Agenda Item #: 3I-3

PALM BEACH COUNTY BOARD OF COUNTY COMMISSIONERS

AGENDA ITEM SUMMARY

Meeting Date:	December 7, 2021	[X] Consent [] Ordinance	[] Regular [] Public Hearing
Department:	Housing and Economic I		

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to: receive and file the following documents executed in connection with a loan made to Oxygen Development, LLC (the "Company") under the Housing and Urban Development (HUD) Section 108 Loan Program.

- A) Palm Beach County Section 108 Promissory Note, dated September 29, 2021 for \$5M;
- B) Palm Beach County Section 108 Loan Agreement, dated September 29, 2021 for \$5M;
- C) Palm Beach County Section 108 Collateral Mortgage Security Agreement, dated September 29, 2021 for \$1,200,000;
- **D)** Palm Beach County Section 108 Loan Program Agreement, dated September 29, 2021 for \$5M;
- E) Palm Beach County Section 108 Guaranty Agreement, dated September 29, 2021;
- F) Palm Beach County Section 108 Security Agreement, dated September 29, 2021;
- **G)** Palm Beach County, Oxygen Development LLC and Fifth Third Bank Consent Letter, dated September 29, 2021;
- H) Palm Beach County Section 108 Further Assurances and Errors and Omissions Statement; and
- I) UCC-1 Financing Statement (Florida Secured Transaction Registry)

Attachment(s): Documents as listed in A through I

Summary: In accordance with County PPM CW-O-051, all delegated contracts, agreements and grants must be submitted by the initiating department as a receive and file agenda item. 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 as a receive and file. The Section 108 Loan Program (Program) will assist in financing the expansion of the facility, which is a manufacturing company in Palm Springs and which will lead to the creation of 300 new full time equivalent jobs. The \$5M HUD Section 108 loan will be used for the purchase of custom-made machinery and equipment to manufacture supplements in the form of gummies, a gelatin based product with vitamins. The BCC approved this loan on June 15, 2021. These are Federal funds which require no local match. District 2 (DB)

Background and Justification: The Palm Beach County Section 108 Loan Program (Program), which is administered by the Palm Beach County Department of Housing & Economic Development, 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.

Recommended By: Dratton Brown 11/9/2021

Department Director Date

Approved By: Lord M. Mills 11/19/2021

Assistant County Administrator

II. FISCAL IMPACT ANALYSIS

A	Five Year Summary		T		T			
	scal Years	2022	2023	2024	2025	2026		
	rant Expenditures	\$5,000,000						
ļ	perating Costs							
	ternal Revenues	(\$5,000,000)						
	ogram Income							
	-Kind Match							
N	ET FISCAL IMPACT	_						
	ADDITIONAL FTE DSITIONS (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 H034 Object Various Program Code/Period N/A								
B. Recommended Sources of Funds/Summary of Fiscal Impact:								
	This agreement alloc	ates \$5,000,000	in HUD Secti	on 108 Ioan	funds to the	project.		
C.	C. Departmental Fiscal Review: Valerie Alleyne, Division Manager							
III. REVIEW COMMENTS								
A.	OFMB Fiscal and/or Contract Development and Control Comments:							
В.	OFMB (1) 1/21 Legal Sufficiency: April 1/4/21 Legal Sufficiency: April 1/4/21 Legal Sufficiency: April 1/4/21 Legal Sufficiency:							
	Assistant County Atto	19 21 prney						
C.	Other Department F	Review:						
	Department Director							