

PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS

3A-5

AGENDA ITEM SUMMARY

Meeting Date: December 7, 2010 [X] Consent [] Regular
[] Workshop [] Public Hearing

Department: County Administration
Submitted By: County Administration
Submitted For: Economic Development Office

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to approve: a Memorandum of Understanding (MOU) with the Gulfcoast Business Finance, Inc. establishing a mutual working relationship for the processing of Small Business Administration (SBA) 504 loans.

Summary: The Palm Beach County Office of Economic Development administers various loan programs including the Housing & Urban Development (HUD) Section 108 Loan Program (Program) which provides subordinate financing at rates lower than conventional financing. Frequently, Section 108 loans are used in conjunction with the Federal Small Business Administration (SBA) 504 Loan Program. This MOU will provide additional revenue to the Office of Economic Development to offset Administrative Costs. **There is no local match required.** Countywide (DW)

Background: The Program is funded by the U.S. Department of Housing & Urban Development under the Section 108 Loan Program, and administered by the Palm Beach County Economic Development Office. To date, the HUD Section 108 Loan program has created 545 jobs with a total private investment of \$32.5 million.

Attachments:

- 1. Memorandum of Understanding

Recommended by: Shirley Howard 11-30-10
Economic Development Director Date
Approved by: Sharon G. B. 12/2/10
Assistant County Administrator Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2011	2012	2013	2014	2015
Capital Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Operating Costs	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
External Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Program Income (PBC)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
In-Kind Match (PBC)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
NET FISCAL IMPACT	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
# ADDITIONAL FTE POSITIONS (Cumulative)	_____	_____	_____	_____	_____

**See below*

Is Item Included In Current Budget? Yes _____ No _____

Budget Account No: Fund _____ Agency _____ Org. _____ Object _____

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

**IF approved, EDO will receive one-half of closing fees due on SBA loan closing. The fiscal impact cannot be determined at this time since it depends on the number of loans closed.*

C. Departmental Fiscal Review: *[Signature]*

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Administration Comments:

[Signature] 11/30/2010
 OFMB
11/30/2010
11/24/10
11/27/10

[Signature] 11/30/10
 Contract Development and Control
Edwards 11/30/10

The MOU meets our review requirements at the time of our review it was not executed.

B. Legal Sufficiency:

[Signature] 11/30/10
 Sr. Assistant County Attorney
MOU has not been executed.

C. Other Department Review:

 Department Director

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

MEMORANDUM OF UNDERSTANDING

I. PURPOSE

This purpose of this Memorandum of Understanding (MOU) is to provide a mutual working relationship between Palm Beach County Board of County Commissioners, a political subdivision of the State of Florida and GulfCoast Business Finance, Inc., a non-profit organization (501C-3), (hereinafter described as GulfCoast), whose address is 227 Second Avenue North, St. Petersburg, FL 33701.

II. RECITALS

WHEREAS, the Palm Beach County Office of Economic Development administers various loan programs, including the HUD Section 108 Loan Program which promotes economic development and the provision of employment opportunities for persons of low and moderate income; and

WHEREAS, GulfCoast is a licensed Certified Development Company for the U.S. Small Business Administration in the State of Florida; and is therefore certified to package and process SBA 504 loans to provide for economic development, the growth of jobs and the growth of small businesses; and

WHEREAS, the Programs frequently administered by GulfCoast and the Office of Economic Development (hereinafter described as Organizations) are complementary to each other; the loan packages that each prepares are similar; can leverage each other's funds; would advance the goals of each organization and prove useful to the other; and

WHEREAS, where appropriate, the Organizations will refer loan packages to each other and cooperate in the provision of paper work between the two Organizations.

NOW, THEREFORE, the parties confirm they have reached the following understanding, recognizing that this MOU may be cancelled by either party at any time.

III. RESPONSIBILITIES

1. It is recognized that the Organization that refers a project to the other shall receive a Referral Fee of one half (1/2) of the closing fee due that Organization. Such fee shall be paid only after a loan closes.
2. Each Organization understands and agrees that it is solely responsible for all credit decisions and each Organization shall be responsible for its own closing responsibilities.
3. Each Organization shall be responsible for all of its own expenses.
4. Each Organization recognizes that this Memorandum is not an Exclusive Agreement and Each Party may enter into other Agreements serving the Public Interest.
5. Palm Beach County has established the Office of the Inspector General, pursuant to Ordinance No. 2009-049, as may be amended which is authorized and empowered to review past, present and proposed County contracts, transactions, accounts and records. All contractors and parties doing business with the COUNTY and receiving COUNTY funds shall fully cooperate with the Inspector General. The Inspector General has the power to audit, investigate, monitor, and inspect the activities of the BOARD, its officers, agents, employees, and lobbyists in order to ensure compliance with contract specifications and to detect, waste, corruption and fraud provided however that nothing herein shall be interpreted to set aside or waive the Florida Statutes.

Failure to cooperate with the Inspector General or interfering with or impeding any investigation shall be in violation of Ordinance No. 2009-049, and punishable pursuant to Section 125.69, Florida Statutes, in the same manner as a second degree misdemeanor.

Agreed to this day of ____ of ____ 2010

ATTEST:

SHARON R. BOCK, CLERK &
COMPTROLLER

By: _____
Deputy Clerk

WITNESS:

By: *Linda Anderson*
Signature

LINDA S. ANDERSON
Name (type or print)

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY

By: _____
County Attorney

PALM BEACH COUNTY, FLORIDA,
BY
ITS BOARD OF COUNTY COMMISSIONERS

By: _____
Karen T. Marcus, Chair

GULFCOAST BUSINESS FINANCE, INC.

By: *Ron Reuss*

Name: Ron Reuss
President
Title: President

APPROVED AS TO TERMS
AND CONDITIONS

By: *Sherry Howard*
Director / Office of Economic Development