

**PALM BEACH COUNTY  
BOARD OF COUNTY COMMISSIONERS**

## AGENDA ITEM SUMMARY

**Meeting Date:**      **September 27, 2016**

☒ Consent                  [ ] Regular  
[ ] Ordinance                [ ] Public Hearing

**Department:** Department of Economic Sustainability

## I. EXECUTIVE BRIEF

**Motion and Title: Staff recommends motion to approve: A)** Transmittal to the U.S. Department of Housing and Urban Development (HUD) a Section 108 Loan for Deep Waters Marine Air, Inc. and Rhema Holdings, LLC in the amounts of \$423,000 and \$246,000 respectively; **and B)** Delegation of authority to the County Administrator, or Designee, to execute the documents necessary for the transmittal.

**Summary:** On April 25, 2000, (Agenda Item 6D-1) the Board of County Commissioners (BCC) approved the creation of a HUD Section 108 Loan Program (Program). The Program was developed to provide a dedicated, source of low interest loans for use by businesses to revitalize local communities and create jobs. Gulf Stream Marine, the company which is being purchased, was founded in 1988 to provide private yacht owners with services to maintain and repair air conditioning, refrigeration, and ice making equipment on their boats. The two key employees of Gulf Stream Marine have formed Deep Waters Marine and Rhema Holdings, LLC to acquire the assets and business of Gulf Stream Marine. Both these businesses are located at 3640 Investment Lane, Bay 22, in unincorporated West Palm Beach, which is in Census Tract 10.04, and has a poverty rate of 29.5%. Staff is recommending this loan since the project and the applicant qualify and meet the Section 108 Loan Criteria approved by the Board of County Commissioners on May 17, 2011 (Agenda Item 3A-3). Program funds in the amount of \$669,000 are being recommended to be allocated to these two (2) businesses to provide for working capital and the purchase of real estate and receivables. The project costs total \$1,773,310 which includes \$669,000 in Section 108 funds, \$307,500 of bank financing, a \$573,000 seller's note, and \$223,810 in owner equity. The project will meet HUD's national objective by creating 20 full-time jobs. The project was recommended by the Loan Review Committee on May 19, 2016. Upon approval by the Board of County Commissioners, the loan package will be submitted to HUD. **These are Federal funds which require no local match.** District 7 (JB)

**Background and Justification:** The Program, which is administered by the Department of Economic Sustainability, was developed to create a source of loan funding for use by businesses and investors to implement business ventures that will create new jobs and help revitalize communities. Funding for the Program is received from HUD.

**Attachment(s):** None

Recommended By: Jimmy Howard 9-20-14  
Department Director Date

Approved By:  9/26/16  
Assistant County Administrator Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2016	2017	2018	2019	2020
Grant Expenditures	\$669,000				
Operating Costs					
External Revenues	(\$669,000)				
Program Income					
In-Kind Match (County)					
NET FISCAL IMPACT	-0-				

# ADDITIONAL FTE POSITIONS (Cumulative)					
--	--	--	--	--	--

Is Item Included In Current Budget? Yes \_\_\_\_\_ No \_\_\_\_\_  
Budget Account No.:

Fund 1540 Dept 143 Unit 2002 Object 8201 Program Code/Period N/A

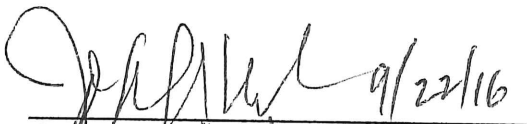
B. Recommended Sources of Funds/Summary of Fiscal Impact:

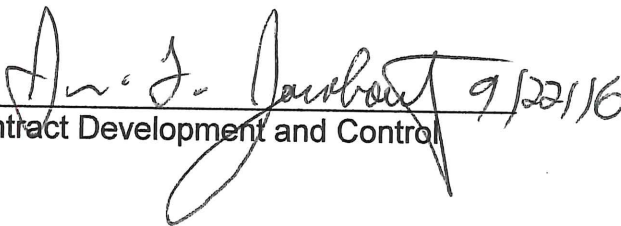
Approval of this item will allocate \$669,000 in HUD Section 108 Loan Program Funds.

C. Departmental Fiscal Review:   
Shairette Major, Fiscal Manager II

III. REVIEW COMMENTS

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

  
OFMB 9/21/16

  
Contract Development and Control 9/22/16

B. Legal Sufficiency:

  
Assistant County Attorney

C. Other Department Review:

\_\_\_\_\_  
Department Director