

THAN 122

**3|-3**

## **AGENDA ITEM SUMMARY**

**Meeting Date: January 15, 2019**

**[X] Consent**  
**[ ] Ordinance**

☐ Regular  
☐ 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 Prestige Commercial Kitchen, 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 31, 2018, for \$373,000;**
- B) Palm Beach County Section 108 Promissory Note, dated, October 31, 2018, for \$373,000;**
- C) Palm Beach County Section 108 Loan Agreement, dated, October 31, 2018, for \$373,000;**
- D) Palm Beach County Section 108 Loan Program Agreement, dated, October 31, 2018, for \$373,000;**
- 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) UCC-1 Financing Statement (Florida Secured Transaction Registry);**
- I) Borrower's Certificate (Incumbency and Resolutions);**
- J) Corporate Guarantor's Certificate (Incumbency and Resolutions); and**
- K) 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. Prestige Commercial Kitchen is a rapidly growing installer and wholesale supplier of commercial kitchens. Founded in 2013 by Victor Ortiz and Adrian Silva, the company builds walk-in coolers/freezers and installs commercial kitchens for customers including hotels, casinos, restaurants, country clubs, and schools. Prestige Commercial Kitchen's total project cost is \$1,719,190, consisting of a \$373,000 Section 108 loan. The company expansion plans include purchasing a building and new equipment. The project will create 19 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 2 (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 K above.

y: Jonathan Brown  
Department Director

Department Director

12/21/18  
Date

Date \_\_\_\_\_

Will & Blum

**Assistant County Administrator**

1/3/19  
Date

Date \_\_\_\_\_

II. FISCAL IMPACT ANALYSIS

A. **Five Year Summary of Fiscal Impact:**

Fiscal Years	2019	2020	2021	2022	2023
Grant Expenditures	\$373,000				
Operating Costs					
External Revenues	(\$373,000)				
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 H028 Object Various Program Code/Period N/A

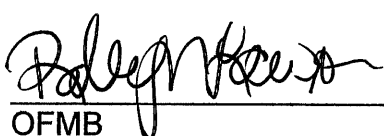
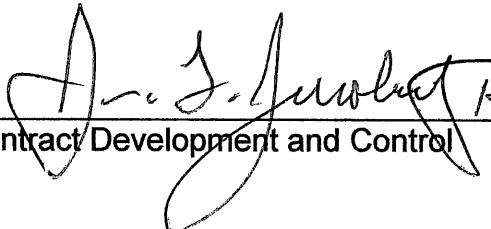
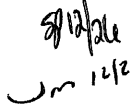
B. **Recommended Sources of Funds/Summary of Fiscal Impact:**

The agreement allocates \$373,000 in HUD Section 108 Loan Program funds to the project.

C. **Departmental Fiscal Review:**   
Beverley Reid, Fiscal Manager I

III. REVIEW COMMENTS

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

 12/26/18  12/28/18  
OFMB  12/26/18 Contract Development and Control

B. **Legal Sufficiency:**

 1/3/19  
Assistant County Attorney

C. **Other Department Review:**

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