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

Memorandum

MIAMI-DADE COUNTY

Date: December 2, 2014

Agenda Item No. 10(A)(8)

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

From: Carlos A. Gimenez
Mayor

Resolution No. R-1067-14

Subject: Resolution approving issuance of Taxable Industrial Development Revenue Bonds for Badia Spices, Inc. Project by Miami-Dade County Industrial Development Authority

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Recommendation
The accompanying resolution is being placed before the Board of County Commissioners (Board) at the request of the Miami-Dade County Industrial Development Authority (IDA). This item approves the issuance of taxable industrial development revenue bonds (Bonds) by the IDA for Badia Spices, Inc. (Company) in a principal amount not to exceed $10,500,000.

Details of the project are included in the accompanying memorandum and exhibit from the Chairman of the IDA.

Scope
The project is located at 9880 NW 25 Street, in the City of Doral, FL, which is within Commission District 12 and represented by Commissioner Jose "Pepe" Diaz.

Fiscal Impact/Funding Source
Neither the IDA nor Miami-Dade County has any liability with respect to the repayment of the Bonds.

Track Record
Issuance of the Bonds will be conducted and monitored by the Executive Director of the IDA.

Background
Review and analysis of the project has been completed by the IDA, County Attorney's Office, and Staff Bond Counsel. Federal law does not require a public hearing be held regarding the issuance of taxable bonds.

Attachments

Edward Marquez
Deputy Mayor

Memorandum

MIAMI-DADE COUNTY

Date: December 2, 2014

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

From: Roberto Pelaez, Chairman
Miami-Dade County
Industrial Development Authority

Subject: Resolution approving issuance of Taxable Industrial Development Revenue Bonds for Badia Spices, Inc. project

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RECOMMENDATION:
It is recommended the Board approve the issuance of the Authority's Taxable Industrial Development Revenue Bonds for the Badia Spices, Inc. 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. Federal law does not require a public hearing be held regarding the issuance of taxable bonds.

Badia Spices, Inc., a Florida corporation, has applied for Taxable Industrial Development Revenue Bond financing assistance in a maximum principal amount not to exceed $10,500,000. The bond issue proceeds, which will be guaranteed by a letter of credit, will be used to facilitate the acquisition of a 101,000 square foot distribution facility on 5.63 acres located at 9880 NW 25th Street, in the City of Doral, Florida. Badia Spices, Inc. reports they currently employ 200 persons and projects an increase of 20 new job opportunities within the year following completion of the project.

MEMORANDUM
(Revised)

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

DATE: December 2, 2014

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

SUBJECT: Agenda Item No. 10(A)(8)

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. 10(A)(8)
12-2-14

RESOLUTION NO. R-1067-14

RESOLUTION APPROVING THE ISSUANCE OF MIAMI-DADE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY TAXABLE INDUSTRIAL DEVELOPMENT REVENUE BONDS (BADIA SPICES PROJECT), IN AN AMOUNT NOT TO EXCEED $10,500,000.00 TO FINANCE A CAPITAL PROJECT FOR THE BENEFIT OF BADIA SPICES, INC.

WHEREAS, Badia Spices, Inc., a Florida corporation (the "Company"), has requested the Miami-Dade County Industrial Development Authority (the "Authority") issue not exceeding $10,500,000.00 of its Taxable Industrial Development Revenue Bonds (Badia Spices Project) (the "Bonds"), the proceeds of which will be used (together with funds of the Company) to (i) finance or refinance the acquisition of approximately 5.63 acres of land with an approximately 101,000 square foot building (the "Project") to be used as a distribution facility for its retail/institutional line of spices on property located at 9880 NW 25th Street, in the City of Doral, Florida; and (ii) 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, after reviewing such report in respect of the Bonds 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,

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

Section 1. The issuance of Taxable Industrial Development Revenue Bonds of the Authority in an aggregate principal amount not to exceed $10,500,000.00 for the purpose of financing all or a portion of 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 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 foregoing resolution was offered by Commissioner **Sally A. Heyman**, who moved its adoption. The motion was seconded by Commissioner **Rebeca Sosa** and upon being put to a vote, the vote was as follows:

Rebeca Sosa, Chairwoman			**aye**
Bruno A. Barreiro	**aye**	Esteban L. Bovo, Jr.	**aye**
Daniella Levine Cava	**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	**absent**
Xavier L. Suarez	**aye**	Juan C. Zapata	**aye**

The Chairperson thereupon declared the resolution duly passed and adopted this 2nd day of December, 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

BADIA SPICES, INC.

THE COMPANY

Badia Spices, Inc. ("Badia" or "Company") is a privately held Florida corporation with a manufacturing facility located at 1400 NW 93rd Avenue and a distribution facility located at 2601 NW 104th Court, both located in the City of Doral, Florida. The Company's majority shareholder and president, Joseph A. Badia, is a resident of the City of Miami. The company manufactures and distributes a retail/institutional line of spices. Major customers include Walmart, Publix, Winn-Dixie, Albertson's, Kash & Karry, Sysco, Gordon Foods Service, Sedanos, Waldbaum's, ShopRite, Stop & Shop, Food Lion, Presidente and Food Star. In addition to its US markets, the company exports its products to all of Central America, Puerto Rico, Santo Domingo, El Salvador, Aruba, Curacao, Costa Rica, Guatemala and Panama. Badia reported sales for the fiscal years ended December 31, 2013 and 2012 of approximately $102,000,000 and $89,400,000, respectively.

Badia Spices, Inc. was previously approved for three Industrial Development Revenue Bond issues. The first bond issue in the amount of $4,700,000 in March 1999 was used to facilitate the acquisition and rehabilitation of the company's current manufacturing facility. The second bond issue in the amount of $6,000,000 in November 2003 was used to finance an expansion and further upgrading of the company's manufacturing facility, the purchase of additional production equipment and to refund the previously issued 1999 Bonds. The third bond issue in the amount of $5,375,000 in June 2012 was used to finance the acquisition of the company's distribution facility.

THE PROJECT

Badia operates out of a 93,000 square foot Company-owned manufacturing facility located on approximately 5.04 acres and a 61,000 square foot distribution facility located on approximately 2.83 acres, both located in the City of Doral, Florida. The Company reports it is experiencing continued growth in the sales of its product line. To facilitate continued growth the Company desires to acquire an additional 101,000 square foot distribution facility located at 9880 NW 25 Street, on approximately 5.63 acres in the City of Doral, near the company's current manufacturing and distribution facilities.

The Company is requesting Taxable Industrial Development Revenue Bond financing assistance in an amount not to exceed $10,500,000 to facilitate the acquisition of the project. In addition, the Company reports it expects to spend up to $1,000,000 of its own funds on modifications to the new facility.

Elements of the proposed project include:

1. Building Acquisition, including: ---------- $10,000,000
   - *Land – approximately 5.63 acres:* ---------- *$5,300,000*
   - *Building – approximately 101,000 sq. ft.:* ---------- *$4,700,000*

FINANCIAL SUFFICIENCY

Badia Spices, Inc. has provided copies of audited financial statements for the fiscal years ended December 31, 2013 and 2012 and interim financial statements for the six months period ended June 2014.

A review of the submitted financial and related information indicates:

SOURCE OF FUNDS		USE OF FUNDS	
Bond Proceeds*	$10,500,000	Building Acquisition	$10,000,000
		Bond Issuance Expense	500,000
TOTAL	**$10,500,000**	**TOTAL**	**$10,500,000**

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

Information relative to the proposed financial structure includes:

Financial Structure:	Facility to be owned by the Company.
Security:	First mortgage on all assets financed with bond proceeds.
Guarantee:	Letter of Credit from a rated financial institution acceptable to the Authority.
Marketing:	Private placement.

LEGAL

Since the project consists of the acquisition of a distribution facility utilizing taxable bonds, it should qualify as to purpose for Industrial Development Revenue Bond financing under current Federal and State law. Issuance allocation for the bonds will not be required.

ECONOMIC IMPACT

Badia Spices, Inc. reports it currently employs 200 persons. The Company projects as a result of the proposed project an increase of 20 new job opportunities within the year following completion of the project. The Company also reports they provide employment for handicapped workers through institutions including United Cerebral Palsy, Goodwill and the Association for the Development of the Exceptional. In addition to the new job opportunities, other economic benefits will include an increase in new taxable capital investments and added support to the local construction industry.