Memorandum

MIAMI-DADE COUNTY

Date: March 18, 2008

Agenda Item No. 14(A)(15)

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

From: George M. Burgess
County Manager

Subject: Resolution Approving Issuance of Industrial Development Revenue Bonds for United Way of Miami-Dade, Inc. Project

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Recommendation

The attached Resolution is being placed on the agenda for the consideration of the Board of County Commissioners (BCC) 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 United Way of Miami-Dade, Inc. after a public hearing was held by the Industrial Development Authority on February 26, 2008. Details of the project are included in the accompanying memorandum and exhibits by the Chairman of the IDA to the BCC.

Scope

The projects to benefit form the bond financing are located at 3250 SW 3 Avenue and 3150 SW 3 Avenue, in the City of Miami. Both locations are in Commission District 5.

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

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 BCC approve the issuance of industrial development revenue bonds after a public hearing has been held either by the IDA or the BCC 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

MIAMI-DADE COUNTY

Date: March 18, 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 United Way of Miami-Dade, Inc. project

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RECOMMENDATION:
It is recommended the Board approve the issuance of the Authority's Industrial Development Revenue Bonds for the United Way of Miami-Dade, 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.

United Way of Miami-Dade, Inc., a Florida not-for-profit corporation, has applied for Industrial Development Revenue Bond financing assistance in a maximum principal amount not to exceed $16,000,000. The bond issue proceeds will be used to facilitate the refinancing of two loans utilized for the acquisition and improvement of United Way's Corporate Headquarters Facility, the construction of the United Way Center for Excellence in Early Education and a parking/office building utilized for United Way parking and the Children's Trust and to pay costs of issuance of the Bonds. The Projects are located at 3250 SW 3rd Avenue and 3150 SW 3rd Avenue, in the City of Miami, Florida, and will be owned by the Company. United Way reports they employ approximately 155 employees with annual salaries of $6.9 million.

MEMORANDUM

(Revised)

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

DATE: March 18, 2008

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

SUBJECT: Agenda Item No. 14(A)(15)

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. 14(A)(15)
03-18-08

RESOLUTION No. _____

RESOLUTION APPROVING ISSUANCE OF MIAMI-DADE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY REVENUE BONDS IN AN AMOUNT NOT TO EXCEED $16,000,000 TO FINANCE CAPITAL PROJECT FOR BENEFIT OF UNITED WAY OF MIAMI-DADE, INC. FOR PURPOSES OF AND PURSUANT TO SECTION 147(F) OF INTERNAL REVENUE CODE OF 1986, AS AMENDED

WHEREAS, United Way of Miami-Dade, Inc., a Florida not-for-profit corporation (the "Company"), has requested the Miami-Dade County Industrial Development Authority (the "Authority") to issue not exceeding $16,000,000 aggregate principal amount of its Revenue Bonds (United Way of Miami-Dade, Inc. Project) (the "Bonds"), the proceeds of which will be used to (i) used to (i) refinance loans used to acquire, construct and improve an office facility which contains the Company's corporate headquarters and office space for other nonprofit organizations, a parking/office building complex which is used by the Company and other nonprofit organizations and an early childhood education facility and (ii) pay costs of issuance of the Bonds (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 Tuesday, February 26, 2008, the Authority held a public hearing, notice of which was published on Tuesday, February 12, 2008 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 Tuesday, February 26, 2008, 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 $16,000,000 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
Carlos A. Gimenez
Joe A. Martinez
Dorrin D. Rolle
Katy Sorenson
Sen. Javier D. Souto
Audrey M. Edmonson
Sally A. Heyman
Dennis C. Moss
Natacha Seijas
Rebeca Sosa

The Chairperson thereupon declared the resolution duly passed and adopted this 18th day of March, 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

By:_____
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency.

Gerald T. Heffernan

Exhibit A

UNITED WAY OF MIAMI-DADE, INC. AND SUBSIDIARIES

THE COMPANY

United Way of Miami-Dade, Inc. and Subsidiaries ("United Way"), a 501(c)(3) organization, was incorporated in 1939 and reports it is currently the largest private funder of health and human services in Miami-Dade County. United Way notes it serves an estimated one of every three people countywide from infants to the elderly through approximately 2,300 agencies in collaboration with numerous other key community organizations, through a network of 58 United Way-funded agencies/Impact Partners and through donor-designated contributions.

In 2003, the Board of Directors of United Way adopted a new community plan in order to maximize responsiveness to community needs. This plan focused United Way efforts in four areas determined to be essential for improving people's lives and creating a stronger, healthier community for all. These four areas are (1) helping kids and families lead successful lives; (2) improving health and independence; (3) responding to emergency and basic needs; and (4) encouraging civic and neighborhood involvement. Specific achievements reported by the United Way in the past few years include: At the county-level, United Way played an active role in supporting the passing of the county's Building Better Communities General Obligation Bond; at the state-level, United Way supported expanding healthcare for children of low income families and the quality universal pre-kindergarten for all of Florida 4-years old; collected and distributed nearly $1.5 million in relief funds during the unprecedented hurricane seasons in 2004 and 2005; through United Way's official partnership with Miami-Dade County Office of Emergency Management, United Way and Hands on Miami staff and volunteers team up to provide assistance to affected families, homebound elderly and disabled individuals; a two-year partnership between United Way and the Human Service Coalition's Miami-Dade Prosperity Campaign to promote the Earned Income Tax Credit (EITC) generated more than $62 million for Miami-Dade residents.

THE PROJECT

United Way is requesting Industrial Development Revenue Bond financing assistance in an amount not to exceed $16,000,000 to facilitate the refinancing of two loans utilized for the acquisition and improvement of United Way's Corporate Headquarters Facility, the construction of the United Way Center for Excellence in Early Education and a parking/office building utilized for United Way parking and the Children's Trust.

In April 1999, United Way obtained a $3,800,000 loan from Bank of America for the acquisition and improvement of its Headquarters facility, the Ansin Building, located on an approximate 1.0 acre land site at 3250 SW 3rd Avenue, and a vacant 0.6 acre land site at 3150 SW 3rd Avenue, in the City of Miami. In addition to United Way's corporate offices, the Ansin building currently provides office space for Hand on Miami, the Alliance for Human Services, the Children's Trust, the Center for Non-Profit Effectiveness, and the Early Learning Education Foundation.

In March 2006, United Way obtained an approximate $12,751,700 loan from Wachovia National Bank which together with an equity contribution approximating $14,189,800 was used to facilitate the construction on the 1.0 acre Ansin Building land site the two (2) story Center for Excellence in Early Childhood Education, a state-of-the-art early childhood Demonstration School for up to 128 children six weeks to five years of age, as well as an outdoor playground area, and for the construction on the 0.6 acre land site an eight (8) story parking/office building which includes seven (7) floors of parking and one (1) floor utilized by the Children's Trust.

Elements of the proposed project include:

1. Refinance balance of loan used for acquisition and improvement of 6-story Ansin land/building, vacant land site and the unwinding of SWAP agreement, includes: ---------- **$3,109,200**

    - Ansin Building - approx. 57,700 sq. ft. located on 1.0 acre site and vacant 0.6 acre site: ----------$2,784,200

    - Unwind SWAP Agreement on existing loan:----------$ 325,000

2. Refinance balance of loan used for construction of 2-story Center for Excellence in Early Education and outdoor playground area on 1.0 acre Ansin Building land site, includes:---------- **$5,693,100**

    - Building approx. 25,500 sq. ft.

3. Refinance balance of loan used for construction of 8-story parking/office building utilized for United Way parking (7-stories) and by the Children's Trust (1-story) on 0.6 acre land site, includes:---------- **$7,058,600**

    - Building approx. 135,800 sq. ft., containing:
        - Office space approx. 15,300 sq. ft.
        - Parking space approx. 120,500 sq. ft.

FINANCIAL SUFFICIENCY

Audited financial statements for United Way of Miami-Dade, Inc. and Subsidiaries for the fiscal years ended June 30, 2007, 2006, 2005 and 2004 have been provided.

A review of the submitted financial and related information indicates:

SOURCE OF FUNDS		USE OF FUNDS	
Bond Issue Proceeds*	$ 16,000,000	Refinance Ansin Building loan	$ 2,784,200
		Unwind Ansin Building SWAP Agreement	325,000
		Refinance Center for Excellence Building loan	5,693,100
		Refinance parking/Children's Trust Building loan	7,058,600
		Bond Issuance Expenses	139,100
TOTAL	**$16,000,000**	**TOTAL**	**$16,000,000**

* *Any costs related to the bond issue and development of the project which cannot be paid out of bond proceeds will be borne by the applicant.*

Information relative to the proposed financial structure includes:

Financial Structure:	Corporate Debt.
Security:	Negative pledge on real assets financed with bond proceeds.
Guarantee:	Letter of Credit or similar credit enhancement acceptable to the Authority from a rated financial institution.
Marketing:	Private Placement.

LEGAL

Under the 1986 Tax Act, facilities for 501(c)(3) corporations are eligible for financing with tax-exempt Industrial Development Revenue Bonds provided that the project is part of the corporation's normal course of business. Bond Counsel and the County Attorney's office have previously advised that the Industrial Development Authority is an appropriate agency to issue bonds for projects of this nature. Bonds issued for the benefit of a 501 (c)(3) corporation are also exempt from the requirement of being included under the state bond volume cap.

ECONOMIC IMPACT

United Way brings the community together to focus on its most important human needs by building partnerships, forging consensus and leveraging resources to make a significant impact. For the two-year period from July 2005 to June 2007, United Way reports it has invested approximately $77.5 million in 139 programs through its Impact Partners and Response Fund recipients. These funds also include donor-designated contributions to hundreds of local nonprofit organizations. By structuring its long term debt to align with the cash flow needs to fund local programs, the United Way is maximizing the effect on the most economically needed population of the community. United Way reports the development of the Center for Excellence in Early Education and the Demonstration School allowed United Way to create 50 new jobs with annual salaries approximating $1,363,000 for a total of 155 employees with annual salaries approximating $6.9 million.

Exhibit B

MIAMI-DADE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY TEFRA/PUBLIC HEARING

The Miami-Dade County Industrial Development Authority (the "Authority") has been requested by United Way of Miami-Dade, Inc., a Florida not-for-profit corporation (the "Company"), to issue its Revenue Bonds in an aggregate principal amount not to exceed $16,000,000 (the "Bonds"), the proceeds of which will be used to (i) refinance loans used to acquire, construct and improve an office facility which contains the Company's corporate headquarters and office space for other nonprofit organizations, a parking/office building complex which is used by the Company and other nonprofit organizations and an early childhood education facility and (ii) pay costs of issuance of the Bonds (the "Project"). The Project is located at 3250 SW 3rd Avenue and 3150 SW 3rd Avenue, in the City of Miami, Florida, and will be owned by the Company.

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 the Project and associated issues regarding the Bonds at the Brickell BayView Centre, 80 SW 8th Street, Suite 2801, Miami, Florida, on **Tuesday, February 26, 2008** 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 project. 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.

MIAMI-DADE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

TRANSCRIPT OF PUBLIC HEARING

TUESDAY, FEBRUARY 26, 2008

At 11:03 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
Amanda Llovet *CFO*	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
Carlos Molina *Vice President, Finance*	United Way of Miami-Dade, Inc.	3250 SW 3rd Avenue Miami, Florida 33129

Executive Director We will now conduct the public hearing on the proposed issuance of Industrial Development Revenue Bonds for the capital project 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 project mentioned in that notice. The notice appeared in The Miami Herald on Tuesday, February 12, 2008, 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 project for consideration is an Industrial Development Authority Revenue Bond issue for United Way of Miami-Dade, Inc. in a maximum principal amount not to exceed $16,000,000. The bond proceeds will be used to refinance loans used to acquire, construct and improve an office facility which contains the Company's corporate headquarters and office space for other nonprofit organizations, a parking/office building complex which is used by the Company and other nonprofit organizations and an early childhood education facility and to pay costs of issuance of the Bonds. The Projects are located at 3250 SW 3rd Avenue and 3150 SW 3rd Avenue, in the City of Miami, Florida, and will be owned 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.

Representative Let the record reflect that Carlos Molina, Vice President, Finance, is in attendance representing United Way. Mr. Molina, is there anything you would like to add?

Carlos Molina No.

Executive Director This concludes the public hearing scheduled for today. This project, 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.