

# Memorandum



**Date:** November 7, 2017

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

**From:** Carlos A. Gimenez  
Mayor

**Subject:** Resolution Approving Issuance of Industrial Development Revenue Bonds for Pinecrest Academy, Inc. Project by Miami-Dade County Industrial Development Authority

Agenda Item No. 10(A)(5)

## 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 Pinecrest Academy, Inc. in a principal amount not to exceed \$5,000,000.

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 4301 SW 107<sup>th</sup> Avenue, in unincorporated Miami-Dade County, in Commission District 10, which is represented by Commissioner Javier D. Souto.

## Fiscal Impact/Funding Source

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

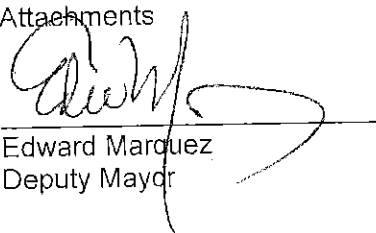
## Track Record

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 Pinecrest Academy, Inc. project

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## **RECOMMENDATION:**

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

**Pinecrest Academy, Inc.**, a 501(c)(3) not-for-profit Florida corporation, has applied for additional Industrial Development Revenue Bond financing assistance in a maximum principal amount not to exceed \$5,000,000. The proceeds of the bond issue will be used to facilitate the renovation and make capital improvements to the Company's existing facility located at 4301 SW 107<sup>th</sup> Avenue, in unincorporated Miami-Dade County, 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.

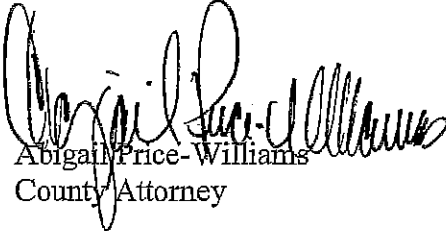


# MEMORANDUM

(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)(5)

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)(5)  
11-7-17

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

RESOLUTION APPROVING THE ISSUANCE OF MIAMI-DADE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY INDUSTRIAL DEVELOPMENT REVENUE BONDS IN AN AMOUNT NOT TO EXCEED \$5,000,000.00 TO FINANCE CAPITAL PROJECTS FOR THE BENEFIT OF PINECREST 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**, Pinecrest Academy, Inc., a Florida not-for-profit corporation (the "Company"), had previously requested the Miami-Dade County Industrial Development Authority (the "Authority") to issue its Industrial Development Revenue Bonds (Pinecrest Academy, Inc. Project), Series 2014, which were issued on July 31, 2014 (the "Series 2014 Bonds"); and

**WHEREAS**, the Company now requests the Authority to issue an additional amount not exceeding \$5,000,000.00 of its Industrial Development Revenue Bonds (Pinecrest Academy Project), Series 2017 (the "Series 2017 Bonds"), on parity with the Series 2014 Bonds, the proceeds of which Series 2017 Bonds are to be used (together with funds of the Company) to (i) finance the renovations and make capital improvements to the Company'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; (ii) reimburse prior capital expenditures made by the Company for the Cove Facility; (iii) fund a debt service reserve fund, if required; and (iv) pay certain bond issuance costs (collectively, the "Project"); and

**WHEREAS**, the Authority intends to issue the Series 2017 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, September 19, 2017 the Authority held a public hearing, notice of which was published on Monday, September 4, 2017 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 Series 2017 Bonds, as required by Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), and such public hearing disclosed no reason why the Series 2017 Bonds should not be issued; and

**WHEREAS**, a copy of the transcript of said hearing is attached as Exhibit C; and

**WHEREAS**, since the Series 2017 Bonds will inure to the benefit of the citizens of Miami-Dade County, this Board desires to approve the issuance of the Series 2017 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 \$5,000,000.00 for the purpose of financing the Project, as previously described, is approved.

**Section 2.** The Series 2017 Bonds and the interest on the Series 2017 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 Series 2017 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 Series 2017 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 7<sup>th</sup> 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.



Juliette R. Antoine

**PINECREST ACADEMY, INC.  
(SUPPLEMENTAL REQUEST)**

**THE CORPORATION**

Pinecrest Academy, Inc., ("Pinecrest") a 501(c)(3) not-for-profit Florida corporation formed in March, 2000, is located at 14301 SW 42<sup>nd</sup> Street, unincorporated Miami-Dade County. Pinecrest Academy, Inc. holds the charter of ten charter schools serving approximately 4,265 students located in unincorporated Miami-Dade County and two charter schools serving approximately 355 students located in Orange County, as listed below.

**UNINCORPORATED MIAMI-DADE COUNTY**

- Chartered in 2001, Pinecrest Preparatory Academy is located at 14301 SW 42<sup>nd</sup> Street and serves 619 students in grades K-5.
- Chartered in 2003, Pinecrest Academy Charter Middle School is located at 14901 SW 42<sup>nd</sup> Street and serves 501 students in grades 6-8.
- Chartered in 2006, Pinecrest Academy (South Campus) is located at 15130 SW 80<sup>th</sup> Street and serves 750 students in grades K-5.
- Chartered in 2008, Pinecrest Preparatory Academy Charter High School is located at 14901 SW 42<sup>nd</sup> Street and serves 525 students in grades 9-12.
- Chartered in 2010, Pinecrest Academy (North Campus) is located at 10207 W. Flagler Street and serves 500 students in grades K-5.
- Chartered in 2011, Pinecrest Academy Middle School (North Campus) is located at 10207 W. Flagler Street and serves 22 students in grades 6-8.
- Chartered in 2011, Pinecrest Cove Academy is located at 4301 SW 107<sup>th</sup> Avenue and serves 731 students in grades K-8.
- Chartered in 2013, Pinecrest Palm Academy is located at 15130 SW 80<sup>th</sup> Street and serves 18 students in grades K-1.
- Chartered in 2016, Pinecrest Glades Academy is located at 15250 SW 8<sup>th</sup> Street and serves 432 students in grades K-5.
- Chartered in 2016, Pinecrest Glades Academy Preparatory Academy Middle High School is located at 15250 SW 8<sup>th</sup> Street and serves 167 students in grades 6-12.

**ORANGE COUNTY**

- Chartered in 2010, Pinecrest Preparatory Charter School (Orlando Campus) is located at 8503 Daetwyler Drive and serves 224 students in grades K-8.
- Chartered in 2012, Pinecrest Creek Charter is located at 3032 Monte Carlo Trail and serves 131 students in grades K-5.



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

In July 2014, the Authority issued Industrial Development Revenue Bond financing assistance in the amount of \$24,930,000 to facilitate the refinancing and renovation of the recently acquired Pinecrest Academy Middle School and Pinecrest Preparatory Academy High School facilities located at 14901 SW 42<sup>nd</sup> Street, unincorporated Miami-Dade County which included classrooms, a laboratory, library and administrative office space, as well as outdoor recreational areas and parking and the acquisition of the then leased Pinecrest Cove Academy located at 4301 SW 107<sup>th</sup> Avenue, in unincorporated Miami-Dade County which included classrooms, a multi-purpose room and administrative space, as well as outdoor recreational areas and parking. Pinecrest reported the three schools which were fully enrolled were accredited by the Southern Association of Colleges and Schools and exemplify all of the highest teaching and learning standards.

Pinecrest Academy, Inc. is requesting additional Industrial Development Revenue Bond financing assistance in an amount not to exceed \$5,000,000 to facilitate the construction of a new two-story classroom wing to be attached to the Pinecrest Cove Academy building located at 4301 SW 107<sup>th</sup> Avenue, unincorporated Miami-Dade County.

Elements of the proposed project include:

1. Building Construction, approximating 24,610 sq. ft., two-story facility: -----\$4,094,000

**FINANCIAL SUFFICIENCY**

Pinecrest 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:

<b><u>SOURCE OF FUNDS</u></b>		<b><u>USE OF FUNDS</u></b>	
Bond Issue Proceeds*	\$5,000,000	Building Construction	\$4,094,000
		Engineering & Architectural	300,000
		Debt Service Reserve	325,000
		Underwriter's Fee	50,000
		Bond Issuance Expenses	131,000
		Contingency Reserve	100,000
			<hr/>
<b>TOTAL</b>	<b><u>\$5,000,000</u></b>	<b>TOTAL</b>	<b><u>\$5,000,000</u></b>

\* 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 by PNC Capital Markets 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

Pinecrest Academy, Inc. reports the three schools operate at full enrollment and there will be no increase in enrollment as a result of the project. Pinecrest reports they currently employ approximately 125 persons and an additional 14 new positions will be created as a result of the project. 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 as well as preserve existing job opportunities. 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 \$5,000,000 (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 6th Street, Suite 2801, 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.

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**MIAMI-DADE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY**

**TRANSCRIPT OF PUBLIC HEARING**

**TUESDAY, SEPTEMBER 19, 2017**

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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 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 <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
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

**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 97<sup>th</sup> Street, and to be used by the five (5) charter schools owned and operated by the Company, located at 2450 NW 97<sup>th</sup> Avenue, 11100 NW 27<sup>th</sup> Street and 2601 NW 112<sup>th</sup> 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 Pinecrest 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.