Agenda Item #: 3I-1

PALM BEACH COUNTY BOARD OF COUNTY COMMISSIONERS

AGENDA ITEM SUMMARY

Meeting Date:

January 23, 2024

[X] Consent

[] Regular

[] Ordinance

[] Public Hearing

Submitted by:

Housing and Economic Development

Submitted for:

Palm Beach County Educational Facilities Authority

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to adopt: a Resolution of the Board of County Commissioners of Palm Beach County, Florida, approving the issuance of one or more series of Revenue Bonds for Palm Beach Atlantic University, Inc. by the Palm Beach County Educational Facilities Authority in an aggregate principal amount not to exceed \$60,000,000.

Summary: Palm Beach Atlantic University, Inc. (the "Borrower") has requested the Palm Beach County Educational Facilities Authority ("Authority") to issue tax-exempt Revenue Bonds (Palm Beach Atlantic University, Inc.) (the "Bonds"), in one or more series and in an aggregate principal amount not to exceed \$60,000,000 pursuant to a TEFRA public hearing held on November 14, 2023 by the Authority. The bonds are to be issued by the Authority for the purpose of providing funds to the Borrower for the purposes of financing, including through reimbursement: (i) a new classroom/office building consisting of six stories and approximately 125,000 square feet to be built on the Borrower's main campus to be used primarily for the existing Rinker School of Business located at 901 South Flagler Drive, West Palm Beach, Florida, and any other capital improvements to its educational facilities located on such campus; (ii) any necessary reserves for the Bonds and capitalized interest, if any; and (iii) certain costs of issuance of the Bonds (collectively, the "Project"). All facilities to be financed by the Bonds are owned and operated by the Borrower. Approval by an elected body is required by the Internal Revenue Code; however, adoption of this Resolution does not in any way obligate the County. One or more documents approved by the Authority in the resolution authorizing the issuance of the Bonds will include language creating a contractual obligation of the borrower substantially as follows: The County assumes no responsibility for monitoring compliance by the Borrower of applicable federal income tax, securities laws or other regulatory requirements. The Borrower understands and agrees that it is responsible for monitoring its compliance with all applicable federal income tax, federal securities law and other regulatory requirements, retaining adequate records of such compliance, and retaining qualified counsel to respond to or assist the Authority and the County in responding to any audit, examination or inquiry of the Internal Revenue Service, the Securities and Exchange Commission or other organization. The Borrower assumes responsibility for monitoring compliance with applicable provisions of federal tax laws and U.S. Treasury Regulations relative to the Bonds, and shall retain adequate records of such compliance until at least three (3) years after the Bonds are retired. Continued on Page 3

Background and Justification: Continued on Page 3

1. Resolution

Recommended By:

Department Director

12/21/202

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Approved By:

Assistant County Administrator

Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fis	cal Years	2024	2025	2026	2027	2028		
	pital Expenditures			2020	2021	2020		
<u> </u>	erating Costs							
	ernal Revenues							
Pro	gram Income	***************************************			(11-11-11-11-11-11-11-11-11-11-11-11-11-			
·	Kind Match (County)							
	T FISCAL IMPACT	-0-						
					.1			
1	DDITIONAL FTE SITIONS (Cumulative)							
Does	em Included In Curren s this Item include the s this Item include the	use of Fed		Yes Yes Yes	No X No X No X	- - -		
Budg	get Account No.:							
Func	i Dept Un	it Ol	niect	Program Cod	le/Period			
B.	Recommended Sou	rces of Fur	nds/Summa	ry of Fiscal I	mpact:			
C.	All costs to be borne by the Educational Facilities Authority. No fiscal impact to Palm Beach County. Departmental Fiscal Review: Valerie Alleyne Division Director II Finance and Administrative Services, DHED							
III. REVIEW COMMENTS								
A.	OFMB Fiscal and/or	Contract D	Developmen	t and Contro	ol Comments	3 :		
	OFMB OF 12	12/27/201 127 12/12/2	3 Ab Cont	Zany M. Adract Develop	ment and Co	/24 ntrol		
В.	Legal Sufficiency:							
C.	Assistant County Atto	·	_					
	Department Director							

Palm Beach Atlantic University, Inc. Bonds January 23, 2024 Page 3

Summary: Continued from Page 1:

In the event of any audit, examination or investigation by the Internal Revenue Service with respect to the tax-exempt status of the Bonds or any other related tax matters, the Borrower shall be responsible for retaining qualified counsel to respond to such audit. Neither the taxing power nor the faith and credit of the County, nor any County funds shall be pledged to pay the principal, redemption premium, if any, or interest on the Bonds. District 7 (DB)

Background and Justification: Continued from Page 1

The Palm Beach County Educational Facilities Authority was created pursuant to Chapter 243, Florida Statutes and by Resolution No. R-79-1493 adopted by the Board of County Commissioners (BCC) on October 23, 1979. The Authority is governed by a seven (7) member governing body whose members are appointed by the Board of County Commissioners (BCC). The Internal Revenue Code requires that certain tax exempt bonds be approved by an elected governmental entity after a public hearing. Palm Beach Atlantic University, Inc. is located within the jurisdiction of the County. Therefore, it is necessary for Bonds issued by the Authority to be approved by the BCC. This approval does not in any way obligate the County on the Bonds or imply that the County has determined that the Bonds are credit-worthy or serves a public purpose.

RESOL	UTION	NO.	

A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, APPROVING THE ISSUANCE OF ONE OR MORE SERIES OF REVENUE BONDS BY THE PALM BEACH COUNTY EDUCATIONAL FACILITIES AUTHORITY IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$60,000,000.

WHEREAS, on November 14, 2023, a public hearing was held by the Palm Beach County Educational Facilities Authority (the "Issuer") with regard to the issuance of its Revenue Bonds (Palm Beach Atlantic University, Inc.) in one or more series in an aggregate principal amount not to exceed \$60,000,000 (the "Bonds");

WHEREAS, the Bonds are to be issued by the Authority for the loan of the proceeds of the Bonds to Palm Beach Atlantic University, Inc. (the "Borrower"), a Florida nonprofit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), for the purposes of financing, including through reimbursement: (i) a new classroom/office building consisting of six stories and approximately 125,000 square feet to be built on the Borrower's main campus to be used primarily for the existing Rinker School of Business located at 901 South Flagler Drive, West Palm Beach, Florida, and any other capital improvements to its educational facilities located on such campus; (ii) any necessary reserves for the Bonds and capitalized interest, if any; and (iii) certain costs of issuance of the Bonds (collectively, the "Project");

WHEREAS, the Bonds will not be an obligation of the County, and will be payable from funds of the Borrower;

WHEREAS, pursuant to the requirements of Section 147(f)(2)(A)(ii) of the Internal Revenue Code of 1986, as amended (the "Code"), as a prerequisite to the issuance of the Bonds, it is necessary that the Board of County Commissioners of Palm Beach County, Florida (the "Board") approve the issuance of the Bonds after the aforesaid public hearing; and

WHEREAS, the Board desires to evidence its approval of the issuance of said Bonds solely to satisfy the requirements of the Code.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA THAT:

SECTION 1. <u>AUTHORIZATION OF BONDS</u>. The Board hereby approves the issuance of the Bonds in one or more series at one or more times for the purposes of Section 147(f) of the Code.

obligations of the Issuer payable from amounts received by the Borrower in repayment of the loan of proceeds of the Bonds. The Bonds shall not constitute a debt, liability or obligation of the County, the State of Florida (the "State") or any political subdivision or agency thereof other than the Issuer, or a pledge of the faith and credit of the Issuer, the County, the State or of any political subdivision or agency thereof, and neither the County, the State nor any political subdivision or agency thereof will be obligated to levy taxes of any form to secure repayment of the Bonds.

SECTION 3. <u>LIMITED APPROVAL</u>. The approval given herein is solely for the purpose of satisfying the requirement of Section 147(f) of the Code. The approval by the Board of the issuance of the Bonds by the Issuer shall not be construed to obligate the County to incur any liability, pecuniary or otherwise, in connection with either the issuance of the Bonds or the acquisition, construction and equipping of the Project, and the

Issuer shall so provide in the financing documents setting forth the details of the Bonds. The approval given herein shall not be construed as (a) an endorsement of the creditworthiness of the Borrower or the financial viability of the Project, (b) a recommendation to any prospective purchaser to purchase the Bonds, (c) an evaluation of the likelihood of the repayment of the debt service on the Bonds, or (d) approval of any necessary rezoning applications or approval or acquiescence to the alteration of existing zoning or land use nor approval for any other regulatory permits relating to the Project, and the Board shall not be construed by reason of its adoption of this Resolution to make any such endorsement, finding or recommendation or to have waived any right of the Board or estopping the Board from asserting any rights or responsibilities it may have in such regard.

SECTION 4.	EFFECTIVE D	ATE. This	Resolution	shall 1	ake	effect
immediately upon its pass	age and adoption.					
The foregoing Resolits adoption. The motion vote, the vote was as follo	was seconded by C					
Commissioner Maria Sac Commissioner Maria G. Commissioner Gregg K. Commissioner Michael A Commissioner Marci Wo Commissioner Sara Baxt Commissioner Mack Ber The Mayor thereug day of, 2024	Marino, Vice Mayo Weiss A. Barnett oodward er nard		passed and	- - - - - adopte	d this	3
	PA BY	PALM BEACH COUNTY, FLORIDA BY ITS BOARD OF COUNTY COMMISSIONERS ATTEST: JOSEPH ABRUZZO CLERK & COMPTROLLER				
APPROVED AS TO LE SUFFICIENCY						
By: Assistant County Atte	Ву	: Deputy Clerk	·····			muw-
Assistant County Atte	orney	Deputy Cierr	S.			