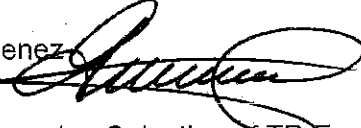


Memorandum



Date: February 22, 2017
To: Honorable Chairman Esteban L. Bovo, Jr.
and Members, Board of County Commissioners
From: Carlos A. Gimenez,
County Mayor 
Subject: Resolution Approving Selection of TD Equipment Finance To Provide Capital in an
Amount Not To Exceed \$21.5 million and Providing And Approving Terms Of Related
Commitment Letter

Agenda Item No. 8(D)(2)

Recommendation

It is recommended that the Board of County Commissioners (Board) approve the accompanying Resolution (Series 2017 Resolution) which authorizes the following:

- the selection of TD Equipment Finance (TD) to provide capital in an amount not to exceed \$21.5 million for the lease/purchase and the payment of related financing costs of Heavy Fleet Replacement Equipment for the Miami-Dade Fire Rescue Department (MDFRD);
- the terms of a TD commitment letter;
- all actions necessary to consummate the Lease/Purchase through related agreements by the County Mayor and/or the County Mayor's Designee consistent with the terms of the TD commitment letter; and
- waiver of Resolution R-130-06, which requires that any contracts of the County with third parties be executed and finalized prior to their replacement on an agenda for Board consideration.

Scope

The scope of the lease/purchase financing is countywide.

Fiscal Impact/Funding Source

The amount to be financed to fund the Heavy Fleet Replacement Equipment purchases and related financing costs will not exceed \$21.5 million for a recommended seven year term at an interest rate of 1.76 percent to finance certain projects with a debt service structure having equal principal payments each year. Annual interest payments would occur on October 1 and April 1 each year commencing October 1, 2018 of the financing term with the annual principal payment made on April 1st of each year, commencing April 1, 2018. The total interest cost to the County over the seven year financing period is estimated at \$1,531,469. A preliminary number run is included in Attachment 1 summarizing the details of the financing.

An annual expenditure appropriation to fund the principal and interest payments will be included in the MDFRD budget in the General Fund. The lease/purchase agreement is an operating lease and does not affect the County's non-ad valorem bonding capacity.

Track Record/Monitoring

If approved, the financing will be managed by the Finance Department, Division of Bond Administration, Frank P. Hinton, Director. Budgeting of the annual principal and interest payments will be included in the annual resource allocation process managed by MDFRD, Scott Mendelsberg, Assistant Director.

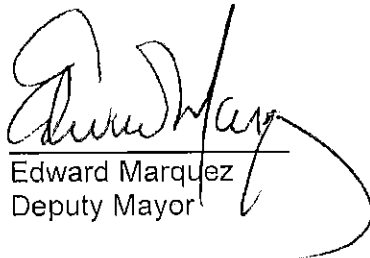
Background

On January 9, 2017 the County's Financial Advisor (FA) released a solicitation document (Attachment 2) to the leasing and financial industry consistent with the County's objective of financing the fire vehicles at the lowest cost of funds based on the current market at the most favorable terms. While the solicitation was set at an amount up to \$21.0 million, the financing is to be adjusted to the net amount of funding necessary to consummate the transaction, which is now estimated at \$21.5 million.

On January 17, 2017 the FA received nine proposals from major banking institutions. Upon review of the proposals (Attachment 3 provides a comparative summary of the proposals), it was determined and recommended as presented in Attachment 4 by the FA that the proposal submitted by TD conformed to the requirements of the solicitation at the lowest cost with an offer letter and term sheet providing the County with the most favorable terms and conditions overall. The interest rate offered for the five year term was 1.68 percent and for the seven year term 1.85 percent, both rates locked until March 14, 2017 with the County's acceptance of the term sheet subject to Board approval. The next best offer in the same financing structure was at a higher five-year fixed interest rate of 1.73 percent and a seven-year fixed interest rate of 1.94 percent, locked to March 14, 2017. Both proposals contained similar terms and conditions.

MDFRD ordered the first batch of equipment for delivery in January 2017, in the amount of \$7.0 million, financed with MDFRD funds. At closing, the \$7.0 million will be wired to the County as reimbursement for the equipment deliveries made from January through March and approximately \$14.39 million will be deposited into an escrow account to finance the remainder of the Heavy Fleet Replacement Equipment when delivered and accepted by the County.

Proceeds of the lease/purchase financing would be escrowed with TD with an annual servicing cost of \$1,500 and released as vehicles are delivered and accepted by the County. The County will receive credit for all interest earned on the escrow and will hold title to the vehicles upon delivery, acceptance and payment to the vehicle vendor. It should be noted that the lease/purchase agreement is a private placement financing. There are no up-front bank charges, underwriting fees, or payment processing fees associated with the escrow or ongoing disclosure requirements. The County would only be obligated to pay its own finance closing expenses to include fees for the winning bidder, FA and outside counsel, which are included in the \$21.5 million not-to-exceed amount. Closing is anticipated to occur on or before March 14, 2017.



Edward Marquez
Deputy Mayor

Attachments

SOURCES AND USES OF FUNDS

Equipment Lease
2017 Equipment Lease (Heavy Vehicle)

Lease Provider: TD Equipment Finance
Rate: 1.76%
7 year Term; Funded Escrow

Dated Date 03/14/2017
Delivery Date 03/14/2017

Sources:

Bond Proceeds:	
Par Amount	21,500,000.00
	21,500,000.00

Uses:

Project Fund Deposits:	
Project Fund	21,418,500.00
Delivery Date Expenses:	
Cost of Issuance	81,500.00
	21,500,000.00

Note: numbers are preliminary, for reference only.

BOND SUMMARY STATISTICS

Equipment Lease
2017 Equipment Lease (Heavy Vehicle)

Lease Provider: TD Equipment Finance
Rate: 1.76%
7 year Term; Funded Escrow

Dated Date	03/14/2017
Delivery Date	03/14/2017
First Coupon	10/01/2017
Last Maturity	04/01/2024
Arbitrage Yield	1.759898%
True Interest Cost (TIC)	1.759898%
Net Interest Cost (NIC)	1.760000%
All-In TIC	1.858422%
Average Coupon	1.760000%
Average Life (years)	4.047
Weighted Average Maturity (years)	4.047
Duration of Issue (years)	3.892
Par Amount	21,500,000.00
Bond Proceeds	21,500,000.00
Total Interest	1,531,468.87
Net Interest	1,531,468.87
Bond Years from Dated Date	87,015,277.28
Bond Years from Delivery Date	87,015,277.28
Total Debt Service	23,031,468.87
Maximum Annual Debt Service	3,467,697.49
Average Annual Debt Service	3,268,162.71
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	
Total Underwriter's Discount	
Bid Price	100.000000

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
Bond Component	21,500,000.00	100.000	1.760%	4.047	8,262.14
	21,500,000.00			4.047	8,262.14

	TIC	All-In TIC	Arbitrage Yield
Par Value	21,500,000.00	21,500,000.00	21,500,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense		-81,500.00	
- Other Amounts			
Target Value	21,500,000.00	21,418,500.00	21,500,000.00
Target Date	03/14/2017	03/14/2017	03/14/2017
Yield	1.759898%	1.858422%	1.759898%

Note: numbers are preliminary, for reference only.

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BOND PRICING

Equipment Lease
2017 Equipment Lease (Heavy Vehicle)

Lease Provider: TD Equipment Finance
Rate: 1.76%
7 year Term; Funded Escrow

Bond Component	Maturity Date	Amount	Rate	Yield	Price
Bond Component:					
	04/01/2018	3,071,428.60	1.760%	1.760%	100.000
	04/01/2019	3,071,428.60	1.760%	1.760%	100.000
	04/01/2020	3,071,428.60	1.760%	1.760%	100.000
	04/01/2021	3,071,428.60	1.760%	1.760%	100.000
	04/01/2022	3,071,428.60	1.760%	1.760%	100.000
	04/01/2023	3,071,428.50	1.760%	1.760%	100.000
	04/01/2024	3,071,428.50	1.760%	1.760%	100.000
		21,500,000.00			

Dated Date	03/14/2017	
Delivery Date	03/14/2017	
First Coupon	10/01/2017	
Par Amount	21,500,000.00	
Original Issue Discount		
Production	21,500,000.00	100.000000%
Underwriter's Discount		
Purchase Price	21,500,000.00	100.000000%
Accrued Interest		
Net Proceeds	21,500,000.00	

Note: numbers are preliminary, for reference only.

BOND DEBT SERVICE

Equipment Lease
2017 Equipment Lease (Heavy Vehicle)

Lease Provider: TD Equipment Finance
Rate: 1.76%
7 year Term; Funded Escrow

Period Ending	Principal	Coupon	Interest	Debt Service
04/01/2018	3,071,428.60	1.760%	396,268.89	3,467,697.49
04/01/2019	3,071,428.60	1.760%	324,342.86	3,395,771.46
04/01/2020	3,071,428.60	1.760%	270,285.72	3,341,714.32
04/01/2021	3,071,428.60	1.760%	216,228.56	3,287,657.16
04/01/2022	3,071,428.60	1.760%	162,171.42	3,233,600.02
04/01/2023	3,071,428.50	1.760%	108,114.28	3,179,542.78
04/01/2024	3,071,428.50	1.760%	54,057.14	3,125,485.64
	21,500,000.00		1,531,468.87	23,031,468.87

Note: numbers are preliminary, for reference only.

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BOND DEBT SERVICE

Equipment Lease
2017 Equipment Lease (Heavy Vehicle)

Lease Provider: TD Equipment Finance
Rate: 1.76%
7 year Term; Funded Escrow

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
10/01/2017			207,068.89	207,068.89	
04/01/2018	3,071,428.60	1.760%	189,200.00	3,260,628.60	3,467,697.49
10/01/2018			162,171.43	162,171.43	
04/01/2019	3,071,428.60	1.760%	162,171.43	3,233,600.03	3,395,771.46
10/01/2019			135,142.86	135,142.86	
04/01/2020	3,071,428.60	1.760%	135,142.86	3,206,571.46	3,341,714.32
10/01/2020			108,114.28	108,114.28	
04/01/2021	3,071,428.60	1.760%	108,114.28	3,179,542.88	3,287,657.16
10/01/2021			81,085.71	81,085.71	
04/01/2022	3,071,428.60	1.760%	81,085.71	3,152,514.31	3,233,600.02
10/01/2022			54,057.14	54,057.14	
04/01/2023	3,071,428.50	1.760%	54,057.14	3,125,485.64	3,179,542.78
10/01/2023			27,028.57	27,028.57	
04/01/2024	3,071,428.50	1.760%	27,028.57	3,098,457.07	3,125,485.64
	21,500,000.00		1,531,468.87	23,031,468.87	23,031,468.87

Note: numbers are preliminary, for reference only.

COST OF ISSUANCE

Equipment Lease
2017 Equipment Lease (Heavy Vehicle)

Lease Provider: TD Equipment Finance
Rate: 1.76%
7 year Term, Funded Escrow

Cost of Issuance	\$/1000	Amount
Bond Administration	1.00000	21,500.00
Financial Advisor	1.16279	25,000.00
Bond Counsel	0.46512	10,000.00
Miscellaneous	1.16279	25,000.00
	3.79070	81,500.00

Note: numbers are preliminary, for reference only.





The PFM Group
Financial & Investment Advisors

January 9, 2017

Memorandum

To: Prospective Financing Providers
From: Public Financial Management, Inc.
Re: Fire Equipment Heavy Vehicle Financing – Request for Proposals
Due January 17, 2017 @ 1:00 pm

On behalf of Miami-Dade County (the “County”), PFM is requesting proposals for a non-bank qualified financing arrangement that would provide the County with up to \$21,000,000 which it will use to acquire through purchase or lease/purchase of approximately 47 vehicles of various types, with a draw period through September 2017, to be used for the County’s fire services (the County may ultimately lease less vehicles and/or a lesser principal amount, at its discretion). The County is requesting financing arrangements that would provide capacity for a six month draw period, followed by a fixed rate, level repayment structure of no less than five years and up to seven years. The financing shall be secured by a contractual obligation of the County to make semi-annual payments of interest and annual payments of principal.

Please note that the County has already ordered the first batch of equipment for delivery in January, in the approximate amount of \$7,000,000. The County wishes to be reimbursed from the lease provider at closing for any deliveries taken before closing.

Other key terms are as follows:

- Interest Payment Dates: Semi-annual on April 1 and October 1, commencing October 1, 2017
- Principal Payment Dates: April 1 of each year, commencing April 1, 2018
- Final Maturity Date no later than April 1, 2024
- 30/360 Day Count Basis
- Expected 2017 Lease Start Date of March 14, 2017 (exact day to be determined)
- Monthly draws for up to six months
- Preferred structure and security will be a tax-exempt lease purchase agreement, with approximately \$14 million deposited into an escrow at closing, and approximately \$7 million wired to the County as reimbursement for equipment deliveries made from January through March. *Please note the amounts to be deposited in escrow and immediately reimbursed are estimates and the actual amounts will be determined prior to closing.*
- Level repayment schedule (using a minimum five year repayment term or maximum seven year)
- The County’s Bond Counsel will provide any necessary tax opinions.

Please provide a term sheet with the following minimum items: (1) Lease term length; (2) interest rate, and/or index and spread to determine rate, if the rate is established at the outset of the program or upon each draw; (3) prepayment alternatives; (4) specific covenants and pertinent terms.

The County is requesting that proposals be submitted by **January 17, 2017 at 1:00 pm** to the following email addresses: Pedro Varona (varonap@pfm.com), Sergio Masvidal (masvidals@pfm.com), and Arlesa Wood (AL2@miamidade.gov). Any inquiries requesting clarifications of this solicitation or additional information shall be submitted to PFM no later than

January 13 in order to provide adequate response time to the proposer requesting the information and to all prospective proposers who have expressed an interest in writing delivered to PFM.

Public Financial Management, Inc.
Sergio Masvidal | masvidals@pfm.com | (786) 671-7480

Included in its written proposal, each Proposer shall agree to the following certifications which will be included, among others, as representations in the financing documents:

- You have an understanding of the County's Self-Insurance Policy with respect to the vehicles.

(A description of the Policy is set forth in Note Seven in the County's FY 2015 Comprehensive Annual Financial Report. For the ownership and use of vehicles, the County's Internal Services Department, Risk Management Division administers vehicle liability self-insurance (subject to Florida statutory limitations).

- The County shall not deliver any offering document with respect to the financing arrangement.
- You have conducted your own investigation, to the extent you deem satisfactory or sufficient, into matters relating to business affairs or conditions (either financial or otherwise) of the County.

(For additional financial information please use the following link <http://www.miamidade.gov/finance/> providing access to historical Comprehensive Annual Financial Reports and Bondholder Reports.

- No inference should be drawn that you, in the acceptance of any financing documents, are relying on the County Attorney as to any such matters other than the legal opinions which may be rendered by such counsel.
- You have made such independent investigation of the financing risks associated with the financing as you, in the exercise of sound business judgment, consider being appropriate under the circumstances.
- You have knowledge and experience in financial and business matters and are capable of evaluating the merits and risks of participating in the financing with the County and you can bear the economic risk of such participation.
- You are not acting as a broker or other intermediary, and are entering into the financing as an investment for your own account and not with a present view to resale or other distribution to the public.
- You are a bank, trust company, savings institution, insurance company, dealer, investment company, pension or profit-sharing trust, or qualified institutional buyer as contemplated by Section 517.061(7), Florida Statutes.

Miami-Dade County Heavy
Vehicle Lease, Series 2017
RFP Summary

Proposer	Banc of America Public Capital Corp	BMO Harris	Capital One Public Funding
Proposed Structure	Tax-exempt Lease-Agreement. Recommends using the Lease Agreement executed with the County in March 2015 as a starting point for this funding to reduce legal time and expense	Tax-Exempt Master Lease Purchase Agreement structure with equipment schedules	Upfront escrow funding, tax-exempt equipment lease-purchase
Security	That this transaction will constitute an obligation of Lessee within the meaning of Section 103(a) of the Code	That this transaction will constitute an obligation of Lessee within the meaning of Section 103(a) of the Code	Subject to appropriation
Interest Rates	Option A – Fixed Rate Term Loan (Indicative): 5 Years: 1.6899% 7 Years: 1.9076% Option B – Fixed Rate Term Loan (Locked): 5 Years: 1.7286% 7 Years: 1.9398%	Fixed Rate Term Loan (Indicative): 5 Years: 1.987% 6 Years: 2.087% 7 Years: 2.173%	Fixed Interest Rates: 5 Years: 2.45% 7 Years: 2.65%
Calculation	Option A: 5 Years: 3-Year Swap * 64.1% + spread 7 Years: 4-Year Swap * 64.1% + spread Option B: Any fundings after March 14, 2017, rates will be calculated using this formula: 5 Years: 3-Year Swap * 64.1% + spread 7 Years: 4-Year Swap * 64.1% + spread	H.15 IR Swap using 3.1, 3.6 and 4.1 years	Not provided
Rate Locked to Closing, or Date to be set	Option A: Rates are valid for 14 business days and will float based on the index until 3 business days prior to closing Option B: Locked until March 14, 2017 and will be locked as long as transaction is funded before such date	The final Lease Payment to be fixed for the Term will be calculated on the date Lessor prepares the equipment schedule	Rates are subject to change if the contemplated Loan is not closed by March 14, 2017
Prepayment Penalty	Pre-payable in whole on any date at par after the first half of the term has expired	Prepayable in whole 24 months after commencement, with 1% premium	Prepayment is permitted on any payment date at 102% of outstanding balance
Legal/Other Fees	None	\$5,000 documentation/escrow set-up fee	None
Maximum Funding	\$21,000,000	\$21,000,000	\$21,000,000
Other Conditions	Needs: - Three years of most recent audited financial statements; - Tax Opinion (Over \$5 million) - Most recent fiscal year's Budget - Insurance Certificate - W-9 Form Proposal must be accepted on or before January 25, 2017	Proposal expires on February 5, 2017 unless otherwise extended in writing by BMO Harris EFC	At closing, Lease proceeds shall be funded into an account held by an escrow agent appointed by COPF. Needs: - Audited financial statements within 270 days of FY end - Also, may require to request several financial related information Term sheet shall expire if not accepted by January 24, 2017

Miami-Dade County Heavy
Vehicle Lease, Series 2017
RFP Summary

Proposer	JPMorgan Chase Bank	PNC Equipment Finance	Santander Bank
Proposed Structure	Fixed-rate, fully amortizing tax-exempt lease-purchase agreement	Upfront escrow funding, tax-exempt lease purchase agreement with \$1.00 buyout option at end of term	Upfront escrow funding, tax-exempt lease purchase agreement
Security	This Agreement shall be subject to appropriation, with documentation within the Agreement requiring appropriation for payment of all lease schedules or none at all	Lessor will be secured by the obligation of the Lessee to pay the lease payments subject to annual appropriation of funds by Lessee	Subject to annual appropriation
Interest Rates	Assuming the Lessor will fund the total financing amount in to escrow and draw from escrow as the equipment is delivered: Fixed Rate Term Loan (Indicative): 5 Years: 1.99% 7 Years: 2.15%	Assuming the Lessor will fund the total financing amount in to escrow and draw from escrow as the equipment is delivered: Fixed Rate Term Loan (Indicative): 5 Years: 1.83% 7 Years: 2.19%	Assuming the Lessor will fund the total financing amount in to escrow and draw from escrow as the equipment is delivered. Fixed Rate Term Loan (Indicative): 5 Years: 2.44% 6 Years: 2.51%
Calculation	Applicable Swap * 67% + spread	5 Years: 3-Year Swap * 65% + spread 7 Years: 5-Year Swap * 65% + spread	5 Years: 3-Year LIBOR * 65% + spread 6 Years: 4-Year LIBOR * 65% + spread
Rate Locked to Closing, or Date to be set	3 days prior to closing, rate will be locked	Valid to January 31, 2017	Rates to be locked 30 days prior to lease commencement
Prepayment Penalty	Prepayable in whole, but not in part, on any payment date, with 30 days prior written notice. Payment may be subject to a fixed rate/"make whole" break funding charge	After second anniversary of lease commencement, can purchase all equipment financed at a 3% premium	After the first anniversary date of a specific Lease Schedule's Commencement Date, the County may prepay the Lease Schedule on any payment date with no prepayment premium.
Legal/Other Fees	None	\$250 escrow agent set-up fee	None
Maximum Funding	\$21,000,000	\$21,000,000	\$21,000,000
Other Conditions	Lessee shall deliver audited annual financial statements as soon as they are available after their completion in each FY of Lessee during any Lease Term Proposal will expire on January 31, 2017 unless Lessee acknowledges its acceptance by this date	Proposal will expire on February 28, 2017 unless accepted in writing by lessee or extended in writing by Lessor	All interest earnings from Internal Escrow account shall be retained by Santander in consideration of managing the Internal Escrow account

Miami-Dade County Heavy
Vehicle Lease, Series 2017
RFP Summary

Proposer	SunTrust Equip Finance & Leasing Corp	TD Equipment Finance	U.S. Bancorp Govt. Leasing & Finance
Proposed Structure	Upfront escrow funding, tax-exempt lease purchase financing under a Master Lease Purchase Agreement and an equipment schedule	Tax-exempt lease purchase agreement with \$1.00 buyout option at end of term	Upfront escrow funding, plus term loan
Security	Covenant to budget and appropriate from legally available non ad valorem revenues	Lease intended as a secured transaction to the extent allowable by law. The Lease shall be subject to, and contain a non-appropriation clause; County to include all payments under this master Lease purchase in all its budget requests	The Lease will be structured as additional schedules to the existing Tax-Exempt Master Lease/Purchase Agreement dated May 1, 2015 as assigned to USBGLF and secured by a covenant to return the equipment in the event of a non-appropriation or default
Interest Rates	Assuming the Lessor will fund the total financing amount in to escrow and draw from escrow as the equipment is delivered: Fixed Rate Term Loan (Locked): 5 Years: 1.93% 7 Years: 2.08%	Fixed Rate Term Loan (Locked): Option A: 5 Years: 1.68% 7 Years: 1.85% Option B: 5 Years: 1.76% 7 Years: 1.94%	Assuming the Lessor will fund the total financing amount in to escrow and draw from escrow as the equipment is delivered: Fixed Rate Term Loan (Locked): 5 Years: 1.827% 7 Years: 2.035%
Calculation	Not provided	Not provided	Not provided
Rate Locked to Closing, or Date to be set	Rate is subject to change based on the 3 year swap rate until the financing is awarded to Lessor. Upon award, Lessor will set the Interest Rate and honor the quoted rate for a closing on or before March 15, 2017	Rates are locked until March 15, 2017 if the Proposal is verbally awarded by January 19, 2017	Locked until April 10, 2017
Prepayment Penalty	Prepayable in whole on any payment date at a premium of 1% of the amount prepaid	Option A: Prepayable at any time at par with 30 days' notice. Lease may be subject to a Yield Maintenance Fee Option B: Prepayable at any time at par with 30 days' notice	Permitted on any payment date at the lower of a standard make whole provision or 103% of outstanding balance
Legal/Other Fees	\$5,000 for Purchaser's counsel fee \$250 for escrow account set-up fee	Up to \$2,500 for fees, costs and disbursements incurred by Lessor \$1,500 for an Annual Escrow Fee	None
Maximum Funding	\$21,000,000	\$21,000,000	\$21,000,000
Other Conditions	The Interest Rate will be subject to upward adjustment during the Term if the federal corporate income tax rate is reduced to account for the reduced value of the interest income exclusion to Lessor Proposal expires on January 24, 2017 if not awarded to Lessor by a written notification on or before that date	Needs: -3 years most current audited annual financial statements, and shall be furnished annually thereafter -Copy of meeting minutes -copy of budget -Statement of essential use -Other supporting data as may be requested "Triple Net" Lease Proposal shall expire if not accepted by January 31, 2017	Funds will be reimbursed to the County in accordance with a Reimbursement Resolution or deposited into a no fee U.S. Bank N.A. escrow account at closing Other financing options are available on request


The PFM Group

Public Financial Management, Inc.
 PFM Asset Management LLC
 PFM Advisors

255 Alhambra Circle
 Suite 404
 Coral Gables, FL
 33134

305 448-6992
 305 448-7131 fax
 www.pfm.com

January 19, 2017

Memorandum

To: Miami-Dade County Finance Department, Division of Bond Administration
From: PFM Financial Advisors LLC
Re: Equipment Lease Proposal Results and Recommendation

On January 9, 2017, PFM Financial Advisors LLC ("PFM") requested proposals from financial firms on behalf of Miami-Dade County (the "County") seeking terms for an equipment lease that would finance the purchase of heavy equipment vehicles. The total estimated amount of vehicles to be purchased is approximately 47, at a total cost of up to \$21 million including issuance costs. This amount was later revised to \$21.5 million. The purchases would be in the form of a capital lease whereby the County would own the vehicles at the end of the lease term.

The purpose of this memorandum is to summarize the County's request and proposals received, as well as provide PFM's recommendation for the most attractive proposal and form of financing.

PFM circulated the request for equipment lease to a total of over 50 firms, composed primarily of financial institutions and vehicle lease providers. On January 17, 2017, nine proposals were received from the following firms:

- Banc of America Public Capital Corporation ("Bank of America")
- BMO Harris
- Capital One
- JP Morgan Chase
- PNC Equipment Finance
- Santander Bank
- SunTrust Equipment Finance & Leasing
- TD Equipment Finance
- US Bank Leasing & Finance

Proposers provided for an upfront escrow structure, where the lending institution would fund and control the escrow at the outset, and distribute funding upon requisition from the County and delivery of the vehicles. The upfront escrow begins to immediately accrue interest on the full amount, and the cost of funds is locked from the outset. From the County's perspective, the ability to lock-in the attractive rates currently available and provide budgetary certainty is a key consideration. Since the proposals generally had benign legal language and requirements that are standard in the bank lending sphere, PFM's primary consideration in recommending a bank was the interest rate provided, as well as the ease of instituting the new lease program.

In conclusion, our recommendation is for the County to engage the lowest cost proposer, TD Equipment Finance ("TD"). The County has decided to use a seven-year term. Attached for your review on the following pages are the preliminary numbers at the indicative rates proposed by TD. The rates proposed by TD are locked for a closing on March 15, 2017, as long as the verbal award is given to TD by January 20 by 4:00 pm.

Please feel free to contact us with any questions or comments.

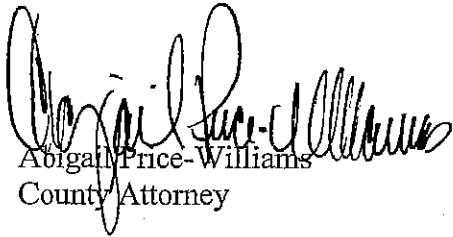


MEMORANDUM

(Revised)

TO: Honorable Chairman Esteban L. Bovo, Jr.
and Members, Board of County Commissioners

DATE: February 22, 2017

FROM: 
Abigail Price-Williams
County Attorney

SUBJECT: Agenda Item No. 8(D)(2)

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
- Statement of social equity 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. 8(D)(2)
2-22-17

RESOLUTION NO. _____

RESOLUTION APPROVING SELECTION OF TD EQUIPMENT FINANCE TO PROVIDE CAPITAL IN AN AMOUNT NOT TO EXCEED \$21,500,000.00 FOR LEASE/PURCHASE OF VEHICLES AND TO PAY FINANCING COSTS TO BE UTILIZED BY THE MIAMI-DADE FIRE RESCUE DEPARTMENT; APPROVING TERMS OF RELATED COMMITMENT LETTER; WAIVING PROVISIONS OF RESOLUTION NO. R-130-06, AS AMENDED AND AUTHORIZING COUNTY MAYOR OR COUNTY MAYOR'S DESIGNEE TO TAKE ALL ACTION NECESSARY TO CONSUMMATE THE LEASE/PURCHASE INCLUDING ENTERING INTO RELATED AGREEMENTS AND DOCUMENTS WITH TERMS CONSISTENT WITH THOSE SET FORTH IN THE COMMITMENT LETTER

WHEREAS, this Board desires to accomplish the purposes outlined in the accompanying County Mayor's memorandum, a copy of which is incorporated herein by reference (the "County Mayor's Memorandum"); and

WHEREAS, pursuant to Resolution No. R-36-14, this Board approved the award of competitively established contract RFQ655-2(2), for the purchase of leased vehicles for the Miami-Dade Fire Rescue Department from a specified vendor; and

WHEREAS, the County wishes to obtain capital to finance the cost of the lease/purchase of fire rescue vehicles and to pay any related financing costs ("Lease Purchase"); and

WHEREAS, pursuant to a request for proposals disseminated on January 9, 2017, a copy of which is attached to the County Mayor's Memorandum, (the "Request for Proposals"), Public Financial Management, Inc., which is serving as financial advisor to the County (the "Financial Advisor"), solicited proposals for the Lease Purchase on behalf of the County; and

WHEREAS, the Financial Advisor identified TD Equipment Finance from nine respondents as the successful respondent to the Request for Proposals; and

WHEREAS, based upon the recommendations of the Financial Advisor and the County Mayor or County Mayor's designee as set forth in the County Mayor's Memorandum, this Board wishes to approve the terms of a commitment letter between the County and TD Equipment Finance ("Commitment"), a copy of which is attached as Exhibit A to this Resolution; and

WHEREAS, this Board wishes to authorize the County Mayor or County Mayor's designee to enter into any related agreements and certificates and to do all things that may be necessary to effectuate the Lease Purchase, provided the terms of such agreements and certificates are consistent with the terms of the Commitment,

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

Section 1. The foregoing recitals are incorporated in this resolution and are approved.

Section 2. The Lease Purchase in an amount not to exceed \$21,500,000.00 is approved. The County Mayor or County Mayor's designee is authorized and directed to enter into and execute the Commitment and any and all agreements, certificates or other instruments or documents required by the Commitment after consultation with the County Attorney's Office, provided the terms of such agreements, certificates and instruments are consistent with the Commitment approved by this Board.

Section 3. Resolution No. R-130-06 requiring that any contracts of the County with third parties be executed and finalized prior to their placement on the committee agenda is waived at the request of the County Mayor for the reasons set forth in the County Mayor's Memorandum.

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:

- | | |
|-------------------------------------|----------------------|
| Esteban L. Bovo, Jr., Chairman | |
| Audrey M. Edmonson, Vice Chairwoman | |
| Bruno A. Barreiro | Daniella Levine Cava |
| Jose "Pepe" Diaz | Sally A. Heyman |
| Barbara J. Jordan | Joe A. Martinez |
| 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 22nd day of February, 2017. This resolution shall become effective upon the earlier of (1) 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.



Juliette R. Antoine



THIS PROPOSAL IS CONFIDENTIAL AND ONLY INTENDED FOR THE RECIPIENT TO WHICH IT IS ADDRESSED

Robert H. Quinn, Jr.
2130 Centrepark West Drive
West Palm Beach, FL 33409
Phone: 561-385-5340
Email: Robert.Quinn@td.com

Financing Bid

For:
Miami-Dade County

Miami-Dade County, FL

Proposal for Tax-Exempt Lease Purchase Financing

To Whom It May Concern:

Thank you for this opportunity to bid on your request for a Municipal Lease Purchase ("Lease") in the amount of \$21.5 million. TD Equipment Finance, Inc. is pleased to offer the following Proposal, which is subject to the following terms and conditions:

- 1. **Lessor** TD Equipment Finance, Inc., its successors and assigns
- 2. **Lessee** Miami-Dade County, Florida
- 3. **Equipment Description** Fire Equipment and Vehicles
- 4. **Maximum Purchase Price** \$21.5 million
- 5. **Term**
 - **Commencement Date:** The Lease shall commence upon Lessee's acceptance of the Equipment, but in no event later than March 15, 2017
 - **Lease Term:** 1.) Five (5) Years; 2.) Seven (7) Years
 - **Payment Amount:** See amortization schedules attached hereto and made a part hereof
- 6. **Payment**
 - **Payments Due:** Interest semi-annually beginning October 1, 2017, compounded monthly; Principal Payments annually beginning April 1, 2018.
 - **Prepayment:** Option A; The Lease may be prepaid at any time at Par with thirty (30) days' notice. Lease may be subject to a Yield Maintenance Fee. Option B; The Lease may be prepaid at any time at Par with thirty (30) days' notice.
- 7. **Tax-exempt Interest Rate** Option A: Five Years 1.68% ; Seven Years 1.85%
Option B: Five Years 1.76%; Option B: Seven Years 1.94%
- 8. **Index** The Tax Exempt rates quoted above are fixed and will be held until March 15, 2017 if the Proposal is verbally awarded by 4:00 P.M., January 20, 2017. If a verbal award is not awarded by January 20, 2017 or the closing does not occur by March 15, 2017 the final rate will be adjusted to reflect any change in the Lessor's Cost of Funds. Thereafter the rate and payments will be fixed for the term of the Lease.

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9. **Purchase Option** Lessee will purchase all, but not less than all, of the Equipment for \$1.00
10. **Structure** The Lease shall be a lease intended as a secured transaction, to the extent allowable by law. The Lease shall be subject to, and contain a non-appropriation clause; and, the Lessor will require bona fide best efforts by Lessee to include all payments under the "Lease" in all its budget requests during the Lease term in accordance with the terms of the Lease.
11. **Municipal Lease Purchase** The Lease shall be considered a "Municipal Lease Purchase" by all parties. The Lessee will represent and warrant that it is a state or a political sub-division thereof, within the meaning of Section 103(c) of the Internal Revenue Code of 1986, as amended (the "Code") and that the Lease will constitute a Tax Exempt Obligation of the Lessee as described in Section 103(a) of the Code.
12. **Tax Status** The Lease will not be a qualified tax exempt obligation under Section 265 (b) (3) of the Code. The interest portion of the payments under the Lease will not be includable in the gross income of the Lessor for federal income taxation purposes. The Lessee will supply at closing a tax opinion from qualified bond counsel. Upon a determination that the interest component of the rental payments under the Lease is includable in gross income of Lessor for federal income tax purposes due to an act or omission of the Lessee, the interest rate on the Lease will increase to a rate sufficient to restore Lessor to its after-tax yield from and after the date such interest became includable in gross income, and taking into account all penalties, fines, interest and additions to tax.
13. **Legal Opinion** The transaction is subject to a legal opinion which provides that the Lease represents a valid and binding obligation of the Lessee.
14. **Costs & Expenses** Lessee shall be responsible for all fees, costs and disbursements incurred by Lessor in connection herewith, including, but not limited to all fees and disbursements of counsel to Lessor (if any), and all filing and search fees, up to \$2,500 and an Annual Escrow Fee of \$1,500.
15. **Insurance** Lessee shall bear all risk of loss, damage and liability to the Equipment and Lessee shall be responsible to keep the Equipment insured or self-insured in an amount and in a form acceptable to Lessor. The Lessor has reviewed the County's self-insurance policy with respect to the Equipment.

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16. **Warranties** Lessor will lease the Equipment to Lessee without representation or warranty on an "AS IS BASIS". However, Lessor will assign to Lessee all warranties, guarantees and services provided by the manufacturer(s) and/or vendor(s) to the extent that they can be assigned. LESSOR SHALL NOT BE RESPONSIBLE FOR PROVIDING ANY OF THE FOREGOING WARRANTIES.
17. **Lease Documents** All legal matters, and all documents to be executed in connection herewith, shall be in satisfactory form and substance to Lessor in its sole discretion. Lessor shall verify the Equipment specifications including, but not limited to, model number, number of units, installation costs, year of manufacturing and maintenance contracts; and approve the final Equipment configuration, and acceptance of the financing.
18. **Lessor's Proposal/Financial Information** This Proposal is subject to final credit review, and not, nor should it be construed as, a commitment by Lessor or any affiliate to enter into the proposed Lease transaction. Final approval estimated by 2/24/17. In order to complete its credit due diligence, Lessee shall provide Lessor with the following:
- Three years most current audited annual financial statements, and shall be furnished annually thereafter, if not otherwise published on the Lessee's website
 - Copy of meeting minutes
 - Copy of budget
 - Statement of essential use
 - Other supporting data as may be requested
19. **Authorization** Lessee acknowledges and agrees that Lessor may furnish all Lessee-presented information, financials, analysis, and related credit and review materials to its employees, counsel and agents, as well as its participants and/or assigns. Lessee authorizes Lessor to contact TD Bank, N.A. and other references of Lessee, and to order any and all credit checks and investigative reports, all as Lessor deems necessary in connection with the evaluation of the transaction.

20. General

The Lease will be a "Triple Net Lease" in which the Lessee will be responsible for all expenses relating to the Equipment including, but not limited to, Equipment maintenance, insurance coverage, and all taxes (e.g. sales, use and personal property).

The Lessee will carry any and all insurance coverage required by Lessor in accordance with the Lease.

The Lessor acknowledges that financing documents delivered at closing for the Lease will include the certifications set for in the Request for Proposals dated January 6, 2017 from Public Financial Management, Inc. on behalf of the Lessee.

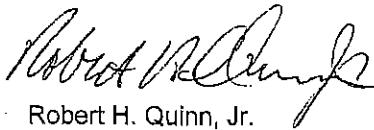
TD Equipment Finance, Inc. complies with Section 326 of the USA Patriot Act. This Act mandates that we verify certain information about the Lessee while processing any Lease request.

21. Expiration

This Lease Proposal shall expire, if not accepted by a qualified official by 5:00 pm, on January 31, 2017.

Thank you for this opportunity to present our Lease Proposal to you. If these proposed terms are acceptable to you, please sign and return it with the requested credit information. Upon receipt, we will conduct a formal credit review and seek approval for the Lease Proposal described herein. It is estimated that it will take two weeks from acceptance for credit approval. Please feel free to address any questions or comments with me. My contact information follows for your convenience.

Sincerely,



Robert H. Quinn, Jr.
Regional Sales Manager, Vice President
TD Equipment Finance, Inc.
2130 Centrepark West Drive
West Palm Beach, FL 33409

Miami-Dade County, FL

Enclosed.

-Payment amortization schedules