

**PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS**

AGENDA ITEM SUMMARY

Meeting Date: August 25, 2020 Consent Regular
 Ordinance Public Hearing

Department: Department of Housing and Economic Sustainability

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to Receive and File: The executed documents received during the months of April and May 2020 in connection with loans made to ARK 305, LLC under the Housing and Urban Development (HUD) Section 108 Loan program and the US Department of Agriculture (USDA) Intermediary Relending Program (IRP).

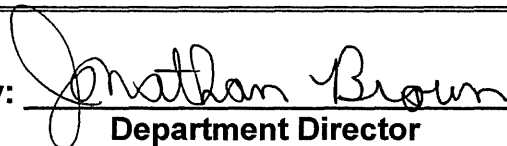
- A) Palm Beach County Section 108 Loan Commitment Letter, Dated April 3, 2020 for \$174,444.40;
- B) Palm Beach County Section 108 Promissory Note, dated May 22, 2020 for \$174,444.40;
- C) Palm Beach County Section 108 Loan Agreement, dated May 22, 2020 for \$174,444.40;
- D) Palm Beach County Section 108 Loan Program Agreement, dated May 22, 2020 for \$174,444.40;
- E) Palm Beach County Section 108 Security Agreement, dated May 22, 2020 for \$174,444.40;
- F) Palm Beach County Section 108 Guaranty Agreement, dated May 22, 2020 for \$174,444.40;
- G) Palm Beach County Section 108 Further Assurances and Errors and Omissions Statement;
- H) Opinion of Borrower Counsel for Section 108 Loan;
- I) Palm Beach County USDA IRP Commitment Letter, Dated April 3, 2020 for \$181,666.60;
- J) Palm Beach County USDA IRP Program Promissory Note, dated May 22, 2020 for \$150,000.00;
- K) Palm Beach County USDA IRP Income Promissory Note, dated May 22, 2020 for \$31,666.60;
- L) Palm Beach County USDA IRP Loan Agreement, dated May 22, 2020 for \$181,666.60;
- M) Palm Beach County USDA IRP Security Agreement, dated May 22, 2020 for \$181,666.60;
- N) Palm Beach County USDA IRP Guaranty Agreement, dated May 22, 2020 for \$181,666.60;
- O) Palm Beach County USDA IRP Further Assurances and Errors and Omissions Statement;
- P) Opinion of Borrower Counsel for USDA IRP;
- Q) Subordination and Non-Disturbance Agreement, dated May 22, 2020;
- R) Landlord's Waiver, dated May 22, 2020;
- S) Collateral Assignment of Leasehold Interest, dated May 22, 2020;
- T) Assignment of Collateral Deposit Account, dated May 22, 2020
- U) Borrower's Certificate;

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, and are now being submitted to the BCC to receive and file. ARK 305, LLC was formed to own and operate a Papa John's pizza franchise at 607 South Main Street in Belle Glade. The \$174,444.40 HUD Section 108 loan will be used for working capital and to purchase machinery and equipment necessary to operate the business. The \$181,666.60 USDA IRP loan will also be used for working capital as well as to make tenant improvements to the leased space. Papa John's, an American pizza franchise, is the fourth largest pizza delivery restaurant chain in the United States. The ARK 305, LLC franchise will be the first Papa John's location in Belle Glade. The project is located in a census tract that has a poverty rate of 31%. The project will create at least six (6) full time equivalent job over five (5) years. In accordance with County PPM CW-O-051, all delegated contracts, agreements and grants must be submitted by initiating Department as a receive and file agenda item. **These are Federal funds which require no local match.** District 6 (DB)

Background and Justification: The Palm Beach County Department of Housing & Economic Sustainability administers the HUD Section 108 Loan program and the USDA IRP 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 programs are respectively received from HUD and USDA.

Attachment(s): Documents as listed in A through U above.

Recommended By:


Department Director

8/5/2020
Date

Approved By:


Assistant County Administrator

8/13/2020
Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2020	2021	2022	2023	2024
Grant Expenditures	\$356,111				
Operating Costs					
External Revenues	(\$356,111)				
Program Income					
In-Kind Match					
NET FISCAL IMPACT	-0-				

# ADDITIONAL FTE POSITIONS (Cumulative)					
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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 2004 Sub Units P010 Object 8201 Program Code/Period
 Fund 1543 Dept 143 Unit 2110 Sub Units G007 Object 8201 Program Code/Period
 Fund 1543 Dept 143 Unit 2110 Sub Units GI01 Object 8201 Program Code/Period


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

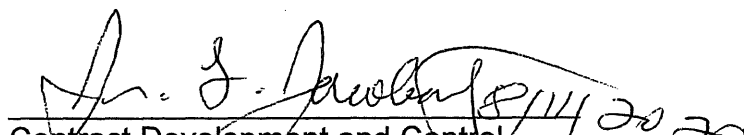
These agreements allocate \$174,444.40 in Section 108 loan funds and \$181,666.60 in USDA IRP loan funds to the project.

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

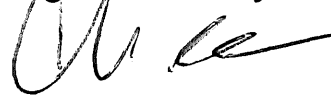
III. REVIEW COMMENTS

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

 8/11/2020
 OFMB 8/11/20
 (20) 8/11

 8/14/2020
 Contract Development and Control
 8-14-20 TW

B. Legal Sufficiency:


 for D. Behar 8/12/2020
 Assistant County Attorney

C. Other Department Review:

 Department Director