

Memorandum

MIAMI-DADE
COUNTY

Date: October 2, 2012

Agenda Item No. 10(A)(1)

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

From: Carlos A. Gimenez
Mayor

Subject: Resolution approving issuance of Industrial Development Revenue Bonds for United Way of Miami-Dade, Inc. Project by Miami-Dade County Industrial Development Authority

Recommendation

The accompanying resolution is being placed before the Board of County Commissioners (Board) at the request of the Miami-Dade County Industrial Development Authority (IDA). This item approves the issuance of industrial development revenue bonds (Bonds) by the IDA for United Way of Miami-Dade, Inc. (Company) in a principal amount not to exceed \$15,500,000. Such approval is required by the Tax Equity and Fiscal Responsibility Act, Section 147(f) of the Internal Revenue Code of 1986, as amended (TEFRA).

Details of the project are included in the accompanying memorandum and exhibits from the Chairman of the IDA.

Scope

The projects are located at 3250 SW 3rd Avenue, 350 SW 32nd Road and 3150 SW 3rd Avenue, in the City of Miami, Florida, which are within Commission District 5.

Fiscal Impact/Funding Source

Neither the IDA nor Miami-Dade County has any liability with respect to the repayment of the Bonds.

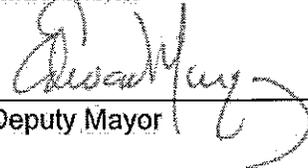
Track Record

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

Background

TEFRA requires that the Board approve the issuance of industrial development revenue bonds by the IDA after a public hearing has been held either by the IDA or by the Board. For efficiency, the Board has allowed the IDA to conduct the public hearing subject to review and ratification by the Board.

Attachments


Deputy Mayor

Memorandum



Date: October 2, 2012

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

From: James D. Crum, Chairman 
Miami-Dade County
Industrial Development Authority

Subject: Resolution approving issuance of Industrial Development Revenue Bonds for
United Way of Miami-Dade, Inc. project

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 \$15,500,000, the proceeds of which will be used to refinance the Authority's previously issued United Way 2008 Revenue Bonds. The 2008 Bonds issued in the amount of \$16,000,000 were used to refinance two loans used by United Way to acquire and improve United Way's Corporate Headquarters facility, and construct United Way's Center for Excellence in Early Education and a parking/office building used for United Way parking and the Children's Trust as well as pay costs of issuance of the bonds. United Way reports they currently employ approximately 155 employees with annual salaries of \$7.3 million.



MEMORANDUM

(Revised)

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

DATE: October 2, 2012

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

SUBJECT: Agenda Item No. 10(A) (1)

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. 10(A)(1)
10-2-12

RESOLUTION NO. _____

RESOLUTION APPROVING ISSUANCE OF MIAMI-DADE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY INDUSTRIAL DEVELOPMENT REVENUE BONDS IN AN AMOUNT NOT TO EXCEED \$15,500,000 AND IN ONE OR MORE SERIES TO FINANCE OR REFINANCE ALL OR A PART OF THE COSTS OF A CAPITAL PROJECT BENEFITING 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 “Borrower”), has requested the Miami-Dade County Industrial Development Authority (the “Authority”) to issue not exceeding \$15,500,000 aggregate principal amount of its Industrial Development Revenue Bonds (United Way of Miami-Dade, Inc. Project) (the “Bonds”), in one or more series, to loan the proceeds thereof to the Borrower for the purposes of (i) refinancing the obligations of the Borrower with respect to, and thereby refund, the Authority’s outstanding Revenue Bonds (United Way of Miami-Dade, Inc. Project), Series 2008, the proceeds of which were loaned to the Borrower to refinance loans used to finance the acquisition, construction, installation and equipping of social service centers, including: (a) the acquisition of a 6-story building, including related real and personal property, facilities, fixtures, furnishings and equipment, on an approximately 1.0 acre site (the “Ansin Site”) to be used for the Borrower’s corporate headquarters and for lease of office space to other nonprofit organizations (the “Ansin Building”), located at 3250 SW 3rd Avenue, in the City of Miami, Florida, and owned by 3250 Real Estate Holdings LLC, the sole member of which is the Borrower, (b) the construction, installation and equipping of a 2-story building, including fixtures furnishings and equipment, to be used as an early childhood educational facility, located at the Ansin Site, at 350 SW 32nd

Road, in the City of Miami, Florida, and owned by 3250 Real Estate Holdings, LLC, and (c) the acquisition of an approximately 0.6 acre site located at 3150 SW 3rd Avenue, in the City of Miami, Florida, and the construction, installation and equipping of an 8-story building (7 stories of which comprise a parking garage) on such site, owned by Children's Advocacy Complex LLC, the sole member of which is the Borrower, and used by the Borrower and other nonprofit organizations and governmental agencies; (ii) paying all or a portion of an interest rate swap termination payment; and (iii) paying 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 Monday, August 20, 2012, the Authority held a public hearing, notice of which was published on Monday, August 6, 2012, in The Miami Herald (a copy of the 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 August 20, 2012, with respect to 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, that:

Section 1. The issuance of revenue bonds of the Miami-Dade County Industrial Development Authority in an aggregate principal amount not to exceed \$15,500,000 for the purpose of financing all or a part 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 Borrower 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:

Joe A. Martinez, Chairman	
Audrey M. Edmonson, Vice Chairwoman	
Bruno A. Barreiro	Lynda Bell
Esteban L. Bovo, Jr.	Jose "Pepe" Diaz
Sally A. Heyman	Barbara J. Jordan
Jean Monestime	Dennis C. Moss
Rebeca Sosa	Sen. Javier D. Souto
Xavier L. Suarez	

The Chairperson thereupon declared the resolution duly passed and adopted this 2nd day of October, 2012. 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

<p style="text-align: center;">UNITED WAY OF MIAMI-DADE, INC. AND SUBSIDIARIES</p>

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 of Miami-Dade has served as an innovative force in the community with a long and successful track record of responding to emerging needs and transforming people's lives. The past year, United Way reports it funded programs which provided more than 2,500 children with afterschool tutoring and mentoring, nearly 20,000 older adults with meals and home-based care, and 9,000 individuals and families with emergency financial assistance and counseling. The United Way Center for Excellence in Early Education celebrated five years of operations and the Demonstration School received accreditation from the National Association for Education of Young Children. United Way continues to partner with organizations like the Children's Trust, Miami-Dade County, Miami-Dade County Public Schools and dozens of others to improve the quality of early education in Miami-Dade and beyond. United Way notes it has advocated for policies and investments that improve the lives of children and families at both the state and county level. Working with dozens of partners including the Miami-Dade County Office of the Mayor, United Way has implemented an older adult's initiative to help the community address the changing needs of our elderly population. United Way reports they turn every \$1 raised into \$2.16 worth of help to the community.

THE PROJECT AND EXISTING BONDS

In May 2008, the Miami-Dade County Industrial Development Authority issued \$16,000,000 in Industrial Development Revenue Bonds for United Way 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.

The Bonds when issued were variable rate demand bonds using an underlying letter of credit from Regions Bank. In 2009, the Bonds were amended and the Regions Bank letter of credit was replaced by a letter of credit issued by City National Bank/Federal Home Loan Bank of Atlanta. United Way is requesting Industrial Development Authority financing assistance in an amount not to exceed \$15,500,000 to refinance the previously issued bonds. The Bonds will be purchased and held by Bank United.

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Elements of the proposed project include:

1. Refinance balance of existing bonds: ----- \$13,635,000
2. Unwind SWAP Agreement on existing bonds, approximating:----- \$ 1,700,000
3. Bond Issuance expenses: ----- \$ 165,000

FINANCIAL SUFFICIENCY

Audited financial statements for United Way of Miami-Dade, Inc. and Subsidiaries for the fiscal years ended June 30, 2011, 2010, 2009 and 2008 have been provided as well as an interim statement for the 10 month period ended April 30, 2012.

A review of the submitted financial and related information indicates:

<u>SOURCE OF FUNDS</u>		<u>USE OF FUNDS</u>	
Bond Issue Proceeds*	\$ 15,500,000	Refinance balance of existing bonds	\$ 13,635,000
		Unwind SWAP Agreement on existing bonds	1,700,000
		Bond Issuance Expenses	165,000
	<u>TOTAL</u>		<u>TOTAL</u>
	<u>\$15,500,000</u>		<u>\$15,500,000</u>

** 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.
Marketing:	Private Placement. Bonds to be purchased and held by Bank United.

LEGAL

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. Pursuant to House Bill 1793, the 1998 Florida Legislature approved the amendment of the Florida Industrial Development Financing Act's definition of projects to include property that comprises the buildings, equipment, structures, and special education use areas that are built, installed, or established to serve primarily the educational purposes of operating any nonprofit private preschool, kindergarten, elementary school, middle school or high school that is established under chapter 617 or chapter 623 of the Florida Statutes or that is owned or operated by an organization described in s. 501(c)(3) of the United States Internal Revenue Code. 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 2009 to June 2011, United Way reports it has invested approximately \$ 80 million in 139 programs through its Impact Partners, Response Fund, and 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 maintain the 50 jobs created with the original bonds with annual salaries approximating \$1,756,000. United Way has 155 employees with annual salaries approximating \$7.3 million.



**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 industrial development revenue bonds, in one or more tax-exempt or taxable series, in an aggregate principal amount not to exceed \$15,500,000 (the "Bonds"), the proceeds of which will be loaned to the Company and/or one or more of its affiliates described below, in order to: (i) refinance the obligations of the Company with respect to, and thereby refund, the Authority's outstanding Revenue Bonds (United Way of Miami-Dade, Inc. Project), Series 2009, the proceeds of which were loaned to the Company to refinance loans used to finance the acquisition, construction, installation and equipping of social service centers, including: (a) the acquisition of a 6-story building, including related real and personal property, facilities, fixtures, furnishings, and equipment, on an approximately 1.0 acre site (the "Ansin Site") to be used for the Company's corporate headquarters and for lease of office space to other nonprofit organizations (the "Ansin Building"), located at 3250 SW 3rd Avenue, in the City of Miami, Florida, and owned by 3250 Real Estate Holdings LLC, the sole member of which is the Company, (b) the construction, installation and equipping of a 2-story building, including fixtures, furnishings and equipment, to be used as an early childhood educational facility, located at the Ansin Site, at 350 SW 32nd Road, in the City of Miami, Florida, and owned by 3250 Real Estate Holdings, LLC, and (c) the acquisition of an approximately 0.6 acre site located at 3150 SW 3rd Avenue, in the City of Miami, Florida, and the construction, installation and equipping of an 8-story building (7 stories of which comprise a parking garage) on such site, owned by Children's Advocacy Complex LLC, the sole member of which is the Company, and used by the Company and other nonprofit organizations and governmental agencies; (ii) pay all or a portion of an interest rate swap termination payment; and (iii) pay certain costs of issuance relating to the Bonds (collectively, 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 the proceeds derived from the repayment of the related loan or loans, or from any security pledged therefor.

Please take note that the Authority will hold a public hearing concerning the nature and location of the Project and the proposed issuance of the Bonds, at the Brickell BayView Centre, 80 SW 8th Street, Suite 2801, Miami, Florida, on Monday, August 20, 2012 commencing at 11:00 a.m. or shortly thereafter, at which time any person may be heard regarding the proposed issuance of the Bonds and the nature and location of the Project. The Authority will submit a transcript of the statements 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****MONDAY, AUGUST 20, 2012**

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. <i>Executive Director</i>	Miami-Dade County Industrial Development Authority	80 SW 8 th Street, Ste. 2801 Miami, Florida 33130
Cynthia Castillo <i>Assistant to Executive Director</i>	Miami-Dade County Industrial Development Authority	80 SW 8 th Street, Ste. 2801 Miami, Florida 33130
Amanda Llovet <i>Chief Financial Officer</i>	Miami-Dade County Industrial Development Authority	80 SW 8 th Street, Ste. 2801 Miami, Florida 33130
Carlos Molina <i>Chief Financial Officer</i>	United Way of Miami-Dade, Inc.	3250 SW 3 rd Avenue Miami, Florida 33129
J.F. Londono <i>Financing & Investments Director</i>	JFL Holdings LLC	Miami, Florida

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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 Monday, August 6, 2012, page 12A.

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 Revenue Bond issue for the United Way of Miami-Dade, Inc. project, in one or more tax-exempt or taxable series, in an aggregate principal amount not to exceed \$15,500,000, the proceeds of which will be loaned to the Company and/or one or more of its affiliates described below, in order to: refinance the obligations of the Company with respect to, and thereby refund, the Authority's outstanding Revenue Bonds (United Way of Miami-Dade, Inc. Project), Series 2008, the proceeds of which were loaned to the Company to refinance loans used to finance the acquisition, construction, installation and equipping of social service centers, including: the acquisition of a 6-story building, including related real and personal property, facilities, fixtures, furnishings and equipment, on an approximately 1.0 acre site (the "Ansin Site") to be used for the Company's corporate headquarters and for lease of office space to other nonprofit organizations (the "Ansin Building"), located at 3250 SW 3rd Avenue, in the City of Miami, Florida, and owned by 3250 Real Estate Holdings LLC, the sole member of which is the Company, the construction, installation and equipping of a 2-story building, including fixtures furnishings and equipment, to be used as an early childhood educational facility, located at the Ansin Site, at 350 SW 32nd Road, in the City of Miami, Florida, and owned by 3250 Real Estate Holdings, LLC, and the acquisition of an approximately 0.6 acre site located at 3150 SW 3rd Avenue, in the City of Miami, Florida, and the construction, installation and equipping of an 8-story building (7 stories of which comprise a parking garage) on such site, owned by Children's Advocacy Complex LLC, the sole member of which is the

Company, and used by the Company and other nonprofit organizations and governmental agencies; pay all or a portion of an interest rate swap termination payment; and pay certain costs of issuance relating to the Bonds.

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.

Executive Director

Let the record reflect that Carlos Molina, CFO, is in attendance representing United Way of Miami-Dade, Inc. Mr. Molina, is there anything you would like to add?

Mr. Carlos Molina

No, I think you covered it all.

Executive Director

We have present Mr. Londono. Is there anything you would like to add?

Mr. J.F. Londono

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.