

Agenda Item #:

**PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS
AGENDA ITEM SUMMARY**

Meeting Date: April 7, 2015 ☒ Consent ☐ Regular
 ☐ Ordinance ☐ Public Hearing

Department: Office of Financial Management & Budget

I. Executive Brief

Motion and Title: Staff recommends motion to adopt a Resolution authorizing the execution of a Sixth Amendment to Loan Agreement in connection with the extension of the County's line of credit dated May 21, 2009 with Wells Fargo Bank, N.A., that satisfies the debt service reserve fund requirements for several of the County's outstanding bond issues; authorizing the execution of a separate Sixth Amendment to Loan Agreement in connection with the extension of the County's separate line of credit with Wells Fargo Bank N.A. (the Bank), dated June 4, 2009 that satisfies the debt service reserve fund requirements for several other County bond issues and providing an effective date.

Summary: Under the terms of the loan agreements, the County requested that the Bank extend the maturity date for each loan agreement for one year. The Bank has agreed to extend the loan agreements for one year for the two bond issues remaining. One of the bond issues will mature within the current fiscal year and the letters of credits are no longer needed after this fiscal year. The County will continue to pay an annual fee of .65% (\$38,230) for the remaining two letters of credit issued to satisfy the debt service reserve requirements under the loan agreements. Due to the one bond maturing, this amendment will decrease the annual cost approximately \$32,000. The County expects to continue to renew the loan agreements each year. **Countywide (PFK)**

Background and Justification: On April 15, 2014, the Board adopted Resolution (R-2014-0503) authorizing the execution of Fifth Amendments to the Loan Agreements in connection with the extension of the County's lines of credit to satisfy debt service requirements for various outstanding bond issues of the County. The Bonds originally had debt service reserves that were funded by surety policies issued by municipal bond insurance companies. When those companies had their AAA rating downgraded below a level specified in the bond resolutions, the County had to replace the surety policies with letters of credit. The County does not expect that any draws on the letters of credit will occur. The fees are paid from legally available non-ad valorem revenues.

Attachments:

- ## 1. Line of Credit Resolution

Recommended by:

Elizabeth Bersen
Department Director

Date _____

2/23/15

Approved By:


County Administrator

Dáte

3/17/0

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2015	2016	2017	2018	2019
Capital Expenditures					
Operating Costs					
Debt Service Costs	70,207	38,230			
External Revenues					
Program Income (County)					
In-Kind Match (County)					
NET FISCAL IMPACT	70,207	38,230			
No. ADDITIONAL FTE POSITIONS (Cumulative)					

Is Item Included In Current Budget? Yes X No _____ (Various Budgets)
Budget Account No.: Fund 2052/2040 Department _____ Unit _____
Object _____ Reporting Category _____

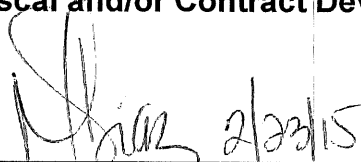
B. Recommended Sources of Funds/Summary of Fiscal Impact:

These fees are paid from available non-ad valorem revenues.


C. Departmental Fiscal Review: _____

III. REVIEW COMMENTS

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



OFMB
2/23/15



Contract Dev. and Control
2/24/15

B. Legal Sufficiency:



Assistant County Attorney
2/26/15

C. Other Department Review:

Department Director

RESOLUTION NO. 2015-____

A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, AUTHORIZING THE EXECUTION OF A SIXTH AMENDMENT TO LOAN AGREEMENT IN CONNECTION WITH THE EXTENSION OF THE COUNTY'S LINE OF CREDIT DATED MAY 21, 2009 WITH WELLS FARGO BANK, N.A., THAT SATISFIES THE DEBT SERVICE RESERVE FUND REQUIREMENTS FOR SEVERAL OF THE COUNTY'S OUTSTANDING BOND ISSUES; AUTHORIZING THE EXECUTION OF A SEPARATE SIXTH AMENDMENT TO LOAN AGREEMENT IN CONNECTION WITH THE EXTENSION OF THE COUNTY'S SEPARATE LINE OF CREDIT WITH WELLS FARGO BANK, N.A., DATED JUNE 4, 2009 THAT SATISFIES THE DEBT SERVICE RESERVE FUND REQUIREMENTS FOR SEVERAL OTHER COUNTY BOND ISSUES; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Board of County Commissioners of Palm Beach County, Florida (the "County") has previously entered into those certain Loan Agreements, dated as of May 19, 2009 and June 4, 2009 (collectively, the "Loan Agreements") with Wachovia Bank, National Association (now Wells Fargo Bank, N.A.) (the "Bank") providing for the establishment by the Bank of a line of credit (the "Line of Credit") pursuant to which the Bank will issue certain letters of credit (the "Letters of Credit") in satisfaction of the debt service reserve fund requirements with respect to several series of revenue bonds previously issued by the County; and

WHEREAS, the Agreements specify that the respective Lines of Credit authorized thereunder have maturity dates of May 20, 2010 and June 3, 2010, respectively, which dates may be extended upon compliance with the terms thereof; and

WHEREAS, the County by adoption of separate First Amendments to Loan Agreement, each dated as of May 20, 2010 and June 3, 2010, extended the maturity date of the Lines of Credit to May 20, 2011 and June 3, 2011, respectively; and

WHEREAS, the County by adoption of separate Second Amendments to Loan Agreement, dated as of May 20, 2011 and June 3, 2011, respectively, extended the maturity dates of the Lines of Credit to May 20, 2012 and June 3, 2012, respectively; and

WHEREAS, the County by adoption of separate Third Amendments to Loan Agreement, dated as of May 20, 2012 and June 3, 2012, respectively, extended the maturity dates of the Lines of Credit to May 20, 2013 and June 3, 2013, respectively; and

WHEREAS, the County by adoption of separate Fourth Amendments to Loan Agreement, dated as of May 20, 2013 and June 3, 2013, respectively, extended the maturity dates of the Lines of Credit to May 20, 2014 and June 3, 2014, respectively; and

WHEREAS, the County by adoption of separate Fifth Amendments to Loan Agreement, dated as of May 20, 2014 and June 3, 2014, respectively, extended the maturity dates of the Lines of Credit to May 20, 2015 and June 3, 2015, respectively; and

WHEREAS, the County has received indication that the Bank is willing to further extend such maturity dates;

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

SECTION 1. The Sixth Amendment to Loan Agreement, dated as of May 20, 2015, between the County and the Bank, substantially in the form attached hereto as Exhibit A, is hereby authorized to be executed by the Mayor and Clerk or their appropriate designees, with such modifications, insertions as deletions as approved by such parties, approval to be presumed by their execution thereof.

SECTION 2. The Sixth Amendment to Loan Agreement, dated as of June 3, 2015, between the County and the Bank, substantially in the form attached hereto as Exhibit B, is hereby authorized to be executed by the Mayor and Clerk or their appropriate designees, with such modifications, insertions and deletions as approved by such parties, approval to be presumed by their execution thereof.

SECTION 3. If any provisions of this Resolution shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable in any context, the same shall not affect any other provisions herein or render any other provision (or such provision in any other context) invalid, inoperative or unenforceable to any extent whatever.

SECTION 4. This Resolution shall be governed by and construed in accordance with the laws of the State of Florida.

SECTION 5. All officials and employees of the County are authorized and empowered, collectively or individually, to take all action and steps and to execute all instruments, documents, and contracts on behalf of the County that are necessary or desirable in connection with the completion of the Loan.

SECTION 6. All resolutions or parts thereof in conflict herewith are hereby repealed.

SECTION 7. This Resolution shall take effect immediately upon its adoption.

The foregoing Resolution was offered by Commissioner _____ who moved its adoption. The motion was seconded by Commissioner _____, and upon being put to a vote, the motion passed as follows:

Commissioner Shelley Vana, Mayor
Commissioner Mary Lou Berger, Vice Mayor
Commissioner Hal Valeche
Commissioner Paulette Burdick
Commissioner Steven L. Abrams
Commissioner Melissa McKinlay
Commissioner Priscilla A. Taylor

The Mayor thereupon declared the Resolution duly passed and adopted this ____ day of April, 2015.

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

SHARON R. BOCK, CLERK AND
COMPTROLLER

By: _____
Deputy Clerk

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY

By: Paul F. [Signature]
County Attorney

EXHIBIT A

SIXTH AMENDMENT TO LOAN AGREEMENT

This Sixth Amendment to Loan Agreement, dated as of May 20, 2015, by and between Palm Beach County, Florida, a political subdivision of the State of Florida, and its successors and assigns (the "County") and Wells Fargo Bank, N.A., a national banking association, as successor to Wachovia Bank, National Association, its successors and assigns (the "Bank");

WITNESSETH:

WHEREAS, the parties hereto have previously entered into that certain Loan Agreement, dated as of May 21, 2009, as amended by the First Amendment to Loan Agreement, dated as of May 20, 2010, the Second Amendment to Loan Agreement, dated as of May 20, 2011, the Third Amendment to Loan Agreement, dated as of May 20, 2012, the Fourth Amendment to Loan Agreement, dated as of May 20, 2013, and the Fifth Amendment to Loan Agreement dated as of May 20, 2014 (collectively, the "Original Loan Agreement"), providing for the provision by the Bank of a Line of Credit to the County and the issuance pursuant thereto of certain Letters of Credit fulfilling the Debt Service Reserve Requirement for certain County bond issues; and

WHEREAS, the Line of Credit under the Original Loan Agreement expires May 20, 2015, subject to extension by the Bank; and

WHEREAS, the Bank has indicated its willingness to extend the Line of Credit and the Letters of Credit issued thereunder through May 20, 2016; and

WHEREAS, the County and the Bank desire to modify the Original Loan Agreement to reflect such extension;

The parties hereto, intending to be legally bound hereby and in consideration of the mutual covenants hereinafter contained, **DO HEREBY AGREE** as follows:

SECTION 1. The Maturity Date set forth in the Original Loan Agreement is hereby amended to be May 20, 2016.

SECTION 2. The stated amount of the Letter of Credit issued under the Line of Credit related to the County's Public Improvement Revenue Bonds (Biomedical Research Park Project), Series 2007C, shall be reduced to \$4,674,000.

SECTION 3. Except as modified hereby, all other provisions of the Original Loan Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective between them as of the date first set forth above.

WELLS FARGO BANK, N.A.

By: _____
Name: _____
Title: _____

ATTEST:

Sharon R. Bock, Clerk & Comptroller

PALM BEACH COUNTY, FLORIDA

By: _____
Commissioner Shelley Vana, Mayor
Board of County Commissioners

By: _____
Deputy Clerk

(SEAL)

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY

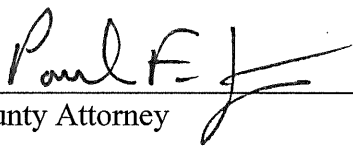

County Attorney

EXHIBIT B

SIXTH AMENDMENT TO LOAN AGREEMENT

This Sixth Amendment to Loan Agreement, dated as of June 3, 2015, by and between Palm Beach County, Florida, a political subdivision of the State of Florida, and its successors and assigns (the "County") and Wells Fargo Bank, N.A., a national banking association, as successor to Wachovia Bank, National Association, its successors and assigns (the "Bank");

WITNESSETH:

WHEREAS, the parties hereto have previously entered into that certain Loan Agreement, dated as of June 3, 2009, as amended by the First Amendment to Loan Agreement, dated as of June 3, 2010, the Second Amendment to Loan Agreement, dated as of June 3, 2011, the Third Amendment to Loan Agreement, dated as of June 3, 2012, the Fourth Amendment to Loan Agreement, dated as of June 3, 2013, and the Fifth Amendment to Loan Agreement dated as of June 3, 2014 (the "Original Loan Agreement"), providing for the provision by the Bank of a Line of Credit to the County and the issuance pursuant thereto of certain Letters of Credit fulfilling the Debt Service Reserve Requirement for certain County bond issues; and

WHEREAS, the Line of Credit under the Original Loan Agreement expires June 3, 2015, subject to extension by the Bank; and

WHEREAS, the Bank has indicated its willingness to extend the Line of Credit and the Letters of Credit issued thereunder through June 3, 2016; and

WHEREAS, the County and the Bank desire to modify the Original Loan Agreement to reflect such extension;

The parties hereto, intending to be legally bound hereby and in consideration of the mutual covenants hereinafter contained, **DO HEREBY AGREE** as follows:

SECTION 1. The Maturity Date set forth in the Original Loan Agreement is hereby amended to be June 3, 2016.

SECTION 2. The Letter of Credit issued under the Line of Credit related to the County's Public Improvement Revenue and Refunding Bonds, Series 2004A, shall be cancelled.

SECTION 3. The Letter of Credit issued under the Line of Credit related to the County's Public Improvement Revenue and Refunding Bonds (Biomedical Research Park Project), Series 2005A, shall be cancelled.

SECTION 4. The stated amount of the Letter of Credit issued under the Line of Credit related to the County's Public Improvement Revenue Bonds (Parking Facilities Expansion Project), Series 2006, shall be reduced to \$705,900.

SECTION 5. Except as modified hereby, all other provisions of the Original Loan Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective between them as of the date first set forth above.

WELLS FARGO BANK, N.A.

By: _____
Name: _____
Title: _____

ATTEST:

Sharon R. Bock, Clerk & Comptroller

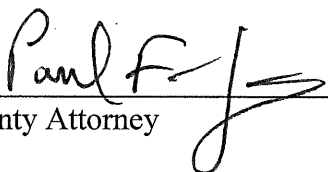
PALM BEACH COUNTY, FLORIDA

By: _____
Commissioner Shelley Vana, Mayor,
Board of County Commissioners

By: _____
Deputy Clerk

(SEAL)

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY


County Attorney