


Memorandum



Date: February 3, 2015

To: Honorable Chairman Jean Monestime
and Members, Board of County Commissioners

From: Carlos A. Gimenez
Mayor 

Subject: Resolution Approving Issuance of Supplemental Taxable Industrial Development Revenue Bonds for South Florida Stadium LLC Project by Miami-Dade County Industrial Development Authority

Agenda Item No. 10(A)(1)

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 supplemental taxable industrial development revenue bonds (Bonds) by the IDA for South Florida Stadium LLC (Company) in a principal amount not to exceed \$100,000,000.

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

Scope

The project is located at 2269 NW 199 Street, Miami Gardens, Florida, which is in Commission District 1 represented by Commissioner Barbara J. Jordan.

Fiscal Impact/Funding Source

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

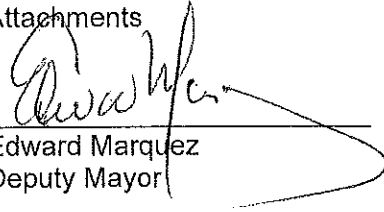
Track Record

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

Background

Review and analysis of the project has been completed by the IDA, County Attorney's Office, and Staff Bond Counsel. Federal law does not require a public hearing be held regarding the issuance of taxable bonds.

Attachments


Edward Marquez
Deputy Mayor

Memorandum



Date: February 3, 2015

To: Honorable Chairman Jean Monestime
and Members, Board of County Commissioners

From: Roberto Pelaez, Chairman
Miami-Dade County
Industrial Development Authority

A handwritten signature in black ink, appearing to read "Roberto Pelaez".

Subject: Resolution approving issuance of Supplemental Taxable Industrial Development Revenue Bonds for South Florida Stadium LLC project

RECOMMENDATION:

It is recommended the Board approve the issuance of the Authority's Supplemental Taxable Industrial Development Revenue Bonds for the South Florida Stadium LLC 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. Federal law does not require a public hearing be held regarding the issuance of taxable bonds.

South Florida Stadium LLC, a Florida limited liability company, has applied for Supplemental Taxable Industrial Development Revenue Bond financing assistance in a maximum principal amount not to exceed \$100,000,000. The bond issue proceeds will be used to cover a portion of the costs of a planned major capital improvement project for the Stadium that is expected to commence immediately after the current football season. In addition to the proposed Taxable Bond proceeds, the Company expects to contribute equity approximating \$275,000,000 and the proceeds of a commercial loan under the NFL's G-4 Loan Program in the approximate amount of \$50,000,000 for a total investment approximating \$425,000,000. The Company anticipates completing the project prior to the 2017 season and will continue to play games at the Stadium during the construction period. The Company advises no permits or governmental entitlements are necessary to commence construction. The Company reports it currently employs approximately 1,300 people, including 50 full-time employees, 50 part-time employees and 1,200 event day staff and projects the Renovation project will provide approximately 2,000 construction jobs.




MEMORANDUM

(Revised)

TO: Honorable Chairman Jean Monestime
and Members, Board of County Commissioners

DATE: February 3, 2015

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 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

Agenda Item No. 10(A)(1)

2-3-15

Veto _____

Override _____

RESOLUTION NO. _____

RESOLUTION APPROVING ISSUANCE FOR PURPOSES OF COMPLYING WITH SECTION 159.47(F), FLORIDA STATUTES, AS AMENDED, OF MIAMI-DADE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY TAXABLE INDUSTRIAL DEVELOPMENT REVENUE BONDS (DOLPHIN STADIUM PROJECT) IN AN AMOUNT NOT TO EXCEED \$100,000,000.00 IN ONE OR MORE SERIES TO FINANCE STADIUM RENOVATIONS FOR THE BENEFIT OF SOUTH FLORIDA STADIUM LLC

WHEREAS, South Florida Stadium LLC, a Florida limited liability company (the “Company”), has requested the Miami-Dade County Industrial Development Authority (the “Authority”) issue not exceeding \$100,000,000.00 aggregate principal amount of its Taxable Industrial Development Revenue Bonds in one or more series (the “Bonds”), the proceeds of which will be used (together with funds of the Company) to (i) finance a portion of the costs of the planned capital improvements consisting of stadium renovations including but not limited to an open air canopy to provide shade/cover, replacement seating, concourse and concession renovations, new suites, high-definition video boards, parking lot improvements, an outdoor concert stage, and related costs of stadium improvements (collectively, the “Project”), and (ii) pay certain costs of issuing the Bonds; 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, this Board desires to approve the issuance of the Bonds for the purpose of complying with Section 159.47(f), Florida Statutes, as amended,

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

Section 1. The issuance of Taxable Industrial Development Revenue Bonds of the Authority in an aggregate principal amount not to exceed \$100,000,000, in one or more series, for the purpose of financing a portion of the costs of the Project and paying certain costs of issuing the Bonds 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:

Jean Monestime, Chairman	
Esteban L. Bovo, Jr., Vice Chairman	
Bruno A. Barreiro	Daniella Levine Cava
Jose "Pepe" Diaz	Audrey M. Edmonson
Sally A. Heyman	Barbara J. Jordan
Dennis C. Moss	Rebeca Sosa
Sen. Javier D. Souto	Xavier L. Suarez
Juan C. Zapata	

The Chairperson thereupon declared the resolution duly passed and adopted this 3rd day of February, 2015. This resolution shall become effective upon the earlier of (1) ten (10) days after the date of its adoption unless vetoed by the County Mayor, and if vetoed, shall become effective only upon an override by this Board, or (2) approval by the County Mayor of this Resolution and the filing of this approval with the Clerk of the 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



**SOUTH FLORIDA STADIUM LLC
(formerly South Florida Stadium Corporation)**

2015 RENOVATIONS

THE COMPANY

The South Florida Stadium LLC (the "Company"), a Florida limited liability company (formerly known as South Florida Stadium Corporation and Dolphin Stadium Corporation), is the current owner of the Sun Life Stadium Complex located at 2269 NW 199th Street, in the city of Miami Gardens, Miami-Dade County. Ownership of the Company is controlled by Stephen M. Ross. The Stadium is utilized primarily by the Miami Dolphins Ltd., the owner of the Miami Dolphins, a franchise of the National Football League, the University of Miami Hurricane's collegiate football team and the Orange Bowl Committee as the home of the Orange Bowl Game. Other commercial events are also held at the Stadium.

BACKGROUND

In December 1985, the Miami-Dade County Industrial Development Authority issued tax-exempt Industrial Development Revenue Bonds in the amount of \$90,000,000 (1985 Tax-Exempt Bonds) to assist the Company in constructing an open-air spectator sports facility to primarily house the Miami Dolphins Football Team. The Stadium was completed in 1987 and, following the sale of the facility, was modified to accommodate baseball as well as football and upgraded to provide increased amenities to those attending the various events conducted at the Stadium. The Company reports that since the initial investment in the Stadium significantly more dollars have been spent on Stadium modifications and improvements. In November 2000, the Authority issued taxable Industrial Development Revenue Bonds in the amount of \$21,700,000 to cover a portion of the costs of those capital improvements. Such 2000 taxable Bonds have been retired. In October 2006 and April 2007, the Authority issued taxable Industrial Development Revenue Bonds in the amounts of \$100,000,000 and \$50,000,000, respectively (such 1985, 2006, and 2007 bonds issued by the Authority for the Stadium, collectively the "Bonds"), to cover a portion of the costs of capital improvements which included the addition of four new levels on the north and south sides of the Stadium to provide additional guest amenities and services, such as, concessions, restaurants, restrooms, shaded areas on the upper concourse levels, fan interactive areas, pre-event and post-event hospitality spaces, banquet, and entertainment areas. The Stadium is currently configured to seat 75,509 for football and soccer.

THE STADIUM RENOVATION PROJECT

The Company is requesting supplemental taxable Industrial Development Revenue Bond financing assistance in an amount not to exceed \$100,000,000 (2015 Taxable Bonds) to cover a portion of the costs of a planned major capital improvement project for the Stadium that is commencing immediately after the current football season. The Taxable Bonds will be amortized over a period of 15 years from completion

of the improvements, with a final maturity of July 1, 2032, and initially will be privately placed with one or more financial institutions, similar to the outstanding Tax-Exempt and Taxable Bonds. In addition to the proposed Taxable Bond financing, the Company expects to contribute equity in an estimated amount of \$275,000,000 and proceeds of a commercial loan under the NFL's G-4 Loan Program in the approximate amount of \$50,000,000 for a total investment approximating \$425,000,000. The Company anticipates completing the project prior to the 2017 season and will continue to play games at the Stadium during the construction period. No permits or governmental entitlements are necessary to commence construction. The County and the Company have entered into a "Marquee Event Performance Based Grant Agreement", whereby the County has agreed to make certain grants to the Company in consideration of the renovated Stadium hosting certain tourism generating marquee events.

Elements of the proposed Renovation Project include:

- ❖ Open air canopy to provide shade/cover
- ❖ Brand new seats in the entire stadium
- ❖ Completely renovated concourses and concessions
- ❖ Brand new suites
- ❖ Several brand new/unique seating & club options for fans, businesses and families
- ❖ Four (4) new high-definition video boards in each corner of the stadium
- ❖ Parking lots improvements
- ❖ Permanent outdoor concert stage

FINANCIAL SUFFICIENCY

All of the outstanding Bonds are currently held by commercial banks in a "floating rate note" (FRN) interest rate mode, except for the 2007 Taxable Bonds which are in a variable rate demand obligation (VRDO) mode secured by a letter of credit from a commercial bank. The 1985 Tax Exempt Bonds mature on July 1, 2032 and approximately \$76,300,000 remains outstanding. The 2006 and 2007 Taxable Bonds mature on July 1, 2037 and approximately \$36,770,000 of the 2006 and \$50,000,000 of the 2007 principal balance remain outstanding. The Company is currently negotiating to convert the 2007 Taxable Bonds to an FRN mode so that all outstanding Bonds will be privately held by commercial banks.

A review of the submitted financial information indicates:

<u>SOURCE OF FUNDS</u>		<u>USE OF FUNDS</u>	
Bond Issue Proceeds*	\$ 100,000,000	Renovations	\$ 97,500,000
		Bond Issuance Expenses	2,500,000
TOTAL	<u>\$100,000,000</u>	TOTAL	<u>\$100,000,000</u>

* Additional costs related to development of the project will be borne by the company.

Information relative to the proposed financial structure includes:

- Financial Structure:** The Stadium will continue to be owned by the Company.
- Security:** First leasehold mortgage on Stadium, including assets financed with 2015 Taxable Bond proceeds. The land is owned by Miami-Dade County and ground leased to the Company. Security will include collateral assignment of all leases.
- Guarantee:** The 2015 Taxable Bonds will be privately placed with commercial banks and/or affiliated financial institutions for FRN periods aggregating 15 years. The outstanding 2007 Taxable Bonds are currently secured by a letter of credit from a commercial bank but will be converted to an FRN interest rate mode and remarketed privately to commercial banks, as the 1985 Tax-Exempt Bonds and the 2006 Taxable Bonds currently are. It should be noted that the Company currently has a "BBB" credit rating from Fitch Ratings.
- Marketing:** It is anticipated that commercial banks and/or affiliated financial institutions who currently own the Taxable Bonds and Tax-Exempt Bonds will continue to hold them until the end of their respective interest rate periods. No underwriting or public offering of outstanding Bonds is contemplated.

LEGAL

The issuance of taxable bonds to finance improvements to the Sports Stadium facility is a permissible use of taxable Industrial Development Revenue Bonds under current Federal and State law. With respect to the taxable bonds, no public hearing is required by Federal tax law.

ECONOMIC IMPACT

The Company reports it currently employs approximately 1,300 people, including 50 full time employees, 50 part time employees and 1,200 event day staff. The Company projects that completion of the Renovation Project will result in the creation of approximately 2,000 construction jobs, and a total of 3,400 new full-time and part-time jobs. The renovation project, in addition to the new job opportunities cited above, will increase other capital investments, support the local construction industry, increase tourism with significant economic benefits to the County, and generate additional revenue for all Stadium tenants and events, including the Miami Dolphins, the University of Miami Hurricanes, the Orange Bowl Games and National Collegiate playoff and championship games, the Monster Truck Shows, world-class concerts, international soccer matches and National Football League Super Bowl Games.