

Back up is voluminous and may be reviewed in the Office of the County Attorney.

Agenda Item #: 4B

PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS
AGENDA ITEM SUMMARY

Meeting Date: April 5, 2011

Consent Regular
 Public Hearing

Department

Submitted By: COUNTY ATTORNEY

Submitted For:

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to (a) approve the application of Jupiter Christian School, Inc. of Jupiter Florida for the issuance of Industrial Development Revenue Bonds in an amount not to exceed \$11,600,000 (Jupiter Christian School Project), Series 2011 (the "Bonds"); and (b) conduct a TEFRA public hearing concerning the issuance of the Bonds.

Summary: Jupiter Christian School, Inc. of Jupiter, Florida, at 700 South Delaware Boulevard, Jupiter, Florida and 707 Commerce Way East, Jupiter, Florida (the "Company") has applied for the issuance of industrial development revenue bonds by the County in an amount not to exceed \$11,600,000. The Bond proceeds will be used to refinance conventional debt incurred by the Company to acquire and construct school buildings in order to achieve a reduction in debt service and to finance capital expenditures of the Company. The Bonds will be payable from revenues derived from the Company. **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 1 (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 approve its application for the issuance of the Bonds. The Company will request final approval for the issuance of the bonds at a later date.

Attachments:

1. The Application of the Company is available for review in the Office of the County Attorney.
2. Memo from Office of Financial Management & Budget
3. Memo from Economic Development Office

Recommended by: _____

County Attorney

Date

3/24/11

Approved by: _____

N/A

Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2011	2012	2013	2014	2015
Capital Expenditures	_____	_____	_____	_____	_____
Operating Costs	_____	_____	_____	_____	_____
External Revenues	<u>(\$10,000)</u>	_____	_____	_____	_____
Program Income (County)	_____	_____	_____	_____	_____
In-Kind Match (County)	_____	_____	_____	_____	_____
NET FISCAL IMPACT	<u>(\$10,000)</u>	_____	_____	_____	_____
# ADDITIONAL FTE	_____	_____	_____	_____	_____
POSITIONS (Cumulative)	_____	_____	_____	_____	_____

Is Item Included in Current Budget? Yes _____ No X _____

Budget Account No.: Fund _____ Department _____ Unit _____ Object _____

Reporting Category _____

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

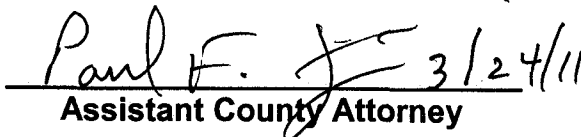
C. Departmental Fiscal Review: All costs to be borne by Applicant. No fiscal impact cost to Palm Beach County. Palm Beach County will receive \$10,000 in industrial development revenue bond fees as well as legal fees for services rendered in reviewing this project.

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Development and Control Comments:

 3/28/11
 OFMB
 SN
 3/28/11
 3/28/11
 Contract Development and Control

B. Legal Sufficiency:

 3/24/11
 Assistant County Attorney

C. Other Department Review:

 Department Director

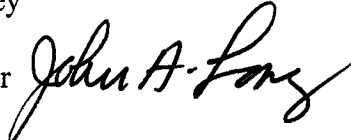
THIS SUMMARY IS NOT TO BE USED AS A BASIS FOR PAYMENT.

**IDB Application is voluminous
and may be reviewed
in the Minutes Department or
the County Attorney's Office**

March 24, 2011

To: Paul King, Assistant County Attorney

From: John A. Long, County Debt Manager

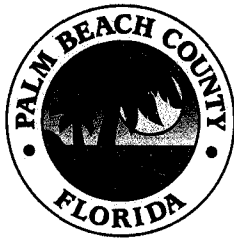


**SUBJECT: Industrial Development Revenue Bond Application
Jupiter Christian School, Inc.**

We are recommending that the Board adopt a resolution expressing the County's preliminary approval and authorization for the issuance of not to exceed \$11.6 Million Industrial Development Revenue Bonds, Series 2011. The financing will refinance debt incurred by the School to finance construction of and improvements to the School facilities and a portion of the debt will be available to finance capital expenditures to be incurred in the future. The financing will take the form of a private placement with SunTrust Bank. Since the bonds will be purchased by SunTrust Bank and are not being sold in the open market, we recommend approval of the application for the issuance of the bonds. It is our understanding that any future purchaser of the bonds will be a sophisticated investor and clearly understands the security of the Bonds.

The bonds shall be payable solely from the revenues of the project and neither the taxing power nor the faith and credit of the County nor any County funds shall be pledged to pay the principal of, redemption premium, if any, and interest on the bonds.

INTEROFFICE MEMORANDUM



TO: Paul King
Assistant County Attorney

FROM: Sherry Howard *Sherry Howard*
Director, Economic Development

DATE: March 24, 2011

RE: Industrial Revenue Bond Application
Of Jupiter Christian School, Inc.

Economic Development Office
P.O. Box 1989
West Palm Beach, FL 33402-1989
(561) 355-3624
FAX: (561) 355-6017
www.pbcgov.com/edo

The Palm Beach County Economic Development Office (EDO) has reviewed the Industrial Revenue Bond Application submitted by Jupiter Christian School, Inc. for refinancing of an existing construction loan and future capital expenditures.

The Application requests Palm Beach County to issue up to \$11,600,000 in Industrial Revenue Bonds for the refinancing of their existing \$10,600,000 construction loan which is due in May 2011, and for \$1,000,000 of future capital expenditures to improve the Jupiter Christian School.

The Application states that 70 jobs will be retained when the loan is refinanced. EDO conducted a Regional Economic Models Inc. (REMI) analysis showing the following economic impact for the project which reflects direct, indirect and induced jobs.

Change to Date	Year 2020 \$10.6 million loan refinance
Employment	1
Economic Impact	\$0
Taxes	\$0

REMI results indicate there is no economic impact or impact on taxes; however Jupiter Christian School is a non-profit. Results also indicate that one (1) job would be created under the assumption that additional capital expenditures would be spent on equipment. Based on the review of the Application, retained jobs, additional capital expenditures and the County's limited obligation, the Economic Development Office supports the Jupiter Christian School, Inc. Industrial Revenue Bond Application.

cc: Shannon LaRocque-Baas, Assistant County Administrator

Palm Beach County
Board of County
Commissioners

- Karen T. Marcus, Chair
- Shelley Vana, Vice Chair
- Paulette Burdick
- Steven L. Abrams
- Burt Aaronson
- Jess R. Santamaria
- Priscilla A. Taylor

County Administrator

Robert Weisman

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Affirmative Action Employer"