

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

Meeting Date:	January 15, 2019	<input checked="" type="checkbox"/> Consent	<input type="checkbox"/> Regular
		<input type="checkbox"/> Ordinance	<input type="checkbox"/> Public Hearing
Department:	Department of Housing and Economic Sustainability		

I. EXECUTIVE BRIEF

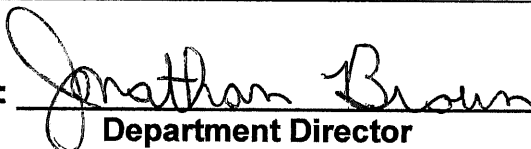

Motion and Title: Staff recommends motion to Receive and File: Documents executed in connection with a loan made to Shellco Construction Corp., Simplified Inc., and Simplified Fabricators Inc. under the Housing and Urban Development (HUD) Section 108 Loan Program as follows:

- A) Palm Beach County Section 108 Loan Commitment Letter, dated October 1, 2018, for \$600,000;
- B) Palm Beach County Section 108 Promissory Note, dated October 31, 2018, for \$600,000;
- C) Palm Beach County Section 108 Loan Agreement, dated October 31, 2018, for \$600,000;
- D) Palm Beach County Section 108 Loan Program Agreement, dated October 31, 2018, for \$600,000;
- E) Palm Beach County Section 108 Security Agreement, dated October 31, 2018;
- F) Palm Beach County Section 108 Guaranty Agreement, dated October 31, 2018;
- G) Palm Beach County Section 108 Further Assurances and Errors and Omissions Statement;
- H) Collateral Security Mortgage Agreement, dated October 31, 2018;
- I) Intercreditor Agreement, dated October 31, 2018;
- J) UCC-1 Financing Statement (Florida Secured Transaction Registry)
- K) Borrower's Certificate (Incumbency and Resolutions) – Shellco Construction Corp.
- L) Borrower's Certificate (Incumbency and Resolutions) – Simplified Inc.
- M) Borrower's Certificate (Incumbency and Resolutions) – Simplified Fabricators Inc.
- N) Corporate Guarantor's Certificate (Incumbency and Resolutions) – Simplified Holdings, LLC
- O) Opinion of Borrower Counsel for Section 108 Loan

Summary: The attached documents have been executed on behalf of the Board of County Commissioners (BCC) by the County Administrator, or designee, in accordance with Resolution R2009-0725. The \$600,000 working capital loan will be used to support the business operations as a manufacturer of specialized truck beds, including organization/storage equipment and accessories, for commercial vehicles used in industries such as construction and landscaping. The project will create 22 full time equivalent jobs over five (5) years. The HUD Section 108 Loan Program offers state and local governments the availability of funding to support businesses by providing gap financing for projects that promote business growth and create and retain jobs. To meet a HUD National Objective, at least 51 percent of the jobs created are made available to, or held by, Low-Moderate income persons. In 2002, the BCC approved the development and administration of the Palm Beach County Section 108 Loan Program as well as the incorporation of the County 108 Program into the Palm Beach County Five-Year Consolidated Plan (R2002-0989 and R2002-0990). The County's loan-supported projects have generated more than \$98M in capital investments and created almost 2,000 new jobs. Each dollar loaned by the County has been leveraged by \$3.66 in private investments. In accordance with County PPM CW-0-051, all delegated contracts, agreements and grants must be submitted by the initiating Department as a receive and file agenda item. These are Federal funds which require no local match. District 6 (JB)

Background and Justification: The Palm Beach County Section 108 Loan Program (Program), which is administered by the Palm Beach County Department of Housing & 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): Documents as listed in A through O above

Recommended By:		<u>12/2/18</u>
	Department Director	Date
Approved By:		<u>1/9/19</u>
	Assistant County Administrator	Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2019	2020	2021	2022	2023
Grant Expenditures	\$ 600,000				
Operating Costs					
External Revenues	(\$ 6 00,000)				
Program Income					
In-Kind Match					
NET FISCAL IMPACT	-0-				
# ADDITIONAL FTE POSITIONS (Cumulative)					

Is Item Included In Current Budget? Yes X No
 Does this Item include the use of Federal funds? Yes X No

Budget Account No.:

Fund 1540 Dept 143 Unit 2303 Sub Unit 11029 Object 8201 Program Code/Period

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

These agreements allocate \$600,000 in HUD Section 108 Loan Program funds to the project.

C. Departmental Fiscal Review: for [Signature]
 Beverley Reid, Fiscal Manager I

III. REVIEW COMMENTS

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

[Signature] 1/4/19
 OFMB
 SP1/3

[Signature] 1/8/19
 Contract Development and Control

B. Legal Sufficiency:

[Signature] 1/9/19
 Assistant County Attorney

C. Other Department Review:

 Department Director