AGENDA ITEM IS OVER 50 PAGES CAN BE VIEWED IN THE MINUTES DEPT.

ADD-ON Agenda Item No: 6A-1

PALM BEACH COUNTY BOARD OF COUNTY COMMISSIONERS

AGENDA ITEM SUMMARY

Meeting Date:	July 22, 2008	[]	Consent	[X]	Regular	
Department: Submitted By:	Administration Economic Develo	[] opment	Public Hea	ring		

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to approve: a Grant Agreement with Max Planck Florida Corporation (MPFC) providing for \$86,926,000 million to construct and operate a Biomedical Research Facility in Palm Beach County.

Summary: On September 11, 2007, the Board of County Commissioners adopted Resolution (R2007-1588) A) conceptually approving a grant in the amount of <u>\$86.9</u> million to the Max Planck Society for the purposes of seeking matching funds from the State of Florida; B) authorizing the Business Development Board to facilitate the application for matching funding from the State of Florida Innovation Incentive Fund; C) authorizing staff to commence negotiations with the Max Planck Society to establish the terms and conditions of the Grant Agreement; D) authorizing staff to commence negotiations with Florida Atlantic University and Scripps Florida for Temporary Facilities for Max Planck Florida Corporation; and E) authorize staff to commence negotiations with Florida Atlantic University for six (6) acres of land upon which the MPFC will be located. Max Planck Florida Corporation entered into an Agreement with the State of Florida to provide approximately \$94 million for operational expenses on March 12, 2008 and has received its first \$10 million distribution. Negotiations are currently underway between the County, the Max Planck Society and Florida Atlantic University to obtain a fifty (50) year sublease for six (6) acres on the Jupiter Campus of Florida Atlantic University. The execution of the FAU Sublease is a condition to the disbursement of Grant Funds.

The County has agreed to the following key Terms and Conditions under the Grant Agreement; **A**) provide a maximum of \$86,926,000 million to reimburse the MPFC for the construction and operation of an approximate 100,000 sq. ft. Biomedical Research Facility in Palm Beach County; of which a maximum of \$60 million will be spent towards the reimbursement of construction costs for the Permanent Facility; and \$26,926,000 million will be spent towards the reimbursement of operational costs; **B**) allow for a 50% - 50% cost share of any unused costs for construction; **C**) distribute up to \$4.1 million in operating funds for equipment procurement prior to receipt of Certificate of Occupancy for the Permanent Facilities; **D**) allow for the expenditure of up-to \$270,000 for due diligence and professional service investigations which is at the County's risk. <u>Countywide</u> (JM and HF) (continued on Page Three)

Background and Justification: Continued on Page Three

Attachment:

1. Grant Agreement

Recommended by: Maarn Ray	7-16-08	
Approved By:	Date 7-16-08	
Assistant County Administrator	Date	

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>		
Capital Expenditures Operating Costs		<u>39,443,000</u>			<u>15,615,000</u>		
Debt Service Costs Bond Proceeds Program Income (Cour In-Kind Match (County	• •	<u>836,795</u> (39,443,000)	<u>3,181,561</u>	<u>3,183,561</u> 	<u>3,551,962</u> (15,615,000)		
NET FISCAL IMPACT No. ADDITIONAL FTE POSITIONS (Cumulati		<u>836,795</u>	<u>3,181,561</u>	<u>3,183,561</u>	<u>3,551,962</u>		
Is Item Included In Current Budget? Yes No Budget Account No.: Fund Department Unit Object Reporting Category							

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

The County plans to issue Non-Ad Valorem Revenue Bonds to fund grants to MPFC on November 1 of each of the following calendar years: 2008 - \$39,443,000; 2011 - \$15,615,000; 2013 - \$13,137,000; 2015 - \$13,384,000; 2017 - \$5,347,000, totaling \$86.926 Million. In addition to the grant funding, each bond issue will include costs of issuance and the funding of a debt service reserve and the bonds are shown above in the fiscal year of issue.

C. Departmental Fiscal Review:

III. REVIEW COMMENTS

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

Awillhite ontract Dev./and Contr OFMB 1/18/08 st the time of our **Legal Sufficiency:** Β. the Agreenet <u>Sistent/County Attorney</u> not fully executed at time of CAD and the Add inscrine ther Department Review: Service a milable. Add it ponally, えくしれん Other Department Review: review C. there were some incomplete ethistr **Department Director**

REVISED 9/03 ADM FORM 01 (THIS SUMMARY IS NOT TO BE USED AS A BASIS FOR PAYMENT.)

Page Three

(Continued from Page One)

MPFC has agreed to the following key Terms and Conditions; A) construct and Summary: operate a Biomedical Research Facility in Palm Beach County for fifteen (15) years; B) cause its primary operations, 70% of MPFC employees, to be in Palm Beach County for ten (10) years; C) create 135 MPFC new jobs at an average salary of at least 130% of the current annual Palm Beach County countywide salary average; D) implement hiring policies that will strive to give low-income residents of Palm Beach County opportunities for training and employment at MPFC; E) develop and implement hiring policies that grant Palm Beach County Residents preference; F) give preference in the award of all contracts, where economically practical, in connection with the design and construction of the Permanent Facilities; G) establish policies and procedures with the goal of investing up to fifteen (15%) of the construction costs in goods and services provided by SBE's; H) establish policies and procedures with the goal of investing up to fifteen (15%) of the total operating funds toward equipment and supplies provided by SBE's; I) implement a Science lecture or workshop series in Palm Beach County; J) develop a voluntary mentorship program for students in grades K-12 within Palm Beach County; K) establish a Speakers Bureau to reach Palm Beach County public and private schools and community colleges; L) establish an Internship Program for Palm Beach County high school or community college science teachers; M) hold an annual one-day "Career Fair" for middle and high school students; N) commit three percent (3%) of its net royalty revenues towards funding science-related educational purposes in Palm Beach County commencing in 2018 and ending on November 1, 2028; such purposes may include, the funding of science-related student scholarships for students at high schools, community colleges and universities in Palm Beach County or in cooperation with Palm Beach County Conference of Black Elected officials; O) arrange the display of the "Max Planck Science Tunnel" in Palm Beach County, between mid-January and mid-March of 2009; P) assist with the recruitment of research institutes, biomedical or pharmaceutical companies to Palm Beach County; Q) develop a website of MPFC highlighting its activities in Palm Beach County; and R) re-invest all net royalty revenues in MPFC commencing upon execution of the Agreement through November 1, 2028.

Background and Justification: Palm Beach County and the State of Florida have undertaken a visionary initiative to transform the economic landscape of the State and County by investing in a Life Science Cluster Industry. Palm Beach County made a significant financial investment in a Life Science Cluster through a grant to the Scripps Research Institute for the construction of their permanent facilities in Palm Beach County. On March 13, 2007, the Board of County Commissioners adopted a Strategic Economic Development Plan which seeks to grow the County's Economic base by promoting the County internationally.