

Alex Penelas

MAYOR

April 29, 2004

Greetings!

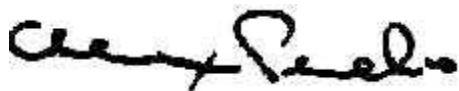
As Mayor of Miami-Dade County, I am pleased to offer the eighth Report to Bondholders. This report has been prepared in order to present quantitative and qualitative information to our investors so they may evaluate our performance in efficiently and effectively addressing the needs of our community.

This past year has been one of great challenge and achievement. Current economic development program — which was faced with the devastating effects of the aftermath of the September 11, 2001 terrorist attacks — is showing dramatic results. Miami-Dade County continues to add new jobs, as hotel occupancy and air traffic have reached pre-911 figures.

We have also continued to tackle our community's traffic problems. As anyone who has driven in Miami-Dade County knows, traffic has become unbearable. To alleviate this, we asked our residents to help us create the People's Transportation Plan, and after scores of citizen meetings, the voters passed a half-penny tax to create a dedicated fund to fight the traffic problems. This fund will generate more than \$5.5 billion over a 21-year period, but already changes can be seen on the streets. Since November 2002, when voters approved the half-cent surtax to Fund the PTP, the addition of seven new bus routes and improvements to existing routes - including the purchase of 170 new buses - have resulted in 5.5 million new miles of bus service and the hiring of more than 350 new bus operators. In addition, the rail and mover rehabilitation program has been initiated, as well as \$13 million in public works contracts advertised for road resurfacing, traffic signalization, flashing lights, sidewalk construction and more. Additionally, approximately \$32 million has been distributed to the municipalities for road improvements and transit projects, such as circulator bus service, shelters, etc., including the successful Coral Gables' trolley service that averages over 1,800 boardings per day.

As always, good management serves as the crucial link between low taxes and high quality services. Miami-Dade County continues to promote and realize efficiency savings, retain low millage rates, has completed its Strategic Plan, and has continued to implement successful gain sharing incentive programs. Additionally, the County is using the Strategic Plan to develop the Department's business plans based on desired outcomes and service improvements that will drive the County's budget process. While there are still some challenges to face this year, including cuts in the State budget, I am optimistic that we have a solid foundation upon which we will continue to build. How we meet our challenges is how we — as a community — will be judged in years to come.

Sincerely,

A handwritten signature in black ink, appearing to read "Alex Penelas", with a stylized, cursive script.

Alex Penelas
Mayor