

**PALM BEACH COUNTY  
BOARD OF COUNTY COMMISSIONERS**

**AGENDA ITEM SUMMARY**

Meeting Date: March 1, 2011

Consent  
 Workshop

Regular  
 Public Hearing

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

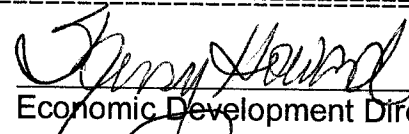
**I. EXECUTIVE BRIEF**

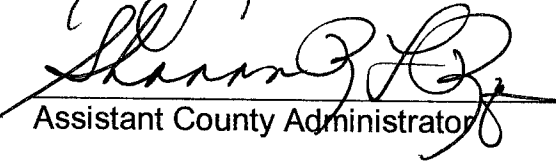
**Motion and Title: Staff recommends motion to adopt:** a Resolution by the Board of County Commissioners of Palm Beach County, Florida, authorizing the Economic Development Office to submit a Section 108 Loan Fund Application for \$10,000,000 to the United States Department of Housing and Urban Development (HUD); authorizing acceptance of the funds awarded in order to assist established businesses in Palm Beach County; authorizing the County Administrator or his designee to execute the Loan Application documents in order to implement the Palm Beach County Section 108 Loan Program and issue debt obligations pursuant thereto.

**Summary:** This Application will increase the allocation of federal funds from HUD by \$10,000,000, enable Palm Beach County to continue offering funding to businesses as a way of creating economic vitality and new jobs in the County area and ensure the continuity of the Program. The current loan fund balance of \$5,365,000 is expected to be disbursed in less than one year to eligible business projects currently being considered for approval and are under revision. The Palm Beach County Section 108 Program was developed to create a source of loan funding for use by businesses, investors, community and non-profit organizations, and economic development organizations to implement business ventures that will create new jobs and help revitalize communities. To date, 586 jobs have been created with a total investment of \$38,392,388. **No County funds will be pledged to complete any project funded by a Section 108 loan. These are Federal funds that do not require local match.** Countywide (DW)

**Background and Justification:** On January 30, 2009, HUD submitted a Letter of Approval for a \$13,340,000 loan fund, for a period of five (5) years, which is to expire on September 30, 2014. Section 108 Loan Program: On March 12, 2002 (Agenda Item # 6D-1), the Board of County Commissioners (BCC) approved policies for the development and administration of a revolving loan program funded by HUD under the CDBG Section 108 Loan Guarantee Program. On June 18, 2002 (Documents R2002-0989 and R2002-0990), the BCC approved the first amendment to the Palm Beach County Five-Year Consolidated Plan to incorporate the Section 108 Loan Guarantee Program and the application for 108 funds for \$15,000,000. HUD approved the County's application for funding on September 26, 2002.

**Attachments:**  
Resolution  
Section 108 Loan Program Report

Recommended By:  2-24-2011  
Economic Development Director Date

Approved By:  2-28-2011  
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 Costs	_____	_____	_____	_____	_____
External Revenue	_____	_____	_____	_____	_____
Program Income (PBC)	_____	_____	_____	_____	_____
In-Kind Match (PBC)	_____	_____	_____	_____	_____
<b>NET FISCAL IMPACT</b>	<i>* See below</i>	_____	_____	_____	_____
<b># ADDITIONAL FTE POSITIONS</b>	_____	_____	_____	_____	_____
<b>(Cumulative)</b>	_____	_____	_____	_____	_____

Is Item Included In Current Budget? Yes \_\_\_\_\_ No \_\_\_\_\_

**Budget Account Number:**

Fund \_\_\_\_\_ Department \_\_\_\_\_ Unit \_\_\_\_\_ Object \_\_\_\_\_

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

\* Sources of funds are U.S. Housing and Urban Development funds. The budget will be amended to recognize the additional \$10,000,000 in Section 108 Loan funds when the approval letter is received and filed.

**C. Departmental Fiscal Review:** *[Signature]*

**III. REVIEW COMMENTS**

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

*[Signature]*  
 OFMB *2/25/11*  
*2/25/11*

*[Signature]* *2/25/11*  
 Contract Dev. and Control

**B. Legal Sufficiency:**

*[Signature]* *2/28/11*  
 Assistant County Attorney

**C. Other Department Review:**

\_\_\_\_\_  
 Department Director

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

## RESOLUTION NO. \_\_\_\_\_

**RESOLUTION BY THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, AUTHORIZING THE ECONOMIC DEVELOPMENT OFFICE TO SUBMIT A SECTION 108 LOAN FUND APPLICATION FOR \$10,000,000 TO THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD); AUTHORIZING ACCEPTANCE OF THE FUNDS AWARDED IN ORDER TO ASSIST ESTABLISHED BUSINESSES IN PALM BEACH COUNTY; AUTHORIZING THE COUNTY ADMINISTRATOR OR HIS DESIGNEE TO EXECUTE THE LOAN APPLICATION DOCUMENTS IN ORDER TO IMPLEMENT THE PALM BEACH COUNTY SECTION 108 LOAN PROGRAM AND ISSUE DEBT OBLIGATIONS PURSUANT THERETO.**

**WHEREAS**, the Board of County Commissioners of Palm Beach County, Florida believes that it is appropriate to utilize all available resources to facilitate economic growth in Palm Beach County and desires to obtain financial assistance from the United States Department of Housing and Urban Development (HUD), under Section 108 of the Housing and Community Development Act of 1974, as amended, for the purpose of providing gap financial assistance to established businesses in Palm Beach County, through the County's Section 108 Loan Program; and

**WHEREAS**, Revolving Loan Fund programs authorized under Title I of the Housing and Community Development Act of 1974, as amended, and as provided in the regulations thereunder, 24 CFR 570 (the CDBG Regulations), including the Section 108 Loan Guarantee Program provided under Subpart M, 24 CFR 570.700 – 570.710 of the CDBG Regulations, have as their primary objective the development of viable urban communities by, among other things, providing expanded economic opportunities for persons of low and moderate income; and

**WHEREAS**, HUD is authorized, pursuant to the Section 108 Program and the CDBG Regulations to guarantee loans to the County for the provision of assistance, where necessary and appropriate, to carry out economic development projects which meet the national objectives of eliminating slums or blight, or providing job opportunities to persons of low and moderate income, or providing for an urgent need as defined by HUD; and

**WHEREAS**, in Section 290.0411, Florida Statutes, the Florida Legislature declared that providing expanded economic opportunities for persons of low to moderate income is a State objective and that those community development activities which expand economic opportunities by providing direct benefit to persons of low and moderate income are public purposes for which public money may be borrowed, expended, loaned, and granted; and

**WHEREAS**, in Section 125.045, Florida Statutes, the Florida Legislature declared that the use of public funds towards the achievement of enhancing and

expanding economic activity in the counties of the State by attracting and retaining business enterprises conducive to economic promotion, enhancing and preserving purchasing power and employment opportunities for State residents, and improving the welfare and competitive position of the State constitutes a public purpose; and

**WHEREAS,** the Palm Beach Board of County Commissioners has determined that the use of public funds to assist in implementing the Palm Beach County Section 108 Loan Program constitutes a public purpose as described in Section 290.0411 and Section 125.045 of the Florida Statutes.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, that:**

**Section I.** The forgoing recitals are true and correct and are expressly incorporated herein by reference and made a part hereof.

**Section II.** The Economic Development Office is authorized to submit to the United States Department of Housing and Urban Development (HUD) a Section 108 Loan Application for \$10,000,000 to continue lending under the established Palm Beach County Section 108 Loan Program.

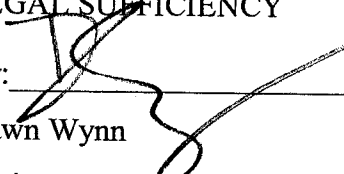
**Section III.** The County Administrator or his Designee is authorized to execute all documents related to this Section 108 loan application in order to implement the Palm Beach County Section 108 Loan Program and issue debt obligations pursuant hereto and to provide additional information as may be required.

The foregoing resolution was offered by Commissioner \_\_\_\_\_, who moved its adoption. The motion was seconded by Commissioner \_\_\_\_\_, and being put to a vote, the vote was as follows:

- COMMISSIONER KAREN T. MARCUS, CHAIR \_\_\_\_\_
- COMMISSIONER SHELLEY VANA, VICE CHAIR \_\_\_\_\_
- COMMISSIONER PAULETTE BURDICK \_\_\_\_\_
- COMMISSIONER STEVEN L. ABRAMS \_\_\_\_\_
- COMMISSIONER BURT AARONSON \_\_\_\_\_
- COMMISSIONER JESS R. SANTAMARIA \_\_\_\_\_
- COMMISSIONER PRISCILLA A. TAYLOR \_\_\_\_\_

The Chair thereupon declared the Resolution duly passed and adopted this 1<sup>st</sup> day of March, 2011.

APPROVED AS TO FORM AND LEGAL SUFFICIENCY

By:   
Dawn Wynn  
Assistant County Attorney

PALM BEACH COUNTY, FLORIDA BY ITS BOARD OF COUNTY COMMISSIONERS

ATTEST:  
SHARON R. BOCK,  
CLERK & COMPTROLLER

By: \_\_\_\_\_  
Deputy Clerk

County of Palm Beach, Florida  
Economic Development Office  
**Activity Report for Section 108 and BEDI Grant Programs**  
Reporting Period: Fiscal Years 2009 through 2011  
Prepared by: Claudia Lopez, Economic Development Specialist

02/16/11

**SUMMARY OF LOAN AND GRANT POOLS**

	Starting Balance	Amount Disbursed	Current Balance	Total Amount Approved	Total Disbursed & Approved	% Fund Pool Used	Projected Balance	Jobs Contracted	Total Investment
<b>Loan Pools</b>									
Sec. 108 Program	13,340,000.00	7,975,000.00	5,365,000.00	1,412,000.00	9,387,000.00	70.37%	3,953,000.00	515	35,025,675.25
Avenue A Revitalization	2,600,000.00	1,166,000.00	1,434,000.00	21,000.00	1,187,000.00	45.65%	1,413,000.00	64	3,063,310.00
Pahokee Revitalization	2,824,000.00	152,000.00	2,672,000.00	0.00	152,000.00	5.98%	2,672,000.00	7	303,403.00
<b>TOTAL</b>	<b>\$18,764,000.00</b>	<b>\$9,293,000.00</b>	<b>\$9,471,000.00</b>	<b>\$1,433,000.00</b>	<b>\$10,726,000.00</b>	<b>57.16%</b>	<b>\$8,038,000.00</b>	<b>586</b>	<b>\$38,392,388.25</b>
<b>Grant Pools</b>									
Avenue A Revitalization	1,200,000.00	582,481.00	617,519.00	10,181.00	592,662.00	49.39%	607,338.00	Included	Included
Pahokee Revitalization	1,058,971.00	75,701.60	983,269.40	0.00	75,701.60	7.15%	983,269.40	Included	Included
<b>TOTAL</b>	<b>\$2,258,971.00</b>	<b>\$658,182.60</b>	<b>\$1,600,788.40</b>	<b>\$10,181.00</b>	<b>\$668,363.60</b>	<b>29.59%</b>	<b>\$1,590,607.40</b>		
<b>TOTAL</b>	<b>\$21,022,971.00</b>	<b>\$9,951,182.60</b>	<b>\$11,071,788.40</b>	<b>\$1,443,181.00</b>	<b>\$11,394,363.60</b>	<b>54.20%</b>	<b>\$9,628,607.40</b>	<b>586</b>	<b>\$38,392,388.25</b>

County of Palm Beach, Florida  
Economic Development Office

02/16/11

Activity Report for Section 108 and BEDI Grant Programs  
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<b>A) General Loan Pool</b>	
Starting Balance	13,340,000.00
Loans Disbursed	7,975,000.00
Loans Approved	1,412,000.00
Ending Balance	3,953,000.00
Jobs Contracted	515
Principal Collected	164,000.02

LOANS DISBURSED

Borrower	Original Loan	Principal Collected	Outstanding Balance	Interest Total	Jobs Contracted	Total Investment	Closing Date (Fiscal Year)
The Baron Group	1,000,000.00	150,000.02	849,999.98	150,000.02	33	2,511,482.00	7/9/09 (FY 09)
Kiddie Haven Prescho	57,000.00	3,500.00	53,500.00	3,500.00	6	581,332.00	5/12/10 (FY 10)
Concrete Services	250,000.00	10,500.00	239,500.00	1,531.86	12	839,600.00	6/24/10 (FY 10)
Oxygen Development	5,948,000.00	0.00	5,948,000.00	22,383.36	400	23,279,387.00	10/6/10 (FY 11)
Donia Roberts, PA	265,000.00	0.00	265,000.00	353.28	8	660,642.00	10/23/10 (FY 11)
Ameliascapes	198,000.00				6	537,987.00	02/10/11 (FY 11)
F&T of Belle Glade	257,000.00				8	691,837.25	02/16/11 (FY 11)
<b>TOTAL</b>	<b>7,975,000.00</b>	<b>164,000.02</b>	<b>7,355,999.98</b>	<b>177,768.53</b>	<b>473</b>	<b>29,102,267.25</b>	

LOANS APPROVED BY LRC/CADM/BCC

Applicant	Amount Approved	Jobs Contracted	Total Investment
Glades Plaza Enterp.	1,412,000.00	42	5,923,408.00
<b>TOTAL</b>	<b>1,412,000.00</b>	<b>42</b>	<b>5,923,408.00</b>

County of Palm Beach, Florida  
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**Activity Report for Section 108 and BEDI Grant Programs**  
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**B) Avenue A Revitalization Loan Pool**  
 Starting Balance 2,600,000.00  
 Loans Disbursed 1,166,000.00  
 Loans Approved 21,000.00  
 Ending Balance 1,413,000.00  
 Jobs Contracted 64  
 Principal Collected 45,016.72

**C) Avenue A Revitalization Grant Pool**  
 Starting Balance 1,200,000.00  
 Grants Disbursed 582,481.00  
 Grants Approved 10,181.00  
 Ending Balance 607,338.00

**LOANS DISBURSED**

Borrower	Original Loan	Principal Collected	Outstanding Balance	Interest Total	Grant Disbursed	Jobs Contract'd	Total Investment	Closing Date (Fiscal Year)
Glades Gas & EC	199,000.00	23,750.00	175,097.43	23,750.00	99,258.00	9	596,290.00	2/11/09 (FY09)
Glades Home Health	89,000.00	5,933.36	83,066.64	861.24	44,337.00	14	221,686.00	3/3/10 (FY10)
Musiet Brothers	878,000.00	15,333.36	862,666.64	7,575.93	438,886.00	38	2,194,430.00	6/1/10 (FY10)
<b>TOTAL</b>	<b>1,166,000.00</b>	<b>45,016.72</b>	<b>1,120,830.71</b>	<b>32,207.17</b>	<b>582,481.00</b>	<b>61</b>	<b>3,012,406.00</b>	

**LOANS & GRANTS APPROVED BY LRC/CADM/BCC**

Applicant	Loans Approved	Grants Approved	Jobs Contracted	Total Investment
Building 172 Ave. A	21,000.00	10,181.00	3	50,904.00
<b>TOTAL</b>	<b>21,000.00</b>	<b>10,181.00</b>	<b>3</b>	<b>50,904.00</b>

County of Palm Beach, Florida  
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**Activity Report for Section 108 and BEDI Grant Programs**  
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02/16/11

**D) Pahokee Downtown Revitalization Loan Pool**  
 Starting Balance 2,824,000.00  
 Loans Disbursed 152,000.00  
 Loans Approved 0.00  
 Ending Balance 2,672,000.00  
 Jobs Contracted 7  
 Principal Collected 1,333.32

**E) Pahokee Downtown Grant Pool**  
 Starting Balance 1,058,971.00  
 Grants Disbursed 75,701.60  
 Grants Approved 0.00  
 Ending Balance 983,269.40

**LOANS DISBURSED**

Borrower	Original Loan	Principal Collected	Outstanding Balance	Interest Total	Grant Disbursed	Jobs Contracted	Total Investment	Closing Date (Fiscal Year)
Circle S Pharmacy	152,000.00	1,333.32	150,666.68	805.85	75,701.60	7.00	303,403.00	8/13/10 (FY10)
<b>TOTAL</b>	152,000.00	1,333.32	150,666.68	805.85	75,701.60	7.00	303,403.00	

**LOANS & GRANTS APPROVED BY LRC/CADM/BCC**

Applicant	Loans Approved	Grants Approved	Jobs Contracted	Total Investment
<b>TOTAL</b>	0.00	0.00	0	0.00



