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Agenda Item #: **31-3**

**PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS**

AGENDA ITEM SUMMARY

Meeting Date: September 15, 2020 Consent Regular
 Ordinance Public Hearing

Department: 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 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) Second Allonge to Section 108 Promissory Note, dated April 30, 2020;
- B) First Amendment to Section 108 Loan Agreement, dated April 30, 2020;
- C) First Amendment to Security Agreement, dated April 30, 2020;
- D) Collateral Security Mortgage Modification Agreement, dated April 30, 2020;
- E) Reaffirmation of Guaranty Agreement, Dated May 6, 2020;
- F) Opinion of Borrower Counsel for Extension and Modification of HUD 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, and are now being submitted to the Board to receive and file. In 2019, a \$600,000 loan in the form of a revolving line of credit, was made to Shellco Construction Corp., Simplified Inc., and Simplified Fabricators Inc. (Borrowers) under the HUD Section 108 Loan program. The Borrowers operate a shell construction company and manufacture specialized truck beds for commercial vehicles used in the construction industry. In 2020, the form of the loan was modified to permanent working capital with a seven (7) year term. Although the Borrowers are headquartered at 1300 Gateway Road in Lake Park all manufacturing occurs at the company's facility at 9040 Belvedere Road in West Palm Beach. The Borrowers are expected to create 22 full time equivalent jobs over five (5) years, with 51% of the jobs made available to low to moderate income persons. To date, the Borrowers have created 32 new jobs; with 100% held by individuals who were low to moderate income at the time of hire. In accordance with County PPM CW-O-051, all delegated contracts, agreements and grants must be submitted as a receive and file agenda item within 90 days upon receipt of original executed and recorded agreements and supporting documents from borrower's counsel. **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 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 F above.

Recommended By: Jonathan Braun 8/19/2020
Department Director Date

Approved By: Donald M. Smith 9/2/2020
Assistant County Administrator Date

