

# Memorandum



**Date:** (Public Hearing 3-2-21)  
February 17, 2021

**To:** Honorable Chairman Jose "Pepe" Diaz  
and Members, Board of County Commission

Agenda Item No. 5(B)

**From:** Daniella Levine Cava  
Mayor

*Daniella Levine Cava*

**Subject:** Ordinance Authorizing Issuance of Miami-Dade County Aviation Commercial Paper Notes

## **Recommendation**

It is recommended that the Board of County Commissioners (Board) enact the accompanying Ordinance which authorizes the issuance of Aviation Commercial Paper Notes (CP Notes), not to exceed \$400 million outstanding at any one time, in one or more series, for the purpose of providing temporary financing for a portion of the cost of the Capital Improvement Program (CIP) of the Miami-Dade County Aviation Department (Department).

## **Scope**

The implementation of a commercial paper program (CP Program) provides temporary financing that will fund portions of the Aviation Department's CIP. The proposed CP Program is a revolving program whereby the County will refinance the CP Notes which are short-term in nature with long-term, fixed rate bonds, thereby allowing additional CP Notes to be issued. The impact of the commercial paper program is county-wide.

## **Fiscal Impact/Funding Source**

The CP Notes will be payable as to principal and interest from proceeds of authorized but unissued bonds secured by Aviation Department revenues and shall have such other security as may be set forth in a resolution of the Board. Interest on the CP Notes will be paid from bond proceeds or unencumbered funds on deposit in the Aviation Department's capital improvement fund or with proceeds from the CP Notes. The principal and interest on the bonds issued to take out CP Notes will be paid from net revenues of the Aviation Department.

The CP program will enable the Aviation Department to have access to funds at short-term interest rates. The CP Program will be structured as a tax-exempt commercial paper program and will be issued in anticipation of the issuance of bonds. This financing mechanism has been used by the Aviation Department since 1998 and the existing CP program is set to expire on March 2, 2021.

## **Social Equity Statement**

The proposed ordinance authorizes a CP Program and the issuance of CP Notes which will provide funds to pay for aviation projects that benefit all citizens of Miami-Dade County. Development at Miami International Airport (MIA), the County's leading economic engine, will benefit residents and local businesses as well as the traveling public, as the CIP seeks to modernize terminals, grow cargo volumes and increase the number of domestic and international trade routes.

**Track Record/Monitoring**

The CP Program will be managed by Sergio San Miguel, Chief Financial Officer of the Department. Continuing disclosure compliance will be managed by Arlesa Wood, Director of Division of Bond Administration of the Miami-Dade County Finance Department.

**Background**

On July 8, 2020, the Board enacted Ordinance No. 20-61 authorizing the issuance of \$5.0 billion of Aviation Revenue Bonds to fund the Department's CIP.

The attached ordinance seeks authorization to issue, in one or more series, CP Notes in an aggregate principal amount not to exceed \$400 million outstanding at any time for the purpose of providing short-term financing to pay a portion of the cost of the CIP projects. The CP Program requires a commercial bank with high credit ratings to issue a letter of credit to provide liquidity support in the event of a failure to achieve a timely remarketing of the CP Notes.

Creating a CP Program enables the Aviation Department to have access to funds at historically low short-term interest rates, take advantage of favorable construction prices, and minimize the cost of financing the CIP projects.



Edward Marquez  
Chief Financial Officer



# MEMORANDUM

(Revised)

**TO:** Honorable Chairman Jose "Pepe" Diaz  
and Members, Board of County Commissioners

**DATE:** March 2, 2021

**FROM:**   
Gen Bonzon-Keenan  
County Attorney

**SUBJECT:** Agenda Item No. 5(B)

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 present \_\_\_\_, 2/3 membership \_\_\_\_, 3/5's \_\_\_\_, unanimous \_\_\_\_, CDMP 7 vote requirement per 2-116.1(3)(h) or (4)(c) \_\_\_\_, CDMP 2/3 vote requirement per 2-116.1(3)(h) or (4)(c) \_\_\_\_, or CDMP 9 vote requirement per 2-116.1(4)(c)(2) \_\_\_\_ 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. 5(B)  
3-2-21

ORDINANCE NO. \_\_\_\_\_

ORDINANCE AUTHORIZING ISSUANCE FROM TIME TO TIME OF MIAMI-DADE COUNTY, FLORIDA AVIATION COMMERCIAL PAPER NOTES IN AN AGGREGATE PRINCIPAL AMOUNT NOT EXCEEDING \$400,000,000.00 OUTSTANDING AT ANY ONE TIME FOR PURPOSE OF PAYING OR REIMBURSING AVIATION DEPARTMENT, TOGETHER WITH OTHER AVAILABLE FUNDS AND REVENUE, FOR COST OF CERTAIN IMPROVEMENTS TO COUNTY'S AIRPORT FACILITIES PURSUANT TO PROVISIONS OF AMENDED AND RESTATED TRUST AGREEMENT, INCLUDING SECTION 212A THEREOF; PROVIDING FOR ESTABLISHMENT BY SUBSEQUENT RESOLUTION OF TERMS, MATURITIES, INTEREST RATES AND OTHER DETAILS OF SUCH NOTES; PROVIDING FOR SUCH NOTES TO BE PAYABLE FROM THE PROCEEDS OF AVIATION REVENUE BONDS AUTHORIZED AND UNISSUED; PROVIDING SEVERABILITY, EXCLUSION FROM THE CODE AND EFFECTIVE DATE

**WHEREAS**, pursuant to Ordinance No. 20-61, enacted by the Board of County Commissioners (the "Board") of Miami-Dade County, Florida (the "County") on July 8, 2020 (the "Authorizing Ordinance"), the Board authorized the issuance of not exceeding \$5,000,000,000.00 Aviation Revenue Bonds (the "Bonds") of the County pursuant to the provisions of Section 210 of the Trust Agreement dated as of October 1, 1954, by and among the County, The Chase Manhattan Bank, as trustee, and First Union National Bank of Miami, as co-trustee, as amended and restated by the Amended and Restated Trust Agreement dated as of December 15, 2002 (as so amended and restated, the "Trust Agreement"), by and among the County, The Bank of New York Mellon (successor in interest to JPMorgan Chase Bank), as trustee (the "Trustee"), and U.S. Bank National Association (successor in interest to Wachovia Bank, National Association), as co-trustee



(the “Co-Trustee”) for the purpose of providing funds, together with any other moneys of the Miami-Dade County Aviation Department (the “Aviation Department”), to pay, or reimburse the Aviation Department for its payment of, all or a portion of the cost of acquisition or construction and all obligations and expenses (including, but not limited to, all items of cost as provided in Section 404 of the Trust Agreement) of any buildings, structures and equipment and renewals, replacements, additions, extensions and betterments, other than ordinary maintenance and repairs, as may be deemed necessary by the County to place or to maintain any project in proper condition for its safe, efficient and economic operation, or to preserve, extend, increase or improve the service rendered by it, including any property acquired therefor (the “Cost of Improvements”) and to pay certain costs in connection with the issuance of the Bonds; and

**WHEREAS**, the County has not issued any Bonds to date pursuant to the Authorizing Ordinance and thus has remaining capacity under the Authorizing Ordinance for the issuance of \$5,000,000,000.00 in Bonds; and

**WHEREAS**, the Board believes that it is in the best interests of the citizens of the County to institute a commercial paper program (the “CP Program”) by issuing notes or other obligations in anticipation of the issuance of bonds (the “Notes” and for purposes of this ordinance, the “CP Notes”) in an amount not to exceed \$400,000,000.00 at any one time outstanding from time-to-time to fund temporarily a part of the Cost of Improvements; and

**WHEREAS**, the CP Notes will be payable as to principal and interest from the proceeds of the Bonds and shall have such other security as may be set forth in one or more subsequent resolutions of the Board (collectively, the “CP Note Resolution”); and

**WHEREAS**, this Board desires to accomplish the purposes outlined in the accompanying memorandum, a copy of which is incorporated herein by reference,

**BE IT ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF  
MIAMI-DADE COUNTY, FLORIDA:**

**Section 1.** The matters set forth in the recitals to this ordinance are incorporated as part of this ordinance.

**Section 2.** The CP Notes are to be issued pursuant to the authority of the Constitution and laws of the State of Florida (including, but not limited to, the Home Rule Amendment and Charter of Miami-Dade County, Florida, as amended, the Code of Miami-Dade County, as amended (the “Code”), Chapter 71-249, Laws of Florida, 1971, as amended, Chapters 125 and 166, Florida Statutes, as amended, and all other applicable laws), Section 212A and other provisions of the Trust Agreement, and this ordinance.

**Section 3.** CP Notes of the County in an aggregate principal amount not to exceed \$400,000,000.00 outstanding at any one time are authorized to be issued at one time or from time to time in one or more series for the purpose, together with other available moneys of the County, if any, of (i) providing funds for paying or reimbursing the Aviation Department for all or a portion of the Cost of Improvements, (ii) financing the payment of the principal of, and interest on, any of the CP Notes or obligations owed to any financial institution that has provided credit support for the CP Program, and (iii) paying the costs of issuance of the CP Notes, including, without limitation, the cost of any premiums for any credit enhancement for the CP Notes as may be approved by or pursuant to the CP Note Resolution.

**Section 4.**

(a) The terms and provisions of the CP Notes or the means by which such terms and provisions will be finally established or determined, including, without limitation, the denomination of each CP Note, the numbering sequence of the CP Notes, interest rates, maturities,

payment dates, and the approval of documents (including, without limitation, an issuing and paying agency agreement, a dealer agreement and one or more agreements to facilitate the provision of credit enhancement for the CP Notes, such agreement(s) being collectively referred to in this ordinance as the “Credit Agreement”), to be authorized and/or executed in connection with the issuance, sale and delivery of the CP Notes will be set forth or provided for in the CP Note Resolution. The CP Notes will bear an appropriate title, which will include an identifying series designation.

(b) The CP Notes and the obligations of the County under the Credit Agreement will be special obligations of the County, secured by and payable solely as provided in the CP Note Resolution and Section 212A of the Trust Agreement. The CP Notes and such obligations will not constitute an indebtedness, liability, general or moral obligation, or a pledge of the faith, credit or taxing power of the County, the State of Florida (the “State”) or any political subdivision of the State, within the meaning of any constitutional, statutory or charter provisions. Neither the State nor any political subdivision of the State or the County will be obligated to levy ad valorem taxes on any property to pay the principal of, premium, if any, and interest on or other costs incident to the CP Notes or such obligations.

(c) The officers, agents and employees of the County and of the Trustee and the Co-Trustee are hereby authorized and directed to do all acts and things required of them by the provisions of the CP Notes and the Trust Agreement, for the full, punctual and complete performance of all the terms, covenants, provisions, and agreements of the CP Notes, the Trust Agreement, and the obligations of the County under the Credit Agreement, and also to do all acts and things required of them by the provisions of this ordinance and the CP Note Resolution.

**Section 5.** If any term or provision of this ordinance or the CP Notes or the application thereof for any reason or circumstances shall to any extent be held to be invalid or unenforceable, the remaining provisions or the application of such term or provision to persons and situations, other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this ordinance and the CP Notes shall be valid and enforced to the fullest extent permitted by law.

**Section 6.** The laws of the State shall govern the construction and interpretation of this ordinance. Venue shall lie exclusively in Miami-Dade County, Florida.

**Section 7.** This ordinance shall be excluded from the Code and shall become effective ten (10) days after the date of its enactment unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

PASSED AND ADOPTED:

Approved by County Attorney as  
to form and legal sufficiency:

Juliette R. Antoine

GBK  
JRA