



Miami-Dade County Board of County Commissioners

Office of the Commission Auditor

Legislative Analysis

Budget, Planning & Sustainability
Committee

October 12, 2010
2:00 P.M.
Commission Chamber

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**Miami-Dade County Board of County Commissioners
Office of the Commission Auditor**

**Legislative Notes
Budget, Planning & Sustainability Committee
Meeting Agenda**

October 12, 2010

Written legislative analyses for the below listed items are attached for your consideration:

Item Number(s)

3(D)
3(E)

If you require further analysis of these or any other agenda items, please contact Guillermo Cuadra, Chief Legislative Analyst, at (305) 375-5469.

Acknowledgements--Analyses prepared by:
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**MIAMI-DADE COUNTY
BOARD OF COUNTY COMMISSIONERS
OFFICE OF THE COMMISSION AUDITOR**



Legislative Notes

Agenda Item: 3(D) and 3(E)
File Number: 102360 and 102371
Committee(s) of Reference: Budget, Planning and Sustainability
Date of Analysis: October 8, 2010
Type of Item: Issuance of Special Obligation Bonds

Summary

These items includes an ordinance (Item No. 3D) and a resolution (Item No. 3E), authorizing the issuance of Miami-Dade County Special Obligation Bonds in aggregate principal amount not to exceed \$80 million for the purpose of acquiring, constructing, improving and/or renovating certain capital assets.

Background and Relevant Legislation

The proposed resolution and ordinance allow the sale of up to \$80 million in the following manner:

- Capital Asset Acquisition Taxable Special Obligation Bonds, Series 2010D, Recovery Zone Economic Development Bonds – Direct Payment to Issuer; and
- Capital Asset Acquisition Special Obligation Bonds, Series 2010E.

Recovery Zone Economic Development Bonds¹

Recovery Zone Economic Development Bonds are a new type of bond created by the American Recovery and Reinvestment (ARRA) passed by Congress in February 2009. They may be used to finance government projects with economic development outcomes.

Miami-Dade County Recovery Zone Designations (Resolution No. 1416-09)

This designation was assigned to economically distressed areas. This included Miami-Dade County's Enterprise Zone, Empowerment Zone, and census tracts already eligible for the U.S. Treasury's New Markets Tax Credits (NMTC) program.

Capital Funding Source

These items include Miami-Dade County Seaport and Transit Departments capital improvement projects funded by Special Obligation Bonds from non-ad valorem County revenues. According to the County Manager's memo, actual debt payments will be made from funds appropriated in the respective adopted budgets of Seaport and Transit Departments.

¹ <http://www.commerce.wa.gov/site/1075/default.aspx>

Questions / Comments

Seaport Projects:

- \$17.8 million - Dredge III request to deepen South Channel to a depth of 50 feet. Seaport needs another \$55 million in bonds/loans to complete this project. The project is also dependent upon Army Corps of Engineers funding of \$82 million which will be difficult according to the Office of Inter-governmental Affairs. Seaport will continue permitting/engineering phase and new bulkhead construction in advance of Federal funding to complete the project.
- \$9.5 million – Purchase of two Gantry Cranes and reinforcing infrastructure. Project may require another \$18.5 million in loans to complete. Seaport needs the two new cranes whether or not dredging to 50 feet is completed.
- \$1.4 million - Cruise Terminals D and E Improvements. The project requires another \$1.8 million loan to complete according to the 2010-11Capital Improvement Plan (CIP). Improvements to the terminals are in advance of Carnival Cruise Lines next fleet of ships.
- \$4.9 million – Cruise Terminals F and G Improvements. The project requires another \$7 million loan to complete. Modernization of terminals with half of the cost for re-roofing.

Transit Projects:

- \$2.4 million – Park and Ride Facility SW 344 St and Busway. Location was selected from others as a result of an alternative analysis site survey completed for FTA approval of funds. The \$10.1 million project includes \$4.7 million in FDOT funds, \$1.8 million from FTA, and \$1.2 million in prior year PTP funds.

Below is a review of the authorizing resolutions for the Seaport Department Projects.

Dredge III (\$17.819 million Proposed Series 2010D Bonds)

Resolution No. 1258-09 approved the Professional Services Agreement (PSA) between HDR Engineering, Inc. and Miami-Dade County, authorizing the engineering design services for the Wharves Strengthening Program. The funding source for this project under Resolution No. 1258-09 included \$2.040 million in Seaport Bonds/Loans and \$460,000 in Florida Department of Transportation (FDOT) funds for a total of \$2.5 million.

The proposed resolution provides \$228.084 million as the total project cost. The funding source for this project is as follows:

- \$ 746,000 Capital Asset Series 2009 Bonds
 - \$ 17,818,500 Proposed Series 2010D Bonds
 - \$209,519,000 Unassigned Future Funding
- \$228,084,000² Total**

Supplemental Guide Sign (367,500 Proposed Series 2010D Bonds)

The proposed resolution provides \$500,000 as the total project cost. The funding source for this project is as follows:

² Totals will not be exact due to rounding.

- \$367,500 Proposed Series 2010D Bonds
- \$132,500 Unassigned Future Funding
- \$500,000 Total**

Cruise Terminals D and E Improvements (\$1.393 million Proposed Series 2010E Bonds)

According to Resolution No. 703-07, as part of the Agreement between Miami-Dade County and Carnival Corporation, the Miami-Dade Seaport agreed to provide upgrades to Terminals D and E for Carnival's usage.

On July 8, 2010, the Board of County Commissioners accepted the Seaport Department Quarterly Report of Executed Joint Participation Agreements (JPAs) and Supplemental JPAs between January 1, 2010 and March 31, 2010 (the July 8, 2010, Seaport Quarterly Report). According to the July 8, 2010, Seaport Quarterly Report, the total project cost for improvements to Cruise Terminals D and E is \$5.445 million with FDOT participation in the amount of \$1.670. However, according to this resolution, the total cost of this project is \$6.365 million, of which \$1.435 million is being funded by a FDOT grant.

According to the proposed resolution, the funding source for this project is as follows:

- \$1.435 million FDOT grant
- \$2.497 million Capital Asset Series 2009 Bonds
- \$1.393 million Proposed Series 2010E Bonds
- \$1.040 million Unassigned Future funding
- \$6.365 million Total**

Cruise Terminals F and G Improvements (\$4.958 million Proposed Series 2010E Bonds)

As part of the Settlement Agreement between Miami-Dade county and Royal Caribbean Cruises Ltd, the Miami-Dade Seaport agreed to provide upgrades to Terminals F and G. According to Resolution No. 1345-08, the anticipated costs were \$1.850 million. Improvements to Terminals F and G included compliance upgrades for a One-Stop Shop processing center for U.S. Customs and Border Protection (CBP) and repairs to the third floor air conditioning system in Cruise Terminal G.

According to the proposed resolution there are additional improvements which include the following:

- Safety related projects such as repairs to the building's flat roof and S-type roof, circulation improvements for security, and upgrades to wayfinding; and
- Berthing upgrades, replacement of mooring bollards, two new gangways and doors, upgrades to the baggage system, among others.

The funding source for this project under the proposed resolution is as follows:

- \$4.958 million Proposed Series 2010E Bonds
- \$7.542 million Unassigned Future funding
- \$12.5 million Total**

Cargo Yard Improvements (\$8.787 million Proposed Series 2010E Bonds)

According to Resolution No. 599-08, as part of the execution of an Amended and Restated Terminal Agreement between Miami-Dade County and Seaboard Marine, Ltd., the Miami-Dade Seaport committed to \$26 million in capital improvements.

According to the proposed resolution, the total cost for this project is \$46.221 million and includes the following funding sources:

- \$11.958 million FDOT grant
 - \$11.246 million Capital Asset Series 2009 Bonds
 - \$8.787 million Proposed Series 2010E Bonds
 - \$14.230 million Unassigned Future funding
- \$46.221 million Total**

Gantry Cranes (\$9.532 million Proposed Series 2010E Bonds)

This project was approved under Resolution No. 599-08, execution of an Amended and Restated Terminal Agreement between Miami-Dade County and Seaboard Marine, Ltd. in which the Miami-Dade Seaport committed to \$26 million in capital improvements; and Resolution No. 763-08, execution of Terminal Operating Agreement between Miami-Dade County and Terminal Link LLC (it also executed Termination, Release and Reservation of Rights Agreement between Miami-Dade County and Maersk, Inc.), in which the Gantry Crane project is described.

According to the proposed resolution, the total cost for this project is \$30.133 million and includes the following funding sources:

- \$ 9.532 million Proposed Series 2010E Bonds
 - \$20.601 million Unassigned Future Funding
- \$30.133 million³ Total**

Port-wide Infrastructure Improvements (\$10.287 million Proposed Series 2010E Bonds)

This project was approved under several resolutions: Resolution No. 703-07: Agreement between Miami-Dade County and Carnival Corporation, in which the Miami-Dade Seaport agreed to provide upgrades to Terminals D and E for Carnival's usage; Resolution No. 599-08: Amended and Restated Terminal Agreement between Miami-Dade County and Seaboard Marine, Ltd., in which the Miami-Dade Seaport committed to \$26 million in capital improvements; Resolution No. 1345-08: Settlement Agreement between Miami-Dade County and Royal Caribbean Cruises Ltd, the Miami-Dade Seaport agreed to provide upgrades to Terminals F and G; and Resolution No. 1442 -08, which executed a Cruise Terminal Agreement between Miami-Dade County and Norwegian Cruise Line.

According to the proposed resolution, the total cost for this project is \$85.900 million and includes the following funding sources:

- \$1.700 million FDOT and Homeland Security grants
 - \$2.732 million Capital Asset Series 2009 Bonds
 - \$10.287 million Proposed Series 2010E Bonds
 - \$71.181 million Unassigned Future funding
- \$85.900 million Total**

Prepared by: Elizabeth N. Owens and Keith Connors

³ Totals will not be exact due to rounding.