

PALM BEACH COUNTY  
BOARD OF COUNTY COMMISSIONERS

AGENDA ITEM SUMMARY

Meeting Date:	June 15, 2021	<input type="checkbox"/> Consent	<input checked="" type="checkbox"/> Regular
		<input type="checkbox"/> Workshop	<input type="checkbox"/> Public Hearing
Department:	Housing & Economic Development		

**I. EXECUTIVE BRIEF**



**Motion and Title:** Staff recommends motion to conceptually approve: Section 108 Loan Program funding for Oxygen Development, LLC (Company) in the amount of \$5,000,000, contingent upon the approval of the U.S. Department of Housing & Urban Development (HUD).

**Summary:** The Section 108 Loan Program (Program) will assist in financing the expansion of Oxygen Development, LLC, (Company), a manufacturing company in Palm Springs that will lead to the creation of 300 new full time jobs at an average salary of \$42,692. The capital investment totals \$20,414,300, of which \$7,213,000 is from Fifth-Third Bank, \$5,419,000 from the Small Business Administration 504 Loan Program, \$5,000,000 from the Program, and \$2,782,300 from owners' equity. The Company manufactures color cosmetics, skin care, hair care and over-the-counter drug-type products. The Company will use the Program funds for acquisition of equipment to manufacture supplements in the form of "gummies", a gelatin based product with vitamins and antioxidants. The estimated five-year economic impact for this project is \$826M. The Palm Beach County Program Criteria states that projects that request over \$1,000,000 require approval of the Board of County Commissioners. Underwriting for this project has been pre-approved by HUD, SBA and the County's Loan Review Committee. The current variable interest rate for this loan is 1.2% with a 20-year term. The Program requires that 51% of the new jobs be made available to persons of low and moderate income at the time of hire.

In March 23, 2010, the BCC approved \$5,947,740 in Program funds for the Company for refinancing of land, machinery and equipment, and soft costs. The Company committed to the creation of 400 new jobs, and to date has created over 1,200 new full time jobs. The Company is in good standing with the County and has repaid over 50% of the loan. Ethnicity percentages of the 1,200 new jobs already created by the Company represent, 38% white, 29% African American, 19% Asian and 14% other. Race percentages represent 60% Hispanic or Latino and 40% Non-Hispanic. **These are Federal funds that require no local match.** District 2 (DB)

**Background and Policy Issues:** As an economic development tool, the mission of the Section 108 Loan Program is to revitalize communities by creating jobs that benefit low and moderate income persons. On May 19, 2021, the Section 108 Loan Review Committee (LRC), made up of representatives from the Department of Housing & Economic Development and the Office of Financial Management & Budget, recommended providing a \$5,000,000 HUD Section 108 loan for the Company through the Palm Beach County Section 108 Loan Program.

**Attachments:** None

Recommended by:	 Department Director	5/25/2021 Date
Approved by:	 Assistant County Administrator	6/8/2021 Date

## II. FISCAL IMPACT ANALYSIS

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

Fiscal Years	2021	2022	2023	2024	2025
Capital Expenditures					
Expenditures	\$5,000,000				
Operating Costs					
External Revenues	(\$5,000,000)				
Program Income					
In-Kind Match (County)					
NET FISCAL IMPACT	-0-				

# ADDITIONAL FTE POSITIONS (Cumulative)					
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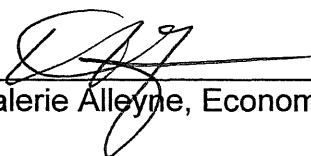
Is Item Included In Current Budget? Yes X No       
Does this Item include the use of Federal Funds? Yes X No     

Budget Account Numbers.:

Fund 1540 Dept. 143 Unit 2303 Object 8201 (Section 108 Loan)

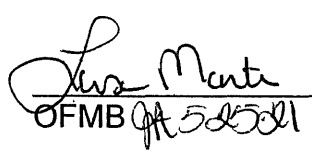

### B. Recommended Sources of Funds/Summary of Fiscal Impact:

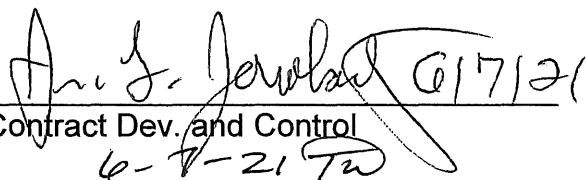
### C. Departmental Fiscal Review:

  
Valerie Alleyne, Economic Development Analyst

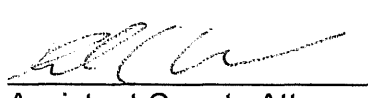
## III. REVIEW COMMENTS

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

 5/25/21  
OFMB #50501  5/25/21

 6/7/21  
Contract Dev. and Control  
6-7-21 TW

### B. Legal Sufficiency:

 6/8/21  
Assistant County Attorney

### C. Other Department Review:

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Department Director

(THIS SUMMARY IS NOT TO BE USED AS A BASIS FOR PAYMENT)