

# Memorandum



Date: October 1, 2013

Agenda Item No. 14(A)(3)

To: Honorable Chairwoman Rebeca Sosa  
and Members, Board of County Commissioners

From: Carlos A. Gimenez  
Mayor

Subject: Resolution approving issuance of Educational Facilities Revenue Refunding Bonds for Belen Jesuit Preparatory School, 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 educational facilities revenue refunding bonds (Bonds) by the IDA for Belen Jesuit Preparatory School, Inc. (Company) in a principal amount not to exceed \$16,800,000.

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 project is located at 500 SW 127 Avenue and 12725 SW 6 Street, in unincorporated Miami-Dade County, Florida, which is within Commission District 12 and represented by Commissioner Jose "Pepe" Diaz.

## 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 educational facilities revenue refunding 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

  
\_\_\_\_\_  
Edward Marquez  
Deputy Mayor

# Memorandum



**Date:** October 1, 2013

**To:** Honorable Chairwoman Rebeca Sosa  
and Members, Board of County Commissioners

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

**Subject:** Resolution approving Issuance of Educational Facilities Revenue Refunding Bonds for Belen Jesuit Preparatory School, Inc. project

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## **RECOMMENDATION:**

It is recommended the Board approve the issuance of the Authority's Educational Facilities Revenue Refunding Bonds for Belen Jesuit Preparatory School, 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.

**Belen Jesuit Preparatory School, Inc.**, a Florida not-for-profit corporation, has applied for Educational Facilities Revenue Refunding Bond financing assistance in a maximum principal amount not to exceed \$16,800,000 (the "Series 2013 Bonds"). The proceeds of the Series 2013 Bonds may be used, together with funds provided by the Borrower, to refinance and refund the Authority's Educational Facilities Revenue Bonds (Belen Jesuit Preparatory School, Inc. Project), Series 2009 bond issue, which funds were used to refinance debt incurred to facilitate the acquisition of land adjacent to the Borrower's campus and construct and/or renovate multiple facilities at the Borrower's campus; pay a termination payment required to terminate existing interest rate swap and collar agreements relating to the Series 2009 Bonds; refinance an outstanding loan which was used to install artificial turf on the Borrower's campus football field and install security cameras; refinance an outstanding lease which was used to purchase electronic equipment and software; and pay certain bond issuance costs (the "Series 2013 Project"). The Series 2013 Project is located at 500 SW 127th Avenue and 12725 SW 6th Street, unincorporated Miami-Dade County, Florida, and will be owned and operated by the Borrower. Belen reports it currently employs 194 persons with a total annual payroll in excess of \$11,000,000.



# MEMORANDUM

(Revised)

**TO:** Honorable Chairwoman Rebeca Sosa  
and Members, Board of County Commissioners

**DATE:** October 1, 2013

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

**SUBJECT:** Agenda Item No. 14(A)(3).

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 Mayor'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. 14(A) (3)  
10-1-13

RESOLUTION NO. \_\_\_\_\_

RESOLUTION APPROVING THE ISSUANCE OF MIAMI-DADE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY EDUCATIONAL FACILITIES REVENUE REFUNDING BONDS, IN ONE OR MORE SERIES, IN AMOUNT NOT TO EXCEED \$16,800,000.00 TO REFUND BONDS ISSUED TO FINANCE CAPITAL PROJECTS FOR THE BENEFIT OF BELEN JESUIT PREPARATORY SCHOOL, INC. FOR PURPOSES OF AND PURSUANT TO SECTION 147(F) OF INTERNAL REVENUE CODE OF 1986, AS AMENDED

**WHEREAS**, Belen Jesuit Preparatory School, Inc., a Florida not-for-profit corporation (the "Company"), has requested the Miami-Dade County Industrial Development Authority (the "Authority") to issue in one or more series not exceeding \$16,800,000.00 aggregate principal amount of its Educational Facilities Revenue Refunding Bonds (Belen Jesuit Preparatory School, Inc. Project) (the "Bonds"), the proceeds of which will be used (together with funds of the Company) to (i) refinance and refund the Authority's Educational Facilities Revenue Bonds (Belen Jesuit Preparatory School, Inc. Project), Series 2009 bond issue, which funds were used to refinance debt incurred to facilitate the acquisition of land adjacent to the Company's campus and construct and/or renovate multiple facilities at the Company's campus; (ii) pay a termination payment required to terminate existing interest rate swap and collar agreements relating to the Series 2009 Bonds; (iii) refinance an outstanding loan which was used to install artificial turf on the Company's campus football field and install security cameras; (iv) refinance an outstanding lease which was used to purchase electronic equipment and software; and (v) 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 Tuesday, August 27, 2013 the Authority held a public hearing, notice of which was published on Tuesday, August 13, 2013 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, August 27, 2013, 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**, that:

Section 1. The issuance of Educational Facilities Revenue Refunding Bonds of the Miami-Dade County Industrial Development Authority in one or more series an aggregate principal amount not to exceed \$16,800,000.00 for the purpose of financing and refinancing 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:

Rebeca Sosa, Chairwoman

Lynda Bell, Vice Chair

Bruno A. Barreiro

Jose "Pepe" Diaz

Sally A. Heyman

Jean Monestime

Sen. Javier D. Souto

Juan C. Zapata

Esteban L. Bovo, Jr.

Audrey M. Edmonson

Barbara J. Jordan

Dennis C. Moss

Xavier L. Suarez

The Chairperson thereupon declared the resolution duly passed and adopted this 1<sup>st</sup> day of October, 2013. 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



**BELÉN JESUIT PREPARATORY SCHOOL, INC.**

**THE CORPORATION**

Belen Jesuit Preparatory School, Inc. ("Belen") is a 501(c)(3) not-for-profit Florida corporation located at 500 S.W. 127<sup>th</sup> Avenue, unincorporated Miami-Dade County. Chartered in September, 1962 under the auspices of a Roman Catholic religious order, the Religious of the Society of Jesus, Belen is a Catholic all boys private school, which provides intermediate, junior high, and senior high education, as well as limited after school care, summer day camp, and sports and other activities for its students. While founded and operated upon Roman Catholic, Christian beliefs, principles and values, the programs and services of Belen are open to the entire community. The school reports Belen is accredited by the Southern Association of Colleges and Schools and holds membership in the National Catholic Educational Association, the Jesuit Secondary Education Association, the Jesuit High School College Counselor Association and the Southern and National Association of College Admission Counsel.

**THE PROJECT**

Belen operates on a 33.6-acre campus which houses the school's administrative and business offices, the admission and development offices, classroom buildings, library, arts pavilion, auditorium, gymnasium and athletic fields. Belen is requesting that the Authority issue its Revenue Refunding Bonds in an amount not to exceed \$16,800,000, to facilitate the following:

1. Refund the existing balance approximating (\$13,835,000) of the Series 2009 Bonds issued by the Authority in early 2010 for Belen, the proceeds of which were used primarily to refinance debt incurred to facilitate the acquisition of land adjacent to the Belen Campus, and the construction and/or renovation of multiple facilities at the Belen Campus including a new auditorium, art center, science pavilion, faculty residence, computer center, classrooms, miscellaneous meeting rooms, athletic fields, parking facilities, sports facilities (including a swimming pool and tennis courts), administrative and executive building, and the acquisition of related furniture, fixtures and equipment.
2. Pay fees (estimated at \$1,000,000) relating to the termination of agreements providing for protection against interest rate increases for the Series 2009 Bonds.
3. Depending upon the ultimate structure of the transaction, refinance the existing balance of (a) a loan (approximating \$500,000) utilized to install artificial turf on the Belen campus football field, and (b) a lease financing (approximating \$235,000) to install security cameras.
4. Refinance the existing balance of a lease financing (approximating \$785,000) utilized for electronic equipment and related software used by Faculty and students of Belen.

**FINANCIAL SUFFICIENCY**

Belen has provided audited financial statements for its fiscal years ended July 31, 2012, 2011, and 2010.

A review of the submitted financial and related information indicates:

<b><u>SOURCE OF FUNDS</u></b>		<b><u>USE OF FUNDS</u></b>	
Bond Issue Proceeds*	\$16,800,000	Refunding of Series 2009 Bonds	\$ 13,835,000
		Refunding of Other Existing Indebtedness	1,520,000
		Costs of Terminating Existing Swaps	1,000,000
		Bond Issuance Costs	325,000
		Contingency	120,000
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<b>TOTAL</b>	<b><u>\$16,800,000</u></b>	<b>TOTAL</b>	<b><u>\$16,800,000</u></b>

\* Any costs related to the bond issue above that cannot be funded from bond proceeds will be paid by Belen.

Information relative to the proposed financial structure includes:

Financial Structure:	Corporate Debt
Security:	First mortgage on major assets.
Marketing:	Bonds will be purchased and held by TD Bank.

### 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. 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.

Bond Counsel and the County Attorney's Office advise that the Industrial Development Authority is the appropriate agency to issue bonds for this project. 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

Belen reports the refunding of the Series 2009 Bonds and the refinancing of the other outstanding debt noted above will have a very positive impact on Belen's operating costs. Belen also notes that it currently employs 194 persons with a total annual payroll in excess of \$11,000,000.



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

The Miami-Dade County Industrial Development Authority (the "Authority") has been requested by Belen Jesuit Preparatory School, Inc., a not-for-profit corporation (the "Borrower"), to issue its Educational Facilities Revenue Refunding Bonds (Belen Jesuit Preparatory School, Inc. Project), Series 2013 in an aggregate principal amount not to exceed \$16,800,000 (the "Series 2013 Bonds").

The proceeds of the Series 2013 Bonds may be used, together with funds provided by the Borrower, to: (i) refinance and refund the Authority's Educational Facilities Revenue Bonds (Belen Jesuit Preparatory School, Inc. Project), Series 2009 bond issue, which funds were used to refinance debt incurred to facilitate the acquisition of land adjacent to the Borrower's campus and construct and/or renovate multiple facilities at the Borrower's campus; (ii) pay a termination payment required to terminate existing interest rate swap and collar agreements relating to the Series 2009 Bonds; (iii) refinance an outstanding loan which was used to install artificial turf on the Borrower's campus football field and install security cameras; (iv) refinance an outstanding lease which was used to purchase electronic equipment and software; and (v) pay certain bond issuance costs (the "Series 2013 Project"). The Series 2013 Project is located at 500 SW 127th Avenue and 12726 SW 6th Street, unincorporated Miami-Dade County, Florida, and will be owned and operated by the Borrower.

The Series 2013 Bonds shall not be a debt, liability or obligation of the Authority nor of Miami-Dade County, Florida nor of the State of Florida, nor of any political subdivision thereof, but shall be payable solely from payments derived from the operation of the facilities or the security instruments therefor.

Please take note that the Authority will hold a public hearing on the Series 2013 Project, the nature and location and associated issues regarding the Series 2013 Bonds at the Brickell Bayview Centre, 80 SW 8th Street, Suite 2801, Miami, Florida, on Tuesday, August 27, 2013 commencing at 11:00 a.m. or shortly thereafter, at which time any person may be heard regarding the proposed issuance of the Series 2013 Bonds and the Series 2013 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 Series 2013 Bonds.

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**MIAMI-DADE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY****TRANSCRIPT OF PUBLIC HEARING****TUESDAY, AUGUST 27, 2013**

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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 Educational Facilities Revenue Refunding 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 <sup>th</sup> Street, Ste. 2801 Miami, Florida 33130
Cynthia Castillo <i>Assistant to Executive Director</i>	Miami-Dade County Industrial Development Authority	80 SW 8 <sup>th</sup> Street, Ste. 2801 Miami, Florida 33130
Amanda Llovet <i>Chief Financial Officer</i>	Miami-Dade County Industrial Development Authority	80 SW 8 <sup>th</sup> Street, Ste. 2801 Miami, Florida 33130
Carolina Calderin <i>Administrator</i>	Belen Jesuit Preparatory School, Inc.	500 SW 127 <sup>th</sup> Avenue Miami, Florida 33184
Doug Darbut Partner	Holland & Knight <i>(representing Belen Jesuit Preparatory School, Inc.)</i>	701 Brickell Avenue, Ste. 3000 Miami, Florida 33131

**Executive Director**

We will now conduct the public hearing on the proposed issuance of Educational Facilities Revenue Refunding 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 Educational Facilities Revenue Refunding 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, August 13, 2013, 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 Educational Facilities Revenue Refunding Bond issue for Belen Jesuit Preparatory School, Inc., in an aggregate principal amount not to exceed \$16,800,000 (the "Series 2013 Bonds"). The proceeds of the Series 2013 Bonds may be used, together with funds provided by the Borrower, to: refinance and refund the Authority's Educational Facilities Revenue Bonds (Belen Jesuit Preparatory School, Inc. Project), Series 2009 bond issue, which funds were used to refinance debt incurred to facilitate the acquisition of land adjacent to the Borrower's campus and construct and/or renovate multiple facilities at the Borrower's campus; pay a termination payment required to terminate existing interest rate swap and collar agreements relating to the Series 2009 Bonds; refinance an outstanding loan which was used to install artificial turf on the Borrower's campus football field and install security cameras; refinance an outstanding lease which was used to purchase electronic equipment and software; and pay certain bond issuance costs (the "Series 2013 Project"). The Series 2013 Project is located at 500 SW 127th Avenue and 12725 SW 6th Street, unincorporated Miami-Dade County, Florida, and will be owned and operated by the Borrower.

**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.

**Executive Director** Testimony will now be heard by anyone desiring to speak. Is there anything anyone would like to add?

**Representatives** 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.