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CLERK OF THE BOARD
OF COUNTY COMMISSIONERS
MIAMI-DADE COUNTY, FLORIDA

MEMORANDUM

Agenda Item No. 11(A)(6)

TO:	Honorable Chairwoman Rebeca Sosa and Members, Board of County Commissioners	**DATE:**	June 3, 2014
FROM:	R. A. Cuevas, Jr. County Attorney	**SUBJECT:**	Resolution approving the issuance of Miami-Dade County Industrial Development Authority Industrial Development Revenue Bonds in an amount not to exceed $83,000,000 to finance Capital Projects Resolution No. R-535-14

The accompanying resolution was prepared and placed on the agenda at the request of Prime Sponsor Commissioner Sally A. Heyman.

R. A. Cuevas, Jr.
County Attorney

RAC/smm

MEMORANDUM
(Revised)

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

DATE: June 3, 2014

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

SUBJECT: Agenda Item No. 11(A)(6)

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. 11(A)(6)
6-3-14

RESOLUTION NO. R-535-14

RESOLUTION APPROVING THE ISSUANCE OF MIAMI-DADE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY INDUSTRIAL DEVELOPMENT REVENUE BONDS IN AN AMOUNT NOT TO EXCEED $83,000,000 TO FINANCE CAPITAL PROJECTS FOR THE BENEFIT OF NATIONAL CAMPUS AND COMMUNITY DEVELOPMENT CORPORATION AND NCCD - BISCAYNE PROPERTIES LLC FOR PURPOSES OF AND PURSUANT TO SECTION 147(F) OF INTERNAL REVENUE CODE OF 1986, AS AMENDED

WHEREAS, National Campus and Community Development Corporation, a not-for-profit Texas corporation, and NCCD - Biscayne Properties LLC, a Tennessee limited liability company (collectively, the "Company"), have requested the Miami-Dade County Industrial Development Authority (the "Authority") issue not exceeding $83,000,000 of its Industrial Development Revenue Bonds (NCCD - Biscayne Properties LLC Project), Series 2014 (the "Bonds"), in one or more series, the proceeds of which will be used to (i) finance the construction and equipping of a 9-story, approximately 290,000 square foot student housing facility and surface parking (collectively, the "Project") on property located on the Biscayne Bay campus of Florida International University (the "University"), located at 3000 N.E. 151 Street in North Miami, Florida, which project is to be owned and operated by the Borrower; (ii) fund a debt service reserve fund; and (iii) pay capitalized interest and pay certain bond issuance costs; and

WHEREAS, the Authority intends to issue the 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 Monday, May 12, 2014 the Authority held a public hearing, notice of which was published on Friday, April 25, 2014 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, 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 Bonds should not be issued; and

WHEREAS, since the Bonds will inure to the benefit of the citizens of Miami-Dade County, this Board desires to approve the issuance of the 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 $83,000,000 for the purpose of financing and refinancing the Project, as previously described, is approved.

Section 2. The Bonds and the interest on the Bonds shall not constitute a debt, liability or general obligation of the Authority, the University, 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 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 Prime Sponsor of the foregoing resolution is Commissioner Sally A. Heyman. It was offered by Commissioner **Lynda Bell**, who moved its adoption. The motion was seconded by Commissioner **José "Pepe" Diaz** and upon being put to a vote, the vote was as follows:

Rebeca Sosa, Chairwoman			**aye**
Lynda Bell, Vice Chair			**aye**
Bruno A. Barreiro	**absent**	Esteban L. Bovo, Jr.	**aye**
Jose "Pepe" Diaz	**aye**	Audrey M. Edmonson	**aye**
Sally A. Heyman	**aye**	Barbara J. Jordan	**aye**
Jean Monestime	**aye**	Dennis C. Moss	**absent**
Sen. Javier D. Souto	**aye**	Xavier L. Suarez	**aye**
Juan C. Zapata	**absent**		

The Chairperson thereupon declared the resolution duly passed and adopted this 3rd day of June, 2014. 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: **Christopher Agrippa**
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency.

Gerald T. Heffernan

Exhibit A
Executive Report
Industrial Development Authority

NATIONAL CAMPUS AND COMMUNITY DEVELOPMENT CORPORATION

THE COMPANY

National Campus and Community Development Corporation ("NCCD"), a Texas corporation, is a certified 501(c)(3) not-for-profit organization formed in 2006 with headquarters in Austin, Texas. Greg Eden, a resident of Austin, is the CEO of NCCD and also serves as Chairman of the Board. NCCD was created to engage in a broad range of professional services that provide for the ownership and financing of facilities that address the needs of students, the elderly, the promotion of healthy communities, as well as services to the distressed and low to moderate income individuals and families. Since NCCD is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code, it offers public sector clients a range of lower cost and more efficient ownership and financing mechanisms than those available based upon traditional debt and equity.

In order to fulfill its mission, NCCD focuses on fostering the development of public private partnerships ("PPP") with state and local governments, K-12 administrators and higher education officials. Properly employed a PPP provides for the funding and financing for new buildings and the financial restructuring of existing facilities whether they exist in the senior living sector, K-12 schools, community colleges, or four year colleges and universities. NCCD's capabilities include multi-disciplinary professional expertise for structuring, financing, construction, ownership, management, maintenance, and operation of public use facilities.

THE PROJECT

Florida International University ("FIU"), via an Invitation to Negotiate, selected a team to develop, finance, construct, own and operate a student housing facility on its Biscayne Bay Campus ("BBC"). The University's development team is led by Servitas LLC., located in Irving, Texas. Servitas, LLC, a 12 year old Hispanic family owned company serves as an advisor, program manager, real estate developer, construction project manager, and residential property manager for Colleges and Universities seeking feasible, affordable and high quality student housing. NCCD, will be the owner of the student housing facility and responsible for its operation.

FIU's Schools of Hospitality and Tourism Management, Marine Biology, and Journalism and Mass Communication are headquartered at the BBC. The campus offers numerous undergraduate

majors and selected graduate degrees in Arts & Sciences. There is a convenient shuttle service between BBC and FIU's main campus. Recently, FIU entered into agreements with Royal Caribbean Cruise Lines ("RCCL") to develop a training center at BBC in conjunction with the hospitality programs offered by BBC. These agreements will cause RCCL to build and maintain a production, rehearsal, and performance facility totaling 130,000 square feet on approximately 3.2 acres and provide for RCCL to invest approximately $6.5 million into FIU's existing Bay Vista housing initially constructed in 1983. The housing space will be used as employee housing by RCCL for teachers, performers, and others. The University anticipates that in 2015, Bay Vista housing will be used exclusively by employees of Royal Caribbean Cruise Lines. As a result, FIU has a critical need for additional student housing at BBC. The student housing facility financed with the bonds will become FIU's newest dormitory facility, primarily serving the student population attending classes at BBC.

NCCD is requesting Industrial Development Revenue bond financing assistance in an amount not to exceed $83,000,000 to facilitate development of the project.

Elements of the proposed project include:

1. Land – approximately 4.75 acres: ---------- To be leased from FIU

2. Building Construction – 9-story facility, approximating 296,910 sq. ft.,: ---- $61,200,000 to house 615 students

3. Furnishing & Equipment – including common area and unit furniture, electronics, signage, interior decorating and outdoor furniture: ---------- $ 2,600,000

4. Surface Parking – approximately 312 spaces: ---------- $ 1,200,000

FINANCIAL SUFFICIENCY

NCCD has provided its annual reports for the fiscal years ended December 31, 2012 and 2013 and in-house prepared pro-forma projections. In addition, an independently prepared campus housing demand survey/market study is currently being conducted by the firm of Alvarez & Marsal and will be completed prior to the sale of any bonds.

The pro-forma projections show that with forecasted occupancy levels of 95%, the project will operate with strong operating margins and debts service coverage levels of 1.26x, beginning in 2015. A debt service reserve fund and capitalized interest sufficient to cover the construction period plus an additional six months will be fully funded at closing. The first phase of the project is scheduled for opening in August 2015 in time for the fall semester. While FIU has historically had a large commuting population, significant enrollment growth in recent years has increased demand for on-campus housing. FIU's headcount increased to 52,980 students in fall of 2013 while its full-time student population, comprising the main market for on-campus housing, increased to 32,063, roughly 9x the on-campus housing capacity of 3,456 beds. The pro-forma rents will be comparable to existing rents charged on campus.

A review of the submitted financial and related information indicates:

SOURCE OF FUNDS		USE OF FUNDS	
Bond Issue Proceeds*	$83,000,000	Building Construction	$65,000,000
		Capitalized Interest	7,200,000
		Debt Service Reserve Fund	5,700,000
		Contingency Reserve	3,425,000
		Bond Issuance Expenses	1,675,000
TOTAL	**$83,000,000**	**TOTAL**	**$83,000,000**

* *Any costs related to the bond issue and development of the project which cannot be paid out of bond proceeds will be borne by company.*

Information relative to the proposed financial structure includes:

Financial Structure:	Corporate Debt – 501(c)(3) corporation.
Security:	Through the term of the bond issue, all assets financed by the bonds will be owned by NCCD's single member limited liability company, Biscayne Bay Properties LLC, a Tennessee corporation, of which NCCD will be the only member. Upon repayment of the bonds and the expiration of the sub-lease, all interests in the student housing facility will revert to Florida International University.
Guarantee:	The bonds will have an investment grade rating and will be secured by project revenues, a sub-ground lease from FIU to NCCD and a leasehold mortgage on all improvements.
Marketing:	Private Placement or Limited Public Offering.

LEGAL

Since the project consists of the construction of a student housing facility that will be owned by a 501(c)(3) corporation and which will revert back to FIU upon the final maturity of the bonds, the project should qualify for Industrial Development Revenue Bond financing under current Federal and State law.

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

FIU, a public body corporate of the State of Florida and part of the Florida State University System, was established by the State Legislature on June 22, 1965 and opened to students in 1972. One of 12 institutions of higher education in the State University System of Florida, FIU is the largest university in South Florida and among the nation's 25 largest colleges and universities. FIU has approximately 52,980 students, and approximately 4,000 employees including 1,100 full-time faculty making it Miami-Dade County's 7th largest public sector employer with an annual economic impact approximating $1.7 billion on the South Florida economy. The student body reflects the rich ethnic and cultural diversity of Southeast Florida. The University operates two campuses and an Engineering Center in Miami-Dade County, and an educational center in Broward County, Florida. FIU main campus, The Modesto A. Maidique Campus is located in West Miami-Dade County, approximately 10 miles west of downtown Miami. The Biscayne Bay Campus is adjacent to Biscayne Bay in northeast Miami-Dade County.

The BBC with a student body of more than 7,000, it is the largest branch campus in Florida's State University System. Encompassing 23 buildings approximating 911,100 GSF on 195 acres, the scenic campus includes direct access to the Bay, apartment-style housing, a library, an aquatic center, a conference center, and a ropes course. The construction of the student housing facility on Biscayne Bay Campus will result in the creation of approximately 200 construction jobs on average with a peak of 300 jobs on the busiest days. Also, 20 permanent housing facility positions will be created.

The University's 135,000 alumni constitute the largest university alumni group of any university in Miami-Dade County. Most of the degrees awarded by universities in Miami-Dade County are conferred by FIU. Unlike most university graduates, FIU alumni remain in the area; 67 percent choosing to stay in South Florida and 75 percent in Florida.

Exhibit B
Publication Notice

MIAMI-DADE COUNTY
INDUSTRIAL DEVELOPMENT AUTHORITY
TEFRA/PUBLIC HEARING

The Miami-Dade County Industrial Development Authority (the "Authority") has been requested by National Campus & Community Development Corporation, a not-for-profit Texas corporation and NCCD - Biscayne Properties, LLC, a Tennessee limited liability company (collectively, the "Borrower"), to issue its Industrial Development Revenue Bonds (NCCD – Biscayne Properties LLC Project), Series 2014 in an aggregate principal amount not to exceed $83,000,000, in one or more series (the "Series 2014 Bonds").

The proceeds of the Series 2014 Bonds may be used to: (i) finance the construction and equipping of an 8-story, 284,800 square foot student housing facility and surface parking (collectively, the "Project") on property located on the Biscayne Bay campus of Florida International University (the "University"), located at 3000 N.E. 151 Street in North Miami, Florida (the "Biscayne Bay Campus"), to be owned and operated by the Borrower; (ii) fund a debt service reserve fund; and (iii) pay capitalized interest and pay certain bond issuance costs. The Project will be constructed on a leasehold interest in approximately 4.75 acres of land located South of the Marine Science Building and North of the Roz & Cal Kovens Conference Center on the Biscayne Bay Campus. The Project will be owned and operated by the Borrower.

The Series 2014 Bonds shall not be a debt, liability or obligation of the Authority nor of Miami-Dade County, Florida, nor of the State of Florida, nor of any political subdivision thereof, but shall be payable solely from payments derived from the operation of the facilities or the security instruments 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, on the nature and location of Project and the issuance of the Series 2014 Bonds, at the Brickell BayView Centre, 80 SW 8th Street, Suite 2801, Miami, Florida, on May 12, 2014 commencing at 11:00 a.m. or shortly thereafter, at which time any person may be heard regarding the proposed issuance of the Series 2014 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 Series 2014 Bonds.