Agenda Item #: 5CH

# PALM BEACH COUNTY BOARD OF COUNTY COMMISSIONERS

### AGENDA ITEM SUMMARY

**Meeting Date:** 

**April 10, 2018** 

[ ] Consent

[X] Regular

[] Ordinance

[ ] Public Hearing

Submitted by:

**Department of Housing and Economic Sustainability** 

### I. EXECUTIVE BRIEF

**Motion and Title: Staff recommends motion to adopt:** a Resolution by the Board of County Commissioners of Palm Beach County, Florida, modifying financing fees for Industrial Development Bonds in Palm Beach County; rescinding Resolution R2012-1010; and providing for an effective date.

Summary: Support for the Industrial Development Bond (IDB) program is provided by the Department of Housing and Economic Sustainability (HES) and the County Attorney's Office, including: financial and project eligibility analysis; review and preparation of all ordinances, resolutions, or agreements; and other procedures necessary to facilitate each IDB issuance, re-funding, or re-financing. On June 19, 2007, the Board of County Commissioners (Board) approved Resolution R2007-0927, establishing policies and fees for the County's IDB program. On July 10, 2012, the BCC approved Resolution R2012-1010; setting maximum financing fees for for-profit and non-profit bond applications (\$100,000 and \$50,000, respectively); and eliminating financing fees for bond re-financing and re-funding. The approved 2012 fee structure charges different application fees based on the applicant, application type, and application amount, and places fee caps on projects, although to date no project has requested an issuance large enough to trigger the fee maximums. The recommended fee schedule simplifies the process and aligns Palm Beach County fees with those charged by other counties in the State. The proposal sets one fee structure for all applicants and application types, reduces the number of incremental fees that were based on the bond amount from seven incremental rates down to two rates and removes fee caps as demonstrated in Attachment 2. Countywide (DB)

Background and Justification: IDBs are issued by a local government agency (like the County) for the purpose of developing and/or financing manufacturing and industrial projects so as to enhance the development of a strong and stable local economy and to provide a better quality of life for citizens. The County acts as a "conduit", issuing the bonds which are purchased by private parties. Repayment of the bonds are limited to the payments that the borrower is obligated to make to bond holders pursuant to the financing documents. In effect, bond purchasers are making a loan to the borrower and neither the taxing power nor the faith and credit of the County, nor any County funds, are pledged to repay the bonds. The IDB program is an important component in economic development as the borrower often times receives long-term financing with lower interest rates to support projects that create jobs and grow businesses. Removing the maximum financing fee caps and adding fees to bond refinancing and refunding brings the IDB program in line with other south Florida counties.

Attachment(s	١	:
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1. Resolution

2. Comparison Table

Recommended By: Department Director Date

Assistant County Administrator

Date

# II. FISCAL IMPACT ANALYSIS

## A. Five Year Summary of Fiscal Impact:

	2018	2019	2020	2021	2022
Capital Expenditures					
Operating Costs					
External Revenues					
Program Income					
In-Kind Match (County)					
NET FISCAL IMPACT	**				
# ADDITIONAL FTE					T
POSITIONS (Cumulative)					
Fund Dept U					<del></del>
. Departmental Fisca		Beverley Re	eid, Fiscal Ma	nager I	
	III RE	VIEW COMN	IFNTS		
A. OFMB Fiscal and/o		<u>VIEW COMN</u> Developmen		l Comments	<b>:</b> :
A. OFMB Fiscal and/o  OFMB (3)(3)(V)  B. Legal Sufficiency:		Developmen		Λ.	
OFMB B311311V	r Contract E  3/13/15/	Developmen	t and Contro	Λ.	

Department Director

A RESOLUTION BY THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, MODIFYING FINANCING FEES FOR INDUSTRIAL DEVELOPMENT BONDS IN PALM BEACH COUNTY; RESCINDING RESOLUTION R2012-1010; AND PROVIDING FOR AN EFFECTIVE DATE.

**WHEREAS**, the Board of County Commissioners (the "Board") has determined that there exists a need for the development and financing of qualifying capital projects in Palm Beach County so as to enhance the development of a strong and stable local economy and to provide a better quality of life for the residents of Palm Beach County; and

WHEREAS, the Board has determined that the costs associated with the application review, reapplication review, issuance, refunding, and refinancing of Industrial Development Bonds as well as post-closing costs and additional legal services provided by the Department of Housing and Economic Sustainability and the County Attorney's Office in connection with such bonds should be paid directly by the applicant; and

**WHEREAS**, the Board has determined to rescind Resolution R2012-1010 on the same subject and replace it with this Resolution.

NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, that the following fees are hereby established in connection with the application review, reapplication review, issuance, refunding, and refinancing of Industrial Development Bonds in Palm Beach County.

These fees apply to all applicants, for-profit and non-profit alike.

These fees are in addition to other costs of bond issuance, refunding, or refinancing, including but not limited to bond counsel and underwriting fees.

- Application Fee Upon formal application for review and issuance, and reapplication for refunding or refinancing, the applicant shall pay to Palm Beach County a nonreimbursable application fee for each such application or reapplication in the amount of \$1,500.
- 2. Financing Fee At the closing of a bond issue, refunding, or refinancing, a financing fee will be paid to Palm Beach County by the applicant equal to 0.5% for bonds less than or equal to \$10,000,000 and 0.25% for bonds greater than \$10,000,000.
- 3. Attorney Fee A fee shall be paid to Palm Beach County by the applicant of \$200 per hour for attorney time and \$60 per hour for paralegal time, with travel time at one-half the above hourly rates, for legal services provided by the County Attorney's Office. Post-closing, all expenses incurred by the County Attorney's Office in excess of one hour per month shall also be paid by the applicant to Palm Beach County.

**BE IT FURTHER RESOLVED**, this Resolution applies to the application review, reapplication review, issuance, refunding, and refinancing of all Industrial Development Bonds as of the effective date of this Resolution. R2012-1010 is hereby rescinded.

#### **EFFECTIVE DATE**

This resolution shall take effect immediately upon its passage and adoption.

The foregoing Resolution was offered kits adoption. The motion was seconde put to vote, the vote was as follows:	by Commissioner, who moved by Commissioner, and being
Commissioner Melissa Melissa Melissa Melissioner Mack Bel Commissioner Hal R. Va Commissioner Paulette Commissioner Dave Ker Commissioner Steven L Commissioner Mary Lou	rnard, Vice Mayor lleche Burdick rner . Abrams
The Mayor thereupon declared the Resday of, 2018.	solution duly passed and adopted this
·	PALM BEACH COUNTY, FLORIDA, BY ITS BOARD OF COUNTY COMMISSIONERS
APPROVED AS TO FORM AND LEGAL SUFFICIENCY	ATTEST: SHARON R. BOCK CLERK & COMPTROLLER
By: David C. Behar Assistant County Attorney	By: Deputy Clerk

### **Industrial Development Bond Fees Comparison**

Fees	Palm Beach County Current	Palm Beach County Proposed	Broward County	Miami-Dade County	Orange County
Bond Application Fee					सम्पर्कतानी राज्य नेपूर्व करणीय व्यवस्था विकास के विकास के स्वतानी के स्वतानी करणा करणा करणा करणा करणा करणा कर स्वतानी के स्वतानी के
For Profit Entity	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500
Non Profit Entity	\$0	\$1,500	\$1,500	\$1,500	\$1,500
Bond Re-Financing Application Fee					
For Profit Entity	\$0	\$1,500	\$1,500	\$1,500	\$1,500
Non Profit Entity	\$0	\$1,500	\$1,500	\$1,500	\$1,500
Bond Re-Funding Application Fee					
For Profit Entity	\$0	\$1,500	\$1,500	\$1,500	\$1,500
Non Profit Entity	\$0	\$1,500	\$1,500	\$1,500	\$1,500
Bond Financing Fee			leie ekazettek		
For Profit & Non Profit Entity	≤\$2M = 1% >\$2M ≤\$3M = 0.8% >\$3M ≤\$4M = 0.6% >\$4M ≤\$5M = 0.5% >\$5M ≤\$10M = 0.45% >\$10M ≤\$15M = 0.4% >\$15M = 0.35%	≤\$10M = 0.5% >\$10M = 0.25%	0.5%	≤\$10M = 0.5% >\$10M = 0.25%	≤\$4M = 0.5% remainder of face value over \$4M = 0.25%
Bond Re-Financing & Re-Funding Fe	!e				
For Profit & Non Profit Entity	\$0	≤\$10M = 0.5% >\$10M = 0.25%	0.25%	≤\$10M = 0.5% >\$10M = 0.25%	$\leq$ \$4M = 0.5% remainder of face value over \$4M = 0.25%
Maximum Financing Fee					
For Profit Entity	\$100,000	Not Applicable	Not Applicable	Not Applicable	\$75,000
Non Profit Entity	\$50,000	Not Applicable	Not Applicable	Not Applicable	\$75,000