

Memorandum



Date: (Public Hearing 7-7-11)
May 17, 2011

To: Honorable Chairman Joe A. Martinez
and Members, Board of County Commissioners

Agenda Item No. 5(F)

From: Alina T. Hudak
County Manager

A handwritten signature in black ink, appearing to read "Alina T. Hudak".

Ordinance No. 11-37

Subject: Ordinance Authorizing Issuance of Special Obligation Bonds

Recommendation

It is recommended that the Board of County Commissioners (Board) enact the attached Ordinance (Ordinance) authorizing the issuance, in one or more series, of Capital Asset Acquisition Special Obligation Bonds (Bonds) in an aggregate principal amount not to exceed \$42,000,000. The bond proceeds will be used to pay a part of the costs to construct a new professional baseball stadium to be owned by the County and used by the Florida Marlins (Project) and to pay all or a portion of the related financing costs.

In addition, the Ordinance provides that the terms, maturities, interest rates (tax exempt and/or taxable), series designations and other bond related details, including the funding of a cash reserve fund, if necessary and the paying of the costs associated with the issuance of the Bond, shall be approved by the Board prior to their issuance pursuant to a series resolution.

Scope

While the Project is located in District 5, it will have a countywide impact.

Fiscal Impact/Funding Source

The principal and interest on the proposed Bonds are special and limited obligations of the County payable solely from legally available non-ad valorem County revenues appropriated annually and any revenues deposited in the funds established pursuant to the Ordinance, including any debt service reserves. Florida Marlins, L.P. (Marlins) will be making payments to the County for a minimum period of 35 years for the use of the Stadium, and such payments will be recorded as non-ad valorem revenue of the County available for any lawful purpose. Because it is anticipated that the total debt service on the Bonds will be less than the total amount of payments to be received by the County, the fiscal impact on the County's available non-ad valorem revenues, if any, should be positive.

Background

On March 23, 2009, the Board approved the Stadium Agreements for the design, construction, operation and management of the Stadium and other related facilities, which agreements include, but are not limited to, the Construction Administration Agreement (as amended by the First Amendment, collectively, the CAA), the Operating Agreement and the Non-Relocation Agreement. The CAA set forth the funding obligations of both the County and the Marlins and its affiliates with respect to the construction of the Project. In addition to the Stadium Agreements, the County and Florida Marlins, L.P. entered into an agreement dated July 1, 2009, whereby the Team agreed to remit to the County \$6.2 million on or before the date the last \$6.2 million of the County's \$347.5 million contribution is required to be funded by the County. The County met substantially all of its construction funding obligations when it issued the Professional Sports Franchise Facilities Tax Revenue Bonds, Series 2009, the

Honorable Chairman Joe A. Martinez
and Members, Board of County Commissioners
Page 2

Special Obligation Bonds, Series 2009 and the General Obligation Bonds (Building Better Communities Program), Series 2010A.

The County agreed in the CAA to issue bonds, taking into account issuance costs, required reserves and capitalized interest, if any, in an amount sufficient to deposit \$35 million in the construction fund. This amount is being deposited in consideration of, among other things, the Marlins' obligation to remit to the County an annual payment and counts toward the team's \$154 million obligation to fund Stadium design, construction and development costs. The Stadium Agreements require that the Marlins pay an annual amount to the County equal to \$2.3 million in the first year of operations and increasing by 2 percent per year for at least 35 years, and possibly as late as 2052, depending upon how soon the debt for the County's share of the ballpark is fully repaid. These payments will be treated as non-ad valorem revenues of the County that may be used by the County for any lawful purpose, including, but not limited to, the funding the County's portion of the Stadium's capital replacement obligations and paying the debt service on the Bonds. These obligations were explained in the Manager's memo that accompanied Resolution R-318-09. At this time, the construction of the Stadium remains on time and on budget.

As explained in my memorandum of May 3, 2011, it is important to bear in mind that this final bond issuance is part of the County's legal obligation under the Stadium Agreements, and it will not create any cost, debt or obligation beyond what was contemplated in those agreements.

The Ordinance authorizes the issuance, in one or more series, of the Bonds in an aggregate principal amount not to exceed \$42,000,000, which includes the \$35 million in construction costs, approximately \$2 million in soft costs related to the issuance of the bonds and the creation of a reserve fund if one is required. The Bonds are secured by a County covenant to annually appropriate an amount from legally available non-ad valorem revenues that is sufficient to pay the principal and interest on the Bonds. As previously stated, the issuance of the Bonds and their details shall be considered by the Board pursuant to a series resolution.



Assistant County Manager

Memorandum



Date: May 3, 2011

To: Honorable Joe A. Martinez, Chairman
and Members, Board of County Commissioners

From: Alina T. Hudak
County Manager 

Subject: Ballpark: Final Bond Issuance

Later this spring we anticipate presenting the Board of County Commissioners with the final bond sale to finance construction of Miami-Dade County's new ballpark. We will provide detailed figures regarding the bond sale as they become available through our Finance Department's work with our financial advisors; in the meantime, I wanted to provide some context in advance.


The framework for the ballpark project was approved by the Board on March 23, 2009, in Resolution No. R-318-09, and amended twice – by R-780-09 on June 19, 2009 and by R-904-09 on June 30, 2009. The contracts adopted as part of that action include a total price of \$515 million, \$154 million of which is provided by the team. The project remains on time and on budget, as we have reported in our quarterly updates to the Board, and actual revenues in the tourist taxes that are funding the County's share of the cost are exceeding our projections.

Because the County can issue both tax-exempt and taxable debt, the County agreed in the original ballpark contracts to issue bonds to fund up to \$35 million in construction costs and up to \$2 million in issuance costs toward the Marlins' \$154 million obligation. The Marlins agreed in the ballpark contracts to pay an annual amount to the County for the use of the stadium in the amount of \$2.3 million in the first year of operations and increasing by 2 percent per year for at least 35 years. These payments will be treated as non ad valorem revenues of the County that may be used by the County for any lawful purpose, including paying the debt service on the bonds. Those terms were explained in the Manager's memo for R-318-09. The bond ordinance that will be recommended to you, then, will provide for the issuance of bonds of up to \$42 million, which includes the \$35 million in construction costs, approximately \$2 million in soft costs related to the issuance of the bonds and the creation of a reserve fund if one is required.

Under the terms of the various contracts, the team is required to continue making those payments for at least 35 years, and possibly as late as 2052, depending upon how soon the debt for the County's share of the ballpark is fully repaid. As was reported in the Manager's memo to R-318-09, we believe these annual payments from the team will exceed the principal and interest associated with the \$35 million, primarily because they will continue for years after this final bond issuance is repaid. It is important to bear in mind that this final bond issuance is part of the County's legal obligation under the ballpark agreements, and it will not create any cost, debt or obligation beyond what was contemplated in those agreements.

I look forward to providing more technical details when we bring this item before the Board. If you have any questions, please feel free to call me directly at 305-375-1880.

c: Robert A. Cuevas, Jr., County Attorney
Jennifer Glazer-Moon, Special Assistant/Director, Office of Strategic Business Management
Henry F. Sorí, Executive Assistant to the County Manager
Carter Hammer, Finance Director
George Navarrete, Director, Office of Capital Improvements
Jose Galan, OCI





MEMORANDUM

(Revised)

TO: Honorable Chairman Joe A. Martinez
and Members, Board of County Commissioners

DATE: July 7, 2011

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

A handwritten signature in black ink, appearing to read "RACJ", is written over the printed name of R. A. Cuevas, Jr.

SUBJECT: Agenda Item No. 5(F)

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. 5(F)
7-7-11

ORDINANCE NO. 11-37

ORDINANCE AUTHORIZING ISSUANCE OF
MIAMI-DADE COUNTY SPECIAL OBLIGATION BONDS
IN ONE OR MORE SERIES IN AGGREGATE PRINCIPAL
AMOUNT NOT TO EXCEED \$42,000,000 FOR PURPOSE
OF PAYING A PORTION OF COST OF BASEBALL
STADIUM PROJECT; PROVIDING THAT DETAILS OF
SAID BONDS BE DETERMINED IN ONE OR MORE
SERIES RESOLUTIONS; PROVIDING FOR SEVERABILITY
AND EFFECTIVE DATE

WHEREAS, in accordance with the provisions of that certain Baseball Stadium Agreement dated March 3, 2008 among Miami-Dade County, Florida (the "County"), the City of Miami, Florida and Florida Marlins, L.P., and other related agreements (collectively, the "Baseball Stadium Agreements"), such parties undertook the development and construction of a new professional baseball stadium to be owned by the County and used by the Florida Marlins (together with the related infrastructure, the "Project") and the County agreed to fund a portion of the Project as set forth in the Baseball Stadium Agreements; and

WHEREAS, this Board finds that the funding of the Project serves a public purpose and is in the best interests of the citizens of the County; and

WHEREAS, in order to accomplish the purposes outlined in the accompanying memorandum, a copy of which is incorporated in this Ordinance by reference, and in accordance with the plan of finance for the Project, the Board wishes to approve the issuance of its special obligation bonds (the "Bonds"), from time to time in one or more series, in an aggregate principal amount not to exceed \$42,000,000 to pay a portion of cost of the Project,

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

Section 1. (a) Pursuant to the Constitution of the State of Florida, Chapters 125 and 166, Florida Statutes, as amended, the Home Rule Amendment and Charter of Miami-Dade County, Florida, as amended, the Code of Miami-Dade County, Florida, as amended, other applicable provisions of law and the provisions of this Ordinance, the issuance by the County of the Bonds, from time to time in one or more series, in an aggregate principal amount not to exceed Forty-two million Dollars (\$42,000,000) to pay a portion of the cost of the Project is authorized and approved. Prior to the issuance of each series of Bonds, the Board shall adopt a subsequent resolution with respect to such series of Bonds (each, a "Series Resolution" and collectively, the "Series Resolutions"). The Board may, by Series Resolution, provide that after the issuance of the series of Bonds with respect to which such Series Resolution is being adopted, the authorization for the issuance of any portion of the aggregate principal amount of Bonds authorized under this Ordinance that has not been issued shall expire.

(b) The Bonds shall be dated such date or dates, shall mature at such time or times, not to exceed forty (40) years, shall bear interest at such rate or rates, fixed or variable, or any combination of the same authorized by law, not to exceed in any event the maximum rate authorized by law, and may be either tax-exempt or taxable bonds, or a combination thereof, all as shall be determined by the Series Resolution with respect to each series of Bonds.

(c) The Bonds shall be payable from legally available non-ad valorem revenues of the County that the County may covenant to appropriate annually, as more fully described and conditioned in the Series Resolution, or from moneys otherwise available from authorized funds and reserves.

(d) The Bonds shall be issued for the purpose of paying a portion of the cost of the Project, including, where applicable, reimbursing the County for any expenses previously incurred in connection with the Project, and for such other purposes as may be specified in the Series Resolutions.

(e) The Board may, by Series Resolution, authorize the Finance Director of the County as the designee of the Mayor of the County to negotiate all agreements associated with the issuance of the Bonds and to award the sale of the Bonds from time to time in the manner, and subject to such conditions and limitations, as may be set forth in the Series Resolutions.

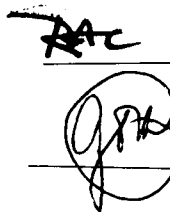
Section 2. This Ordinance shall be governed by and construed and interpreted in accordance with the laws of the State of Florida. Venue shall lie in Miami-Dade County, Florida.

Section 3. If any one or more of the provisions of this Ordinance should be held contrary to any express provision of law or contrary to the policy of expressed law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such provisions shall be null and void and shall be deemed separate from the remaining provisions of this Ordinance.

Section 4. This Ordinance shall become effective ten (10) days after the date of enactment unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by the Board.

PASSED AND ADOPTED: July 7, 2011

Approved by County Attorney as
to form and legal sufficiency:



Prepared by:

Gerald T. Heffernan
Bond Counsel:

Squire, Sanders & Dempsey (US) LLP
Knox Seaton

7