

Memorandum



Date: (Public Hearing 7-16-13)
June 18, 2013

To: Honorable Chairwoman Rebeca Sosa
and Members, Board of County Commissioners

Agenda Item No. 5(B)

From: Carlos A. Gimenez
County Mayor

Ordinance No. 13-74

Subject: Ordinance Authorizing the Issuance of \$885 Million of Additional Bonds for Projects
Associated with the Seaport Infrastructure and the Seaport Tunnel.

Recommendation

It is recommended that the Board of County Commissioners (Board) enact the accompanying Ordinance (2013 Ordinance) approving the issuance of \$885 million of additional Miami-Dade County, Florida Seaport Revenue Bonds (Seaport Bonds) pursuant to Sections 207 of Ordinance 88-66 enacted by the Board on July 5, 1988 (Master Ordinance).

The projects to be funded from the proceeds of the Seaport Bonds are listed in Exhibit "A" to the 2013 Ordinance (Authorized Projects). These projects consist of three major components, as noted below.

1. Seaport Dredge Project (\$165.7 million), which will increase the depth of the south channel from 40 feet to 50 feet;
2. Seaport Infrastructure Projects (\$289.1 million), which include:
 - improvements to terminals D, E, F, G and J,
 - rehabilitation of the rail service to the Port;
 - acquisition of 4 additional super post-Panamax gantry cranes, and
 - improvements and upgrades to Port-wide facilities; and
3. Seaport Tunnel Project (\$209.5 million), which will connect Dodge/Lummus Island with Watson Island via a two portal tunnel.

The Authorized Projects are the projects approved by the Board in the Seaport Department's (Seaport) capital improvement program. The terms, maturities, interest rates and other details of each series of the Seaport Bonds issued pursuant to the 2013 Ordinance will be presented to the Board for authorization and approval by subsequent series resolution.

Scope

The Authorized Projects will have a countywide impact.

Fiscal Impact/Funding Source

The Seaport Bonds authorized by the 2013 Ordinance will be issued pursuant to subsequent series resolutions adopted by the Board.

Until a series of Seaport Bonds is issued, the enactment of the 2013 Ordinance will have no fiscal impact on the County. If all the Seaport Bonds authorized by the 2013 Ordinance are issued, the incremental annual level debt service is forecasted to be approximately \$62.0 million, based on a 30 year financing and an annual interest rate of five percent on FY2013 Bonds and six percent on all future Seaport Bonds of the authorized principal amount of \$885 million. The not to exceed \$885 million of Seaport Bonds consist of Seaport Projects of \$664.3 million and \$220.6 million for other costs, which consist of the cost of issuance (\$8.8 million), capitalized interest (\$148.3 million) and reserve funds (\$62.5 million). The 2013 Ordinance is needed to meet current and forecasted funding of the Seaport capital improvement program through FY2018.

The primary funding source for the repayment of the Seaport Bonds when issued pursuant to a series resolution will be Seaport Revenues and interest earned on funds held by the County for the

repayment of such Bonds. Commencing in 2018, the County is to receive State Comprehensive Enhanced Transportation System (SCETS) Revenues from Florida Department of Transportation District 6, which funds will be used towards the payment of debt service on the Seaport Bonds issued for the Seaport Tunnel. The SCETS to be received shall be \$8.0 million in FY2018, increasing to \$17.0 million per year from 2019 through 2042. All such payments are part of the District 6 MPO's long term work plan.

Background

Pursuant to the Master Ordinance, the County has previously issued:

1. \$44,950,000 aggregate principal amount of Dade County, Florida Seaport Revenue Refunding Bonds, Series 1995, of which \$17,565,000 are currently outstanding,
2. \$29,270,000 aggregate principal amount of Dade County, Florida Seaport Revenue Bonds, Series 1996, of which \$19,385,000 are currently outstanding, and
3. \$111,375,000 aggregate principal amount of Miami-Dade County, Florida Seaport General Obligation Refunding Bonds, Series 2011C, of which \$100,575,000 are currently outstanding (Outstanding Bonds).

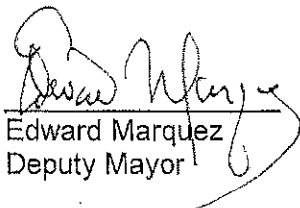
Separate from those issuances under the Master Ordinance, the County has issued the following bonds and loans to support Seaport projects:

- \$136.32 million in Capital Asset Acquisition Bonds, Series 2009A, of which \$68.63 million is associated with Seaport and \$65.195 million remains outstanding;
- \$40.28 million in Capital Asset Acquisition Bonds, Series 2010D, of which \$21.277 million is associated with Seaport and all remains outstanding;
- \$38.05 million in Capital Asset Acquisition Bonds, Series 2010E of which all is associated with Seaport and \$35.305 million remain outstanding; (Seaport Capital Asset Bonds); and
- \$333 million in loans from the Sunshine State Governmental Financing Commission of which \$325.56 million remain outstanding (Seaport Sunshine State Loans).

The Seaport Capital Asset Bonds and the Seaport Sunshine State Loans have not been issued pursuant to the Master Ordinance but pursuant to their own ordinances. Debt service on both the Seaport Capital Asset Bonds and the Seaport Sunshine State Loans are being paid from Seaport Revenues and if Seaport revenues are insufficient, will be paid from the County's covenant to budget and appropriate annually from non-ad valorem revenues.

The County has determined that dredging the south channel to 50 feet will enable post-Panamax ships to dock at the Port giving the Port a competitive advantage, that the Port has substantial infrastructure needs, and that the Seaport Tunnel will enhance traffic on and off the Port. Each of these Projects are expected to produce a financial benefit to the Port.

John C. Martin and Associates, LLC, the Seaport's bond consultant, produced a feasibility report (Feasibility Report). In the opinion of the bond consultant and based on the Feasibility Report, the Seaport will have sufficient Seaport Revenues, in each year the Seaport Bonds authorized by the 2013 Ordinance are outstanding, to make the debt service payments on all the outstanding Seaport Bonds, Seaport Capital Asset Bonds and Seaport Sunshine State Loans.


Edward Marquez
Deputy Mayor



MEMORANDUM

(Revised)

TO: Honorable Chairwoman Rebeca Sosa
and Members, Board of County Commissioners

DATE: July 16, 2013

FROM: 
R. A. Cuevas, Jr.
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
- 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. 5(B)
7-16-13

ORDINANCE NO. 13-74

ORDINANCE AUTHORIZING ISSUANCE OF NOT TO EXCEED \$885,000,000.00 AGGREGATE PRINCIPAL AMOUNT OF MIAMI-DADE COUNTY, FLORIDA SEAPORT REVENUE BONDS, IN MULTIPLE SERIES, AS ADDITIONAL BONDS UNDER SECTION 207 OF ORDINANCE NO. 88-66, FOR PURPOSE OF FINANCING CERTAIN ADDITIONAL IMPROVEMENTS AND CAPITAL EXPENDITURES RELATING TO SEAPORT; PROVIDING THAT DETAILS, TERMS AND OTHER MATTERS RELATING TO NEW MONEY BONDS BE DETERMINED IN SERIES RESOLUTIONS; AND PROVIDING FOR SEVERABILITY AND EFFECTIVE DATE

WHEREAS, Miami-Dade County, Florida (the "County"), pursuant to Ordinance No. 88-66 enacted by the Board of County Commissioners of Miami-Dade County, Florida (the "Board") on July 5, 1988 (the "Master Ordinance"), has previously issued (i) \$44,950,000.00 aggregate principal amount of Dade County, Florida Seaport Revenue Refunding Bonds, Series 1995, of which \$17,565,000.00 are currently outstanding, (ii) \$29,270,000.00 aggregate principal amount of Dade County, Florida Seaport Revenue Bonds, Series 1996, of which \$19,385,000.00 are currently outstanding, and (iii) \$111,375,000.00 aggregate principal amount of Miami-Dade County, Florida Seaport General Obligation Refunding Bonds, Series 2011C, of which \$100,575,000.00 are currently outstanding; and

WHEREAS, the Board has determined at this time that it is in the best interests of the County and its citizens to authorize the issuance, from time to time, of Additional Bonds in an aggregate principal amount not to exceed \$885,000,000.00, in multiple Series, under the provisions of Section 207 of the Master Ordinance for the purpose of financing certain Additional

Improvements and Capital Expenditures necessary for the operation of the Seaport Properties as more specifically described in Exhibit A (collectively, the "Seaport Projects"); and

WHEREAS, the Board desires to accomplish the purposes outlined in the accompanying memorandum, a copy of which is incorporated in this Ordinance (the "Supplemental Ordinance") by reference,

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

Section 1. Incorporation of Recitals. The matters set forth in the foregoing recitals to this Supplemental Ordinance are incorporated as part of this Supplemental Ordinance.

Section 2. Definitions. All terms used in capitalized form and not defined in this Supplemental Ordinance have the meanings assigned to such terms in the Master Ordinance, unless the context otherwise clearly requires a different meaning.

Section 3. Authorization to Issue New Money Bonds. The Board authorizes the issuance, from time to time, of not to exceed \$885,000,000.00 aggregate principal amount of Miami-Dade County, Florida Seaport Revenue Bonds, in multiple Series (collectively, the "New Money Bonds"), as Additional Bonds pursuant to Section 207 of the Master Ordinance and the authority of the Act, for the purpose of paying Costs of the Seaport Projects, funding the Revenue Bonds Subaccount in the Reserve Account established under the Master Ordinance (whether with proceeds of the New Money Bonds or by deposit of one or more Reserve Account Insurance Policies and/or Reserve Account Letters of Credit), and paying the costs of issuance of the New Money Bonds, including the premiums on or fees for any Credit Facilities, Reserve Account Insurance Policies and/or Reserve Account Letters of Credit, if there is an economic benefit in accordance with the applicable Series Resolutions.

The principal of, premium, if any, and interest on the New Money Bonds shall be payable solely from the Net Revenues of the Seaport Department pledged to the payment thereof under the Master Ordinance, as more specifically provided in the Master Ordinance, and nothing in the New Money Bonds, the Master Ordinance, this Supplemental Ordinance or the applicable Series Resolutions shall be construed as obligating the County to pay the principal of, premium, if any, and interest on the New Money Bonds except from such Net Revenues or as pledging the full faith and credit of the County or as obligating the County, directly or indirectly or contingently, to levy or to pledge any form of taxation whatever therefor.

Section 4. Details, Terms and Other Matters Relating to New Money Bonds. In accordance with Section 202 of the Master Ordinance, all details, terms and other matters relating to the New Money Bonds shall be determined in the manner specified in the applicable Series Resolutions.

Section 5. Further Acts. The officers and agents of the County are authorized and directed to take all actions and do all things required of them by the Master Ordinance and this Supplemental Ordinance for the full, punctual and complete performance of all of the terms, covenants, provisions and agreements contained in the Master Ordinance and this Supplemental Ordinance.

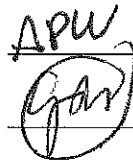
Section 6. Headings Not Part of Ordinance. Any headings preceding the Sections of this Supplemental Ordinance shall be solely for convenience of reference and shall not constitute a part of this Supplemental Ordinance, nor shall they affect its meaning, construction or effect.

Section 7. Severability. In case any one or more of the provisions of this Supplemental Ordinance shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect the legality or enforceability of any other provision of this Supplemental Ordinance.

Section 8. Effective Date. This Supplemental Ordinance shall take effect ten (10) days after its enactment unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

PASSED AND ADOPTED: July 16, 2013

Approved by County Attorney as
to form and legal sufficiency:



Prepared by:

Gerald T. Heffernan

Bond Counsel: Squire Sanders (US) LLP
D. Seaton and Associates

EXHIBIT A

| Project Description | Project Cost |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|
| Additional Improvements | |
| Seaport Dredge Project | \$ 165,688,000 |
| DREDGE III - (INCLUDING BULKHEAD REINFORCEMENT) - Deepening of the South Channel to a depth of 50 feet. | |
| Seaport Infrastructure Projects | \$ 289,086,000 |
| <p>CRUISE TERMINALS D AND E IMPROVEMENTS - upgrades for new vessel class - additional 17,000 square feet of passenger processing area, including passenger boarding bridges, runways and canopies and a secondary search room for Customs and Border Protection.</p> <p>CRUISE TERMINAL F AND G IMPROVEMENTS - upgrades to baggage system, additional comfort stations, an intermodal facility, canopies, additional seating and flooring.</p> <p>CRUISE TERMINAL J IMPROVEMENTS - include an additional elevator and escalator, comfort stations, canopies, railing and flooring for the exterior terrace as well as terminal enhancements to attract new service and accommodate upper scale cruise lines; retrofitting Customs and Border Protection processing area.</p> <p>INTERMODAL AND RAIL CONSTRUCTION - rehabilitation of rail service on Port, rehabilitating the existing rail bascule bridge, extending the rail track and constructing an intermodal rail yard on-Port.</p> <p>CARGO YARD IMPROVEMENTS - Phase I - IV of Seaboard cargo yard improvements; installation of fenders; bulkhead repairs; drainage, paving and utilities upgrades.</p> <p>GANTRY CRANES - acquisition of four additional super post-Panamax gantry cranes to address additional capacity as a result of the expansion of the Panama Canal in 2015; included is also the upgrade and refurbishment of gantry cranes infrastructure.</p> <p>PORT-WIDE FACILITIES IMPROVEMENTS, UPGRADES AND ENHANCEMENTS - various Port-wide projects including: rehabilitation of bulkheads (cruise and cargo areas); replacement of mooring bollards; crane rail replacement; construction of a bonded warehouse; and information technology and telecommunication upgrades (cargo gateway modifications, GIS, access roads and controls).</p> | |
| Capital Expenditures | |
| Seaport Tunnel Project | \$ 209,500,000 |
| SEAPORT TUNNEL* - Construction of a two portal tunnel under the north channel connecting Dodge/Lummus island with Watson Island. | |
| Total Seaport Project Costs | <u>\$ 664,274,000</u> |

* Including reimbursement of any amounts outstanding, plus accrued interest, under that certain Reimbursement Agreement dated September 25, 2009 by and between the County and Wells Fargo Bank, National Association (successor to Wachovia Bank, National Association).