Agenda Item #: 3A4

PALM BEACH COUNTY BOARD OF COUNTY COMMISSIONERS

AGENDA ITEM SUMMARY

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Meeting Date:	10-16-07	[X] Consent	[] Regular
U		[] Workshop	[] Public Hearing
Department:	Administration		
Submitted By:	Administration		
Submitted For:	Economic Development	t Office	
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I. EXECUTIVE BRIEF

Motion and Title: Staff Recommends Motion to Approve: the First Amendment to the FY 2007/2008 Annual Action Plan, which will provide funding to two (2) businesses under the Community Development Block Grant (CDBG) Economic Development Set-Aside Program.

Summary: The proposed amendment will allow for the funding of two (2) businesses which were recommended for funding totaling \$307,810.50 by the Overall Economic Development Program (OEDP) Sub-Committee under the CDBG Set-Aside Program for Economic Development. The two (2) businesses will create a minimum of 51 new full-time equivalent jobs. The Set-Aside funding recommended will leverage \$1,547,604 in private investments. The individual funding recommendations for federal funds are as follows: Artistry Masters of Woodcraft, Inc., 1301 Old Dixie Highway, Riviera Beach - \$195,000 and McCray's II Backyard BBQ, Inc., 1521 45th Street, Mangonia Park - \$112,810.50. **These are Federal funds and do not require local matching funds.** District 7/DW

Background and Policy Issues: An amount of \$706,856, 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 two (2) businesses were approved by the Overall Economic Development Program (OEDP) Sub-Committee on August 14, 2007.

Pursuant to the Housing and Urban Development (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 a regular amendment was published in the Palm Beach Post on August 21, 2007.

On July 10, 2007, the BCC adopted a Resolution (#R2007-1219) approving the Palm Beach County Action Plan for FY 2007 / 2008. 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 April 6, 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 five (5) applications were received, three (3) of which were completed / eligible applications.

Attachments:

- 1. First Amendment to the Annual Action Plan FY 2007 / 2008
- 2. List of Recommended Economic Development Applicants
- 3. Copy of Public Notice

Recommended By:	hyskin	10/1/87
	Economic Development Director	Date
Approved By:	pathe	(0/16/07
	Assistant County Administrator	Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	20 <u>08</u>	20 <u>09</u>	20 <u>10</u>	20 <u>11</u>	20 <u>12</u>
Capital Expenditures Operating Costs External Revenues Program Income (PBC) In-Kind Match (PBC)	0 <u>307,810.5</u> (<u>307,810.5</u> 0 0		0 0 0 0 0	0 0 0 0	0 0 0 0
NET FISCAL IMPACT	Mahanoy et al				
# ADDITIONAL FTE POSITIONS (Cumulati	ive)			<u> </u>	
Is Item Included In Curre	nt Budget?	Yes <u>X</u>	No		

Budget Account No: Fund <u>1101</u> Department <u>143</u> Unit <u>1431</u> Object <u>8201</u> Program Code/Grant Year: <u>BG70 / GY07</u>

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

Approval of this agenda will appropriate funds in the amount of: Artistry Masters of Woodcraft, Inc., 1301 Old Dixie Highway, Riviera Beach, Florida 33404 - \$195,000 and McCray's II Backyard BBQ, Inc., 1521 45th Street, Mangonia Park, Florida 33407 - \$112,810.50.

C. Departmental Fiscal Review: と 10/2 udget Analyst

HCD Budget Analyst HCD Fiscal Manag

III. <u>REVIEW COMMENTS</u>

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

B. Legal Sufficiency:

Dawn Wym "15107 Unne Assistant County Attorney

C. Other Department Review:

Ecoromic Department Director

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

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Housing & Community Development Director

		Jobs					1
Applicant/ Contact	Proposed Activity	Created/		Activity		OEDP & Staff	
Person	Description/Location		Project Cost	Cost	Request	Recommends	
Business Name: Artistry Masters of Woodcraft, Inc.	The overall project involves the acquisition of real property totaling 12,000 square feet Industrial Condominium in	13C	\$2,228,077	\$1,705,000			The applicant scored 96.75 points and was, therefore, eligible to proceed to the OEDP Subcommittee Review for evaluation and funding recommendation process.
	Riviera Beach which will serve to accommodate the company's growth and the establishment of						The applicant initially requested funding for both acquisition and support of the Apprenticeship Program. The staff review committee recommended funds totaling \$195,000 for the acquisition of real property only.
Current Address:	a Woodworkers Apprenticeship Program. The program will train 13 very low/low-to- moderate income youths in the						The applicant requested retention for 29 jobs and the creation of 13 jobs. The retained jobs are not eligible and therefore not considered in the review committee's decision. The project will create a total of 13 jobs and has a total of 29 existing jobs.
Office Phone: 561-844-6680	 woodworking trade. The project will be completed in July 2008. CDBG funds were requested for acquisition of real property and the training program. Project Location: 1301 Old Dixie Highway, Riviera Beach, FL 33404 Project Commission District: # 7 						The project is in compliance with the City of Riviera Beach's Comprehensive Plan, however, according to the Planning & Zoning Administrator, prior to the issuance of building permits, the property must meet the applicable zoning and building code requirements for the furniture manufacturing facility. Applicant must submit documentation to EDO to verify that the project is in compliance with Riviera Beach's zoning regulations. The applicant provided documentation for an anticipated loan amount totaling \$1,200,000 in conjunction with Palm Beach County's Community Development Business Loan (HUD Section 108) requesting \$852,500 and the CDBG Economic Set-Aside Program requesting \$195,000. Applicant must secure approval of a loan for the acquisition of real property within one year of the BCC's conceptual approval. The applicant confirmed a total of \$400,000 in liquid and/or near liquid cash through bank statements. The applicant is advised to inform EDO of construction implementation.
							Artistry Masters of Woodcraft, Inc. has the capacity to operate the project once it is completed. The business has been in operation for two years. John Tedesco, CEO, has been a master craftsmen for over twenty years, started a company called Artistry in Finishes, Inc. in 1998 and later opened the new company to encompass all services. Project met program criteria.

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Applicant/ Contact		Created/		Activity		OEDP & Staff	
Person	Description/Location		Project Cost	Cost	Request	Recommends	Summary of Staff Comments and Funding Conditions
Business Name:	The overall project involves the	8C	\$150,414	\$150,414	\$128,619		The applicant scored 79.75 points and was, therefore, eligible to proceed to
McCray's II Backyard	purchase of equipment for a					-	the OEDP Subcommittee Review for evaluation and funding recommendation
BBQ, Inc.	new restaurant facility which will						process:
_	be constructed on the present						
Contact Person:	restaurant's site by						The 8 FTE jobs will be in addition to the 7 FTE jobs to be created required for
Derrick McCray, Sr.	spring/summer 2008. The facility and equipment will						the County's Development Regions Grant Award totaling \$50,000 for the mobile site.
Current Address:	increase the business' service						
1521 45th Street	capacity which will increase						The applicant requested retention for 7 FTE jobs. The retained jobs are not
Mangonia Park, FL	revenues. The CDBG funds						eligible and, therefore, not considered in the review committee's decision.
33407	are requested for permanent						The applicant must provide documentation prior to contract of a loan
	equipment to be installed in the						secured totaling \$130,000 to \$150,000. The applicant must also provide
Office Phone:	restaurant.						an implementation schedule to include from construction of the
561-255-0223							building to the installation of the equipment.
	Project Location: 1521 45th						Applicant committed less than the required 25% for the cost of equipment
	Street, Mangonia Park, FL						totaling \$150,414 (project activity). Recommendation of Set-Aside funds is
	33407						equal to 75% of total cost =\$112,810.50.
							McCray's father passed on the tradition of selling barbeque and McCray
	Project Commission District:						launched the McCray's II Backyard BBQ, Inc. which has been in operation at
	#7						its present site since 2005.
				,			Project met program criteria.

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Applicant/ Contact	Proposed Activity	Created/		Activity		OEDP & Staff	
Person	Description/Location	Retained	Project Cost	Cost	Request	Recommends	
Contact Person: Suzanne Harper, CEO Current Address: 241 W. Ave. A, Belle	The overall project involves the purchase of a building, renovation of the building, and	11C		\$300,000		\$0.00	The applicant scored 30 points and was, therefore, ineligible to proceed to the OEDP Subcommittee Review for evaluation and the funding recommendation process. Applicant shows only \$1,000 in fluid cash, \$149,000 in process as a loan and \$100,000 as in-kind labor/donations. Applicant could not show the required 25% in cash, equity and/or real property for the project activity. The applicant must directly create the full-time equivalent jobs and was dependent upon other enterprises leasing space to create the related jobs. Project did not meet program criteria.
561-993-3343	Project Location: 240 W. Ave. A, Belle Glade, FL 33430 Project Commission District: # 6						
Contact Person: Theresa Rasheed	The overall project involves the acquisition of real property to relocate and expand a car dealership from car sales to a car rental facility.	10C	\$250,000	\$250,000	\$150,000		received thirty-five minutes after deadline on July 11, 2007 at 12noon. An original application was received and no copies. Project did not meet program criteria.
1330 S. Main Street, Belle Glade, FL 33430	Project Location: 749 S. Main St., Belle Glade, FL 33430 Project Commission District: # 6						

		Jobs					T
Applicant/ Contact	Proposed Activity	Created/		Activity		OEDP & Staff	
Person	Description/Location	Retained	Project Cost	Cost	Request	Recommends	
Contact Person: Crystal Hollis Womack Current Address:	The overall project involves the acquisition of real property to support project planning, provide socio-economic coordination, economic improvements, labor skill training, etc. CDBG funds to be	20C				\$0.00	The business project was not considered for review. Documentation was missing. The business plan did not show the project to be a viable business project. Project did not meet program criteria.
	used for training and equipment.						
561-829-8507	Project Location: 854 State Road 827A, Belle Glade, FL 33430						
	Project Commission District: # 6						
Total		63	\$3,422,491	\$2,796,414	\$964,619	\$307,810.50	



PALM BEACH COUNTY ECONOMIC DEVELOPMENT OFFICE NOTICE OF FUNDING AVAILABILITY FOR COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) ECONOMIC DEVELOPMENT ACTIVITIES (FY 2007 – 2008)

Palm Beach County Economic Development Office (EDO) hereby notifies the public that applications for grant funding for Economic Development activities that will create or retain jobs for low- and moderate-income persons are now available. Total available funding will be \$706,856. The minimum funding awards will be \$50,000. Please submit four completed applications (original and three copies) to EDO no later than 12:00 p.m. Wednesday, July 11, 2007. Applications received after this date and time will mail). All prospective applicants must attend one of the two scheduled Mandatory Pre-Application Workshops as follows:

Thursday, May 3, 2007 at 10:00 am – 12:00 p.m. PB Community College – Glades Campus Dolly Hand Cultural Arts Center - Lobby 1977 College Drive Belle Glade, FL 33430	Thursday, May 10, 2007 at 10:00a.m. –12:00pmCooperative Extension ServicesExhibit Hall A559 N. Military TrailWest Palm Beach, Fl 33415
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Applicants are advised that following the submission deadline of July 11, 2007, a "Cone of Silence" will be imposed and all contact with EDO staff pursuant to the application must be in writing.

Application packets and further information about this program are available at:

Economic Development Office (EDO) 301 N. Olive Ave, 10th Floor West Palm Beach, Florida 33401 Telephone: (561) 355-3624 Office Hours: Monday through Friday, 8:00 a.m. to 5:00 p.m.

The application is available on our website www.pbcgov.com/pubInf/EDO/EDSetAsideProgram.htm.

If you are unable to get a copy from our website, an electronic version of the application is available by contacting www.ibbrown@pbcgov.com

IN ACCORDANCE WITH THE PROVISIONS OF THE AMERICANS WITH DISABILITIES ACT (ADA), THIS AD AND DOCUMENTS REFERRED TO ABOVE MAY BE REQUESTED IN AN ALTERNATE FORMAT.

Please publish (7) seven days a week starting:

Friday April 6, 2007 thru Sunday April 29, 2007

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 2007/2008. Palm Beach County 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 2007/2008

The total amount of Community Development Block Grant (CDBG) funds available in FY 2007/2008 is \$7,368,569, which includes the entitlement amount of \$7,068,569 and estimated program income of \$300,000.

Project Name/Area	E CHANGED IN SCOPE TO IDENTI Activity/Location	Est. Amount
Economic Development10% Set- aside	Ten percent of the total CDBG entitlement amounting to \$706,856 was set aside to fund eligible economic development activities. The following activities were selected for funding: Artistry Masters of Woodcraft, Inc.1301 Old Dixie Highway, Riviera Beach - \$195,000; McCray's II Backyard BBQ, Inc., 1521 45 th Street, Mangonia Park - \$112,810.50.	Total Activity Changed In Scope \$307,810.50

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, 10th Floor, West Palm Beach, FL 33401, no later than September 19, 2007. 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: August 21, 28, Sept. 4, 11, 2007