Memorandum

MIAMI-DADE COUNTY

Date: September 28, 2011

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

From: Carlos A. Gimenez
Mayor

Subject: Competitive Sale of Public Service Tax Revenue Refunding Bonds, Series 2011

On September 21, 2011, the County completed a very successful competitive sale of its Public Service Tax Revenue Refunding Bonds (UMSA), Series 2011 (the "Bonds") in the amount of $86.89 million.

The proceeds of the Bonds will be used to refund the outstanding Public Service Tax Revenue Refunding Bonds (UMSA), Series 1999 and 2002 (the "Prior Bonds"). The refunding of the Prior Bonds was originally authorized by the Board of County Commissioners on June 5, 2007 with the adoption of Resolution R-662-07. This Resolution authorized the competitive sale and issuance of the Bonds in a not to exceed amount of $110 million.

A total of seven underwriters registered in the competitive bidding process, and ten other firms participated as part of a syndicate. Goldman Sachs was the lowest bidder on the Series 2011 Bonds. The strong market interest, broad participation, and aggressive bidding culminated in excellent results.

The results of the sale are summarized in the table below.

True Interest Cost	3.281%
Average Annual Debt Service	$7,502,287
Maximum Annual Debt Service	$8,511,850
Final Maturity	April 1, 2027
Net Present Value Savings	$9,185,546
Percent Net Present Value Savings	9.824%

The table below reflects the annual savings in debt service that will occur as a result of this transaction.

Fiscal Year	Nominal Savings	Net Present Value
FY 2012	$ 562,520	$ 553,991
FY 2013	819,625	789,770
FY 2014	816,403	763,611
FY 2015	822,994	747,152
FY 2016	819,263	721,831
FY 2017	818,681	700,087
FY 2018	823,800	683,740
FY 2019	821,269	661,536
FY 2020	821,169	641,943
FY 2021	818,319	620,878
FY 2022	821,369	604,888
FY 2023	821,694	587,385
FY 2024	823,919	571,704
FY 2025	276,794	184,648
FY 2026	275,044	177,992
FY 2027	277,794	174,390
Total	**$ 11,240,653**	**$ 9,185,546**

The true interest cost and net present value savings are within the delegated parameters of Resolution R-1313-09, which authorizes the refunding of debt when the net present value savings is five percent or more and the final maturity of the proposed refunding obligations is no longer than the maturity of the debt obligations to be refunded. This transaction met the parameters set.

The firms that participated on the financing team were:

Bond Counsel:	Hogan Lovells US LLP and Law Offices of Steve E. Bullock, P.A.
Disclosure Counsel:	Edwards Angell Palmer & Dodge LLP and Rasco, Reininger, Perez, Esquenazi & Vigil, P.L.
Financial Advisor:	Public Financial Management, Inc.
Winning Bidder:	Goldman Sachs

Ancillary Services were provided by:

Paying/Registrar/Escrow Agent:	Bank of New York Mellon Trust Company, N.A.
Verification Agent:	The Arbitrage Group
Financial Printer:	ImageMaster

Attached for your review are: 1) summary of final numbers which includes a table showing sources and uses of bond proceeds, amortization schedules, and costs of issuance schedule; and 2) credit ratings report.

If you have any questions or concerns, please feel free to contact Deputy Mayor/Interim Finance Director Edward Marquez at 305-375-1451, or me directly.

Attachments

c. Robert A. Cuevas, Jr., County Attorney
Office of the Mayor Senior Staff
Jennifer Moon, Budget Director, Office of Management and Budget
Charles Anderson, Commission Auditor

SOURCES AND USES OF FUNDS

Miami-Dade County, Florida
Public Service Tax Revenue Refunding Bonds (UMSA), Series 2011

FINAL VERIFIED NUMBERS
Sale Date: September 21, 2011
Winning Bidder: Goldman Sachs

Dated Date	09/28/2011
Delivery Date	09/28/2011

Sources:	
Bond Proceeds:	
Par Amount	86,890,000.00
Net Premium	6,564,816.65
	93,454,816.65
Other Sources of Funds:	
Sinking Fund Escrow	5,217,275.00
	98,672,091.65

Uses:	
Refunding Escrow Deposits:	
Cash Deposit	5,217,275.17
SLGS Purchases	91,941,932.00
	97,159,207.17
Delivery Date Expenses:	
Cost of Issuance	464,422.95
Underwriter's Discount	792,496.00
P&I Bond Insurance Premium	255,965.53
	1,512,884.48
	98,672,091.65

BOND SUMMARY STATISTICS

Miami-Dade County, Florida
Public Service Tax Revenue Refunding Bonds (UMSA), Series 2011

FINAL VERIFIED NUMBERS
Sale Date: September 21, 2011
Winning Bidder: Goldman Sachs

Dated Date	09/28/2011
Delivery Date	09/28/2011
First Coupon	04/01/2012
Last Maturity	04/01/2027
Arbitrage Yield	3.027993%
True Interest Cost (TIC)	3.281316%
Net Interest Cost (NIC)	3.447647%
All-In TIC	3.399588%
Average Coupon	4.287857%
Average Life (years)	7.907
Duration of Issue (years)	6.719
Par Amount	86,890,000.00
Bond Proceeds	93,454,816.65
Total Interest	29,457,967.92
Net Interest	23,685,647.27
Total Debt Service	116,347,967.92
Maximum Annual Debt Service	8,511,850.00
Average Annual Debt Service	7,502,287.02
Underwriter's Fees (per $1000)	
Average Takedown	8.970681
Other Fee	0.150000
Total Underwriter's Discount	9.120681
Bid Price	106.643251

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
Serials	86,890,000.00	107.555	4.288%	7.907	54,556.05
	86,890,000.00			7.907	54,556.05

	TIC	All-In TIC	Arbitrage Yield
Par Value	86,890,000.00	86,890,000.00	86,890,000.00
+ Accrued Interest			
+ Premium (Discount)	6,564,816.65	6,564,816.65	6,564,816.65
- Underwriter's Discount	-792,496.00	-792,496.00	
- Cost of Issuance Expense		-464,422.95	
- Other Amounts		-255,965.53	-255,965.53
Target Value	92,662,320.65	91,941,932.17	93,198,851.12
Target Date	09/28/2011	09/28/2011	09/28/2011
Yield	3.281316%	3.399588%	3.027993%

SUMMARY OF REFUNDING RESULTS

Miami-Dade County, Florida
Public Service Tax Revenue Refunding Bonds (UMSA), Series 2011

FINAL VERIFIED NUMBERS
Sale Date: September 21, 2011
Winning Bidder: Goldman Sachs

Dated Date	09/28/2011
Delivery Date	09/28/2011
Arbitrage yield	3.027993%
Escrow yield	0.008283%
Bond Par Amount	86,890,000.00
True Interest Cost	3.281316%
Net Interest Cost	3.447647%
Average Coupon	4.287857%
Average Life	7.907
Par amount of refunded bonds	93,500,000.00
Average coupon of refunded bonds	5.079228%
Average life of refunded bonds	7.788
PV of prior debt to 09/28/2011 @ 3.027993%	108,634,483.07
Net PV Savings	9,185,546.13
Percentage savings of refunded bonds	9.824114%
Percentage savings of refunding bonds	10.571465%

BOND DEBT SERVICE

Miami-Dade County, Florida
Public Service Tax Revenue Refunding Bonds (UMSA), Series 2011

FINAL VERIFIED NUMBERS
Sale Date: September 21, 2011
Winning Bidder: Goldman Sachs

Period Ending	Principal	Coupon	Interest	Debt Service
09/30/2012	1,695,000	3.000%	1,837,192.92	3,532,192.92
09/30/2013	4,980,000	** %	3,517,925.00	8,497,925.00
09/30/2014	5,180,000	** %	3,331,850.00	8,511,850.00
09/30/2015	5,425,000	** %	3,085,350.00	8,510,350.00
09/30/2016	5,645,000	4.000%	2,849,300.00	8,494,300.00
09/30/2017	5,855,000	4.000%	2,621,000.00	8,476,000.00
09/30/2018	6,070,000	4.000%	2,384,200.00	8,454,200.00
09/30/2019	6,305,000	4.000%	2,138,600.00	8,443,600.00
09/30/2020	6,550,000	4.000%	1,883,300.00	8,433,300.00
09/30/2021	6,810,000	4.000%	1,618,100.00	8,428,100.00
09/30/2022	7,095,000	4.000%	1,342,300.00	8,437,300.00
09/30/2023	7,385,000	4.000%	1,055,100.00	8,440,100.00
09/30/2024	7,690,000	** %	756,000.00	8,446,000.00
09/30/2025	3,230,000	5.000%	510,250.00	3,740,250.00
09/30/2026	3,400,000	5.000%	348,750.00	3,748,750.00
09/30/2027	3,575,000	5.000%	178,750.00	3,753,750.00
	86,890,000		29,457,967.92	116,347,967.92

COST OF ISSUANCE

Miami-Dade County, Florida
Public Service Tax Revenue Refunding Bonds (UMSA), Series 2011

FINAL VERIFIED NUMBERS
Sale Date: September 21, 2011
Winning Bidder: Goldman Sachs

Cost of Issuance	$/1000	Amount
Bond Counsel Fee (Refunding)	1.43158	124,390.00
Disclosure Counsel Fee (Refunding)	1.00211	87,073.00
Financial Advisor Fee	0.70000	60,823.00
Bond Administration	1.00000	86,890.00
Bond Counsel Expenses	0.03453	3,000.00
Disclosure Counsel Expenses	0.03453	3,000.00
Financial Advisor Expenses	0.02302	2,000.00
Moody's Rating Fee	0.38267	33,250.00
Fitch Rating Fee	0.34526	30,000.00
Printer (includes estimated shipping)	0.05179	4,500.00
Paying Agent	0.00748	650.00
Bond Buyer Notice of Redemption	0.02877	2,500.00
Bond Buyer Publication	0.02524	2,193.00
Herald Publication	0.03551	3,085.50
GrantStreet (PFMauction)	0.04604	4,000.00
DAC Fee	0.02877	2,500.00
Miscellaneous	0.13487	11,718.45
Verification Agent	0.02129	1,850.00
Escrow Agent	0.01151	1,000.00
	5.34495	464,422.95

Tagging Info

Fitch Rates Miami-Dade County, FL's Public Service Tax Bonds 'AA'; Outlook Negative Ratings
08 Sep 2011 1:44 PM (EDT)

Fitch Ratings-New York-08 September 2011: Fitch Ratings has assigned an 'AA' rating to Miami-Dade County, FL's approximately $93 million public service tax revenue refunding bonds (UMSA public improvements), series 2011. The bonds are scheduled to be sold via competitive bid on Sept. 21. The bonds will refund all or a portion of series 1999 and 2002 parity public service tax bonds for debt service savings of about 10% of refunded par. Final maturity is expected to be April 1, 2027.

In addition, Fitch affirms approximately $58 million of unrefunded county public service tax revenue bonds (UMSA public improvements) at 'AA'.

The Rating Outlook is Negative.

SECURITY
The bonds are secured by a pledge of designated revenue, which includes the public service tax (PST, levied on the sale of electricity, gas, coal, fuel oil, and water service) and the communication services tax (CST), both levied by the county in its unincorporated areas (UMSA).

KEY RATING DRIVERS
Relationship to General Obligation (GO) Rating: The rating on the public service tax bonds reflects the county's GO rating of 'AA' with a Negative Outlook as well as strong coverage from a tax levied on a variety of mostly essential services.

Continued Expected High Coverage: The additional bonds test (ABT) is lenient, but Fitch expects that there will be limited if any additional debt and coverage will remain strong. The high coverage offsets concerns that the debt service reserve requirement is funded with sureties rather than cash.

Budget Balance a Challenge: The Negative Outlook reflects continued challenges in attaining structural budget balance in a highly tax-averse environment. General fund reserve levels are modest, leaving relatively little leeway if spending reductions do not meet the county's goals.

Shift in Avenues of Flexibility: The 'AA' GO rating reflects a modest level of financial flexibility which has recently shifted from a combination of satisfactory revenue-raising ability and rising costs to a highly inflexible revenue situation with a willingness to reduce spending.

Latin America-Focused Economy: The county's economy is broad and diverse with strong ties to Latin America. Although severely affected by the housing downturn, economic indicators are showing signs of slow recovery

Contingent Liabilities Increase Debt Risk: Debt levels are moderate, but the county is exposed to a sizable level of contingent liabilities. The most notable are the county's general fund commitment to replenish shortfalls in the debt service fund on bonds issued for the Public Health Trust (PHT) and several series of economically-sensitive special tax bonds.

WHAT COULD TRIGGER A RATING ACTION
Lack of Recurring Solutions: Management's inability to solve future budget gaps with recurring revenue and expenditure solutions would indicate increased financial pressure beyond levels consistent with the current strong rating.

Call on Contingent Obligations: Sizable required payments for debt which the county covenants but does not expect to support could further strain available general fund resources.

CREDIT PROFILE
Miami-Dade County has a broad and diverse economy that is somewhat dependent on international trade, particularly with Latin America. The impact of the housing market decline had an acute impact on the county's economy, although the taxable assessed value of property (TAV) did not decline as much here as in many other parts of the state. The unemployment rate has been well above average and stood at a high 13.7% as of May 2011 compared to 12.1% for May 2010. Although the increased rate is troubling, it results largely from a strong 4.2% surge in the labor force. Over the same period Florida's unemployment rate dropped to 10.5% from 10.9%, but the state's labor force grew only 0.5%.

The county reports some signs of moderation in the housing market declines, including a generally rising trend in the number of single family and condo sales and an apparent stabilization in prices. In addition, foreclosure filings to date in 2011 are down significantly from 2010 levels. Positive year-to-date sales tax figures indicate that the improvement may be boosting the broader economy.

Large-scale projects under way should have a positive impact on economic activity. The Miami Intermodal Center, a massive ground transportation hub located next to Miami International Airport (MIA) and scheduled for completion in 2012, will provide interconnectivity throughout the South Florida region and relieve traffic congestion. Fitch rates MIA's aviation revenue bonds 'A' with a Stable Outlook, citing MIA's position as one of the nation's major international ports of entry and its solid enplanement growth in fiscal 2010 and through the first seven months of fiscal 2011. At the Port of Miami, construction of a $600 million tunnel is expected to be complete by spring 2014 and to improve access to and from the port.

Financial operations have become more constrained in recent years. Fiscal 2010 ended with break-even general fund results after two consecutive sizable deficits, and the county projects slightly positive results for fiscal 2011 based on year-to-date activity. Challenges remain, however, including an increasingly inflexible revenue environment and limited ability to reduce spending further without affecting service levels. In March 2011, voters elected to recall the mayor; reports indicated that the reasons for the recall were an increase in the property tax rate (although many residents did not see an increase in their tax bill due to TAV declines) and the granting of salary increases to employees.

The current mayor, elected in June 2011, has put forth a proposed fiscal 2012 budget that reduces the property tax rate to the fiscal 2010 level and presents an array of service adjustments including closing some facilities, consolidating some departments, and eliminating mostly vacant positions. The budget also asks property tax-supported workers for sizable concessions of about 7% of general fund spending. Fitch believes that management is committed to implementing a balanced budget without revenue increases but also believes that the additional service reductions that would be needed if these concessions are not accepted could be difficult to implement.

The county has already reduced headcount and service levels as general fund revenue has declined in each of the last three fiscal years. The state has provided some relief by increasing employee contributions to the Florida Retirement System, in which county workers participate. However, Fitch believes this increased burden on employees might make the county's additional wage and benefit concession requests more difficult to achieve.

In fiscal 2010, 43% of general fund spending was for public safety, where Fitch believes implementing significant cuts would be problematic, and another 25% was transfers out for debt service and maintenance of effort requirements for Miami-Dade Transit and the Public Health Trust (PHT). These constraints leave relatively little of the budget to absorb a potentially significant reduction.

Given that revenue-raising is not an option and that general fund reserves are already fairly weak for the current rating level at 3.9% of spending at the close of fiscal 2010, Fitch believes implementation of sufficient spending reductions is crucial to maintaining the current rating.

A number of contingent liabilities, if called upon, could also pressure the county's financial operations. The county supports the PHT through a maintenance of effort agreement, a dedicated one-half cent sales surtax, and a covenant to budget and appropriate sufficient revenue to make up any debt service reserve fund deficiency. Fitch believes the last is unlikely since the sales surtax revenues, which provided 7.5 times (x) coverage in fiscal 2010, go first to make debt service payments on the PHT bonds. However the PHT is experiencing severe financial difficulty and has been unable to meet the rate covenant associated with its revenue bond issue. The county is working closely with the PHT's new management team to address its financial issues and anticipates that the PHT will have a balanced budget in fiscal 2012.

The county has also covenanted to support debt service on a number of special tax bonds that are currently self-supporting, but volatility in those revenue streams could trigger a general fund contribution. In total Fitch calculates that the county has committed to covering bonds whose debt service in fiscal 2012 totals 8% of budgeting general fund spending. Fitch does not believe the county will be required to make that much, if any, of a contribution to these bonds in fiscal 2012 but this is an additional long-term risk to the county's financial position.

Coverage on PST bonds has consistently exceeded 8.0 times (x) maximum annual debt service (MADS), and fiscal 2011 year-to-date pledged revenue through June shows an increase of 1% from the same period in fiscal 2010. The levy on electricity made up 55% of pledged revenue and the CST another 36%; water and gas levies together made up less than 10%. The additional bonds test is liberal, requiring pledged revenue for any 12 consecutive months of the 24 months prior to sale of the additional bonds to equal only 1.20x MADS. However, Fitch believes it to be unlikely that the county will issue parity debt of any size given their stated intent not to do so and the multiple other debt issuance vehicles the county has chosen to use in recent years. A standard debt service reserve requirement is satisfied by a number of surety policies provided by bond insurers that Fitch does not rate. Given the high expected coverage Fitch does not believe the absence of a cash-funded reserve detracts meaningfully from credit quality.

Overall debt levels are moderate even considering these contingent obligations, at 2.8% of taxable market value and $3,581 per capita. However, amortization of direct debt is very slow at only 16% in five years and 29% in 10, as some pledged revenue streams require annual growth to be sufficient to cover debt service. Tax-supported debt service in fiscal 2010 totaled 10% of general and debt service fund spending, although maintaining this ratio will require budget growth as annual debt service is ascending.

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In addition to the sources of information identified in Fitch's Tax-Supported Rating Criteria, this action was additionally informed by information from Creditscope, University Financial Associates, S&P/Case-Shiller Home Price Index, IHS Global Insight, Zillow.com, National Association of Realtors, Property and Portfolio Research.

Applicable Criteria and Related Research:
--'Tax-Supported Rating Criteria', dated Aug. 15, 2011;
--'U.S. Local Government Tax-Supported Rating Criteria', dated Aug. 15, 2011.

Applicable Criteria and Related Research:
Tax-Supported Rating Criteria
U.S. Local Government Tax-Supported Rating Criteria

Moody's
INVESTORS SERVICE

New Issue: MOODY'S ASSIGNS Aa3 RATING TO MIAMI-DADE COUNTY'S (FL) SALE OF $93.2 MILLION PUBLIC SERVICE TAX REVENUE REFUNDING BONDS (UMSA PUBLIC IMPROVEMENTS), SERIES 2011

Global Credit Research - 09 Sep 2011

Aa3 RATING AFFECTS $144.9 MILLION IN PARITY PUBLIC SERVICE TAX BONDS

County
FL

Moody's Rating

ISSUE		**RATING**
Public Service Tax Revenue Refunding Bonds (UMSA Public Improvements), Series 2011		Aa3
Sale Amount	$93,175,000	
Expected Sale Date	09/20/11	
Rating Description	Public Service Tax (UMSA)	

Opinion

NEW YORK, Sep 9, 2011 -- Moody's Investors Service has assigned a Aa3 underlying rating to Miami-Dade County's $93.2 million Public Service Tax Revenue Refunding Bonds (UMSA Public Improvements), Series 2011. The Aa3 underlying rating affects $144.9 million in post-sale parity bonds. The bonds are secured by the public service tax (PST) and the local communications service tax (CST) levied and collected in the unincorporated areas of the county. These taxes are currently being levied at maximum levels. Moody's maintains a Aa2/NEG rating on the county's General Obligation bonds.

Legal protections include a debt service reserve fund (funded with four separate sureties by insurers, three of which are rated below investment grade) and a 120% additional bonds test. Bond proceeds will refund $93.5 million in Public Service Tax Bonds ($50.4 million, Series 1999, and $43.1 million, Series 2002 bonds) for an estimated $9.43 million (10.0% of refunded par) net present value savings.

SUMMARY RATING RATIONALE

The Aa3 rating is based on declining, but still strong, debt service coverage from a mostly utility-based tax levied in the unincorporated area of the county, and supported by the county's narrow financial position and sizable and diverse economy. While incorporations are expected to continue to occur in the county, Miami-Dade County has covenanted in the resolution that the county will continue to assess and collect the public service tax and local communications service tax in areas which incorporate subsequent to issuance of the bonds.

The negative outlook on the county's G.O. and Non-Ad Valorem revenue bonds recognizes the county's materially-weakened financial condition and continuing depressed economic indices which weigh on the county's general credit.

STRENGTHS

- County's sizable and diverse economic and tax base

CHALLENGES

- County's ongoing depressed economic conditions

- County's rebuilding cash and reserves in an adverse revenue environment

DETAILED CREDIT DISCUSSION

STRONG DEBT SERVICE COVERAGE FROM UTILITY-BASED TAX DESPITE DECLINES

Moody's believes that still-strong debt service coverage levels will continue to be supported by consumer-based pledged revenues and that the potential for additional incorporations in the county will not impact debt repayment. The bonds are secured by the public service tax (PST) and the discretionary local communications service tax (CST), which replaced the prior public service tax on telecommunications effective October 1, 2001, levied and collected in the unincorporated areas of the county. Excess CST revenues are used for operating purposes in the unincorporated area. Pledged revenues have declined 9.2% over the past five fiscal years, most notably due to a 25.3% decline in the CST, which composed 34.5% of fiscal 2010 pledged revenues. The decline in CST revenues is largely attributable to a state audit of certain CST providers that identified misallocation of CST distributions between jurisdictions, and equated to $13.1 million in overpayments to the county. As a result, the county's allocation is being incrementally reduced over a 36 month period, that began in March 2009, until the $13.1 million is returned. Pledged revenues are otherwise viewed as a relatively steady source of revenue from taxes levied on mostly essential local utilities (water, gas, electric and communications). Pledged revenues for nine months into fiscal 2011 are 1.7% ahead of the prior year period, although the CST is continuing to decline (-4.7%). Fiscal 2010 total pledged revenues, currently levied at maximum levels, provide 8.71 times coverage of estimated maximum debt service. Estimated annual debt service is level from fiscal 2013 through 2023, with rapid declines thereafter. All PST bonds are repaid within 21 years and there are reportedly no plans to issue additional PST bonds at this time.

The public service tax is levied on the use of electricity, metered natural gas, liquefied petroleum gas, manufactured gas, and water service in the unincorporated area of the county up to a 10% maximum rate. The discretionary communications service tax is levied on the sale of communications services (including a cable fee); the maximum levy is 5.1% (5.22% with permitted add-ons) for charter counties and municipalities. Pledged revenues are being levied at maximum allowable amounts, with electricity (provided by Florida Power & Light Co., senior secured rating A2/Stable) composing 55.5% of fiscal 2010 pledged revenues. Although the state of Florida in general is not actively pursuing electric deregulation at this time, a fully deregulated electric market could reduce electric rates and have some potential impact on this public service tax component. The second largest source of revenue is the communication service tax at 35.4% of the total in fiscal 2010 and the CST has been contracting for several years now. Moody's believes the essential nature of services taxed affords good security with less volatility over the long term.

Potential negative impact to public service tax collections relate to a decrease in the unincorporated area population, largely associated with incorporations and/or annexations. However, the county has covenanted in the resolution that they will continue to assess and collect the pro rata share of public service tax and local communications service tax for payment of debt service in areas which incorporate subsequent to issuance of the bonds (pursuant to the Master Ordinance). However, there is some ambiguity as to the responsibility of areas that incorporated since 1999 for payment of debt service on refunding bonds. While officials state that there would be no material impact on the county's ability to meet debt service requirements on the bonds even if those municipalities that incorporated subsequent to the issuance of PST bonds were deemed not responsible for debt service on these refunding bonds, there will likely be some impact on coverage levels. The county has since clarified the language in the resolution to include refunding bonds. There are three additional areas pursuing potential incorporation, but since the county has had a moratorium in effect since 2005, no additional incorporations appear likely in the near term. The county's ability to require payment of the related pro-rata share of debt service costs for public service tax bonds has always been an important credit factor, given periodic active periods of incorporations in the county.

The estimated 2010 unincorporated area population of 1,146,277 represents 44.7% of the county's total 2,563,885 population. The substantial unincorporated population is down from a high of 1,204, 288 (53.4%) in 2000, primarily due to incorporations.

COUNTY FINANCIAL OPERATIONS CHALLENGED BY DECLINES IN MAJOR REVENUE SOURCES; SIZABLE BUDGET CUTS IMPLEMENTED

Although county officials have taken steps to close recurring budget gaps caused by declines in major county revenue sources, targeted reserve levels remain narrow. Given the depressed economy and declining major revenue sources, additional budgetary challenges face officials going forward. Operating surpluses through fiscal 2007 improved cash and reserve levels considerably, with fiscal 2007 total General Fund balance increasing to 18.1% of revenues ($404.9 million), unreserved balance at 8.2% of revenues ($183.8 million), and the emergency contingency reserve at 2.8% ($62.9 million). The county's overall financial condition has narrowed since then through fiscal 2009 with a total $109 million reduction in General Fund balance to $296.3 million (14.1% of revenues) and an undesignated balance of $90.8 million (4.3% of revenues). However, the county's emergency contingency reserve increased to $72.9 million (3.5% of revenues) in fiscal 2009.

For fiscal 2010, there was only a marginal increase ($66,000) in total General Fund balance (to $296.5 million, about 15% of revenues) and a decline in emergency contingency reserves to $32.1 million (1.6% of revenues). The emergency contingency reserve is budgeted at $53 million in fiscal 2011 (3.28% of revenues). Additional reserves of about $34.6 million are also budgeted for fiscal 2011 and, together with the emergency contingency reserve, total $87.6 million or 5.4% of the operating budget. The county code requires rebuilding the reserve over a lengthy seven-year period but is loosely worded regarding annual contributions or total amount. Although plans were to add $18 million to $20 million to the emergency contingency reserve annually to achieve a self-determined level of $100 million, to date officials have been unsuccessful in making any significant progress in this regard. Also, future expected budgetary gaps would have to be addressed before this could occur. The 2011 operating budget includes a 13.4% tax rate increase and a modest $33.3 million of one-time revenues (excluding another $25.1 million budgeted transfer from the water and sewer system, which is expected to continue going forward).

Officials have made about $1.4 billion in cuts in total countywide budgets from fiscal 2008 to fiscal 2011, largely through expenditure reductions (significant internal and back-office support), collective bargaining concessions, use of one-time revenues (for both recurring and non-recurring expenses) and the elimination of roughly 3,058 positions (27,647 remaining). Budgetary reductions are material. In budget preparations for fiscal 2012 the county, due to a 2.8% tax base decline, an operating tax rate cut, and escalating operating costs, had to close an estimated $409 million budgetary gap. The gap is expected to be addressed with a $111 million reduction in state pension funding costs (with employees now contributing 3% of salary), $163 million in service and revenue adjustments, $135 million in employee concessions, and the elimination of 1,300 positions. Revenues also include a one-time $25 million loan from the water and sewer department (with repayment over several years) but no expected use of additional modest reserves. It is uncertain at this time whether the county will be successful in achieving the targeted level of employee concessions. Notwithstanding expected challenges of restoring budgetary structural balance despite a confluence of opposing factors, maintenance of adequate reserves for a government the size of Miami-Dade is an important rating criterion.

The county is self-insured for health care, and officials expect a manageable increase in employee contributions. The county has a $67 million self-insurance deficit at the end of fiscal 2010 which is expected to be reduced to $39 million at the end of fiscal 2011, and $11 million at the end of fiscal 2012. The county is part of the state-administered pension plan and is contributing 100% of the annual required contribution (ARC) for the pension program. A September 30, 2010 GASB 45 (OPEB) liability is estimated at $336.7 million with an annual required contribution (ARC) of $30.9 million. The county currently funds the OPEB ARC on a pay-as-you-go basis annually ($20.6 million in fiscal 2010). The county has no funds invested with the SBA currently, but maintains most of its investments in U.S. treasury and agency obligations with a smaller portion in commercial paper.

COUNTY HEALTH CARE SYSTEM'S CRITICAL FINANCIAL CONDITION COULD FURTHER STRAIN COUNTY FINANCES

The county's hospital system, Jackson Health System (JHS), is experiencing severe financial difficulties, with an extremely narrow 18.0 days cash on hand ($81 million) at the end of fiscal 2010. Cash is expected to decline to 14.6 days ($62 million) at the end of fiscal 2011. The hospital system was in violation of its rate covenant for fiscal 2009 and fiscal 2010 (September 30). In May 2011 the county disbanded the Trust's Board and replaced them with an independent, seven-member Financial Recovery Board. In addition, a new CEO and other senior hospital officials have been appointed, all in an effort to improve hospital operations and efficiencies. The county has $368.4 million in debt on behalf of the hospital that is backed-up by the covenant to budget and appropriate non-ad valorem revenues in the form of a Debt Service Reserve Fund replenishment. The debt is effectively paid from a health care sales tax from first funds that are received and paid directly to the county, acting as its own trustee. In addition to the health care sales tax, the county is required to contribute each year a maintenance of effort (MOE) amount no less than 80% of the General Fund support at the time of the tax levy. The MOE is calculated as 11.873% times the millage rate levied for countywide purposes in fiscal 2007 times 95% of the preliminary tax roll for the upcoming fiscal year, and by multiplying 11.873% on General Fund non-ad valorem revenues with the exception of local and state gas taxes. The county advanced both sales tax and MOE funds in fiscal 2010 to ease the cash flow crunch, but a similar request in fiscal 2011 was declined in favor of the administrative actions previously discussed. It is uncertain at this time whether further hospital financial deterioration would require the county to take over the hospital. Additional financial support from the county could further weaken the county's overall tenuous financial condition and weigh heavily on its credit strength.

The SEC is conducting an investigation of the Jackson Health System and has requested documentation related to the public offering of the PHT Series 2009 Bonds as part of a formal investigation of PHT's financial conditions and projections.

MODERATE DEBT LEVELS WITH MANAGEABLE NON-ENTERPRISE BORROWING EXPECTED

Moody's expects the county's debt burden to remain manageable given moderate non-enterprise borrowing expectations. The county has an overall debt burden of 2.3%, which is manageable given the size of the tax base and population. Debt service costs of about 6.3% of fiscal 2010 total operating revenues are moderate. The county's $20.1 billion multi-year capital program is heavily weighted towards enterprise systems and transportation. The plan is nearly 80% funded with debt, more than half of which has been issued, and includes projects presumed to be funded with debt, which may not be realized. County voters have approved a separate one-half cent sales tax for transportation, which Moody's believes will help fund the county's significant transportation infrastructure needs. The $2.925 billion general obligation bond authorization (Building Better Communities-BBC), approved by voters in 2004, addresses several segments of county infrastructure needs. Both of these authorizations reflect positively on county efforts to maintain and improve infrastructure. Currently, over 60% of the county's net direct debt is special tax debt, with the remainder being general obligation bonds. Non-enterprise borrowing plans over the next two fiscal years include the issuance of an estimated $200 million of the BBC (G.O.) authorization, and up to $322 million in additional non-ad valorem obligations (including $80 million for Jackson Memorial Health System) most of which is expected to be self-supporting.

Aside from two special tax issues that total $145.9 million (backed by TD Bank and Wells Fargo credit facilities), the county has the remainder of its non-ad valorem variable rate exposure related to bonds issued through the Sunshine State Loan Program ($289.4 million) which are related to, and paid by, the Seaport. The Sunshine State loans are backed by a JP Morgan letter of credit (expiring December 30, 2013). The JP Morgan facility has no rating triggers that would terminate the facility and any repayment of un-remarketed bonds would be at an increased rate over a three year term-out provision. There are also four non-enterprise basis swaps on special tax debt, $501.5 million notional amount, all requiring collateral posting (below the Baa1 rating level). No collateral posting is currently required. The swaps are with Loop Financial Products and are guaranteed by Deutsche Bank. Under the swaps: one has the county paying SIFMA divided by 0.604 and receiving LIBOR plus 1.77%; under two others, the county pays SIFMA divided by 0.604 and receives LIBOR plus 1.65343%; and under the fourth swap, the county pays SIFMA divided by 0.604 and receives LIBOR plus 1.43%. Recent mark-to-market values (July 18, 2011) on the swaps are a positive $23.4 million to the county. There are also about $140.7 million in various non-enterprise county debt service reserve sureties with several insurers whose ratings have been downgraded. In each instance, there is reportedly no stated requirement to substitute or fund those sureties in cash.

The county has obligations to 10 outstanding lease in-lease out (LILO) agreements that were defeased with guaranteed investment contracts (GICs) held by Ambac, FSA (rated Aa3) and AIG (rated Baa1). One agreement relates to the county's Metro Center, and nine relate to maintenance and parking facilities and technical equipment of the county's transit enterprise. Due to the downgrade of GIC providers, the county is in technical default on 4 of the 10 agreements. In each case, the county is negotiating with the investor (Bank of America) to remedy the technical default. In one case, the county has posted $6.7 million (valued at $7.7 million at August 1, 2011) in collateral to Rabo Bank to bring the transaction back into compliance. The county estimates that if it had to post collateral on the other four transactions currently in default, $11 million of additional collateral could be required. If, however, the county were required to fully collateralize the transactions, it could require up to $38.2 million.

BROAD-BASED ECONOMY WITH DOMESTIC AND INTERNATIONAL TOURIST IDENTITY

The county's sizable economic base is diversified by tourism, trade, banking, and manufacturing industries. Tourism remains a primary economic component and is bolstered by the county's airport and seaport operations as well as significant hotel/motel accommodations throughout the county, especially in Miami and Miami Beach. The leisure and hospitality sector accounts for over 10% of area non-agricultural employment. The number of tourists increased 12% to 12.6 million over the last 10 years through 2010, including a slight decline 1.6% in 2009. Tourists are also roughly split between domestic and international originations that feed from several markets. The economic impact of tourism has reportedly increased 22.9% over the past 10 years through 2009 (2010 not available) to $17.1 billion. International trade, about 8% of the county's gross domestic product, appears to be turning more favorable as its major trading partner, Brazil, has demonstrated resiliency in the global recession.

Locally, the Miami area has been markedly affected by the residential housing crisis, leading to significant foreclosure activity, initial unemployment filings and a dramatic falloff in construction activity. The number of foreclosures (REO) increased appreciably from 2008 to 2010 when it reached a new peak. Year-to-date in 2011 there have been 5,048 foreclosure filings which is still very high but lower than last years' peak. This is despite a recent notable uptick in housing purchases, largely from foreign investors. Median single family home values reportedly lost about half their value from their high point to about $183,900 in August 2010, while condominium values declined even more precipitously to $104,300 for the same period. The tax base, which had grown at a solid 14.1% annual average rate over the five years through fiscal 2009, has declined 24% in the last three years alone through fiscal 2012 (to $187 billion) as a result of the economic contraction and property tax reform. Unemployment, at 13.9% in June 2011 (seasonally unadjusted), is high in relation to both the state (11.1%) and the nation (9.3%) reflecting increased labor force growth far outpacing job growth. Unemployment rates will likely continue to increase in the absence of any material job creation. According to Moody's Economy.com (July 2011), Miami's (MIA) recovery will strengthen as service expansion overpowers housing-related weakness. Prolonged deleveraging is a downside risk. Long term, MIA will outperform the nation because of its growing infrastructure, strong international trade ties, and stature as an international tourist destination.

WHAT COULD MAKE THE RATING GO UP (Removal of Negative Outlook):

- Restoring of budgetary structural balance

- Significant improvement in financial flexibility and reserves

- Strong and sustained economic recovery and improved wealth indices

WHAT COULD MAKE THE RATING GO DOWN:

- Further material declines in pledged revenues and coverage

- Continued deterioration in financial condition

- Management's inability to adequately address financial challenges

- Continued economic decline

STATISTICS:

Security: Public service tax (PST) and the local communications service tax (CST) levied and collected in the unincorporated areas of the county

PST Growth, FY 2006 to FY 2010: -9.2%

FY 2010 Pledged Revenues: $112 million

Estimated maximum debt service coverage: 8.71 times

FY 2010 Pledged Revenue Components,

Electric: 55.5%

CST: 35.4%

Water: 7.3%

Gas: 1.7%

Post Sale PST Bonds Outstanding: $144.9 million

PST Payout,

10 years: 58.6%

21 years: 100%

Debt Burden: 2.3%

County 2010 Estimated Population: 2,563,885

Countywide FY 2012 Full Value: $258.2 billion

Full Value Per Capita: $100,694

Countywide FY 2011 Operating Tax Rate as % Statutory Limit: 82.9%

FY 2010 General Fund Balances (as % of G.F. Revenues),

Total: 15.0%

Unreserved: 3.9%

County as % State/ U.S. (2000 census),

Median Family Income: 88.2%/ 80.4%

Per Capita Income: 85.8%/ 85.7%

Median Housing Value: 118% / 103.7%

Persons Below Poverty: 17.97%

County Unemployment Rate, 6/2011: 13.9% (11.1% state; 9.3% U.S.)

The principal methodology used in this rating was The rating was assigned by evaluating factors believed to be relevant to the credit profile of the issuer such as i) the business risk and competitive position of the issuer versus others within its industry or sector, ii) the capital structure and financial risk of the issuer, iii) the projected performance of the issuer over the near to intermediate term, iv) the issuer's history of achieving consistent operating performance and meeting budget or financial plan goals, v) the nature of the dedicated revenue stream pledged to the bonds, vi) the debt service coverage provided by such revenue stream, vii) the legal structure that documents the revenue stream and the source of payment, and viii) and the issuer's management and governance structure related to payment. These attributes were compared against other issuers both within and outside of the issuer's core peer group and the issuer's ratings are believed to be comparable to ratings assigned to other issuers of similar credit risk.

REGULATORY DISCLOSURES

For ratings issued on a program, series or category/class of debt, this announcement provides relevant regulatory disclosures in relation to each rating of a subsequently issued bond or note of the same series or category/class of debt or pursuant to a program for which the ratings are derived exclusively from existing ratings in accordance with Moody's rating practices. For ratings issued on a support provider, this announcement provides relevant regulatory disclosures in relation to the rating action on the support provider and in relation to each particular rating action for securities that derive their credit ratings from the support provider's credit rating. For provisional ratings, this announcement provides relevant regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating. For further information please see the ratings tab on the issuer/entity page for the respective issuer on www.moodys.com.

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Please see ratings tab on the issuer/entity page on www.moodys.com for the last rating action and the rating history.

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SAVINGS

Miami-Dade County, Florida
Public Service Tax Revenue Refunding Bonds (UMSA), Series 2011

FINAL NUMBERS SUBJECT TO VERIFICATION

Date	Prior Debt Service	Prior Receipts	Prior Net Cash Flow	Refunding Debt Service	Savings	Present Value to 09/28/2011 @ 3.0279929%
09/30/2012	9,311,987.50	5,217,275.00	4,094,712.50	3,532,192.92	562,519.58	553,991.31
09/30/2013	9,317,550.00		9,317,550.00	8,497,925.00	819,625.00	789,769.50
09/30/2014	9,328,252.50		9,328,252.50	8,511,850.00	816,402.50	763,611.45
09/30/2015	9,333,343.75		9,333,343.75	8,510,350.00	822,993.75	747,151.58
09/30/2016	9,313,562.51		9,313,562.51	8,494,300.00	819,262.51	721,831.33
09/30/2017	9,294,681.26		9,294,681.26	8,476,000.00	818,681.26	700,087.22
09/30/2018	9,278,000.01		9,278,000.01	8,454,200.00	823,800.01	683,740.30
09/30/2019	9,264,868.76		9,264,868.76	8,443,600.00	821,268.76	661,535.99
09/30/2020	9,254,468.76		9,254,468.76	8,433,300.00	821,168.76	641,943.09
09/30/2021	9,246,418.76		9,246,418.76	8,428,100.00	818,318.76	620,877.65
09/30/2022	9,258,668.76		9,258,668.76	8,437,300.00	821,368.76	604,887.88
09/30/2023	9,261,793.76		9,261,793.76	8,440,100.00	821,693.76	587,385.31
09/30/2024	9,269,918.76		9,269,918.76	8,446,000.00	823,918.76	571,704.47
09/30/2025	4,017,043.76		4,017,043.76	3,740,250.00	276,793.76	184,647.60
09/30/2026	4,023,793.76		4,023,793.76	3,748,750.00	275,043.76	177,991.87
09/30/2027	4,031,543.76		4,031,543.76	3,753,750.00	277,793.76	174,389.59
	132,805,896.37	5,217,275.00	127,588,621.37	116,347,967.92	11,240,653.45	9,185,546.13

Savings Summary

PV of savings from cash flow	9,185,546.13
Net PV Savings	9,185,546.13