Memorandum

MIAMI-DADE COUNTY

Date: July 21, 2009

Agenda Item No. 9(A)(1)

To: Honorable Chairman Dennis C. Moss
and Members, Board of County Commissioners

From: George M. Burgess
County Manager

Subject: Resolution Reapproving Issuance of Industrial Development Transportation Revenue Bonds for MAT Concessionaire, LLC

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 reapproves the issuance of industrial development transportation revenue bonds by the IDA for MAT Concessionaire, LLC. The company was previously approved for Industrial Development Transportation Revenue Bond financing by the Board on July 1, 2008 (Resolution No. R-770-08). However, under certain Code provisions the previous approval expires after one year if Bonds have not been initially issued within one year. A public hearing was held by the IDA on July 13, 2009. Details of the project are included in the accompanying memorandum and exhibits provided by the Chairman of the IDA.

Scope

The Port Tunnel, which will connect seaport traffic between Watson Island and the Port of Miami, is located in Commission District 5. However, the economic impact of this project, when completed, is countywide in nature.

Fiscal Impact/Funding Source

The Miami-Dade County IDA and County do not have 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 transportation 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 IDA conduct the public hearing subject to review and ratification by the Board.

Assistant County Manager

Memorandum

MIAMI-DADE COUNTY

Date: July 21, 2009

To: Honorable Chairman Dennis C. Moss
and Members, Board of County Commissioners

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

Subject: Approval of Issuance of Industrial Development Revenue Bonds for MAT Concessionaire, LLC project for Purposes of Section 147(f) of Internal Revenue Code of 1986, as amended

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RECOMMENDATION

It is recommended the Board of County Commissioners of Miami-Dade County (the "Board") adopt the enclosed Resolution which once again approves the issuance of the Authority's Industrial Development Transportation Revenue Bonds (the "Bonds") for the MAT Concessionaire, LLC project described below (the "Project") for purposes of Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), as detailed in the attached reports.

BACKGROUND

The Board previously approved the issuance of Industrial Revenue Bonds to fund the Project for purposes of Section 159.47(1)(f), Florida Statutes and Section 147(f) of the Code when it adopted Resolution No. R-770-08 on July 1, 2008. At the first public hearing held in 2008 pursuant to the Code, no one from the public appeared to object. The previous Board approval with respect to the Code will expire on July 1, 2009. Because the Bonds will not be issued by that date, the Authority must once again conduct a public hearing and the Board must approve the issuance of the Bonds for purposes of the Code. Another public hearing was held on July 13, 2009 (a copy of the published notice is attached to the Resolution 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 the Code. A copy of the public transcript of the Authority's public hearing will be provided to the appropriate County committee and the full Board as Exhibit C to the Resolution at the time the enclosed resolution is considered by each.

The Project has been reviewed for legal sufficiency and Authority compliance by the Authority, the County Attorney's Office, and Bond Counsel and it meets all the eligibility requirements.

The Bonds will be issued on behalf of MAT Concessionaire, LLC (the "Company"), in a principal amount not to exceed $980,000,000. The bond proceeds will be loaned to the Company or related affiliates to provide financing and refinancing of the Project which consists of the design and construction of two approximate 3,900 foot long tunnels to connect the Port of Miami (Dodge Island) to I-395 at Watson Island, the widening of the MacArthur Causeway Bridge, the construction of the necessary connections to the Port of Miami roadway system, and the relocation and improving of buildings, railways and landscaping at the Port of Miami

and on Watson Island. The State of Florida Department of Transportation will be the owner of the Project and MAT Concessionaire, LLC will be the initial manager of the Project. Proceeds will also be used for paying certain bond issuance costs, funding reserves and capitalized interest. It is anticipated that the payment of the principal and interest on the Bonds will be guaranteed by a municipal bond insurance policy.

MEMORANDUM
(Revised)

TO: Honorable Chairman Dennis C. Moss and Members, Board of County Commissioners

DATE: July 21, 2009

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

SUBJECT: Agenda Item No. 9(A)(1)

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 Mayor'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. 9(A)(1)
7-21-09

RESOLUTION NO. _____

RESOLUTION REAPPROVING ISSUANCE OF MIAMI-DADE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY INDUSTIAL DEVELOPMENT TRANSPORTATION REVENUE BONDS (PORT OF MIAMI TUNNEL PROJECT), IN ONE OR MORE SERIES, IN AN AMOUNT NOT TO EXCEED $980,000,000 TO FINANCE CAPITAL PROJECTS CONSISTING OF THE MIAMI TUNNEL AND RELATED IMPROVEMENTS FOR PURPOSES OF AND PURSUANT TO SECTION 147(F) OF INTERNAL REVENUE CODE OF 1986, AS AMENDED

WHEREAS, MAT Concessionaire, LLC, a Florida corporation (the "Company"), has previously requested the Miami-Dade County Industrial Development Authority (the "Authority") to issue its Industrial Development Transportation Revenue Bonds (Port of Miami Tunnel Project) (the "Bonds") in one or more series for a three (3) year plan of finance an amount not to exceed $980,000,000 aggregate principal amount to finance necessary transportation capital expenditures consisting of a tunnel from Watson Island to Dodge Island and related improvements in Miami-Dade County (the "Project"), and to pay for bond issuance costs; and

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WHEREAS, the Board of County Commissioners (the "Board") previously approved the Bonds pursuant to Resolution R-770-08 adopted on July 1, 2008, for purposes of Florida law and Section 147(f) of the Internal Revenue Code of 1986, as amended, (the "Code") after a public hearing held by the Authority at which no one from the public objected; and

WHEREAS, under certain provisions of the Code, the previous Board approval expires after one (1) year from the approval date if bonds are not yet issued which in this case would be July 1, 2009; and

WHEREAS, since the Bonds were not issued by July 1, 2009, the Code requires that another public hearing be conducted by the Authority and the Bonds be once again approved by this Board; and

WHEREAS, since the Authority intends to issue the Bonds as described in the report prepared by the Executive Director of the Authority (a copy of which is attached hereto as Exhibit A), a hearing officer for the Authority held a new public hearing on Monday, July 13, 2009, notice of which was published on Monday, June 29, 2009 in The Miami Herald (a copy of which notice is attached to this Resolution 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 Monday, July 13, 2009, in respect of the Bonds (a copy of which transcript is attached to this Resolution as Exhibit C), and finding that the Project will inure to the benefit of the citizens of Miami-Dade County, this Board desires to again 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 Bonds in one of more series of the Miami-Dade County Industrial Development Authority over a three year plan of finance in an aggregate principal amount not to exceed $980,000,000 for the purpose of financing all or a portion of the costs of the Project, as previously described, is approved for the purpose of complying with Section 147(f) of the Code.

Section 2. The principal amount of the Bonds and 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 of each, 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 of each 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:

Dennis C. Moss, Chairman
Jose "Pepe" Diaz, Vice Chairman

Bruno A. Barreiro	Audrey M. Edmonson
Carlos A. Gimenez	Sally A. Heyman
Barbara J. Jordan	Joe A. Martinez
Dorrin D. Rolle	Natacha Seijas
Katy Sorenson	Rebeca Sosa
Sen. Javier D. Souto	

The Chairperson thereupon declared the resolution duly passed and adopted this 21st day of July, 2009. 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

MAT Concessionaire, LLC
(Revised Report)

THE COMPANY

MAT Concessionaire, LLC ("MAT") (formerly Miami Access Tunnel, LLC) will design, finance, build, operate and maintain for a period 35 years, the Port of Miami Tunnel and Access Improvements Project. MAT ownership has changed and is now 89.8% owned by Merdiam Infrastructure Finance S.a.r.l. ("Meridiam") who replaced Babcock and Brown Infrastructure Group US LLC, and 10.2% owned by Bouygues Travaux Publics ("Bouygues").

Merdiam Infrastructure Finance S.a.r.l, which is wholly owned by Meridiam Infrastructure S.C.A. SICAR, is a private equity investment fund designed for investment purely within public private partnership infrastructure assets. Geographically, the fund is primarily focused on investment opportunities within Europe and North America. Strategically, Meridiam invests predominately in new primary assets, with a smaller proportion of the fund allocated for secondary assets and has targeted the transportation, health, education, public accommodations and environmental sectors. Meridiam Infrastructure benefits from the financial and operational support of its sponsors, Group Crédit Agricole (France), the No. 1 retail bank in France and the largest retail bank in Europe with a reported net banking income of 28.5 billion Euros and Aecom Technology Corporation (USA), a global engineering company with annual revenues of 5.2 billion dollars for fiscal year 2008. Aecom Technology Corporation (USA) provides design and management services in the transportation, facilities and environmental markets through a family of operating companies all over the world.

Bouygues Travaux Publics, is a subsidiary of the Bouygues Group of companies, a diversified industrial group headquartered in Paris, France with reported revenues for the fiscal year 2008 approximating 32.7 billion Euros. Bouygues Travaux Publics' activities include large scale construction and civil engineering and the firm is among the most experienced companies in the world in tunnel construction. Bouygues Travaux Publics reports having constructed in excess of 215 miles of tunnels both individually and in association with other companies over the last 20 years. Bouygues Travaux Publics reported revenues approximating 1.1 billion Euros for the fiscal year ended December 31, 2008 and has a workforce in excess of 6,800 employees.

THE PROJECT

MAT Concessionaire, LLC was previously approved for Industrial Development Transportation Revenue Bond financing assistance in an amount not to exceed $980 million. Currently, the Company estimates it will issue approximately $450 million in bonds due to the pending award of a $400 million subordinated loan from the U.S. Department of Transportation, which will be combined with a $50 million equity contribution from the MAT shareholders and $100 million in milestone payments to be received from the State of Florida.

The bond proceeds will facilitate the financing of the construction of two approximate 3,900 foot long tunnels to connect the Port of Miami (Dodge Island) to I-395 at Watson Island, the widening of the

MacArthur Causeway Bridge, the construction of the necessary connections to the Port of Miami roadway system in order to greatly reduce traffic congestion at the Port and Downtown Miami, and the relocation and improving of buildings, railways and landscaping at the Port of Miami and on Watson Island. Traffic and demand studies conducted in 2003 concluded there were approximately 24,000 vehicles per day visiting the Port of which 29% were trucks and buses. That volume is projected to increase to approximately 70,000 by 2033. It is expected that all trucks and buses and approximately 60% of the passenger vehicle traffic would be diverted through new tunnels. Proceeds will also be used for paying certain bond issuance costs, funding reserves and capitalized interest.

Annual availability payments in an amount not less than $33.24 million will be provided by FDOT to MAT for the operation and maintenance of the project over the balance of the term of the Concession Agreement with FDOT. These annual payments, as well as the other payment obligations of FDOT under the Concession Agreement, will be funded by FDOT through a master agreement made between FDOT, Miami-Dade County and the City of Miami. These receipts will be used by MAT to pay ongoing operations and maintenance costs and service Project debt, with excess revenues paid as dividends to the shareholders.

FINANCIAL SUFFICIENCY

For informational purposes, Meridiam Infrastructure annual reports and financial statements for the fiscal years ended December 31, 2008, 2007, and 2006 have been provided. Annual reports and financial statements for the Bouygues Group for the fiscal years ended December 31, 2008, 2007, and 2006 are available online.

The current plan of finance as previously noted includes the issuance of approximately $450 million in private activity transportation bonds, a $400 million subordinated loan from the USDOT (subsidized surface transportation loan program authorized by the Transportation Infrastructure Finance and Innovation Act (TIFIA)), a $50 million sponsor equity contribution and $100 million in milestone payments from the State of Florida. A description of the expected sources and uses of funds during construction is included below:

SOURCE OF FUNDS		USE OF FUNDS	
Tax-Exempt Proceeds	450,000,000	Construction Account 1	450,000,000
Milestone Payments	100,000,000	Construction Account 2	160,000,000
TIFIA Loan	400,000,000	Interest During Construction	110,000,000
Equity	50,000,000	SPV/Insurance/O&M/Taxes	240,000,000
		Reserves	40,000,000
TOTAL	**1,000,000,000**	**TOTAL**	**1,000,000,000**

Information relative to the proposed financial structure includes:

Repayment:	It is anticipated that the bond proceeds will be loaned to MAT pursuant to a loan agreement between MAT and the Authority (the "Loan Agreement"). The principal source of the repayment of the Bonds is payments of interest and principal under the Loan Agreement. MAT's obligations under the Loan Agreement will be satisfied by (i) payments made by FDOT to MAT pursuant to the Concession Agreement (Milestone Payments and Availability Payments), (ii) equity contributions, (iii) proceeds of the offering of the Bonds and (iv) insurance payments.
Security:	Security for repayment of the Bonds includes all security granted to the Authority under the Loan Agreement, including (i) all assets and property of MAT, including MAT's interest in the Project Contracts (including the Concession Agreement) and (ii) the reserve accounts and certain other Project Accounts.
Guarantee:	Repayment of the Bonds will be guaranteed by Financial Security Assurance, Inc. ("FSA") or Assured Guaranty, rated AAA/Aa3 and AAA/Aa2 by Standard & Poor's and Moody's, respectively.
Marketing:	Barclays Capital and Macquarie Group will serve as managing underwriters and qualified small business firms approved by Miami-Dade County will serve as co-managers, in accordance with Authority Guidelines.

LEGAL

The project qualifies under State and Federal regulations which provide that capital expenditures for qualified highway facilities under Section 11143 of Title XI of the "Safe, Accountable, Flexible, Efficient, Transportation Equity Act: A Legacy for Users (SAFETEA-LU, Public Law 100-59)", which amends Section 142(m) of the Internal Revenue Code, may be financed with Tax-Exempt Bonds. A bond issuance allocation is required and MAT previously provided a copy of a Provisional Bond Issuance Allocation Approval Letter granted by the United States Department of Transportation ("USDOT") for an amount not to exceed $980,000,000 of Private Activity Bonds for the Port of Miami Tunnel and Access Improvements Project.

ECONOMIC IMPACT

The Port of Miami is Miami-Dade County's second leading economic generator and provides approximately 81,800 jobs, $5 billion in wages and $12 billion in economic output. The Port's continued viability is crucial to maintaining the long term growth of the region and sustaining vitality and growth in key sectors such as manufacturing, wholesale trade and distribution, land-based freight transportation and international trade-related finance.

In addition to improving the Port's competitiveness in regards to cargo and cruise ship operations other economic benefits include the creation of approximately 500 local job opportunities during the construction phase of the project and 44 local job opportunities following completion of the project, to operate and maintain the project over the balance of the 35 year contract period. Also, the project is expected to generate an additional 500 indirect jobs and will support local efforts to revitalize Downtown Miami by removing cargo trucks, buses and vehicle traffic from the City of Miami's arterial roadways and making Downtown roadways safer in general.

Exhibit B

MIAMI-DADE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY TEFRA/PUBLIC HEARING

The Miami-Dade County Industrial Development Authority (the "Authority") has received a request for the issuance of its Industrial Development Transportation Revenue Bonds (Port of Miami Tunnel Project), in one or more series in an aggregate principal amount not to exceed $980,000,000 over a three year plan of finance (the "Bonds") the proceeds of which will be loaned to MAT Concessionaire, LLC or related affiliates (collectively, "MAT") and will provide financing and refinancing for the design and construction of (i) two approximately 3,900 foot long tunnels to connect the Port of Miami (Dodge Island) to I-395 at Watson Island, (ii) the widening of the MacArthur Causeway Bridge, (iii) the construction of the necessary connections to the Port of Miami roadway system and (iv) the relocation and improving of buildings, railways and landscaping at the Port of Miami and on Watson Island in Miami, Florida (the "Project"). The State of Florida Department of Transportation will be the owner of the Project and MAT Concessionaire, LLC will be the initial manager of the Project. Proceeds will also be used for paying certain bond issuance costs, funding reserves and capitalized interest.

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 this Project and associated issues regarding the Bonds at the Brickell BayView Centre, 80 SW 8th Street, Suite 2801, Miami, Florida, on **Monday, July 13, 2009** 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 appropriate elected official(s) which must approve or disapprove the issuance of the Bonds.