



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-7000

REC'D JUN 18 2008

ASSISTANT SECRETARY FOR
COMMUNITY PLANNING AND DEVELOPMENT

- 9 2008

Mr. Robert Weisman
County Administrator
Palm Beach County
301 North Olive Avenue, 10th Floor
West Palm Beach, FL 33401

Dear Mr. Weisman:

Congratulations! I am pleased to inform you that Palm Beach County has been awarded a Brownfields Economic Development Initiative (BEDI) grant in the amount of \$1,200,000 based on your application submitted pursuant to the BEDI Notification of Funding Availability (NOFA) published on September 24, 2007 at 72 FR 54324.

Today's brownfields were once vital sources of economic growth for communities, and when cleaned up and redeveloped, can again be thriving centers of economic activity. The U.S. Department of Housing and Urban Development (HUD) is pleased to assist Palm Beach County in working to transform these abandoned sites into new developments that will create jobs, increase tax revenues and help revitalize communities.

This BEDI grant award is conditioned upon the submission and HUD approval of a complete Section 108 Loan Guarantee application for not less than \$2,600,000 followed by the execution and funding of a Section 108 Note and Contract for Loan Guarantee Assistance for the same project. The enclosed Instructions and Conditions for Award provide further details on the Section 108 application as well as about the Section 108 Note and Contract for Loan Guarantee Assistance.

If you accept the conditions of the BEDI grant award as stated herein, in the enclosed Instructions and Conditions for Award, and in the 2007 BEDI NOFA, please acknowledge your acceptance by signing in the space provided below. *Please return this letter only – the other enclosures are for your records--with your signature of acceptance on or before June 27, 2008 to:*

JUN19 08 11:22AM

Robert Duncan
Associate Deputy Assistant Secretary for Economic Development
Department of Housing and Urban Development
451 7th Street S.W., Room 7136
Washington, DC 20410

In order for HUD to obligate funds for the approved BEDI project, this office must receive your executed acceptance below no later than **June 27, 2008**. The executed acceptance, when countersigned on behalf of the Department, shall constitute an agreement between Palm Beach County and HUD obligating BEDI funds for the project described in the approved 2007 BEDI

application submitted by Palm Beach County and assigned **Grant Number B-07-BD-12-0012**. A more detailed BEDI Grant Agreement will be sent to you for execution, along with a Section 108 Note and Contract for Loan Guarantee Assistance, after approval of the Section 108 Loan Guarantee application. A *draft* form of that subsequent Grant Agreement is also enclosed for your information.

If you or members of your staff have any questions concerning this matter, please contact Mr. Duncan at (202) 708-3773.

I look forward to working with you in the redevelopment of Brownfields and in the return of these sites to productive use for the community.

Sincerely,

A handwritten signature in black ink that reads "Nelson R. Bregón". The signature is written in a cursive style with a large, sweeping initial "N".

Nelson R. Bregón
General Deputy Assistant Secretary

Enclosures

2007 BEDI GRANT AWARD OBLIGATION
B-07-BD-12-0012

Accepted and Agreed by Palm Beach County:

By: [Handwritten Signature]
Signature

COUNTY ADMINISTRATION
Title

06/16/2008
Date

Accepted by U.S. Department of Housing and Urban Development:

By: _____
Signature

Title

Date

ENCLOSURE (A)

RECIPIENT: Palm Beach County, FL
BEDI GRANT NUMBER: B-07-BD-12-0012
BEDI GRANT AMOUNT: \$1,200,000

INSTRUCTIONS AND CONDITIONS FOR AWARD

Pursuant to the authorizing legislation and the 2007 BEDI Notice of Funding Availability (NOFA), BEDI grants are made only in support of new, related loans guaranteed under section 108 of the Housing and Community Development Act of 1974. This award of a BEDI Grant is conditioned upon receipt by Palm Beach County, FL, (the Recipient) of the proceeds of a Section 108 loan guarantee, or additional guarantee, for the approved BEDI Project in the minimum amount of \$ 2,600,000 (hereafter referred to as the Related Section 108 Guarantee). (The Recipient may apply for a loan guarantee in a larger amount than this minimum.)

The terms and conditions of this BEDI grant will be substantially as set forth in the attached form of grant agreement (the "Agreement"), a completed copy of which will be sent to the Recipient for execution together with the promissory Note and Contract for Loan Guarantee Assistance for the Related Section 108 Guarantee after the Related Section 108 Loan Guarantee application is approved.

THE PARAGRAPHS CHECKED BY HUD BELOW APPLY TO THIS GRANT AS OF THE DATE AT THE TOP OF THE ATTACHED LETTER (the Transmittal Date):

- a. The Recipient's complete application for the Related Section 108 Guarantee has been approved by HUD (HUD-7082 commitment executed), effective on the Transmittal Date. Please execute and return three (3) copies of the enclosed HUD-7082 for the Related Section 108 Loan Guarantee together with your acceptance of this letter.
- ✓ b. The Recipient's complete application for the Related Section 108 Guarantee in the above amount or more has been received by HUD as of the Transmittal Date of the accompanying letter but has not been approved as of such date.
- c. The Recipient's complete Section 108 guarantee application has not been received by HUD as of the Transmittal Date of the accompanying letter. *If this Paragraph c. applies, HUD's obligations under this Agreement are conditioned on the Recipient's submitting a complete 108 application not later than 60(sixty) days from the date of the Transmittal Date of the accompanying letter. As of now approximately \$169 million in Section 108 guarantee authority remains available to all 108 applicants on a first-come-first-served basis. The Section 108 application should be submitted to the HUD Field Office applicable to the Recipient.*
- d. The Recipient's BEDI Grant application was not approved in the full amount requested. For example, all activities submitted may not have been approved, the amount of funds

requested for some or all activities may have been reduced, or there may have been insufficient funds available to approve the entire application amount. Therefore, your BEDI Grant application must be amended so that it is consistent with the terms of HUD's approval. Please contact David Kaminsky in the Office of Economic Development at (202) 402-4612 upon receipt of this letter to determine the required amendments. *If this Paragraph d. applies, HUD's obligations under this Agreement are conditioned on the Recipient's submitting to HUD the applicable revised pages of your BEDI application containing the required modifications on or before June 27, 2008.*

If paragraph a. above applies, the Related Section 108 Guarantee amount above is the amount of the final Section 108 Guarantee approved in relation to the Recipient's BEDI grant. If paragraph d. above is not also checked, your BEDI Grant application was approved as submitted. Since both your Section 108 loan guarantee and BEDI grant applications are approved, no further application submissions are required. You should contact HUD to request preparation of the Note and Contract for Loan Guarantee Assistance for the Related Section 108 Guarantee and the completed BEDI Grant Agreement at least six weeks, if possible, before you will need the funds to be provided under those documents. You will also be required to submit additional information to HUD as needed with respect to compliance with the conditions of the HUD-7082 for the Related Section 108 Guarantee. Furthermore, as described in the attached form of Grant Agreement, funds may not actually be withdrawn under this BEDI Grant until after HUD's execution of the Contract for Loan Guarantee Assistance and Guarantee for the related Section 108 Guarantee.

If paragraph b. or c. above applies, HUD may request additional information as needed in connection with its review of the Recipient's Section 108 application and/or may REDUCE the amount of this BEDI Grant, or the amount of the Related Section 108 Guarantee above, or both, if HUD determines in connection with HUD's review of the Section 108 application or amendatory application under 24 CFR 570, Subpart M, that all or a portion of the approved BEDI Grant or the Related Section 108 Guarantee amount above is not justified. If this is done, the amount of the finally approved Section 108 guarantee will be the amount of the Section 108 Guarantee referred to in the BEDI Grant Agreement when received by the Recipient.

All additional submissions required under paragraphs c. and d. above must be postmarked or hand-delivered to this office **within sixty (60) days** from the Transmittal Date of the accompanying letter unless an extension is requested by you and approved by HUD pursuant to Section IV.B.1(c)(2) of the NOFA. Pursuant to Section VI.B.1(b) of the NOFA, HUD is authorized to de-obligate this BEDI award to the extent the related Section 108 application, in whatever form is applicable, is not approved by HUD within ten (10) months of the Transmittal Date.

You may not make any changes in your BEDI Grant application other than those required by the terms of this HUD approval letter, because this could affect the competitive basis on which your grant was awarded. In rating and ranking your BEDI Grant application, HUD has already assumed that any application revisions required by this letter will be made.

Failure to submit the required information within 60 days may result in de-obligation of the approved funds.

SPECIAL NOTE FOR APPLICANTS WHO APPLIED BASED ON SECTION IV.B.1(c)(4) OF THE NOFA. If you applied for a BEDI grant on the basis of requesting an additional amount of Section 108 guarantee assistance for a project assisted under a previously-approved Section 108 application, you must comply with the requirements for a complete Section 108 application as described in 24 CFR 570.704 for such additional section 108 funding. To the extent that parts of the previous application are applicable to the new application, copies thereof can be resubmitted as part of the new application.

SPECIAL NOTE TO ALL APPLICANTS ON PERFORMANCE REPORTING. Pursuant to Section VI.C of the NOFA, BEDI grant funds are included within the definition of Community Development Block Grant (CDBG) funds at 24 CFR 570.3. Accordingly, grantees must report specifically on the use of BEDI grant funds and Section 108 loan guarantee proceeds in the Consolidated Annual Performance and Evaluation Report (CAPER) required of CDBG grantees under 24 CFR 570.507 or 24 CFR.570.491. For each reporting period, as part of the required report to HUD, grant recipients must include a completed Logic Model (form HUD 96010), which identifies output and outcome achievements.

If you have questions on any aspect of these instructions or conditions, please contact David Kaminsky in the Office of Economic Development at 202.402.4612.



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-7000

OFFICE OF THE ASSISTANT SECRETARY FOR
COMMUNITY PLANNING AND DEVELOPMENT

SEP 19 2008

The Honorable Robert Weisman
County Administrator
Board of County Commissioners
County of Palm Beach
301 North Olive Avenue, 11th Floor
West Palm Beach, FL 33401

Dear Mr. Weisman:

Please be informed that the County of Palm Beach's (hereafter, the "County") request for loan guarantee assistance under Section 108 of the Housing and Community Development Act of 1974, as amended, has been approved. Such assistance is to consist of the guarantee of notes or other obligations in the principal amount of \$2,600,000, plus interest thereon, which shall be issued to finance activities described in application B-07-UC-12-0004 for the Avenue A Revitalization Project.

This offer of commitment ("Commitment") is subject, however, to the conditions specified in Item 8 of the Funding Approval (Form HUD-7082).

The first condition provides that in the event the County fails to submit notes or other obligations for inspection and guarantee by the Secretary of Housing and Urban Development (HUD) before October 31, 2009, the Commitment will expire as of such date.

The second condition provides that the repayment schedule for the indebtedness evidenced by the notes or other obligations (the "Guaranteed Loan") must be acceptable to HUD.

The third condition provides that the County shall provide additional security for the Guaranteed Loan and such additional security must be acceptable to HUD. The additional security shall be identified in the Contract for Loan Guarantee Assistance ("Contract"), specified by 24 CFR 570.705(b)(1), which will be executed at the time the guaranteed obligations are issued. The County's application and other supporting material identify the following additional security for the guaranteed loan: the County's interest in third-party loans secured by real property, personal guarantees, equipment, accounts receivable, or inventory. Note that any real property or other assets offered as security shall be subject to loan-to-value ratios to be identified in the Contract and their value shall be supported by an appraisal acceptable to HUD.

In addition, the Contract shall provide that HUD may use existing pledged grants to prepay (or defease) the Guaranteed Loan if HUD determines that the standard pledge of future Community Development Block Grant funds is insufficient to assure payment of amounts due thereunder. HUD reserves the right to require further security upon evaluation of the foregoing security arrangements and the County may substitute other collateral security for such arrangements, subject to HUD's approval of such substitution.

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The fourth condition provides that the public entity shall not incur any obligations to be paid with guaranteed loan funds prior to the receipt of a written determination from the HUD Miami Field Office that (i) the activity meets the eligibility requirements of 24 CFR 570.703, (ii) each eligible activity to be undertaken or supported with loan guarantee funds will meet the national objective requirements of §570.208 and, (iii) the applicable public benefit standards will be met, in accordance with of §570.209(b).

The fifth condition provides that prior to incurring obligations to be paid with guaranteed loan funds for any activity, the County must obtain a written determination from the HUD Miami Field Office that each site for which an activity is being undertaken is a "brownfields" site as defined in Section I (C) of the Notice of Funding Availability for the Brownfields Economic Development Initiative published in the Federal Register at 54324 on September 24, 2007.

The sixth condition provides that prior to submitting notes or other obligations for inspection and guarantee by HUD, the County shall submit information required under Section 102(b) of the Department of Housing and Urban Development Reform Act of 1989 (42 U.S.C. 3531). This information shall be submitted on form HUD-2880 to HUD's Miami Field Office. A copy of Form HUD-2880 is enclosed for this purpose.

Please be aware that any amount of this commitment that is not received by the County as an Advance under the Guaranteed Loan by September 30, 2014, will be canceled in compliance with 31 USC 1552(a).

Please furnish us, at the address specified below, your timetable for execution of the activities described in your application. These activities will be financed through a public offering of Section 108 obligations. If you need funds prior to the next public offering, please notify HUD at the address below and instructions for obtaining interim financing will be provided.

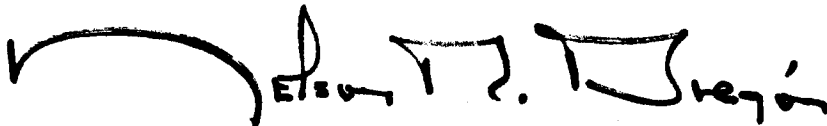
In addition to the special conditions cited above, the release of funds for the project to be carried out with loan guarantee assistance is conditioned upon compliance by the County with all applicable provisions of the HUD Environmental Review Procedures (24 CFR Part 58). The County is reminded that these Procedures include limitations on the commitment of HUD and non-HUD funds on an activity or project prior to HUD's approval of the request for release of funds and related certification of compliance with environmental requirements. Please refer to §58.22 for a description of the limitations and the entities to whom they apply.

Please execute the three enclosed copies of the Funding Approval (Form HUD-7082) and return two copies to the Department of Housing and Urban Development, Financial Management Division, Room 7180, 451 Seventh Street, S.W., Washington, D.C. 20410. One copy should be retained for your files. The Funding Approval amends the Grant Agreement authorized by HUD on

December 4, 2007, under the Funding Approval for grant number B-07-UC-12-0004 to include loan guarantee assistance. The Grant Agreement thereby incorporates this Funding Approval, the loan guarantee application, and Subpart M of the block grant regulations governing loan guarantees, as well as such agreements, schedules, and other documentation required for submission or execution in connection therewith.

If you have any questions with respect to this letter, please contact Paul D. Webster, Director, Financial Management Division at (202) 708-1871.

Sincerely,

A handwritten signature in black ink, appearing to read "Nelson R. Bregón". The signature is stylized with a large, sweeping initial "N" and a long horizontal line extending to the right.

Nelson R. Bregón
General Deputy Assistant Secretary

Enclosures