

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	200	200	200	200	201
Capital Expenditures	_____	_____	_____	_____	_____
Operating Costs	_____	_____	_____	_____	_____
External Revenues (\$10,000)	_____	_____	_____	_____	_____
Program Income (County)	_____	_____	_____	_____	_____
In-Kind Match (County)	_____	_____	_____	_____	_____
NET FISCAL IMPACT (\$10,000)	_____	_____	_____	_____	_____
# ADDITIONAL FTE POSITIONS (Cumulative)	_____	_____	_____	_____	_____

Is Item Included in Current Budget? Yes _____ No X

Budget Account No.: Fund _____ Department _____ Unit _____ Object _____

Reporting Category _____

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

C. Departmental Fiscal Review: All costs to be borne by Applicant. No fiscal (cost) impact to Palm Beach County. Palm Beach County will receive \$10,000 in industrial development revenue bond fees as well as legal fees for services rendered in reviewing this project.

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Development and Control Comments:

John A. Long 5/24/07 N/A
 OFMB Contract Development and Control
 5/23/07 5/24/07 5/23/07

B. Legal Sufficiency:

Paul F. [Signature] 5/22/07
 Assistant County Attorney

C. Other Department Review:

 Department Director

THIS SUMMARY IS NOT TO BE USED AS A BASIS FOR PAYMENT.
 G:\WPDATA\ENG\PFK\BONDS\2007 IDB bonds\GalaxyAvia9million\ApplicationTefraAIS61907.doc

**Galaxy Aviation of Palm Beach
Industrial Development Bond Application
March 2007**

1. Company Name: Galaxy Aviation of Palm Beach, Inc.
Parent Name: Galaxy Aviation, Inc. ("Galaxy")
Principal Operating Officers: Mark Wantshouse, President
Michael Faren, Secretary and Treasurer
Jonathan Miller, Executive Vice President

Address: 3800 Southern Boulevard
West Palm Beach, FL 33406

Phone Number: 561-683-4121

2. Total Amount of Bond Issue: \$9,000,000.00

3. Description of Company & Background: Galaxy Aviation of Palm Beach, Inc. (the "Company") commenced operations in September 1997 and operates as a fixed base operator ("FBO") at the Palm Beach International Airport in Palm Beach County, Florida. The Company conducts retail fuel sales and refueling operations, which service principally corporate and private aircraft, and to some extent commercial airlines; acts as landlord for office, aircraft tie-down and hangar space tenants. The Company operates refueling vehicles and maintains fuel storage tanks as required to support into-plane and fuel sales activities. The property on which the operation is conducted is leased from Palm Beach County. Under a previous bond issue, the Company successfully constructed its main operating facilities on other property at the Airport.

4. Uses of Proceeds:

Buildings (incl. design and engineering)	\$5,500,000.00
Site work	1,500,000.00
Engineering	125,000.00
Construction Period Interest	400,000.00
Other Fees	<u>1,475,000.00</u>
Total Proceeds	\$9,000,000.00


Other Fees include project related soft costs, legal fees, letter of credit, underwriting fees and development fees and expenses

5. Pro Forma Financial Statements: See Exhibit "A"

6. Contribution to Local Economy: This project will enhance the local economy by providing new jobs, capital improvements to the Palm Beach International Airport, increased tax revenue from fuel sales and hospitality taxes generated by general aviation customers and their staff.

7. Security for Bonds: The bonds will be payable from revenues of the Project and secured by a direct pay letter of credit from a national or regional bank. The Company expects to receive a commitment from Citibank to issue its irrevocable direct pay letter of credit to secure the bonds. Citibank currently provides the letter of credit on the County's bonds that have been previously issued for the Company.
8. Method of Sale: The bonds will be sold on a negotiated basis by the underwriter of the issue.
9. Conventional Financing Statements: See Exhibit "B"
10. General Counsel: Greenberg Traurig, P.A.
Attn: Stephen Sanford
777 S. Flagler Drive, Suite 300 East
West Palm Beach, FL 33401
561-650-7945
11. Financial Responsibility: Based on the Pro forma financial statements attached as Exhibit "A," The Company will be able to meet all of its financial obligations under the bond issue. Further, Galaxy and its affiliates currently operate two FBO's in Palm Beach County, one in Martin County, one in Orange County and one in St. John's County and have consistently maintained their facilities in a first-class manner at their own expense. The facilities financed through bond issue will be maintained in the same manner.
12. Impact of Project: The existing infrastructure at the Palm Beach International Airport is sufficient to accommodate all of the proposed development and its impacts. Water and Sewer facilities will be constructed for the project and will connect into the existing public facilities. The proposed project is not expected to significantly increase the population or heavily impact any of the facilities which currently exist to service the project.
13. Bond Counsel: Galaxy has retained the firm Greenberg Traurig, P.A., which is listed in the Red Book.

GALAXY AVIATION OF PALM BEACH, INC.

By: 
Name: Jonathan P. Miller
Title: Executive Vice President
Date: 3/21/07

Galaxy Aviation Of Palm Beach
Financial Projections Including Hangar G & H

Revenue	Year 1	Year 2	Year 3	Year 4	Year 5
Line - Jet Fuel	\$13,800,000	\$14,490,000	\$15,214,500	\$15,975,225	\$16,773,986
Line - Avgas	\$770,000	\$785,400	\$801,108	\$817,130	\$833,473
Prist	\$125,000	\$131,250	\$137,813	\$144,703	\$151,938
Military Jet Fuel	\$900,000	\$945,000	\$992,250	\$1,041,863	\$1,093,956
Into Plane	\$2,031,000	\$2,132,550	\$2,239,178	\$2,351,136	\$2,468,693
Oil	\$4,000	\$4,200	\$4,410	\$4,631	\$4,862
Aircraft Wash	\$30,000	\$31,500	\$33,075	\$34,729	\$36,465
Other Services	\$250,000	\$262,500	\$275,625	\$289,406	\$303,877
Catering	\$240,000	\$252,000	\$264,600	\$277,830	\$291,722
Landing & Takeoff	\$10,000	\$10,500	\$10,815	\$11,139	\$11,474
Hangars & Parking	\$2,976,000	\$3,080,160	\$3,187,966	\$3,299,544	\$3,415,028
Operations/G&A Misc Income	\$110,000	\$113,300	\$116,699	\$120,200	\$123,806
Total Revenue	\$21,246,000	\$22,238,360	\$23,278,038	\$24,367,536	\$25,509,279
Cost of Sales	Year 1	Year 2	Year 3	Year 4	Year 5
Line - Jet Fuel	(\$8,004,000)	(\$8,404,200)	(\$8,824,410)	(\$9,265,631)	(\$9,728,912)
Line - Avgas	(\$492,800)	(\$518,364)	(\$528,731)	(\$539,306)	(\$550,092)
Prist	(\$25,000)	(\$26,250)	(\$27,563)	(\$28,941)	(\$30,388)
Military Jet Fuel	(\$774,000)	(\$812,700)	(\$853,335)	(\$896,002)	(\$940,802)
Oil	(\$3,200)	(\$3,360)	(\$3,528)	(\$3,704)	(\$3,890)
Aircraft Wash	(\$24,000)	(\$25,200)	(\$26,460)	(\$27,783)	(\$29,172)
Catering	(\$180,000)	(\$189,000)	(\$198,450)	(\$208,373)	(\$218,791)
Landing & Takeoff	(\$9,000)	(\$9,450)	(\$9,734)	(\$10,026)	(\$10,326)
Fuel Flowage Fees	(\$450,000)	(\$472,500)	(\$496,125)	(\$520,931)	(\$546,978)
Hangar and Parking Rent Allocation	\$0	\$0	\$0	\$0	\$0
Total Cost of Sales	(\$9,962,000)	(\$10,461,024)	(\$10,968,335)	(\$11,500,695)	(\$12,059,351)
Gross Margin	\$11,284,000	\$11,777,336	\$12,309,702	\$12,866,841	\$13,449,929
Operating Expenses	Year 1	Year 2	Year 3	Year 4	Year 5
Advertising	(\$20,000)	(\$20,600)	(\$21,218)	(\$21,855)	(\$22,510)
Auditing Expense/Accounting	(\$58,000)	(\$59,740)	(\$61,532)	(\$63,378)	(\$65,280)
Vehicle Expense	(\$55,000)	(\$56,650)	(\$58,350)	(\$60,100)	(\$61,903)
Bank Charges	(\$200,000)	(\$180,000)	(\$160,000)	(\$140,000)	(\$120,000)
Breakage/Theft	(\$15,000)	(\$15,450)	(\$15,914)	(\$16,391)	(\$16,883)
Charge Acct Fees	(\$361,182)	(\$378,052)	(\$395,727)	(\$414,248)	(\$433,658)
Cleaning Supplies	(\$18,000)	(\$18,540)	(\$19,096)	(\$19,669)	(\$20,259)
Contributions	(\$5,000)	(\$5,000)	(\$5,000)	(\$5,000)	(\$5,000)
Customer Amenities	(\$65,000)	(\$68,250)	(\$71,663)	(\$75,246)	(\$79,008)
Data Processing	(\$30,000)	(\$30,900)	(\$31,827)	(\$32,782)	(\$33,765)
Delivery/Postage	(\$3,000)	(\$3,090)	(\$3,183)	(\$3,278)	(\$3,377)
Drug Testing	(\$1,800)	(\$1,854)	(\$1,910)	(\$1,967)	(\$2,026)
Dues and Subscriptions	(\$8,000)	(\$8,240)	(\$8,487)	(\$8,742)	(\$9,004)
Recruitment/Entertainment/Promotions	(\$40,000)	(\$42,000)	(\$44,100)	(\$46,305)	(\$48,620)
Equipment/Fuel Truck Rental	(\$70,000)	(\$72,100)	(\$74,263)	(\$76,491)	(\$78,786)
Flight Track and Weather Machine Expense	(\$12,000)	(\$12,360)	(\$12,731)	(\$13,113)	(\$13,506)
Insurance	(\$620,000)	(\$651,000)	(\$683,550)	(\$717,728)	(\$753,614)
Legal & Professional Fees	(\$180,000)	(\$185,400)	(\$190,962)	(\$196,691)	(\$202,592)
Licenses	(\$3,000)	(\$3,090)	(\$3,183)	(\$3,278)	(\$3,377)
Management Fees	(\$1,100,000)	(\$1,133,000)	(\$1,166,990)	(\$1,202,000)	(\$1,238,060)
Meetings & Seminars	(\$10,000)	(\$10,300)	(\$10,609)	(\$10,927)	(\$11,255)
Training	(\$25,000)	(\$25,750)	(\$26,523)	(\$27,318)	(\$28,138)
Office Supplies/Printing/Stationary	(\$50,000)	(\$51,500)	(\$53,045)	(\$54,636)	(\$56,275)
Payroll Ops/Admin/Marketing & Fringes	(\$900,000)	(\$927,000)	(\$954,810)	(\$983,454)	(\$1,012,958)
Line/Counter Payroll & Fringes	(\$1,600,000)	(\$1,648,000)	(\$1,697,440)	(\$1,748,363)	(\$1,800,814)
Galaxy Rent	(\$780,000)	(\$670,000)	(\$660,000)	(\$660,000)	(\$660,000)
Equipment Repair & Maint/Tools	(\$150,000)	(\$154,500)	(\$159,135)	(\$163,909)	(\$168,826)
Telephone	(\$30,000)	(\$30,900)	(\$31,827)	(\$32,782)	(\$33,765)
Travel	(\$30,000)	(\$30,900)	(\$31,827)	(\$32,782)	(\$33,765)
Uniforms	(\$22,000)	(\$22,660)	(\$23,340)	(\$24,040)	(\$24,761)
Miscellaneous	(\$5,000)	(\$5,150)	(\$5,305)	(\$5,464)	(\$5,628)
Trash Disposal	(\$10,000)	(\$10,300)	(\$10,609)	(\$10,927)	(\$11,255)
Utilities	(\$300,000)	(\$309,000)	(\$318,270)	(\$327,818)	(\$337,653)
Total Operating Expenses	(\$6,776,982)	(\$6,841,276)	(\$7,012,422)	(\$7,200,681)	(\$7,396,319)
EBITDA (Earnings Before Interest, Taxes, Depreciation, & Amortization)	\$4,507,018	\$4,936,060	\$5,297,280	\$5,666,160	\$6,053,610
ITDA	(\$1,265,000)	(\$1,243,000)	(\$1,220,000)	(\$1,197,000)	(\$1,175,000)
Net Income	\$3,242,018	\$3,693,060	\$4,077,280	\$4,469,160	\$4,878,610

Galaxy Aviation of Palm Beach, Inc.
Project Eligibility Questionnaire
March 2007

1. Company Name: Galaxy Aviation of Palm Beach, Inc. ("Principal User")
Address: 3800 Southern Blvd.
West Palm Beach, FL 33406
Phone Number: 561-683-4121
2. Form of Organization: Corporation
Related Organization: Galaxy Aviation, Inc. (Parent)
3. S/H's or Ptnrs more than 10%: Galaxy Aviation, Inc.
4. Organization's related to S/H's: None.
5. Location of Project: 3800 Southern Blvd.
West Palm Beach, FL 33406
6. (a) Project Site: The project site includes a five (5) acre portion of Galaxy's present leasehold at the Palm Beach International Airport.
6. (b) Buildings now On Site: No.
6. (c) Present Use of Site: The project site is vacant land zoned for aviation use.
6. (d) Present Owner of Site: The project is leased to Galaxy Aviation by the Palm Beach County Department of Airports.
7. N/A
8. Option to Purchase Site: No.
9. Contract to Purchase Site: No.
10. Principal User Now Leases Site: Yes.
11. Relationship between User & Lessor: None.
12. Acquisition of Existing Bldgs: No.

13. Construction of New Buildings: Yes.
Hangar G 29,000 sq. ft.
Hangar H 29,000 sq. ft.
Total 58,000 sq. ft.

14. Additions or Renovations: No.

15. Use of Buildings: The facilities will be used for storage of aircraft and office space for the general aviation community.

16. Space Leased to 3rd Parties: All of the proposed space will be leased to third parties desiring to store aircraft on a long or short term basis.

17. Has Const. Work Begun: No.

18. N/A

19. N/A

20. Previous Tax Exempt Financing: Yes.

21. Uses of Proceeds:

Buildings (incl. design and engineering)	\$5,500,000.00
Site work	1,500,000.00
Engineering	125,000.00
Construction Period Interest	400,000.00
Other Fees	<u>1,475,000.00</u>
Total Proceeds	\$9,000,000.00

Other Fees include soft costs, legal fees, letter of credit fees, underwriting fees and development fees and expenses.

22. Expenses Paid by Applicant: Permit, Design and Engineering Fees totaling \$72,277.93.

23. Expenses Incurred but not paid: Engineering Fees of \$9,000.00.

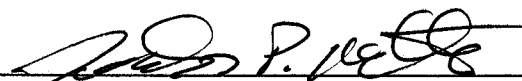
24. Working Capital Included: No.

25. Repayment of Existing Debt: No.

- | | | |
|---|--|--|
| 26. Capital Expenditures for this Project*: | <u>Prior 3 Years</u> | <u>Next 3 Years</u> |
| Buildings & Equipment: | \$0.00 | \$9,000,000.00
See Uses of Proceeds |
| 27. Capital Expenditures for Other Palm Beach Facilities: | <u>Prior 3 Years</u> | <u>Next 3 Years</u> |
| Buildings & Equipment | 2,000,000.00 | 1,000,000.00 |
| 28. No. of Employees At Completion: | 45 | |
| 29. Specialized Training Required: | Yes, training will be provided and paid for by Galaxy. | |
| 30. Utility Needs: | Electric | Underground service to be provided by FPL. |
| | Sewer | Connect to existing water and sewer |
| | Water | Main to be completed as part of the project. |
| 31. Emissions: | None. | |
| 32. Sewage or Discharge: | Connect to existing sewer system. | |

* The Project is not a small issue industrial revenue bond and is not subject to the \$10 million capital expenditure limitation.

GALAXY AVIATION OF PALM BEACH, INC.

By: 
Name: Jonathan P. Miller
Title: Executive Vice President
Date: 3/21/07

Business Development Board

PALM BEACH COUNTY'S BUSINESS RESOURCE

Partners in Progress

Palm Beach County Board of County Commissioners

Board of Advisor Members

3i, a BIOMET Company
Akerman Senterfitt
Alexandria Real Estate
Anspach Companies
Bank of America
BellSouth Business Systems, Inc.
Callery-Judge Grove
Edwards, Angell, Palmer & Dodge, LLP
Florida Crystals Corporation
Florida Power & Light
Florida Trend Magazine
Gunster, Yoakley & Stewart, P. A.
Hedrick Brothers Construction Co., Inc.
McGladrey Pullen
Nova Southeastern University
Palm Beach Aggregates, Inc.
Plastridge Insurance Agency
Pratt & Whitney Rocketdyne
Regions Financial
Sun-Sentinel
SunTrust Bank
Wachovia Bank, N. A.
Workforce Alliance, Inc.

Corporate Members

1st United Bank
All-Ways Advertising Company
Applefield Waxman, Inc.
Aquila Property Company, Inc.
Baron Sign Manufacturing
Broad and Cassel
Coldwell Banker Residential Real Estate, Inc.
Commerce Bank
Courthouse Commons LLC
DoubleTree Hotel in the Gardens
Florida Public Utilities Company
Greenberg Traurig, P.A.
Hardrives, Inc.
Hodgson Russ LLP
JFK Medical Center
Kailan International Consultants, Inc.
Lockheed Martin Corporation
LRP Publications
Mellon Private Wealth
Office Depot, Inc.
Palm Beach Gardens Marriott
ProActive Training
RML Video Production Services
Rutherford Mulhall, P.A.
South Florida Business Journal
Templeton & Company
Ward, Damon & Posner, P.A.
West Palm Beach Marriott

May 3, 2007

Mr. Paul King
Assistant County Attorney
P.O. Box 1980
West Palm Beach, FL 33402

RE: Industrial Revenue Bond application for Galaxy Aviation

Dear Paul:

On Thursday, May 3, 2007, the Industrial Revenue Bond Committee of the Business Development Board met to discuss the above mentioned application.

The IRB Committee feels Galaxy Aviation's expansion project will have a positive economic impact on Palm Beach County. The committee recommends that you proceed with the review of the application, subject to a letter of credit acceptable to Palm Beach County office of Management and Budget.

Sincerely,



Kelly Smallridge
President

cc:


Stephen Sanford, Esq. Greenberg Traurig

RECEIVED
MAY 7 - 2007
P.B. COUNTY ATTORNEY

April 24, 2007

To: Paul King, Assistant County Attorney

From: John A. Long, County Debt Manager



**SUBJECT: Industrial Development Revenue Bond Application
Galaxy Aviation of Palm Beach, Inc.**

We are recommending that the Board adopt a resolution expressing the County's preliminary approval and authorization for the issuance of not to exceed \$9,000,000 Revenue Bonds, Series 2007, subject to the applicant receiving a direct pay letter of credit issued by financial institution with "A-1+" or better rating by S&P or its equivalent by another rating service guaranteeing the payment of principal and interest on the bonds.

The bonds shall be payable solely from the revenues of the Project and neither the taxing power nor the faith and credit of the County nor any County funds shall be pledged to pay the principal of, redemption premium, if any, and interest on the bonds.