

Date: July 8, 2010

To: Honorable Chairman Dennis C. Moss  
and Members, Board of County Commissioners

From: George M. Burgess  
County Manager

Subject: Resolution Approving Issuance of Industrial Development Revenue Bonds for Wexford  
Equities, LLC

Agenda Item No. 10(A)(2)

Resolution No. R-752-10

**Recommendation**

The attached Resolution is being placed on the agenda for the Board of County Commissioners (BCC) consideration on behalf of the Miami-Dade County Industrial Development Authority (IDA). The item approves the issuance of industrial development revenue bonds by the IDA for Wexford Equities, LLC after a public hearing was held by the Industrial Development Authority on March 23, 2010. Details of the project are included in the accompanying memorandum and exhibits by the Chairman of the IDA to the BCC. These bonds would use the \$60 million issuance allocation allotted to Miami-Dade County for Recovery Zone Facility Bond financed projects under the American Recovery and Reinvestment Act of 2009. The \$60 million allocation is available for private sector companies only, and is separate from a \$40 million allocation allotted to Miami-Dade County for public facilities.

**Scope**

The project will be located at 1951 NW 7<sup>th</sup> Avenue, in the City of Miami, which is within Commission District 3. However, the impact of the project is countywide.

**Fiscal Impact/Funding Source**

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

**Track Record/Monitor**

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


**Background**

Section 147(f) of the Internal Revenue Code of 1986 ("TEFRA") requires that the Board of County Commissioners approve the issuance of industrial development revenue bonds after a public hearing has been held either by the Miami-Dade County Industrial Development Authority or the Board itself. For efficiency, the Board has allowed the Miami-Dade County Industrial Development Authority to conduct the public hearing subject to review and ratification by the Board.

Through Resolution 1416-09, the Board authorized the IDA to issue private facility bonds. The IDA was to accept, review, and present approved projects, along with a list of rejected projects to the County. County staff is to present the Board with a recommendation on how to allocate the \$60 million in private facility bonds.

This is the only project recommended by the IDA, although one other project applied for private facility bonds. County staff concurs with the recommendation to allocate the \$60 million in private facility bonds to Wexford Equities, Inc.

Attachments

  
Assistant County Manager

# Memorandum



**Date:** July 8, 2010

**To:** Honorable Chairman Dennis C. Moss  
and Members, Board of County Commissioners

**From:** James D. Crum, Chairman  
Miami-Dade County  
Industrial Development Authority

A handwritten signature in black ink that reads "James D. Crum". The signature is written in a cursive style and is positioned to the right of the typed name in the "From:" field.

**Subject:** Application for Industrial Development Revenue Bond financing for Wexford Equities, LLC project

---

## **RECOMMENDATION:**

It is recommended the Board approve the issuance of the Authority's Industrial Development Revenue Bonds for the Wexford Equities, LLC project, as detailed in the attached reports.

## **BACKGROUND:**

Review and analysis of the project has been completed by the Authority, County Attorney's Office, and Bond Counsel. The Authority has conducted the federally required public hearing, as detailed in the attached public hearing transcript.

**Wexford Equities, LLC** has applied for Industrial Development Revenue Bond financing assistance in a maximum principal amount not to exceed \$60,000,000. The bond issue proceeds will be used to make a loan or loans to Wexford Miami, LLC, a Delaware limited liability company, for the purpose of financing part of the cost of the construction, installation and equipping of an approximately 252,000 square-foot, six-story facility, approximately 246,000 square feet of which will be used for laboratory and research and related offices and approximately 6,000 square feet of which will be used for retail, to be located at 1951 NW 7th Avenue, in the City of Miami, Florida. The Project will be located within the University of Miami Life Science and Technology Park, which includes approximately eight acres of land within the Miami Health District adjacent to the University of Miami's Miller School of Medicine and is expected to contain between 1.4 and 2 million square feet of laboratory, office and retail space in approximately five research and development buildings when completed. The Project will be the first building to be constructed in the Park and will be owned and operated by the Borrower. Wexford reports development of the project will create in excess of 1200 construction related jobs and 539 direct job opportunities.

Subject to Board of County Commission approval, it is anticipated these bonds would use the \$60 million issuance allocation allotted to Miami-Dade County for Recovery Zone Facility Bond financed projects under the American Recovery and Reinvestment Act of 2009.



**MEMORANDUM**  
(Revised)

**TO:** Honorable Chairman Dennis C. Moss  
and Members, Board of County Commissioners

**DATE:** July 8, 2010

**FROM:** R. A. Cuevas, Jr.  
County Attorney

**SUBJECT:** Agenda Item No. 10(A)(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
- Ordinance creating a new board requires detailed County Manager'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)(2)  
7-8-10

RESOLUTION NO. R-752-10

RESOLUTION APPROVING ISSUANCE OF MIAMI-DADE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY INDUSTRIAL DEVELOPMENT REVENUE BONDS (WEXFORD/UNIVERSITY OF MIAMI LIFE SCIENCE AND TECHNOLOGY PARK PROJECT), IN ONE OR MORE SERIES, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$60,000,000, TO FINANCE PART OF THE COSTS OF THE INITIAL RESEARCH AND DEVELOPMENT BUILDING (THE "PROJECT") IN THE "UNIVERSITY OF MIAMI LIFE SCIENCE AND TECHNOLOGY PARK", FOR THE BENEFIT OF WEXFORD MIAMI, LLC (THE "BORROWER"); AUTHORIZING AN ALLOCATION OF NOT EXCEEDING \$60,000,000 FROM THE COUNTY'S SUBALLOCATION OF THE NATIONAL VOLUME CAP FOR "RECOVERY ZONE FACILITY BONDS" TO THE BORROWER FOR THE PROJECT, PURSUANT TO THE AMERICAN RECOVERY AND REINVESTMENT ACT

WHEREAS, Wexford Miami, LLC, a Delaware limited liability company (the "Borrower"), has requested the Miami-Dade County Industrial Development Authority (the "Authority") to issue not exceeding \$60,000,000 aggregate principal amount of its Industrial Development Revenue Bonds (Wexford/University of Miami Life Science and Technology Park Project) (the "Bonds"), in one or more series, for the purpose of financing part of the cost of the construction, installation and equipping of the initial research and development building in the University of Miami Life Science

and Technology Park (the "Park"), consisting of an approximately 252,000 square-foot, six-story facility, approximately 246,000 square feet of which will be used for laboratory and research and related offices and approximately 6,000 square feet of which will be used for retail, to be located at 1951 NW 7th Avenue, Miami, Florida (the "Project"); the Park includes approximately eight acres of land within the Miami Health District adjacent to the University of Miami's Miller School of Medicine and is expected to contain between 1.4 and 2 million square feet of laboratory, office and retail space in approximately five research and development buildings; the Project will be the first building to be constructed in the Park and will be owned and operated by the Borrower; and

WHEREAS, Miami-Dade County has been designated to receive a suballocation of the national volume cap for Recovery Zone Facility Bonds ("RZ Facility Bond Suballocation") pursuant to the American Recovery and Reinvestment Act; and

WHEREAS, the Borrower has requested that Miami-Dade County allocate \$60,000,000 principal amount of the Bonds (or such lesser amount of Bonds as shall actually be issued by the Authority) from

5

the City's RZ Facility Bond Suballocation to the Borrower for the Project;

WHEREAS, the Authority intends to issue the Bonds as Recovery Zone Facility Bonds subject to (i) designation by the Board of County Commissioners of Miami-Dade County, Florida (the "Board") of the Bonds as Recovery Zone Facility Bonds, (ii) the allocation by the Board from its RZ Facility Bond Suballocation to the Borrower for the Project and (iii) 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, March 23, 2010, the Authority held a public hearing, notice of which was published on Monday, March 8, 2010 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 Bonds and the nature and location of the Project, as required by Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"); and

6

WHEREAS, after reviewing a copy of the transcript of the Authority's public hearing held on Tuesday, March 23, 2010, in respect of 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 purposes of complying with Section 147(f) of the Code, designating the Bonds as Recovery Zone Facility Bonds and allocating up to \$60,000,000 from the RZ Facility Bond Suballocation to the Borrower for the Project,

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

Section 1. The issuance of the Bonds of the Miami-Dade County Industrial Development Authority in an aggregate principal amount not to exceed \$60,000,000 for the purpose of financing part of the costs of the Project, as previously described, is approved. The Board hereby designates the Bonds as Recovery Zone Facility Bonds and hereby allocates \$60,000,000 (or such lesser amount of Bonds as shall be issued by the Authority) from the RZ Facility Bond Suballocation to the Borrower for the Project.

7

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

Dorrin D. Rolle , who moved its adoption. The motion was seconded by Commissioner Dennis C. Moss and upon being put to a vote, the vote was as follows:



Dennis C. Moss, Chairman	<b>aye</b>
Jose "Pepe" Diaz, Vice-Chairman	<b>absent</b>
Bruno A. Barreiro	<b>absent</b>
Audrey M. Edmonson	<b>aye</b>
Carlos A. Gimenez	<b>aye</b>
Sally A. Heyman	<b>aye</b>
Barbara J. Jordan	<b>aye</b>
Joe A. Martinez	<b>aye</b>
Dorrin D. Rolle	<b>aye</b>
Natacha Seijas	<b>aye</b>
Katy Sorenson	<b>aye</b>
Rebeca Sosa	<b>absent</b>
Sen. Javier D. Souto	<b>aye</b>

The Chairperson thereupon declared the resolution duly passed and adopted this 8th day of July, 2010. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.



MIAMI-DADE COUNTY, FLORIDA  
BY ITS BOARD OF  
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

By: **DIANE COLLINS**  
Deputy Clerk

Approved by County Attorney as  
to form and legal sufficiency.

Gerald T. Heffernan

A handwritten signature in black ink, appearing to read "G. Heffernan", is written over a horizontal line.



THE COMPANY

Wexford Equities, LLC (the “Company”), created in 2005, is a privately held Maryland limited liability company with a primary address at 7312 Parkway Drive, Hanover, MD 21076. The Company’s principals are James R. Berens, Managing Member, and James C. Davis and Steven J. Bisciotti, through their investment company, Redwood Capital Investments, LLC, a Maryland limited liability company. The Company is applying on behalf of itself and its affiliates, including, Wexford Science & Technology, LLC, a Delaware limited liability company, and Wexford Miami, LLC, a single purpose, Delaware limited liability company qualified to do business in the State of Florida.

The Company, and its affiliates, were created specifically to meet the growing and specialized needs of for-profit and non-profit institutions, including universities, university-related research parks, and healthcare systems, that are experiencing demand for facilities that outpaces their internal ability to supply such facilities. Since its inception, the Company reports it has leveraged its experience in the university marketplace to successfully meet clients’ needs, as the market is considered a highly specialized, niche business which takes a unique approach to operate successfully. The Company has established strategic alliances with the industry’s leading architects, engineers, general contractors and specialty consultants. The Company chooses its partners carefully for their outstanding reputations and experience in serving all aspects of higher education, major research institutions and companies.

The Company and its affiliates report they have planned, developed/redeveloped, financed, constructed, and leased over 1,500,000 square feet of commercial space, a majority of which is highly specialized life science and support office space for major universities. Additionally, the Company reports it has 6,000,000 square feet of remaining development potential in client research parks, encompassing the full life cycle of real estate projects including master planning, market and feasibility studies, financing, development, construction, marketing and leasing.

THE PROJECT

The Company and its affiliates report they have been selected by the University of Miami (the “University”) to develop and construct the initial phase of the University of Miami Life Science and Technology Park (the “Park”) located on approximately 8 acres of land within the Miami Health District adjacent to the University’s Miller School of Medicine. The entire Park is expected to contain 1.4 to 2 million square feet of laboratory, office and retail space in five research and development buildings, with a potential for proton therapy and residential program components. The proposed project, which is the initial phase of the Park, consists of the construction of the first research and development building (“Building One”) to be located at 1951 NW 7th Avenue, in the City of Miami. Construction of Building One began in January 2010. An architect’s rendering of Building One is attached hereto.

The Company is requesting recovery zone facility bond financing in an amount not to exceed \$60,000,000 to be combined with additional financings in the amount of \$44,590,000 for a total of \$104,590,000 to facilitate construction of the project. The American Recovery and Reinvestment Act of 2009 (the "ARRTA") creates recovery zone facility bonds to finance capital projects with designated areas provided such bonds are issued on or before January 1, 2011.

The Company has formed Wexford Miami, LLC for the sole purpose of developing, constructing, owning and operating Building One. Wexford Miami, LLC is 100% owned by Wexford Miami Holding, LLC, another single purpose Delaware limited liability company, which is 100% owned by the Company and Wexford Science & Technology, LLC.

Elements of the proposed project include:

1. Land – approx. (2.44) acres: -----Leased from the University of Miami and 7<sup>th</sup> Avenue Market, LLC, a Florida LLC formed by the University of Miami
2. Building One Construction – approx. (252,000) sq. ft., six-story facility: ----- \$104,590,000 to include approx. (246,000) sq. ft. for laboratory/research and related offices uses and 6,000 sq. ft. for retail use

### FINANCIAL SUFFICIENCY

The Company has provided audited financial statements for the fiscal years ended December 31, 2008, 2007 and 2006, as well as interim financial statements for the six-month period ended June 30, 2009. The fiscal year 2009 audited financial statements will be provided when completed. In addition, an Economic Impact Analysis of the construction and operation of the proposed University of Miami Life Sciences Research Park – Building 1 on Miami-Dade Economy dated June 2008, has also been provided.

||

A review of the submitted financial and related information indicates:

<u>SOURCE OF FUNDS</u>		<u>USE OF FUNDS</u>	
Bond Proceeds (1)	\$60,000,000	Building Construction	\$92,926,000
New Markets Tax Credits (2)	8,330,000	Architectural and Engineering	7,090,000
Wexford Equities LLC Equity Contribution	36,260,000	Interest Expense	3,374,000
		Bond Issuance Expense	1,200,000
<b>TOTAL</b>	<b><u>\$104,590,000</u></b>	<b>TOTAL</b>	<b><u>\$104,590,000</u></b>

1. *Any costs related to the bond issue and development of the project which cannot be paid out of bond proceeds will be borne by the Company. To the extent that an allocation of \$60 million of Tax-Exempt Federal Empowerment Recovery Zone Facility Bonds Volume Cap is not provided, the shortfall will be financed from the proceeds of taxable bond or conventional financing.*
2. *The New Markets Tax Credit transaction has been closed and the full net proceeds of that transaction (\$8,330,000) are available to pay the costs of the project.*

**Information relative to the proposed financial structure includes:**

- |            |                                                                                                                                                                                                                                                                                                       |
|------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Security:  | First mortgage leasehold lien on assets financed with bond proceeds.                                                                                                                                                                                                                                  |
| Guarantee: | Letter of credit from a rated financial institution acceptable to the Authority in the full amount of the bond issue or similar credit enhancement.                                                                                                                                                   |
| Marketing: | Private placement, limited public offering or public offering in accordance with Authority's Assignment of Co-Underwriter's Policy. Co-Underwriters to be selected from qualified small business firms approved by Miami-Dade County to serve as co-managers in accordance with Authority guidelines. |

12

### LEGAL

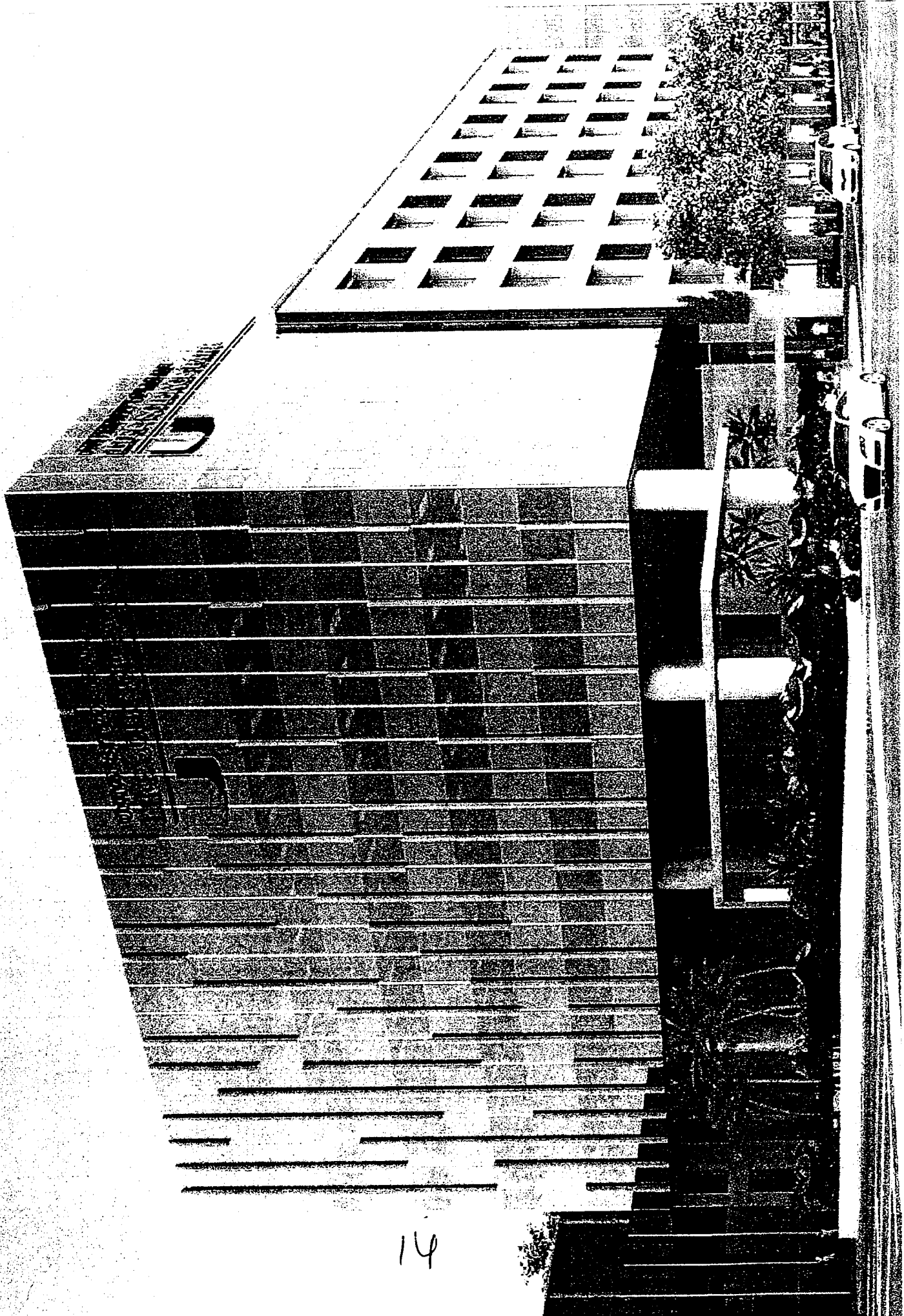
Since the project consists of the construction of a new commercial research and development building in a federally designated Empowerment Zone which provides services that are consistent with the intended uses of the Miami Health District, the project should qualify for Tax Exempt Recovery Zone Facility Bond financing under the American Recovery and Reinvestment Act of 2009. Subject to Board of County Commission approval, it is anticipated these bonds would use the \$60 million issuance allocation allotted to Miami-Dade County for Recovery Zone Facility Bond financed projects under the American Recovery and Reinvestment Act of 2009.

If accepted for processing by the Authority, the project will be referred to the County Attorney's Office and Bond Counsel for review and comment.

### ECONOMIC IMPACT

The Company has conducted an economic impact study for the development of Building One in the Miami-Dade County area using the IMPLAN input-output model developed by the Minnesota IMPLAN Group. The IMPLAN model uses multipliers to estimate the economic impacts of a project, which capture the effect of the introduction of a new source of economic activity in an economy through direct, indirect and induced impacts. Based on an aggregate of these impacts and using IMPLAN's multiplier, it is estimated that during the construction phase of Building One, the project will generate approximately 1200 construction related jobs at an average salary of \$34,404. Within a year following completion of the project, it is estimated approximately 539 new direct job opportunities with an average salary of \$61,389 will be created.

In addition to the new job opportunities, other economic benefits will include support of local efforts to increase development and investment in the designated Federal Empowerment Zone, and added support to the local construction industry.



14

**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 (Wedford/University of Miami Life Sciences and Technology Park Project), in one or more series in an aggregate principal amount not exceeding \$30,000,000 (the "Bonds"), the proceeds of which will be used to assist in the repayment of loans to Wedford Miami, LLC, a Delaware limited liability company (the "Borrower"), for the purpose of financing part of the cost of the construction, installation and equipping of approximately 252,000 square-foot, six-story facility, approximately 240,000 square feet of which will be used for laboratory and research and related offices and approximately 6,000 square feet of which will be used for retail, to be located at 1351 NW 7th Avenue, Miami, Florida (the "Project"). The Project will be located within the University of Miami Life Sciences and Technology Park (the "Park"), which includes approximately eight acres of land within the Miami Health District adjacent to the University of Miami's Miller School of Medicine, and is expected to contain between 1.4 and 2 million square feet of laboratory, office and retail space in approximately five research and development buildings. The Project will be the first building to be constructed in the Park and will be owned and operated by the Borrower.

The Bonds shall not be a debt, liability or obligation of the Authority or of Miami-Dade County, Florida, or of the State of Florida, or of any political subdivision thereof, but shall be payable solely from payments derived from the operation of the Project or the security instruments of the Bonds.

Please take note that the Authority will hold a public hearing on the Project and associated issues regarding the Bonds at the Brickell Bayview Centre 60 SW 6th Street, Suite 2907, Miami, Florida, on Tuesday, March 23, 2010 commencing at 11:00 A.M. or shortly thereafter, at which time any person may be heard regarding the proposed issuance of said Bonds and the Project. The Authority will submit a transcript of the statements made at the hearing to the Board of County Commissioners, Miami-Dade County, Florida, which must approve or disapprove the issuance of the Bonds.

15

**MIAMI-DADE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY****TRANSCRIPT OF PUBLIC HEARING****TUESDAY, MARCH 23, 2010**

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
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
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
Joseph A. Reagan, Jr. <i>Vice President</i>	Wexford Science & Technology	3711 Market Street, 8 <sup>th</sup> floor Philadelphia, Pennsylvania 19104
Jaap Donath <i>Vice President, Research</i>	The Beacon Council <i>(representing Wexford Equities, LLC)</i>	80 SW 8 <sup>th</sup> Street, Suite 2400 Miami, Florida 33130
Juan Carlos del Valle <i>Director of Government Affairs</i>	University of Miami <i>(representing Wexford Equities, LLC)</i>	1320 S. Dixie Highway, Suite 325 Coral Gables, Florida 33146

16