Agenda Item #:

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### PALM BEACH COUNTY BOARD OF COUNTY COMMISSIONERS

#### AGENDA ITEM SUMMARY

Meeting Date:	March 11, 2014	[ ] Consent [ ] Ordinance	[X] Regular [ ] Public Hearing	
Department:	Department of Economic Sustainability			

# I. EXECUTIVE BRIEF

**Motion and Title: Staff recommends motion to adopt:** a Resolution authorizing the Department of Economic Sustainability (DES) to submit an Intermediary Relending Program (IRP) Application for up to \$1,000,000 to the United States Department of Agriculture (USDA) Rural Development; authorizing acceptance of the funds awarded; and authorizing the County Administrator or his designee to execute the Loan Application and all other documents necessary for implementation of the IRP.

**Summary:** Staff is recommending that the County submit an application to USDA, which if approved, will increase the County's original \$400,000 allocation under the IRP by \$1,000,000. The IRP provides gap financing to businesses located in the County's western communities to alleviate poverty and increase economic activity and employment. These loan funds will be leveraged with other public and private loans, and the borrower will pledge security as collateral. To date, approximately \$376,770 in loans have been committed from the County's original IRP allocation which include two (2) businesses located in Belle Glade, one (1) in Pahokee and one (1) in Loxahatchee. These businesses are projected to generate 21 jobs and have a five (5) year Economic Sustainability Impact of \$5,212,000. The funding being applied for is projected to create 53 jobs and have a five (5) year Economic Sustainability Impact of \$14,316,000. IRP funds are Federal funds which require no local match. (Strategic Planning Section) District 6 (DW)

**Background and Justification:** On June 21, 2011, the Board of County Commissioners approved (R2011-0947) the establishment of a revolving loan program funded through USDA's IRP. On July 24, 2012, USDA approved the County's initial allocation of \$400,000 which is administered by DES. The IRP provides loans to businesses located in the rural areas of the County. Over ninety percent (90%) of the loan funds have now been committed to projects, and demand for additional loans remains strong. According to USDA regulations, subsequent IRP loan requests cannot exceed \$1,000,000.

#### Attachments:

1. Resolution

Recommended	By: Ohm Agend	2-11-14
	Department Director	Date '
Approved By: _	Shann Rober	2-18-14
	Assistant County Administrator	Date

# II. FISCAL IMPACT ANALYSIS

# A. Five Year Summary of Fiscal Impact:

Fiscal Years	2014	2015	2016	2017	2018		
Capital Expenditures							
Operating Costs							
External Revenues							
Program Income							
In-Kind Match (County)							
NET FISCAL IMPACT	×						
	1	1	1				
# ADDITIONAL FTE POSITIONS (Cumulative)			-				
Is Item Included In Current Budget? Yes No Budget Account No.:							
Fund Dept U	Dept Unit Object Program Code/Period						
B. Recommended Sources of Funds/Summary of Fiscal Impact:							
$\not\prec$ Source of funding will be USDA Intermediary Relending Program funds. The budget will be amended to recognize the funds should the grant be awarded.							
C. Departmental Fiscal Review: Shairette Major, Fiscal Manager I							

# III. REVIEW COMMENTS

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

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B. Legal Sufficiency:

enior Assistant County

C. Other Department Review:

Department Director

#### RESOLUTION NO. R2014 -

A RESOLUTION AUTHORIZING THE DEPARTMENT OF ECONOMIC SUSTAINABILITY (DES) TO SUBMIT AN INTERMEDIARY RELENDING PROGRAM (IRP) APPLICATION FOR UP TO \$1,000,000 TO THE UNITED STATES DEPARTMENT OF AGRICULTURE (USDA) RURAL DEVELOPMENT; AUTHORIZING ACCEPTANCE OF THE FUNDS AWARDED; AND AUTHORIZING THE COUNTY ADMINISTRATOR OR HIS DESIGNEE TO EXECUTE THE LOAN APPLICATION AND ALL OTHER DOCUMENTS NECESSARY FOR IMPLEMENTATION OF THE IRP.

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 USDA Rural Development under the IRP for the purpose of providing financing to businesses located in the rural areas of Palm Beach County; and

WHEREAS, the purpose of the IRP is to alleviate poverty and increase economic activity and employment in rural communities, especially disadvantaged and remote communities, through financing targeted primarily towards smaller and emerging businesses, in partnership with other public and private resources, and in accordance with State and regional strategy based on identified community needs; and

**WHEREAS**, under this program, Palm Beach County must follow USDA Rural Development regulations, the loan agreement, the approved work plan, security interests and any other conditions required by the USDA, including protecting the financial interest of the USDA and maintaining the revolving loan fund; and

WHEREAS, in Section 290.045, 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 Board of County Commissioners of Palm Beach County, Florida believes that it is appropriate to utilize the USDA Rural Development IRP to provide financing to established businesses, and has determined that the use of public funds to assist in implementing the Palm Beach County IRP 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 foregoing recitals are true and correct and are expressly incorporated herein by reference and made a part hereof.
- **Section II.** The Department of Economic Sustainability (DES) is authorized to submit an Intermediary Relending Program application to the United States Department of Agriculture (USDA) Rural Development for up to \$1 Million.
- Section III. DES is authorized to accept funds awarded by USDA.
- Section IV. The County Administrator, or his designee, is authorized to execute the Loan Application and all other documents necessary for implementation of the IRP.

The foregoing Resolution was offered by Commissioner its adoption. The motion was seconded by Commissioner put to a vote, the vote was as follows:	, who moved , and being
Commissioner Priscilla A. Taylor, Mayor Commissioner Paulette Burdick, Vice Mayor Commissioner Hal R. Valeche Commissioner Shelley Vana Commissioner Steven L. Abrams Commissioner Mary Lou Berger Commissioner Jess R. Santamaria	
The Mayor thereupon declared the Resolution duly passed an of, 20	d adopted this day

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

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#### APPROVED AS TO FORM AND LEGAL SUFFICIENCY

ATTEST: SHARON R. BOCK CLERK & COMPTROLLER

By: As sistant County Attorney

By: Deputy Clerk

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