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Agenda Item #:

5A

PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS
AGENDA ITEM SUMMARY

Meeting Date: 2/5/2008

☐ Consent

☐ Regular

☒ Public Hearing

Department

Submitted By: COUNTY ATTORNEY

Submitted For:

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to: (a) approve the application of Children's Home Society of Florida for the issuance of not to exceed \$17,500,000 Variable Rate Demand Revenue Bonds (Children's Home Society of Florida Project), Series 2008 (the "Bonds"), and (b) conduct a TEFRA public hearing regarding the Bonds.

Summary: Children's Home Society of Florida ("CHS") has applied for the issuance of the Bonds by the County in an amount not to exceed \$17,500,000. Proceeds of the Bonds will be used to finance, refinance, construct and improve several Children's Home Society facilities in several Florida counties including Palm Beach County. Prior to the issuance of the Bonds the Internal Revenue Code requires that the County conduct a public hearing. The Bonds will be payable solely from the revenues derived from the Company. **Neither the taxing power nor the faith and credit of the County, nor any County funds, shall be pledged to pay principal or redemption premiums, if any or interest on the Bonds.** District 3 (PFK)

Background and Policy Issues: The Children's Home Society of Florida provides children services, housing and case management services to at-risk young adults. The proceeds of the Bonds will be used to fund the following projects: (i) finance part of the costs of the construction, installation and equipping of an approximately 7,000 square foot social service facility which will provide housing and case management services for at-risk young adults located on approximately

Continued on next page.

Attachments:

1. Application of Children's Home Society of Florida
2. Letter from Business Development Board
3. Memo from the Office of Financial Management & Budget

Recommended by: _____

County Attorney

Date

1/14/08

Approved by: _____

N/A

Date

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four acres at 650 10th Street, Vero Beach, Florida 32960 and to be owned by Centennial Holdings (Treasure Coast) LLC, a Florida limited liability company and an affiliate of CHS, and to be leased to and operated by CHS; (ii) finance part of the costs of the construction, installation and equipping of an approximately 6,390 square foot social service facility which will provide housing and social services for foster care women to be located at 3001 San Diego Road, Jacksonville, Florida 32207 and to be owned and operated by CHS; (iii) refund the outstanding Palm Beach County Industrial Development Revenue Bonds (The Children's Home Society of Florida Project), Series 2002, the proceeds of which were loaned to CHS and used to finance or refinance the cost of: (a) the acquisition, construction and equipping of a social service center, consisting of a building containing approximately 10,500 square feet and the site therefor, and related fixtures, furnishings and equipment, all of which is owned by Centennial Holdings LLC, a Florida limited liability company and an affiliate of CHS, and with approximately 7,000 square feet leased to and operated by CHS as a social service center providing adoption, pregnancy prevention, residential and daytime child care services, and approximately 3,500 square feet leased to and operated as a social service center by Families First, Inc., a Florida not for profit corporation, located at 3333 Forest Hill Boulevard, West Palm Beach, Palm Beach County, Florida, and (b) the acquisition, construction and equipping of a social service center, owned by Centennial Holdings (North Central) LLC, a Florida limited liability company and an affiliate of CHS, and leased to and operated by CHS as a social service center providing residential services, consisting of a building containing approximately 32,600 square feet and the site therefor, and related fixtures, furnishings and equipment, located at 1801 Miccosukee Commons Drive, Tallahassee, Leon County, Florida 32308; (iv) refinance certain outstanding indebtedness of CHS which financed the acquisition, construction and equipping of a social service center, owned by Centennial Holdings (Treasure Coast) LLC, a Florida limited liability company and an affiliate of CHS, and leased to and operated by CHS as a group home for troubled girls, consisting of a building containing approximately 5,000 square feet and the site therefor, and related fixtures, furnishings and equipment, located at 650 10th Street, Vero Beach, Indian River County, Florida; (v) refinance certain outstanding indebtedness of CHS which financed the acquisition of three social service centers, all owned by Centennial Holdings Collier Child Care, LLC, a Florida limited liability company and an affiliate of CHS, and to be leased to and operated by CHS as daytime child care centers for low-income households, consisting of: (a) a building containing approximately 2,177 square feet and the site therefor, and related fixtures, furnishings and equipment, located at 4405 Outer Drive, Naples, Collier County, Florida, (b) a building containing approximately 3,000 square feet and the site therefor, and related fixtures, furnishings and equipment, located at 4705 Outer Drive, Naples, Collier County, Florida, and (c) a building containing approximately 2,879 square feet and the site therefor, and related fixtures, furnishings and equipment, located at 3805 Thomasson Drive, Naples, Collier County, Florida; and (vi) pay part of the costs of issuing the Bonds.

The Bonds will be credit-enhanced by a letter of credit issued by Bank of America, N.A. CHS will request final approval for the issuance of the Bonds and the execution and delivery of interlocal agreements with Collier County Industrial Development Authority, the City of Jacksonville, Florida, the City of Tallahassee, Florida and Indian River County, Florida, relating to the issuance of the Bonds, at a later date.

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II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2008	2009	2010	2011	2012
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 <u>X</u>				
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 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. (cost)

III. REVIEW COMMENTS

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

OC 1/14/08 OFMB 1-14-08 1/14/08 1-14-08 N/A
Contract Development and Control

B. Legal Sufficiency:

Paul F. [Signature] 1/11/08
Assistant County Attorney

C. Other Department Review:

Department Director

THIS SUMMARY IS NOT TO BE USED AS A BASIS FOR PAYMENT.

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December 11, 2007



www.foley.com

WRITER'S DIRECT LINE
904.359.8774
clever@foley.com EMAIL

CLIENT/MATTER NUMBER
080529-0103

Palm Beach County Attorney Office
P.O. Box 1989
West Palm Beach, Florida 33402-1989
Attention: Paul F. King

Re: Proposed Palm Beach County, Florida Industrial Development Revenue Bonds (Children's Home Society Project), in a principal amount not to exceed \$17,500,000

Ladies and Gentlemen:

On behalf of Children's Home Society of Florida ("CHS"), we enclose fifteen copies of the Palm Beach County, Florida Industrial Development Revenue Bond Application, together with the following:

- (a) background information regarding CHS and overview of bond financing;
- (b) pro-forma financial statements for five years;
- (c) audited financial statements for fiscal years 2004 through 2006;
- (d) interim financial statements for fiscal year 2007 (audited statements will be provided upon completion); and
- (e) application fee in the amount of \$1,000.

If you have a question concerning any of the enclosures, please do not hesitate to call me.

Thank you for your consideration of the proposed financing.

Very truly yours,

Emily F. Diaz

Enclosures

cc: Bob Wydra
Frank Gonzalez
Yoon-Sook Moon
Michael A. Okaty

BOSTON
BRUSSELS
CHICAGO
DETROIT
JACKSONVILLE

LOS ANGELES
MADISON
MILWAUKEE
NEW YORK
ORLANDO

SACRAMENTO
SAN DIEGO
SAN DIEGO/DEL MAR
SAN FRANCISCO
SILICON VALLEY

TALLAHASSEE
TAMPA
TOKYO
WASHINGTON, D.C.

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Business Development Board

PALM BEACH COUNTY'S BUSINESS RESOURCE

Exhibit
2

RECD JAN 24 2008

Partners in Progress

Palm Beach County Board of County Commissioners

Board of Advisor Members

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Akerman Senterfitt
Alexandria Real Estate
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BNY Mellon Wealth Management
Edwards, Angell, Palmer & Dodge, LLP
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Hedrick Brothers Construction Co., Inc.
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Plastridge Insurance Agency
Pratt & Whitney Rocketdyne
Regions Bank
RMS McGladrey/McGladrey & Pullen
SunTrust Bank
Templeton & Company
Wachovia Bank, N. A.
Workforce Alliance, Inc.

January 22, 2008

Mr. Paul King
Assistant County Attorney
P.O. Box 1989
West Palm Beach, FL 33402

RE: Industrial Revenue Bond application for Children's Home
Society of Florida

Dear Paul,

On Tuesday, January 22, 2008 the Industrial Revenue Bond
Committee of the Business Development Board met to discuss
the above mentioned application.

The committee heard from Emily Diaz, Bond Council with Foley &
Lardner LLP representing the Children's Home Society of Florida,
Robert Wydra, Jr., CFO and Frank Gonzalez, General Council
with Children's Home Society.

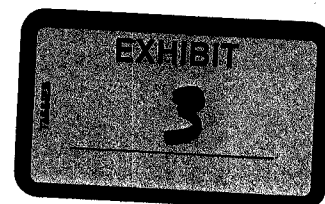
The committee recommends that you proceed with the review of
this application.

Sincerely,


Kelly Smallridge
President and CEO

Corporate Members

1st United Bank
All-Ways Advertising Company
Applefield Waxman, Inc.
Aquila Property Company, Inc.
Baron Sign Manufacturing
Broad and Cassel
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South Florida Business Journal
Sun-Sentinel
Ward, Damon & Posner, P.A.
West Palm Beach Marriott



January 4, 2008

To: Paul King, Assistant County Attorney
From: John A. Long, Debt Manager *John A. Long*
SUBJECT: **Industrial Development Revenue Bond Application
Children's Home Society of Florida**

We are recommending that the Board adopt a resolution expressing the County's preliminary approval and authorization for the issuance of not to exceed \$17,500,000 Industrial Development Revenue Bonds, Series 2008, subject to the applicant receiving a letter of credit issued by Bank of America guaranteeing the payment of principal and interest on the bonds. With the letter of credit enhancement, the Bonds are expected to carry a credit rating of a minimum of "AA".

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.