

Memorandum



Date: February 5, 2008

To: Honorable Chairman Bruno A. Barreiro
and Members, Board of County Commissioners

From: George M. Burgess
County Manager

Agenda Item No. 10(E)(1)(B)

Subject: Resolution Approving Issuance of Industrial Development Revenue Bonds for Solo Printing, Inc.

Recommendation

The attached Resolution is being placed on the agenda for Board consideration on behalf of the Miami-Dade County Industrial Development Authority (IDA). The item approves the issuance of industrial development revenue bonds by the IDA for Solo Printing, Inc. A public hearing was held by the Industrial Development Authority on December 26, 2007. Details of the project are included in the accompanying memorandum and exhibits provided by the Chairman of the IDA.

Scope

Solo Printing, Inc. is located at 7860 NW 66th Street, Miami, Florida, which is within Commission District 12.

Fiscal Impact/Funding Source

Neither the Miami-Dade County Industrial Development Authority nor Miami-Dade County has any liability with respect to the repayment of the bonds.

Track Record/Monitor

Issuance of the bonds will be conducted and monitored by the Executive Director of the IDA.

Background

Section 147(f) of the Internal Revenue Code of 1986 ("TEFRA") requires that the Board of County Commissioners approve the issuance of industrial development revenue bonds after a public hearing has been held either by the Miami-Dade County Industrial Development Authority or the Board itself. For efficiency, the Board has allowed the Miami-Dade County Industrial Development Authority to conduct the public hearing subject to review and ratification by the Board.

Attachments


Cynthia W. Curry
Senior Advisor to the County Manager

Memorandum



Date: February 5, 2008

To: Honorable Chairman Bruno A. Barreiro
and Members, Board of County Commissioners

From: Albert Morrison, Jr. 
Miami-Dade County
Industrial Development Authority

Subject: Application for Industrial Development Revenue Bond financing for Solo Printing, Inc. project

RECOMMENDATION:

It is recommended the Board approve the issuance of the Authority's Industrial Development Revenue Bonds for the Solo Printing, Inc. project, as detailed in the attached reports.

BACKGROUND:

Review and analysis of the project has been completed by the Authority, County Attorney's Office, and Bond Counsel. The Authority has conducted the federally required public hearing, as detailed in the attached public hearing transcript.

Solo Printing, Inc., a Florida corporation, has applied for Industrial Development Revenue Bond financing assistance in a maximum principal amount not to exceed \$6,550,000. The bond issue proceeds will be used by the company to facilitate the acquisition of a new Komori 38S, six-color heatset offset web press and related equipment and to pay costs of issuance of the Bonds. The bond issue will be purchased and held by People's Capital and Leasing Corporation, a subsidiary of People's Bank, an \$11 billion financial institution headquartered in Bridgeport, Connecticut. People's specializes in equipment financing for manufacturing companies throughout the United States. The Company will own and operate the equipment at its manufacturing facility located at 7860 NW 66th Street, unincorporated Miami-Dade County. Solo Printing, Inc. reports it currently employs approximately 90 persons and projects 15 new job opportunities within the year following completion of the project and an additional 15 jobs over the following 3 year period.



MEMORANDUM

(Revised)

TO: Honorable Chairman Bruno A. Barreiro
and Members, Board of County Commissioners

DATE: February 5, 2008

FROM: 
R. A. Cuevas, Jr.
County Attorney

SUBJECT: Agenda Item No. 10(E) (1) (B)

Please note any items checked.

- ☐ "4-Day Rule" ("3-Day Rule" for committees) applicable if raised
- ☐ 6 weeks required between first reading and public hearing
- ☐ 4 weeks notification to municipal officials required prior to public hearing
- ☐ Decreases revenues or increases expenditures without balancing budget
- ☐ Budget required
- ☐ Statement of fiscal impact required
- ☐ Bid waiver requiring County Manager's written recommendation
- ☐ Ordinance creating a new board requires detailed County Manager's report for public hearing
- ☐ Housekeeping item (no policy decision required)
- ☐ No committee review

Approved _____ Mayor

Veto _____

Override _____

Agenda Item No. 10(E)(1)(B)

02-05-08

RESOLUTION NO. _____

RESOLUTION APPROVING ISSUANCE OF MIAMI-DADE
COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY
REVENUE BONDS IN AN AMOUNT NOT TO EXCEED
\$6,550,000 TO FINANCE CAPITAL PROJECT FOR
BENEFIT OF SOLO PRINTING, INC. FOR PURPOSES
OF AND PURSUANT TO SECTION 147(F) OF INTERNAL
REVENUE CODE OF 1986, AS AMENDED

WHEREAS, Solo Printing, Inc., a Florida corporation (the
"Company"), has requested the Miami-Dade County Industrial
Development Authority (the "Authority") to issue not exceeding
\$6,550,000 aggregate principal amount of its Industrial
Development Revenue Bonds (Solo Printing, Inc. Project) (the
"Bonds"), for the purpose of financing all or a part of the costs
of (i) the acquisition and installation of commercial printing
equipment to be owned and operated by the Company and located at
the Company's commercial printing facility specializing in offset
printing, color lithography and binding services, at 7860 NW 66th
Street, Miami, Florida 33166, in unincorporated Miami-Dade County
(the "County"), and (ii) pay costs of issuance of the Bonds
(collectively, the "Project"); and

WHEREAS, the Authority intends to issue the Bonds subject to approval by the Board of County Commissioners of Miami-Dade County, Florida (the "Board") and final approval by the Authority of the financing documents for the Project, which is more particularly described in the report prepared by the Executive Director of the Authority (a copy of which is attached hereto as Exhibit A); and

WHEREAS, on Wednesday, December 26, 2007, the Authority held a public hearing, notice of which was published on Wednesday, December 12, 2007 in The Miami Herald (a copy of which notice is attached hereto as Exhibit B), for the purpose of giving all interested persons an opportunity to express their views in connection with the issuance of the Bonds, as required by Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"); and

WHEREAS, after reviewing a copy of the transcript of the Authority's public hearing held on Wednesday, December 26, 2007, in respect of the Bonds (a copy of which transcript is attached hereto as Exhibit C), and finding that the Project will inure to the benefit of the citizens of Miami-Dade County, this Board

desires to approve the issuance of the Bonds for the purpose of complying with Section 147(f) of the Code,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA:

Section 1. The issuance of Revenue Bonds of the Miami-Dade County Industrial Development Authority in an aggregate principal amount not to exceed \$6,550,000 for the purpose of financing all or a portion of the costs of the Project, as previously described, is approved.

Section 2. The Bonds and the interest on the Bonds shall not constitute a debt, liability or general obligation of the Authority, the County or of the State of Florida or of any political subdivision thereof, but shall be payable solely from the revenues or other moneys specifically provided by the Company for the payment of the Bonds and neither the faith and credit nor any taxing power of the Authority, the County or of the State of Florida or of any political subdivision thereof is pledged to the payment of the principal or interest on the Bonds.

The foregoing resolution was offered by Commissioner
, who moved its adoption. The motion was seconded
by Commissioner and upon being
put to a vote, the vote was as follows:

Bruno A. Barreiro, Chairman	
Barbara J. Jordan, Vice-Chairwoman	
Jose "Pepe" Diaz	Audrey M. Edmonson
Carlos A. Gimenez	Sally A. Heyman
Joe A. Martinez	Dennis C. Moss
Dorrin D. Rolle	Natacha Seijas
Katy Sorenson	Rebeca Sosa
Sen. Javier D. Souto	

The Chairperson thereupon declared the resolution duly passed and adopted this 5th day of February, 2008. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF COUNTY
COMMISSIONERS

HARVEY RUVIN, CLERK

Approved by County Attorney as
to form and legal sufficiency. *gth*

By: _____
Deputy Clerk

Gerald T. Heffernan

SOLO PRINTING, INC.

THE COMPANY

Solo Printing, Inc. ("SPI") is a privately held Florida corporation jointly owned by Manuel Hernandez, President of the company and his brother George Hernandez, Vice President, both residents of Miami-Dade County. The company has been in business for approximately 22 years and is located at 7860 NW 66th Street, unincorporated Miami-Dade County. The company is a commercial printing operation specializing in offset printing, color lithography, and binding services. The company's product line includes web and sheet printed magazines, brochures, manuals and catalogs which it produces for its nationwide clients. Major clients include TracFone, Harcourt Educational Services, The Miami Herald, and Assurant Solutions, Inc.

Solo Printing, Inc. achieved sales for the fiscal years ended December 31, 2006 and 2005 of approximately \$11,100,000 and \$10,000,000 respectively. The company reports its sales for the 2007 fiscal year are projected to reach approximately \$14,000,000.

THE PROJECT

Solo Printing, Inc. operates out of a 35,000 sq. ft. facility owned by the shareholders. The company is requesting Industrial Development Revenue Bond financing assistance in an amount not to exceed \$6,550,000 to facilitate the acquisition of a new Komori 38S, six-color heatset offset web press and related equipment. The company, whose current production is handled by a 1994 five-color Process King web press and a 1996 eight-color Heidelberg SM perfecting press, reports the new press will enable it to bid on 6-color jobs and provide their existing customers with better print quality, as well as secure additional volume from existing customers who limit their volume going to the company because the company has no back up web press.

In addition to the bond financing, the company reports it is investing approximately \$1,500,000 for the construction of a 30,000 sq. ft. addition of their existing facility, which is needed to accommodate the new web press.

Elements of the proposed project include:

1. One new Komori 38S, six-color 22.75" x 38" heatset offset web press: -----\$6,550,000

FINANCIAL SUFFICIENCY

The Company has provided reviewed financial statements for the fiscal year ended December 31, 2006, 2005, and 2004, and an in-house prepared financial statement for the 6-month period ended June 30, 2007. In addition, the 2006 annual report of People's Bank and a copy of People's Capital and Leasing Corporation financing commitment have also been provided.

A review of the submitted financial and related information indicates:

<u>SOURCE OF FUNDS</u>		<u>USE OF FUNDS</u>	
Bond Issue Proceeds*	\$ 6,550,000	New Equipment	\$ 6,550,000
TOTAL		TOTAL	
	<u>\$6,550,000</u>		<u>\$6,550,000</u>

**Bond issuance costs as well as any other costs related to the bond issue and development of the project which cannot be paid out of bond proceeds will be borne by the Company.*

Information relative to the proposed financial structure includes:

Financial Structure:	Corporate Debt.
Security:	First position lien on equipment financed with bond proceeds as well as liens on existing perfecting press and web press.
Guarantee:	Company guarantee and personal guarantee of shareholders.
Marketing:	Private Placement. The Bond will be purchased and held by People's Capital and Leasing Corporation, a subsidiary of People's Bank which is an \$11 billion financial institution headquartered in Bridgeport, Connecticut. People's specializes in equipment financing for manufacturing companies located throughout the United States.

LEGAL

As the project consists of the acquisition of new manufacturing equipment, it should qualify as to purpose for Industrial Development Revenue Bond financing under current Federal and State Law. Issuance allocation for the bonds will be required and requested from the manufacturing allocation pool (F.S. 159.8081). No locally available bond allocation will be used for this project.

ECONOMIC IMPACT

Solo Printing, Inc. reports they currently employ approximately 90 persons. The Company projects an increase of 15 new job opportunities within the year following completion of the project and an additional 15 jobs over the following 3 year period.

In addition to the new job opportunities, other economic benefits will include an increase in new taxable capital investments and added support to the local construction industry, as well as raw material, maintenance, and service providers.



**MIAMI-DADE COUNTY
INDUSTRIAL DEVELOPMENT AUTHORITY
TEFRA/PUBLIC HEARING**

The Miami-Dade County Industrial Development Authority (the "Authority") has been requested to issue its Industrial Development Revenue Bonds for the following capital projects:

Bellak Color Corporation, Inc., in an aggregate principal amount not to exceed \$3,715,000 (the "Bonds"), the proceeds of which will be used to purchase new printing equipment, and pay costs of issuance of the Bonds (the "Project"). The Project, which will be located at 9730 NW 25th Street in the City of Doral, Florida, will be owned or operated by the Company.

Solo Printing, Inc., in an aggregate principal amount not to exceed \$6,550,000 (the "Bonds"), the proceeds of which will be used to make a loan or loans to Solo Printing, Inc., a Florida corporation ("Borrower"), for the purpose of financing all or part of the cost of a capital project consisting of the acquisition and installation of commercial printing equipment to be owned and operated by the Borrower and located at the Borrower's commercial printing facility specializing in offset printing, color lithography and binding services, at 7860 NW 66th Street, Miami, Florida 33166, in unincorporated Miami-Dade County (the "Project").

The Bonds shall not be a debt, liability or obligation of the Authority or of Miami-Dade County, Florida, or of the State of Florida, or of any political subdivision thereof, but shall be payable solely from payments derived from the operations of the Project or the security instruments for the Bonds.

Please take note that the Authority will hold a public hearing on these Projects and associated issues regarding the Bonds at the Brickell BayView Centre, 80 SW 8th Street, Suite 2801, Miami, Florida, on **Wednesday, December 26, 2007** commencing at **11:00 a.m.** or shortly thereafter, at which time any person may be heard regarding the proposed issuance of said Bonds and the projects. The Authority will submit a transcript of the statements made at the hearing to the Board of County Commissioners, Miami-Dade County, Florida, which must approve or disapprove the issuance of the Bonds.

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MIAMI-DADE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

TRANSCRIPT OF PUBLIC HEARING

WEDNESDAY, DECEMBER 26, 2007

At 11:00 a.m., the Executive Director of the Miami-Dade County Industrial Development Authority announced that the Authority would proceed to hold a public hearing on the issuance of Industrial Development Revenue Bonds. The following is a substantially verbatim account of the proceedings of this hearing.

The following persons were present:

James D. Wagner Jr.
Executive Director

Miami-Dade County
Industrial Development Authority

80 SW 8th Street, Ste. 2801
Miami, Florida 33130

Cynthia Castillo
Assistant to Executive Director

Miami-Dade County
Industrial Development Authority

80 SW 8th Street, Ste. 2801
Miami, Florida 33130

Executive Director

We will now conduct the public hearing on the proposed issuance of Industrial Development Revenue Bonds for the capital projects located in Miami-Dade County.

This public hearing is being conducted pursuant to requirements of the Federal Tax Equity and Fiscal Responsibility Act of 1982. The Act requires that in order for the interest on Industrial Development Revenue Bonds to be exempt from Federal Income Tax, such proposed bonds must be approved by either a voter referendum or by an applicable elected legislative body after a public hearing following reasonable public notice.

We have received a copy of a notice advising that the Industrial Development Authority will hold a public hearing on the proposed issuance of Industrial Development Revenue Bonds to finance all or a portion of the capital costs associated with the projects mentioned in that notice. The notice appeared in The Miami Herald on Wednesday, December 12, 2007, page 6B.

We will now commence the public hearing. The hearing will be conducted in the following format: First, a brief synopsis of the proposed bonds and the project will be provided. Second, testimony from anyone desiring to speak will be heard. Anyone wishing to speak should give their name and address for the record.

The first project for consideration is an Industrial Development Authority Revenue Bond issue for Bellak Color Corporation, Inc. in a maximum principal amount not to exceed \$3,715,000. The bond proceeds will be used to purchase new printing equipment, and pay costs of issuance of the Bonds. The Project, which is to be located at 9730 NW 25th Street in the City of Doral, Florida, will be owned and operated by the Company.

Executive Director

Action taken by the Authority to date includes a review of the project in accordance with Authority Guidelines and Procedures and the adoption of a Memorandum of Agreement which specifies the terms of the proposed bond issue.

Testimony will now be heard by anyone desiring to speak.

Let the record reflect that no one appeared desiring to comment.

The second project for consideration is an Industrial Development Authority Revenue Bond issue for Solo Printing, Inc. in a maximum principal amount not to exceed \$6,550,000. The bond proceeds will be used to make a loan or loans to Solo Printing, Inc., a Florida corporation, for the purpose of financing all or part of the cost of a capital project consisting of the acquisition and installation of commercial printing

equipment to be owned and operated by the Borrower and located at the Borrower's commercial printing facility specializing in offset printing, color lithography and binding services, at 7860 NW 66th Street, unincorporated Miami-Dade County.

Executive Director

Action taken by the Authority to date includes a review of the project in accordance with Authority Guidelines and Procedures and the adoption of a Memorandum of Agreement which specifies the terms of the proposed bond issue.

Testimony will now be heard by anyone desiring to speak.

Let the record reflect that no one appeared desiring to comment.

Executive Director

This concludes the public hearing scheduled for today. These projects, together with a transcript of today's public hearing, will be forwarded to the Miami-Dade County Board of County Commissioners at a regular meeting, at which time the Commission will approve or disapprove the proposed issuance of Bonds by the Miami-Dade County Industrial Development Authority.