  
**FUNDING RECOMMENDATION BY GRANT REVIEW COMMITTEE AND OEDP SUB-COMMITTEE**

Applicant/ Contact Person	Proposed Activity Description/Location	Jobs Claimed*	Project Cost	Activity Cost	Request	OEDP Sub- Committee Recommendation	Summary of Staff Comments and Applicable OEDP Sub-committee Funding Conditions
<p><b>Business Name:</b> Tripp Electric Motors, Inc.</p> <p><b>Contact Person:</b> Ashley T. Tripp</p> <p><b>Current Address:</b> 1233 NW Avenue L Belle Glade, FL 33430</p> <p><b>Office Phone:</b> 561-996-3333</p>	<p>The overall project involves expansion of Tripp Electric Motors current shop area, acquisition of industry specific management systems, acquisition of new equipment and technologies for the expansion of business services. The items needed include Vacuum Pressure Impregnation Chamber, Infrared Thermography, a 4160 Test Panel, a 20 ton crane, etc.</p> <p><b>Project Location:</b> 1233 NW Avenue L, Belle Glade, FL 33430</p> <p><b>Project Commission District: #6</b></p>	27C	\$1,019,500	\$1,019,500	\$622,500	\$400,000	<ul style="list-style-type: none"> <li>• The applicant's request of \$622,500 was countered. The review committee and OEDP Sub-Committee recommend funding the following: <b>EQUIPMENT</b> and the costs associated with the <b>INSTALLATION</b> of the approved equipment and completion of <b>PARKING LOT</b>. Funding for construction / construction related expenses were not recommended. Initial job creation numbers will be reduced to match the reduction in recommended funding. The applicant was requesting consideration for retained jobs, but the retained jobs were not eligible and therefore not considered in the review committee's decision.</li> <li>• Tripp Electric Motors, confirmed acceptance of the reduced amount (<i>of \$400,000</i>) if approved by the BCC.</li> <li>• Applicant must provide proof of available funds to complete the project. Per the application \$307,500 would come from the company's fluid cash and \$100,000 would come from a credit line increase from Fidelity Federal Bank.</li> <li>• As a result of the applicant receiving less funding than initially requested, a funding gap of \$222,500 has been created. Applicant must demonstrate the ability to complete this project with the reduced funding.</li> <li>• If Tripp Electric Motors will complete the project in phases, they will be required to provide a detailed implementation schedule for all phases of the project.</li> <li>• Tripp Electric Motors is an existing Palm Beach County business, established in the State of Florida on November 12, 1992.</li> <li>• Specifically, the items that are eligible for funding are: Purchase &amp; Installation of VPI, 4160 Test Panel, Thermography, Laser Shaft Alignment, completion of a Parking Area, 20 Ton Crane and Submersible Pump Tank for testing. Any item not mentioned in the aforementioned list, will not be eligible for funding.</li> </ul>

\* C - Jobs to be created, \* R - Jobs to be retained