

Memorandum

MIAMI-DADE
COUNTY

Date: November 7, 2017

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

Agenda Item No. 10(A)(4)

From: Carlos A. Gimenez
Mayor

Subject: Resolution Approving Issuance of Industrial Development Revenue Bonds for Doral Academy, 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 Doral Academy, Inc. in a principal amount not to exceed \$24,000,000.

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

Scope

The project is located at 2450 NW 97th Street, in the City of Doral, in Commission District 2, which is represented by Commissioner Jean Monestime.

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 James D. Wagner Jr., Executive Director of the IDA.

Background

The Tax Equity and Fiscal Responsibility Act (TEFRA) requires that the Board approve the issuance of 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: November 7, 2017

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

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

Subject: Resolution approving issuance of Industrial Development Revenue Bonds for
Doral Academy, Inc. project

RECOMMENDATION:

It is recommended the Board approve the issuance of the Authority's Industrial Development Revenue Bonds for the Doral Academy, 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.

Doral Academy, Inc., a Florida not-for-profit corporation, has applied for Industrial Development Revenue Bond financing assistance in a maximum principal amount not to exceed \$24,000,000 to be combined with an equity contribution approximating \$4,000,000 to facilitate the acquisition, design, construction, installation and equipping of a six-story educational facility containing approximately 91,000 square feet, to be used as a performance arts center, and which will include an approximate 430 seat auditorium, black box theater, art studio, television production room, several classrooms and administrative spaces, and related fixtures, furnishings and equipment, to be located at 2450 NW 97th Street, and to be used by the five (5) charter schools owned and operated by the Company, located at 2450 NW 97th Avenue, 11100 NW 27th Street and 2601 NW 112th Avenue, in the City of Doral, Miami-Dade County, Florida, fund a debt service reserve fund and pay certain costs of issuance relating to the Bonds. Doral Academy, Inc. reports it currently employs 387 persons at the five schools and estimates as a result of the project approximately 30 new positions will be created and enrollment will increase by 550 students.



MEMORANDUM
(Revised)

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

DATE: November 7, 2017

FROM: Abigail Price-Williams
County Attorney

SUBJECT: Agenda Item No. 10(A)(4)

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. 10(A)(4)
11-7-17

RESOLUTION NO. _____

RESOLUTION APPROVING ISSUANCE OF MIAMI-DADE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY INDUSTRIAL DEVELOPMENT REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$24,000,000.00, IN ONE OR MORE TAX-EXEMPT OR TAXABLE SERIES TO (I) FINANCE OR REFINANCE ALL OR A PORTION OF THE COSTS OF ACQUISITION, DESIGN, CONSTRUCTION, INSTALLATION AND EQUIPPING OF CERTAIN EDUCATIONAL FACILITIES, (II) FUND A DEBT SERVICE RESERVE FUND FOR THE BONDS AND (III) PAY CERTAIN COSTS OF ISSUANCE RELATING TO THE BONDS, ALL BENEFITTING DORAL ACADEMY, INC., A FLORIDA NOT FOR PROFIT CORPORATION, FOR PURPOSES OF AND PURSUANT TO SECTION 147(F) OF INTERNAL REVENUE CODE OF 1986, AS AMENDED

WHEREAS, Doral Academy, Inc., a Florida not for profit corporation (the “Borrower”), has requested the Miami-Dade County Industrial Development Authority (the “Authority”) to issue its industrial development revenue bonds (the “Bonds”), in an aggregate principal amount not to exceed \$24,000,000.00, in one or more tax-exempt or taxable series, and to loan the proceeds thereof to the Borrower in order to (i) finance or refinance all or a portion of the costs of the acquisition, design, construction, installation and equipping of an approximately six-story educational facility (the “Project”) containing approximately 91,000 square feet, to be used as a performance arts center including an approximately 430-seat auditorium, black box theater, art studio, television production room, several classrooms and administrative spaces, and related fixtures, furnishings and equipment, to be located at 2450 NW 97th Street in the City of Doral, Miami-Dade County, Florida (the “Site”), and to be owned by Doral Academy, Inc. and used by the five (5) charter schools owned and operated by the Borrower, located at 2450 NW 97th

Avenue, 11100 NW 27th Street and 2601 NW 112th Avenue, in the City of Doral, Miami-Dade County, Florida, (ii) fund a debt service reserve fund for the Bonds, and (iii) pay certain costs of issuance relating to 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, on September 19, 2017, the Authority held a public hearing, notice of which was published on September 4, 2017, 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 September 19, 2017, 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 industrial development revenue bonds of the Miami-Dade County Industrial Development Authority in an aggregate principal amount not to exceed \$24,000,000.00, in one or more tax-exempt or taxable series, for the purpose of financing or refinancing 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:

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 7th day of November, 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.

JRA

Juliette R. Antoine

DORAL ACADEMY, INC.

THE CORPORATION

Doral Academy, Inc. (Doral) a 501(c)(3) not-for-profit Florida corporation located 2450 NW 97th Avenue, in the City of Doral, was formed in June 1999 for the purposes of organizing and operating public charter schools. The first Doral charter school, The Doral Academy, opened for academic year 1999-00 with 125 students. Doral now operates the five public charter schools listed below serving approximately 4,573 students.

- Chartered in 1999, Doral Academy is located at 2450 NW 97th Avenue and serves 1,121 students in grades K-5.
- Chartered in 2001, Doral Academy Charter High School is located at 11100 NW 27th Street and serves 1,720 students in grades 9-12.
- Chartered in 2003, Doral Academy Charter Middle School is located at 2601 NW 112th Avenue and serves 1,124 students in grades 6-8.
- Chartered in 2005, Doral Performing Arts & Entertainment Academy is located at 11100 NW 27th Street and serves 407 students in grades 9-12.
- Chartered in 2011, Doral Academy of Technology is located at 2601 NW 112th Avenue and serves 201 students in grades 9-12.

Doral Academy, Inc. reports all of the Doral charter schools are accredited by the Southern Association of Colleges and Schools and exemplify the highest teaching and learning standards. Doral is especially committed to Advanced Academic Programs. Doral Academy Charter High School and Doral Performing Arts & Entertainment Academy collectively offer 30 Advanced Placement (AP) courses and Early College Dual Enrollment. During the 2014-2015 school year, Doral reports it administered over 2,200 Advanced Placement Exams to students. Students graduating from a Doral public charter high school have been accepted into some of the most prestigious colleges and universities throughout the nation. Doral has been recognized by major publications as one of the very best schools in America.

The Schools, contract with Academica, a professional charter school management company, as their education service provider. Academica was founded in 1999 on the principles that each charter school is a unique educational environment governed by an independent Board of Directors that best knows the right path for its school. The Company provides management and administrative services to the charter schools including, but not limited to, facility design, staffing recommendations, human resource coordination, regulatory compliance, legal and corporate upkeep, maintenance of books and records, budgeting and financial reporting.

THE PROJECT

Doral Academy, Inc. is requesting Industrial Development Revenue Bond financing assistance in an amount not to exceed \$24,000,000 to be combined with an equity contribution in an amount not to exceed \$4,000,000 to facilitate the design, permitting, construction and equipping of a new six-story building to be named ("Doral Hall") to be located on Doral Academy, Inc. owned property located adjacent to the five

campuses previously listed, refinance existing debt, fund a debt service reserve, and pay costs of issuance. Doral Hall, will include a 430 seat auditorium, black box theater, art studio, TV Production room, several classrooms, and administrative space. The facility will serve the needs of and be an amenity for all of the five charter schools.

Elements of the proposed project include:

1. New Construction – Doral Hall, approximately 90,964 sq. ft., six-story building.: ----- \$17,500,000
2. Furniture, Fixtures and Equipment:----- \$ 3,000,000

FINANCIAL SUFFICIENCY

Doral Academy, Inc. has provided audited financial statements for the fiscal years ended June 30, 2016, 2015 and 2014.

A review of the submitted financial and related information indicates:

<u>SOURCE OF FUNDS</u>		<u>USE OF FUNDS</u>	
Bond Issue Proceeds*	\$24,000,000	New Construction	\$17,500,000
Equity Contribution	4,000,000	Furniture, Fixtures and Equipment	3,000,000
		Refinance Existing Loan	4,000,000
		Debt Service Reserve	1,585,000
		Underwriter's Discount	168,000
		Bond Issuance Expenses	600,000
		Contingency Reserve	<u>1,147,000</u>
TOTAL	<u>\$28,000,000</u>	TOTAL	<u>\$28,000,000</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 school.

Information relative to the proposed financial structure includes:


Financial Structure:	Corporate Debt.
Security:	First mortgage on all assets financed with bond proceeds.
Guarantee:	Investment grade rated.
Marketing:	Limited public offering to institution/accredited investors.

LEGAL

Under the 1986 Tax Act, facilities for 501(c)(3) corporations remain eligible for financing with tax-exempt Industrial Development Revenue Bonds provided that the project is part of the corporation's normal course of business. 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

Doral Academy, Inc. reports it currently employs 387 persons at the five schools and estimates as a result of the project approximately 30 new positions will be created and enrollment will increase by 550 students. Completion of the proposed project will also ensure the schools will be able to fully meet the needs of their student population for future generations. Other economic benefits include added support to the local construction industry.


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

The Miami-Dade County Industrial Development Authority (the "Authority") has been requested to issue its Industrial Development Revenue Bonds for the following capital projects:

Doral Academy, Inc., a Florida not for profit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), to issue its revenue bonds, in one or more tax-exempt or taxable series, in an aggregate principal amount not to exceed \$24,000,000 (the "Bonds"), the proceeds of which will be loaned by the Authority to the Company in order to (i) finance or refinance all or a portion of the cost of the acquisition, design, construction, installation and equipping of an approximately six-story educational facility containing approximately 91,000 square feet, to be used as a performance arts center, and which will include an approximate 430 seat auditorium, black box theater, art studio, television production room, several classrooms and administrative spaces, and related fixtures, furnishings and equipment, to be located at 2450 NW 97th Street, and to be used by the five (5) charter schools owned and operated by the Company, located at 2450 NW 97th Avenue, 11100 NW 27th Street and 2601 NW 112th Avenue, in the City of Doral, Miami-Dade County, Florida (the "Project"), (ii) fund a debt service reserve fund and (iii) pay certain costs of issuance relating to the Bonds. The initial owner and principal user of the Project is the Company.

Pinecrest Academy, Inc., a Florida not-for-profit 501(c)(3) corporation (the "Borrower"), to issue its Industrial Development Revenue Bonds (Pinecrest Academy Project), Series 2017 in an aggregate principal amount not to exceed \$6,000,000 (the "Series 2017 Bonds"). The proceeds of the Series 2017 Bonds may be used, together with funds provided by the Borrower, to: (a) renovate and make capital improvements to the Borrower's existing facility located at 4301 SW 107th Avenue, in Miami, Florida (the "Cove Facility") by removal of a portion of the existing one-story section on the South side of the existing facilities, and replacement with a 22,950 square foot new two story classroom and administration and wing, fully connected to and integrated with the balance of the facility; (b) reimburse prior capital expenditures made by the Borrower for the Cove Facility; (c) fund a debt service reserve fund, if required, and (d) pay certain bond issuance costs (collectively, the "Project").

The Bonds shall not be a debt, liability or obligation of the Authority, Miami-Dade County, Florida, the State of Florida, nor 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 the other security pledged therefor.

Please take note that the Executive Director of the Authority (as its hearing officer) will hold a public hearing as required by Section 147(f) of the Internal Revenue Code of 1986, as amended, concerning the nature and location of the Projects and the proposed issuance of the Bonds, at the Brickell City Tower, 80 SW 8th Street, Suite 2601, Miami, Florida, on Tuesday, September 19, 2017 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 Projects. 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.

In accordance with the American Disabilities Act, persons needing a special accommodation to participate in this proceeding should contact the Executive Director of the Authority no later than seven days prior to the proceeding at the address given above.

MIAMI-DADE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

TRANSCRIPT OF PUBLIC HEARING

TUESDAY, SEPTEMBER 19, 2017

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
Amanda Llovet <i>Chief Financial Officer</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

Executive Director

We will now conduct the public hearing on the proposed issuance of Industrial Development Revenue Bonds for the capital projects 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 projects mentioned in that notice. The notice appeared in The Miami Herald on Monday, September 4, 2017, page 4A.

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 first project for consideration is an Industrial Development Revenue Bond issue for the Doral Academy, Inc. project, in an aggregate principal amount not to exceed \$24,000,000. The proceeds of the bond issue will be loaned by the Authority to the Company in order to finance or refinance all or a portion of the cost of the acquisition, design, construction, installation and equipping of an approximately six-story educational facility containing approximately 91,000 square feet, to be used as a performance arts center, and which will include an approximate 430 seat auditorium, black box theater, art studio, television production room, several classrooms and administrative spaces, and related fixtures, furnishings and equipment, to be located at 2450 NW 97th Street, and to be used by the five (5) charter schools owned and operated by the Company, located at 2450 NW 97th Avenue, 11100 NW 27th Street and 2601 NW 112th Avenue, in the City of Doral, Miami-Dade County, Florida, fund a debt service reserve fund and pay certain costs of issuance relating to the Bonds. The initial owner and principal user of the Project is the Company.

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 no one is in attendance desiring to comment on the project.

Executive Director The second project for consideration is an Industrial Development Revenue Bond issue for Pincrest Academy, Inc. project, in an aggregate principal amount not to exceed \$5,000,000. The proceeds of the Series 2017 Bonds may be used, together with funds provided by the Borrower, to renovate and make capital improvements to the Borrower's existing facility located at 4301 SW 107th Avenue, in Miami, Florida (the "Cove Facility") by removal of a portion of the existing one-story section on the South side of the existing facilities, and replacement with a 22,950 square foot new two story classroom and administration wing, fully connected to and integrated with the balance of the facility; reimburse prior capital expenditures made by the Borrower for the Cove Facility; fund a debt service reserve fund, if required, and pay certain bond issuance costs.

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 no one is in attendance desiring to comment on the project.

Executive Director This concludes the public hearing scheduled for today. These projects, 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.