Agenda Item: 3F7

Date

## PALM BEACH COUNTY BOARD OF COUNTY COMMISSIONERS

## AGENDA ITEM SUMMARY

Meeting Date: July 16, 2013	[x] [ ]	Consent Workshop	
Department:		Hornonop	[ ] . abite meaning
Submitted By: Department of Airports			
Submitted For:			
	CUTIVE BRIE	F	
Motion and Title: Staff recommends mo	otion to:		
A. Approve the form of an Irrevocable St issued by TD Bank, N.A., for the purpoinc. (Galaxy Aviation), completes constease Agreement (Lease) dated Octob	se of guarant struction of in	teeing Galaxy nprovements	Aviation of Palm Beach, required pursuant to the
B. Authorize the County Administrator of Airports, to execute the Letter of Cre Reduce Amount of Letter of Credit (Exh	edit, Draw Re	equest (Exhib	it "A"), and Direction to
Summary: Galaxy Aviation provides fix aircraft at the Palm Beach International Aviation's principal place of business is constructing new aircraft hangars on PBIA construction of the improvements is completter of Credit in the attached form. Exhi to draw on the Letter of Credit in the exconstruction project. Exhibit "B" provides the percentage of completion of the work requirements of the Lease. Staff is requested that Galaxy Aviation will be requesting a Credit as the work progresses. Countyw	Airport (PB in Palm Beat A and is required. Galate bit "A" to the vent of a derect for the reduit. The Lette esting delegation on the property of the property	IA), pursuant ach County. aired to provid axy Aviation is Letter of Credit to ensure ction of the Let authority	to the Lease. Galaxy Galaxy Aviation will be le security to ensure the proposing to provide a dit authorizes the County e the completion of the etter of Credit based on in conformance with the because it is anticipated
Background and Justification: The Leather security provided to the County to Aviation will be required to provide evider of Credit, including a copy of Application a certification from the inspecting engineer a Credit is in addition to the construction be contractor.	ensure the nce to suppor and Certificati as to the perc	completion of treductions in ion for Payme centage of wor	f improvements. Galax n the amount of the Lette nt Form, AIA G702, and rk complete. The Letter of
Attachments:  1. Letter of Credit			
Recommended By:Departme	elly nt Director		<i>ြ/</i> ೭५/।3 Date
Approved By:			7(9/17

County Administrator

## II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fisca	al Impact:				
Fiscal Years	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Capital Expenditures Operating Costs Operating Revenues Program Income (County) In-Kind Match (County) Operating Costs					
NET FISCAL IMPACT # ADDITIONAL FTE POSITIONS (Cumulative)					
Is Item Included in Current Bud Budget Account No: Fund	lget? Y De Reporting	res No partment Category _	_X Unit	_ RSource	
B. Recommended Sources of No fiscal impact.	Funds/Sur	mmary of Fisc	cal Impact:		
C. Departmental Fiscal Review	/: <u>(</u> ~	M Simm			
	III. REVIE	W COMMENT	<u>rs</u>		
A. OFMB Fiscal and/or Contra	ct Develop	oment and Co	ntrol Comme	nts:	
OFMB and	21/2013		Contract	Dev. and Con	ntrol 15113
B. Legal Sufficiency:  Assistant County Attorney	3_				
C. Other Department Review:					
<b>&gt; &gt;</b>					
Department Director	_				

REVISED 9/03 ADM FORM 01 (THIS SUMMARY IS NOT TO BE USED AS A BASIS FOR PAYMENT) June 20, 2013

IRREVOCABLE STANDBY LETTER OF CREDIT NO. DRAFT EXPIRATION DATE: December 20, 2014

Palm Beach County Board of County Commissioners c/o Palm Beach County Department of Airports 846 Palm Beach International Airport West Palm Beach, Florida 33406

Re: Galaxy Aviation of Palm Beach, Inc.

Ladies & Gentlemen:

We hereby issue our Irrevocable Standby Letter of Credit No. DRAFT, in favor of Palm Beach County Board of County Commissioners, hereinafter referred to as "Beneficiary", at the request of Galaxy Aviation of Palm Beach, Inc., hereinafter referred to as "Applicant", in an amount not to exceed in the aggregate Six Million Seven Hundred Ninety-Eight Thousand Four Hundred Fifty-Five and 00/100 (\$6,798,455.00) U.S. Dollars.

Funds are available by your draft on us at sight, duly endorsed on the reverse side thereof bearing the clause. "Drawn under TD Bank, N. A. Letter of Credit No. DRAFT dated June 20, 2013" and accompanied by the following documents:

- 1. This original Letter of Credit and any amendments thereto.
- 2. A statement signed by a purported officer/representative of Beneficiary in the form of Exhibit "A" attached hereto.

The amount available to be drawn under this Letter of Credit shall automatically reduce upon receipt by TD Bank, N.A. of a letter in the form of <u>Exhibit "B"</u> attached hereto.

This Letter of Credit sets forth in full the terms of our undertaking and such undertaking shall not in any way be modified, amended or amplified by reference to any document, instrument or contract referred to herein or in which this Letter of Credit is referred to or to which this Letter of Credit relates; and any such reference shall not be deemed to incorporate herein by reference any document, instrument or contract.

We hereby agree that draft(s) drawn under and in compliance with the terms of this Letter of Credit will be duly honored upon presentation and delivery of documents as specified above, if presented at our office located at 6000 Atrium Way, Mt. Laurel, NJ 08054 before the expiration date noted above.

Partial and multiple drawings are permitted.

Except so far as otherwise expressly stated herein, this Letter of Credit is subject to the "Uniform Customs and Practice for Documentary Credits (2007 Revision) International Chamber of Commerce, Publication No. 600." and as to matters not governed by the UCP, shall be governed by and construed in accordance with the Laws of the State of Florida. The venue for the terms of the Letter of Credit shall be in Palm Beach County, Florida, per County policy.

Very truly yours,

TD BANK, N. A.

## Exhibit A

to TD Bank, N.A. Irrevocable Standby Letter of Credit No.

Draw Request

TD Bank, N.A. 6000 Atrium Way Mt. Laurel, NJ 08054 Attention: Diane Ruch, Vice President, Global Trade Finance

The undersigned individual,	a duly authorized offic	er of Palm Beach	County Division of	Airports
(the "Beneficiary"), hereby Certifies	on behalf of the Bene	eficiary as follows v	with respect to tha	t certain
Irrevocable Standby Letter of Credit N	lo, dated	, 2	2013 (the "Letter of	Credit"),
issued by TD Bank, N.A., in favor of t	he Beneficiary:			

- 1. The Letter of Credit was issued for the purpose of guaranteeing the obligation of Galaxy Aviation of Palm Beach, Inc. ("Galaxy") to complete the construction of a concrete tilt wall hangar/office complex to comprise approximately 65,000 square feet of hangar and approximately 9,000 square feet of office space and accessory rooms, to be constructed on approximately 7.5 acres of land, known as parcel S-5, of the real property leased by Beneficiary to Galaxy (the "Project").
- 2. The Beneficiary is entitled to make this drawing in the amount of \$\_\_\_\_\_ under the Letter of Credit.
- 3. The amount of this drawing is equal to the amount determined by the Beneficiary to be reasonably necessary for the completion of the Project.
- 4. The Beneficiary either (a) has not submitted a claim against the Payment and Performance Bond provided to the Beneficiary by the General Contractor for the Project (the "Bond"), or (b) if it has submitted a claim against the Bond, either (i) the claim was denied or disputed or (ii) the Beneficiary reasonably believes that the entity providing the Bond is not financially capable of meeting its obligations thereunder. Further, by submitting this draw request, the Beneficiary agrees not to submit a future claim against the Bond except to the extent that the total amount drawn by the Beneficiary under the Letter of Credit is insufficient to complete the Project in accordance with the project plans and specifications previously approved by Beneficiary.

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5	. Pay						drawing				
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				eof, this	s Certificate	e has be	en execute	d this		day of	
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					Palm B	Beach Cour	nty Division of	f Airports	5		
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Exhibit B
to TD Bank, N.A. Irrevocable Standby Letter of Credit No
Direction to Reduce Amount of Letter of Credit
TD Bank, N.A. 6000 Atrium Way Mt. Laurel, NJ 08054 Attention: Diane Ruch, Vice President, Global Trade Finance
The undersigned individual, a duly authorized officer of Palm Beach County Division of Airports (the "Beneficiary"), hereby directs on behalf of the Beneficiary that the amount available to be drawn under that certain Irrevocable Standby Letter of Credit No, dated, 2013 (the "Letter of Credit"), issued by TD Bank, N.A., in favor of the Beneficiary, be reduced to \$
The undersigned further acknowledges that such reduction shall automatically take effect immediately upon receipt of this request by TD Bank, N.A.
In Witness Whereof, this direction has been executed this day of
Palm Beach County Division of Airports
By [Title of Authorized Officer]