3G-1

Agenda Item #:

PALM BEACH COUNTY BOARD OF COUNTY COMMISSIONERS AGENDA ITEM SUMMARY

	Meeting Date:	March 22, 2016	[X] Co	nsent []	Regular
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[] 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 Seventh 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 Seventh 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. The Bank has agreed to extend the loan agreement for one year for one of the two bond issues remaining and the Bank has agreed to extend the loan agreement for three months for the other of the two remaining issues. One of the bond issues will mature in the beginning of the next fiscal year and the related letter of credit will no longer be needed after this fiscal year. The County will continue to pay an annual fee of .65% (\$35,403) 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 \$4,600. The County expects to continue to renew the one remaining loan agreement each year. 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's AAA bond rating enabled the replacement in an expedient manner at a time when it was difficult for governments with a lesser rating to borrow money. Countywide (PFK)

Background and Justification: On April 7, 2015, the Board adopted Resolution (R-2015-0413) authorizing the execution of the Sixth 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 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

II. FISCAL IMPACT ANALYSIS

A. FI	ve Year Summary of	Fiscai impac	t:			
	Fiscal Years	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Opera Debt	al nditures ating Costs Service Costs nal Revenues	8,908	30,803			
	ram Income (County) nd Match (County)					
NET	FISCAL IMPACT	8,908	30,803		**************************************	-
	ADDITIONAL FTE ITIONS (Cumulative)					
Budg	n Included In Curren et Account No.: ct <u> </u>	Fund३ <u>०५०/३०८:</u>	2 Departme	No	_ (Various _Unit_ <u>1/</u> 5	s Budgets) ١/১١৫૬
B.	Recommended Sou	rces of Fund	s/Summary	of Fiscal	lmpact:	
These	e fees are paid from a	/ailable non-a	d valorem re	venues.		
C.	Departmental Fisca	I Review:				
		III. <u>REVIE</u>	W COMMEN	NTS		
A.	OFMB Fiscal and/or	Contract De	v. and Cont	rol Comm	ents:	
c	AP MY OFMB	2/29/16 * 1/25 69/24	Contr	act Dev. a	Jano nd Contro	box 2/29/16
B.	Legal Sufficiency:					
	Assistant County A	3/1 Attorney	116			
C.	Other Department F	Review:				
	Department [Director				

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

RESOLUTION NO. 2016-

A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, AUTHORIZING THE EXECUTION A SEVENTH 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., THE **DEBT SERVICE** REOUIREMENTS FOR SEVERAL OF THE COUNTY'S OUTSTANDING BOND ISSUES; AUTHORIZING THE EXECUTION OF A SEPARATE SEVENTH 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 DEBT SATISFIES** THE **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 by adoption of separate Sixth Amendments to Loan Agreement, dated as of May 20, 2015 and June 3, 2015, respectively, extended the maturity dates of the Lines of Credit to May 20, 2016 and June 3, 2016, 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 Seventh Amendment to Loan Agreement, dated as of May 20, 2016, 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 Seventh Amendment to Loan Agreement, dated as of June 3, 2016, 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 Mary Lou Berger, Mayor Commissioner Hal Valeche, Vice Mayor Commissioner Paulette Burdick Commissioner Steven L. Abrams Commissioner Melissa McKinlay Commissioner Priscilla A. Taylor Commissioner Shelley Vana

March	h, 2016.	day o	ı
		LM BEACH COUNTY, FLORIDA, BY ITS OARD OF COUNTY COMMISSIONERS	
		ARON R. BOCK, CLERK AND MPTROLLER	
	Ву	: Deputy Clerk	_

APPROVED AS TO FORM AND LEGAL SUFFICIENCY

County Attorney

EXHIBIT A

SEVENTH AMENDMENT TO LOAN AGREEMENT

This Seventh Amendment to Loan Agreement, dated as of May 20, 2016, 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, the Fifth Amendment to Loan Agreement, dated as of May 20, 2014, and the Sixth Amendment to Loan Agreement, dated as of May 20, 2015 (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, 2016, 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, 2017; 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, 2017.
- **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, is \$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:	PALM BEACH COUNTY, FLORIDA
Sharon R. Bock, Clerk & Comptroller	
By:	By: Commissioner Mary Lou Berger, Mayor Board of County Commissioners
(SEAL)	
APPROVED AS TO FORM AND LEGAL SUFFICIENCY	
1 1 0	

EXHIBIT B

SEVENTH AMENDMENT TO LOAN AGREEMENT

This Seventh Amendment to Loan Agreement, dated as of June 3, 2016, 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, the Fifth Amendment to Loan Agreement dated as of June 3, 2014, the Sixth Amendment to Loan Agreement, dated as of June 3, 2015 (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, 2016, 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 September 30, 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 September 30, 2016.
- **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 \$703,800.
- **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:	PALM BEACH COUNTY, FLORIDA
Sharon R. Bock, Clerk & Comptroller	
	By:
	Commissioner Mary Lou Berger, Mayor,
	Board of County Commissioners
By:	
Deputy Clerk	

APPROVED AS TO FORM AND LEGAL SUFFICIENCY

County Attorney

(SEAL)