

AGENDA ITEM SUMMARY

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Meeting Date: February 15, 2011 [x] Consent [ ] Regular  
[ ] Workshop [ ] Public Hearing  
Department: Administration  
Submitted By: Administration  
Submitted For: Economic Development Office

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**I. EXECUTIVE BRIEF**

**Motion and Title:** Staff recommends motion to receive and file: Executed Agreements with Muslet Brothers, Inc., received under the Palm Beach County Section 108 Avenue A Loan Program during FY2009-2010.

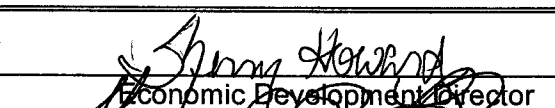
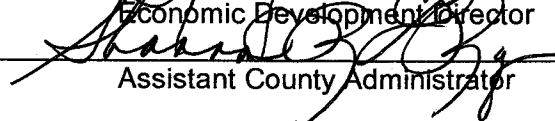
- A) U.S. HUD Section 108 Loan Guarantee Program Variable/Fixed Rate Note in the maximum commitment amount of \$878,000; (B-07-UC-12-0004); and
- B) Section 108 Loan Program Agreement to grant financing in the amount not to exceed \$878,000 dated June 1, 2010; and
- C) Loan Agreement for construction of a new facility on certain property known as 301, 317 and 325 West Avenue A (the "Loan") in the principal amount of \$878,000 dated June 1, 2010; and
- D) Palm Beach County Section 108 Promissory Note in the principal amount of \$878,000 dated June 1, 2010; and
- E) Guaranty Agreement for Palm Beach County to make a loan in the total principal amount of \$878,000 dated June 1, 2010; and
- F) Environmental Indemnity Agreement for certain properties situated at 300, 301, 317 and 325 West Avenue A, Belle Glade, FL 33430 dated June 1, 2010; and
- G) Further Assurances to execute documents and assurances in connection with the closing of a loan in the amount \$878,000 dated June 1, 2010; and
- H) Old Republic National Title Insurance Company Issued Through Attorneys' Title Fund Services, LLC Mortgage Policy; Policy No. MPF-4055164; Effective August 19, 2010 @ 11:00 PM; Agent's File Reference 2009-203; Amount of Insurance: \$878,000; and
- I) Legal Opinion of Counsel, Harris Beach Attorneys At Law, for County issued to the Secretary of U.S. HUD; Note No. B-07-UC-12-0004 in the maximum amount of \$878,000.00 dated June 1, 2010; and
- J) Legal Opinion of Borrower's Counsel, Donia A. Roberts, P.A., to County and Harris Beach PLLC; a \$878,000 HUD Section 108 Loan to Muslet Brothers, Inc. dated June 1, 2010; and
- K) Letter of Commitment from Palm Beach County to Muslet Brothers, Inc. for a Section 108 Loan and Brownfield Economic Development Initiative (BEDI) Grant dated Feb. 1, 2010; and
- L) Letter Request for Advance Payment from Palm Beach County to U.S. HUD in the amount of \$878,000 for Muslet Brothers, Inc. on June 2, 2010; and
- M) State of Florida Uniform Commercial Code Financing Statement Form recorded with the State of Florida September 1, 2010; and
- N) State of Florida Uniform Commercial Code Financing Statement Form recorded with the Palm Beach County Clerk & Comptroller August 19, 2010; and
- O) Mortgage and Security Agreement (With Assignment of Leases and Rents) maximum principal indebtedness not to exceed \$878,000.00 recorded with the Palm Beach County Clerk & Comptroller August 19, 2010.

**Summary:** In accordance with the County PPM CW-O-051, all delegated contracts/agreements/grants must be submitted by the initiating Department as a receive and file agenda item. The attached Contract Agreements have been fully executed on behalf of the Board of County Commissioners (Board) by the County Administrator and his designee, the Assistant County Administrator, in accordance with Resolutions R2007-2307 and R2009-0725, and are now being submitted to the Board to receive and file. **District 6 (DW)**

**Background and Justification:** The resolutions providing authority to execute documents and Agreements (R2007-2307 and R2009-0725) with the U.S. Department of Housing and Urban Development (HUD) and with approved borrowers and/or grantees that meet the criteria of the Palm Beach County Section 108 Loan Program and Brownfield Economic Development Initiative (BEDI) Grant Program were authorized by the Board to expedite the use of Federal funds. **(Continued on page 3)**

**Attachments:** Agreements  
Documents/Letters

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Recommended By:  2-3-2011  
Economic Development Director Date  
Approved By:  2-8-11  
Assistant County Administrator Date

**II. FISCAL IMPACT ANALYSIS**

**A. Five Year Summary of Fiscal Impact:**

Fiscal Years	2011	2012	2013	2014	2015
Capital Expenditures					
Operating Cost	<u>878,000</u>				
External Revenues	<u>&lt;878,000&gt;</u>				
Program Income (PBC)					
In-Kind Match (PBC)					
<b>NET FISCAL IMPACT</b>	<u>0</u>				
# ADDITIONAL FTE POSITIONS					
(Cumulative)	<u>0</u>				

Is Item Included In Current Budget? Yes  No

Fund 1539 Department 764 Unit 2001 Object 8201  
 Fund 1540 Department 764 Unit 2000/A007 Object VARIOUS

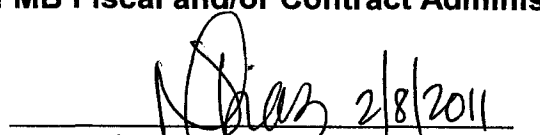
**B. Recommended Sources of Funds/Summary of Fiscal Impact:**

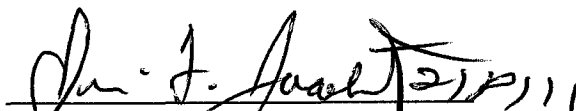
**C. Departmental Fiscal Review:**

  
 Economic Development


**III. REVIEW COMMENTS**

**A. OFMB Fiscal and/or Contract Administration Comments:**

  
 ACJ 2/17/2011  
 OFMB 5/2/11  
 2/2/11

  
 Contract Administration  
 Jones 2/8/11

**B. Legal Sufficiency:**

  
 Assistant County Attorney

**C. Other Department Review:**

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 Department Director

(Continued from page 1)

The Board authorized the County Administrator or his designee to execute all HUD Section 108 Loans and BEDI Grant Agreements. The Section 108 Loans provide a dedicated, national source of low interest loans for use by businesses, investors, communities and not for profit economic organizations to implement business ventures which revitalize local poverty communities and provide job opportunities for low- and moderate-income. The BEDI grants provide the necessary funds to leverage the Section 108 Loans in designated revitalization areas. HUD approved three (3) loan pools; the Palm Beach County Section 108 Loan Program (Countywide), Avenue "A" Revitalization Project (Belle Glade) and the Downtown Pahokee Revitalization Project administered by the Economic Development Office.

The Agreements attached have been executed on behalf of the Board by the County Administrator or his designee in accordance with the authority delegated by the Board, which are now being submitted to the Board to receive and file.