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Agenda Item #:

PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS
AGENDA ITEM SUMMARY

Meeting Date: June 8, 2010 [] Consent [] Regular
[X] Public Hearing
Department
Submitted By: COUNTY ATTORNEY
Submitted For:

I. EXECUTIVE BRIEF

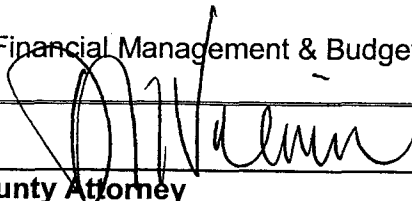
Motion and Title: Staff recommends motion to: (A) conduct a TEFRA public hearing concerning the issuance of up to \$13,000,000 Industrial Development Revenue bonds (South Florida Fair Project), Series 2010 (the "Bonds"); and (B) approve the application of South Florida Fair & Palm Beach County Expositions, Inc. for the issuance of the Bonds.

Summary: South Florida Fair & Palm Beach County Expositions, Inc. (the "Company") has applied for the issuance of industrial development revenue bonds by the County in an amount not to exceed \$13,000,000. Bond proceeds will be used to refund the County's revenue bonds issued in 2000 for the benefit of the Company in order to achieve a reduction in debt service. The Bonds will be payable from revenues derived from the Company, and, as with the 2000 Bonds, the County will agree that in the event of the inability of the Company to pay debt service on the Bonds, the County will do so from lawfully available revenues of the County not derived from ad valorem taxation. The form of the County's agreement has not been finalized and will be considered by the Board at a future meeting. By approving the Company's application, the County is not obligating itself to enter into any such agreement at this time. **Except as described above, 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 6 (PFK)

Background and Policy Issues: Prior to the issuance of private activity bonds, the Internal Revenue Code requires that the County conduct a public hearing known as the "TEFRA" hearing. In connection with the TEFRA hearing, the Company is also requesting the County to approve its application for the issuance of the Bonds. The Bonds are being underwritten by RBC Capital. Final approval for the issuance of the bonds will be sought at a later date.

Attachments:

1. The Application
2. Memo from the Office of Financial Management & Budget

Recommended by:  Date 5/13/10
County Attorney
Approved by: N/A Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2010	2011	2012	2013	2014
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 ☒

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 cost 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:

N. Diaz 5/25/10
OFMB 5/25/10

Jim J. Jacobson 5/26/10
Contract Development and Control

B. Legal Sufficiency:

Paul F. 5/13/10
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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**IDB Application is voluminous
and may be reviewed
in the Minutes Department or
the County Attorney's Office**

May 21, 2010

To: Paul King, Assistant County Attorney

From: John A. Long, County Debt Manager



**Subject: Industrial Development Revenue Bond Application
South Florida Fair & Palm Beach County Expo, Inc.**

I have reviewed the application from the South Florida Fair to refund the outstanding bonds to reduce the interest costs over the remaining life of the bonds. The County has an obligation to reimburse the debt service reserve if the Fair draws down the balance to make the current annual debt service payment. The bonds were originally issued on November 1, 2000 and the Fair has not drawn down the debt service reserve and does not anticipate doing so in the future. The terms of the County's commitment will not change and the County does not expect to be called upon in the future to commit funds to the Fair. We recommend that the Board move forward with the TEFRA Hearing and approve the application to refund the outstanding bonds.