

# Memorandum



**Date:** (Public Hearing 7-7-11)  
May 17, 2011

**To:** Honorable Joe A. Martinez, Chairman  
and Members Board of County Commissioners

Agenda Item No. 5(G)

**From:** Alina T. Hudak  
County Manager

**Subject:** Ordinance Authorizing Issuance of \$400,000,000 Building Better Communities  
Commercial Paper Notes

## **Recommendation**

It is recommended that the Board of County Commissioners (Board) enact the accompanying ordinance which authorizes the issuance of not to exceed, at any one time, \$400,000,000 of Building Better Communities Commercial Paper Notes (Notes) in anticipation of the issuance of Miami-Dade County, Florida General Obligation Bonds (Building Better Communities Program) (BBC Bonds). It also authorizes the County Mayor or the County Mayor's designee to obtain proposals for commercial paper dealer(s), issuing and paying agent(s), and letter of credit provider(s), all to be approved by a subsequent resolution of the Board.

## **Scope**

The implementation of a commercial paper program by issuing the Notes (CP Program) for the Building Better Communities General Obligation Bond Program (BBC Program) will provide a means of financing needed to meet the BBC Program's undertaking of eligible community projects in anticipation of the issuance of additional BBC Bonds. The impact of the CP Program is countywide.

## **Fiscal Impact/Funding Source**

The ordinance authorizes the issuance of the Notes to be paid from the proceeds of future BBC bond proceeds. Future issuances will be brought to the Board for approval. The program enables the County to have immediate access to capital funds at short-term interest rates. Properly monitored, this program will expedite BBC Program projects, which may lead to savings by taking advantage of favorable construction prices.

## **Track Record/Monitoring**

Issuance of the Notes will be overseen by Finance Director Carter Hammer. The BBC Program is overseen by the Office of Capital Improvements (Director George Navarrete) and the Office of Strategic Business Management (Special Assistant/Director Jennifer Glazer-Moon).

## **Background**

On July 20, 2004, the Board approved resolutions R-912-04, R-913-04, R-914-04, R-915-04, R-916-04, R-917-04, R-918-04, R-919-04 (collectively, Authorizing Resolutions), and the citizens by special election approved authorization to issue general obligation bonds of the County in an amount not to exceed \$2,925,750,000 to construct and improve the BBC Projects described in Appendix "A" to each of the Authorizing Resolutions (collectively, Community Projects). This ordinance seeks authorization to issue, at one time or from time to time in one or more series, Notes for the purpose of (i) paying a portion of the costs of the Community Projects identified in a subsequent resolution or resolutions authorizing the issuance of the Notes; and/or (ii) paying Notes previously issued pursuant to this ordinance. Prior to the issuance of any series of Notes authorized by this ordinance, the Board will be

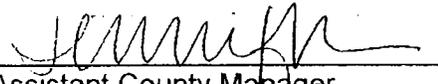
presented with a resolution or resolutions for adoption and approval identifying the Community Projects to be funded as well as the details of the Notes.

Creating a CP Program for the BBC Program will permit the County to more quickly respond to the pace of construction and changing financial market conditions, ultimately allowing more construction to take place while prices are favorable and minimizing the cost of financing. The Finance Department, coordinating closely with the Office of Capital Improvements (OCI) and the Office of Strategic Business Management, will only issue Notes as cash flow is necessary to maintain construction activity that balances aggressive timelines with properly conservative projections and deliberate project oversight.

When the County needs to issue additional commercial paper, the Finance Department will request the issuance of new commercial paper from the commercial paper dealer. The commercial paper dealers will issue new Notes, allowing the market to determine the term of the Notes and the rates. Upon the sale of the Notes, the proceeds will be deposited in the County's account. Monthly, the paying agent will supply the County with a statement of each commercial paper dealers' outstanding Notes by maturity date issued and the rate of each maturity. Using this statement, the County will monitor the rate charged on the Notes by commercial paper dealer and could replace the commercial paper dealers, or request shorter or longer periods of maturity, improving the rates received on the Notes.

The CP Program requires a commercial bank with high credit ratings to issue a letter or letters of credit to support the Notes. The letter(s) of credit are necessary to issue the Notes in the event the Notes cannot be remarketed (reissued) in a timely manner when required, or if the County is unable to issue BBC Bonds when required to repay the principal of and interest on the Notes. The CP Program is also dependent on competent commercial paper dealers to market the Notes in order to receive the lowest interest costs, and issuing and paying agents to transact the numerous payments necessary to keep the CP Program functional.

Pursuant to the ordinance, the County Mayor or the County Mayor's designee is authorized to obtain proposals through requests for proposals or any other competitive process deemed appropriate for the selection of commercial paper dealer(s), issuing and paying agent(s) and letter of credit provider(s) in connection with the Notes. Over the next few months, the County will solicit the market for letter of credit providers, commercial paper dealers and a paying agent. Upon identifying each participant, the County will negotiate a letter of credit and a reimbursement agreement with the selected letter of credit providers. The County will also negotiate remarketing agreements with the commercial paper dealers and a paying agent agreement with the paying agent. Additionally, a reoffering memorandum will be drafted. A month or two prior to the depletion of the proceeds from the Series 2011A Bonds, the results of these solicitations, the negotiated agreements and details of the Notes, including the reoffering memorandum, will be presented to the Board for approval and adoption by subsequent resolution. Based on current projections, OCI anticipates that the proceeds from the Series 2011A Bonds will be depleted within a 12 to 18 months period, after the issuance of the Series 2011A Bonds.

  
Assistant County Manager



# MEMORANDUM

(Revised)

**TO:** Honorable Chairman Joe A. Martinez  
and Members, Board of County Commissioners

**DATE:** July 7, 2011

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

**SUBJECT:** Agenda Item No. 5(G)

Please note any items checked.

- "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
- Ordinance creating a new board requires detailed County Manager's report for public hearing
- No committee review
- Applicable legislation requires more than a majority vote (i.e., 2/3's \_\_\_\_, 3/5's \_\_\_\_, unanimous \_\_\_\_ ) to approve
- Current information regarding funding source, index code and available balance, and available capacity (if debt is contemplated) required

Approved \_\_\_\_\_ Mayor  
Veto \_\_\_\_\_  
Override \_\_\_\_\_

Agenda Item No. 5(G)  
7-7-11

ORDINANCE NO. \_\_\_\_\_

ORDINANCE AUTHORIZING ISSUANCE OF NOT TO EXCEED \$400,000,000 PRINCIPAL AMOUNT OUTSTANDING AT ANY ONE TIME OF MIAMI-DADE COUNTY, FLORIDA BUILDING BETTER COMMUNITIES COMMERCIAL PAPER NOTES, IN ONE OR MORE SERIES, IN ANTICIPATION OF ISSUANCE OF MIAMI-DADE COUNTY, FLORIDA BUILDING BETTER COMMUNITIES GENERAL OBLIGATION BONDS; DELEGATING TO COUNTY MAYOR OR COUNTY MAYOR DESIGNEE AUTHORITY TO OBTAIN PROPOSALS FOR SELECTION OF COMMERCIAL PAPER DEALER(S), ISSUING AND PAYING AGENT(S) AND LETTER OF CREDIT PROVIDER(S) IN CONNECTION WITH COMMERCIAL PAPER NOTES; PROVIDING FOR ESTABLISHMENT OF DETAILS OF COMMERCIAL PAPER NOTES BY SUBSEQUENT RESOLUTIONS; AND PROVIDING EFFECTIVE DATE

**BE IT ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA:**

**WHEREAS**, pursuant to Resolution No. R-912-04 (the “Water and Sewer Authorizing Resolution”), adopted on July 20, 2004, the Board of County Commissioners (the “Board”) of Miami-Dade County, Florida (the “County”) authorized, and the citizens by special election approved, the issuance of general obligations bonds of the County in an amount not to exceed \$378,183,000 to construct and improve water and sewer projects described in Appendix A to such authorizing resolution (the “Water and Sewer Projects”); and

**WHEREAS**, pursuant to Resolution No. R-913-04 (the “Parks and Recreational Facilities Authorizing Resolution”), adopted on July 20, 2004, this Board authorized, and the citizens by special election approved, the issuance of general obligation bonds of the County in

an amount not to exceed \$680,258,000 to construct and improve parks and recreational facilities described in Appendix A of such authorizing resolution (the “Parks and Recreational Facilities Projects”); and

**WHEREAS**, pursuant to Resolution No. R-914-04 (the “Public Infrastructure and Neighborhood Improvement Authorizing Resolution”), adopted on July 20, 2004, the Board authorized, and the citizens by special election approved, the issuance of general obligation bonds of the County in an amount not to exceed \$352,182,000 to construct and improve bridges, public infrastructure and neighborhood improvements described in Appendix A to such authorizing resolution (the “Public Infrastructure and Neighborhood Improvement Projects”); and

**WHEREAS**, pursuant to Resolution No. R-915-04 (the “Public Safety Facilities Authorizing Resolution”), adopted on July 20, 2004, the Board authorized, and the citizens by special election approved, the issuance of general obligation bonds of the County in an amount not to exceed \$341,087,000 to construct and improve public safety facilities described in Appendix A to such authorizing resolution (the “Public Safety Facilities Projects”); and

**WHEREAS**, pursuant to Resolution No. R-916-04 (the “Emergency and Healthcare Facilities Authorizing Resolution”), adopted on July 20, 2004, the Board authorized, and the citizens by special election approved, the issuance of general obligation bonds of the County in an amount not to exceed \$171,281,000 to construct and improve emergency and healthcare facilities described in Appendix A to such authorizing resolution (the “Emergency and Healthcare Facilities Projects”); and

**WHEREAS**, pursuant to Resolution No. R-917-04 (the “Public Services and Outreach Facilities Authorizing Resolution”), adopted on July 20, 2004, the Board authorized, and the

citizens by special election approved, the issuance of general obligation bonds of the County in an amount not to exceed \$255,070,000 to construct and improve public services and outreach facilities described in Appendix A to such authorizing resolution (the “Public Services and Outreach Facilities Projects”); and

**WHEREAS**, pursuant to Resolution No. R-918-04 (the “Housing Projects Resolution”) adopted on July 20, 2004, the Board authorized, and the citizens by special election approved, the issuance of general obligation bonds of the County in an amount not to exceed \$194,997,000 to construct and improve housing for the elderly and working families described in Appendix A to such authorizing resolution (the “Housing Projects”); and

**WHEREAS**, pursuant to Resolution No. R-919-04 (the “Cultural Library and Multicultural Education Facilities Authorizing Resolution”), adopted on July 20, 2004, the Board authorized, and the citizens by special election approved, the issuance of general obligation bonds of the County in an amount not to exceed \$552,692,000 to construct and improve cultural, library and multicultural educational facilities described in Appendix A to such authorizing resolution (the “Cultural Library and Multicultural Education Facilities Projects” and together with the Water and Sewer Projects, Parks and Recreational Facilities Projects, Public Infrastructure and Neighborhood Improvement Projects, Public Safety Facilities Projects, Emergency and Healthcare Facilities Project, Public Services and Outreach Facilities and Housing Projects, the “Community Projects”); and

**WHEREAS**, the authorizing resolutions mentioned above are collectively referred to in this ordinance as the “Authorizing Resolutions”; and

**WHEREAS**, on March 1, 2005, the Board enacted Ordinance No. 05-47 (the “Ordinance”), authorizing the issuance of general obligation bonds in an aggregate principal

amount not to exceed \$2,925,750,000 from time to time and in more than one series for the Building Better Communities Bond Program (the “Bonds”), pursuant to the Constitution and laws of the State of Florida, including Chapters 125 and 166, Florida Statutes, as amended, the Home Rule Amendment and Charter of Miami-Dade County, Florida, as amended (the “Charter”), the Authorizing Resolutions and their approval by the electorate; and

**WHEREAS**, on May 17, 2005, the Board adopted Resolution No. R-576-05 (as supplemented for each series of Bonds, the “Master Resolution”) authorizing the issuance of the Bonds pursuant to the Ordinance for the purpose of paying the costs of the Community Projects and paying the costs of issuing such Bonds; and

**WHEREAS**, all terms used in capitalized form and not defined in this ordinance shall have the meanings assigned to such terms in the Master Resolution; and

**WHEREAS**, the County has begun funding the Community Projects from several series of Bonds which are currently outstanding in the aggregate principal amount of \$739,050,000; and

**WHEREAS**, the County is in need of funds on an on-going basis to pay the costs of the Community Projects when they are ready to proceed, and it desires to issue commercial paper notes (the “Notes”) in order to provide temporary financing for such costs identified in a subsequent resolution presented to this Board in anticipation of the issuance of Additional Bonds; and

**WHEREAS**, such Notes shall be secured solely from the proceeds of the Additional Bonds issued by the County to retire the Notes; and

**WHEREAS**, the Board deems it appropriate to delegate to the County Mayor or County Mayor designee, authorization to obtain proposals through requests for proposals or any other process as the County Mayor or County Mayor designee deems appropriate for the selection of commercial paper dealer(s), issuing and paying agent(s) and credit provider(s) in connection with the issuance of the Notes; and

**WHEREAS**, it is the intent of this Board that the details of the Notes and the selection of the commercial paper dealer(s), issuing and paying agent(s) and credit provider(s) be approved by this Board pursuant to a subsequent resolution; and

**WHEREAS**, this Board desires to accomplish the purposes outlined in the accompanying memorandum, a copy of which is incorporated in this ordinance by reference,

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

Section 1. This ordinance is enacted pursuant to the provisions of the Constitution of the State of Florida, Charter, Chapters 125 and 166, Florida Statutes, as amended, the Code of Miami-Dade County, Florida, as amended, and other applicable provisions of law (collectively, the “Act”).

Section 2. The recitals contained in the foregoing “WHEREAS” clauses are incorporated in this ordinance by this reference.

Section 3. (a) Under the authority of the Act and the provisions of this ordinance, commercial paper notes of the County to be known as “Miami-Dade County, Florida Building Better Communities Commercial Paper Notes” are authorized to be issued, at one time or from time to time in one or more series, in an aggregate principal amount not to exceed \$400,000,000

outstanding at any time, for the purpose of (i) paying capital costs of the Community Projects identified in the subsequent resolution or resolutions presented to this Board and/or (ii) paying Notes (including related accrued interest) previously issued pursuant to the provisions of this ordinance, including in each case paying costs and expenses incurred in connection with the issuance of the Notes, all as shall be provided by subsequent resolution or resolutions adopted by the Board. It is understood and agreed that Notes may be issued pursuant to this ordinance in an aggregate principal amount exceeding \$400,000,000; provided, however, that at no one time shall Notes be outstanding in an aggregate principal amount exceeding \$400,000,000.

(b) The Notes shall be payable from the proceeds of Additional Bonds issued for the purpose of paying principal of, and interest on, the Notes. The Notes shall not constitute indebtedness, a liability, a general or moral obligation, or a pledge of the faith, credit or taxing power of the County, the State of Florida or any political subdivision of the State of Florida, within the meaning of any constitutional, statutory or charter provision.

(c) The Notes shall have such series designations, shall be issued in fully registered form without coupons in such denominations, shall be numbered, shall be dated as of such dates, shall mature on such dates, shall be subject to redemption, shall bear interest at such rates payable on such dates, shall be in such forms, and shall have such other terms, all as shall be determined pursuant to subsequent resolution or resolutions adopted by the Board.

Section 4. The County Mayor or County Mayor designee is authorized to obtain proposals through requests for proposals or any other process as he or she deems appropriate for the selection of commercial paper dealer(s), issuing and paying agent(s) and credit provider(s) in connection with the issuance of the Notes and shall present the selected commercial paper

dealer(s), issuing and paying agent(s) and credit provider(s) to this Board for approval pursuant to the subsequent resolution or resolutions adopted by this Board.

Section 5. This ordinance shall take effect ten (10) days after its enactment unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

PASSED AND ADOPTED:

Approved by County Attorney as  
to form and legal sufficiency:

Prepared by:

Gerald T. Heffernan

Two handwritten signatures are present. The first signature, 'JAC', is written above a horizontal line. The second signature, 'GMP', is written inside a circle, also positioned above a horizontal line.