

Memorandum



Date: October 2, 2012
To: Honorable Chairman Joe A. Martinez
and Members, Board of County Commissioners
From: Carlos A. Gimenez
County Mayor 
Subject: Updated Market Conditions as of September 28, 2012 for the Proposed Series 2012
A and 2012 B Subordinate Special Obligation Refunding Bonds – Legistar
121929

This memorandum updates Attachment 1 included in the proposed Series 2012 A and 2012 B Convention Development Tax Subordinate Special Obligation Refunding Bonds agenda item. Resolution R-1313-09 requires that preliminary number runs be updated prior to the Board of County Commissioner's general meeting for which the Series Resolution is to be considered.

For a proposed refunding, a number run must provide for a debt service comparison between the bonds to be refunded with the refunding bonds, indicate gross savings, provide estimated costs of issuance, demonstrate that the final maturity of the refunding bonds does not exceed the refunded bonds and demonstrate that the net present value savings meets or exceeds a minimum of five percent.

Number Run	Par Amount of Refunding Bonds to be Issued	Gross Debt Service Savings over the Life of the Refunding Bonds	Net Present Value Savings	Estimated Issuance Cost	Estimated Final Maturity
Resolution Parameters	Not to exceed \$550,000,000	positive	5 percent or greater	\$3.8 million	October 1, 2037
Initial Run Attachment 1, September 24, 2012	\$487,240,000	\$140 million	\$47.9 million or 9.8 percent	\$3.8 million	October 1, 2037
Rerun of Attachment 1, September 28, 2012	\$483,815,000	\$146.4 million	\$52.8 million or 10.8 percent	\$3.8 million	October 1, 2037

The initial run of Attachment 1 is based on the interest rates one would have expected to receive on Sept 24, 2012 and the rerun of Attachment 1 (attached to this memorandum) is based on interest rates one would have expected to receive as of September 28, 2012.

If you have any questions, please contact Deputy Mayor Edward Marquez at (305) 375-1541, or me directly.

Attachment

c: R.A. Cuevas, Jr., County Attorney
Office of the Mayor Senior Staff
Jennifer Moon, Director, Office of Management and Budget
Frank Hinton, Director of Bond Administration, Finance Department

SOURCES AND USES OF FUNDS

Special Obligation - Convention Development Tax
CDT Refunding Bonds, Series 2012

PRELIMINARY NUMBERS FOR DISCUSSION ONLY

	Dated Date	11/08/2012		
	Delivery Date	11/08/2012		
		Proposed 2012A Refunding (Refund Series 1997A)	Proposed 2012B Refunding (Refund Series 1997BC)	Total
Sources:				
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Bond Proceeds:				
Par Amount		178,675,000.00	305,140,000.00	483,815,000.00
Premium		23,219,822.25	27,934,923.30	51,154,745.55
		<u>201,894,822.25</u>	<u>333,074,923.30</u>	<u>534,969,745.55</u>
Other Sources of Funds:				
OMNI Tax Increment Funds		3,300,000.00		3,300,000.00
Available Sinking Fund from DS Account		18,375,000.00		18,375,000.00
		<u>21,675,000.00</u>		<u>21,675,000.00</u>
		<u>223,569,822.25</u>	<u>333,074,923.30</u>	<u>556,644,745.55</u>
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		Proposed 2012A Refunding (Refund Series 1997A)	Proposed 2012B Refunding (Refund Series 1997BC)	Total
Uses:				
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Refunding Escrow Deposits:				
Cash Deposit		0.33	0.41	0.74
SLGS Purchases		200,897,524.00	300,039,598.00	500,937,122.00
		<u>200,897,524.33</u>	<u>300,039,598.41</u>	<u>500,937,122.74</u>
Other Fund Deposits:				
Debt Service Reserve Fund		17,962,308.05	30,675,912.56	48,638,220.61
Delivery Date Expenses:				
Cost of Issuance		515,296.59	831,113.41	1,346,410.00
Underwriter's Discount		893,375.00	1,525,700.00	2,419,075.00
		<u>1,408,671.59</u>	<u>2,356,813.41</u>	<u>3,765,485.00</u>
Other Uses of Funds:				
Capital Reserve		3,300,000.00		3,300,000.00
Additional Proceeds		1,318.28	2,598.92	3,917.20
		<u>3,301,318.28</u>	<u>2,598.92</u>	<u>3,303,917.20</u>
		<u>223,569,822.25</u>	<u>333,074,923.30</u>	<u>556,644,745.55</u>
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BOND SUMMARY STATISTICS

Special Obligation - Convention Development Tax
CDT Refunding Bonds, Series 2012

PRELIMINARY NUMBERS FOR DISCUSSION ONLY

Dated Date	11/08/2012
Delivery Date	11/08/2012
Last Maturity	10/01/2037
Arbitrage Yield	3.683704%
True Interest Cost (TIC)	4.194413%
Net Interest Cost (NIC)	4.455308%
All-In TIC	4.215139%
Average Coupon	4.995893%
Average Life (years)	18.634
Duration of Issue (years)	12.476
Par Amount	483,815,000.00
Bond Proceeds	534,969,745.55
Total Interest	450,397,259.02
Net Interest	401,661,588.47
Total Debt Service	934,212,259.02
Maximum Annual Debt Service	60,119,250.00
Average Annual Debt Service	37,522,750.56
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	5.000000
Total Underwriter's Discount	5.000000
Bid Price	110.073204

Bond Component	Par Value	Price	Average Coupon	Average Life
Serials	483,815,000.00	110.573	4.996%	18.634
	483,815,000.00			18.634

	TIC	All-In TIC	Arbitrage Yield
Par Value	483,815,000.00	483,815,000.00	483,815,000.00
+ Accrued Interest			
+ Premium (Discount)	51,154,745.55	51,154,745.55	51,154,745.55
- Underwriter's Discount	-2,419,075.00	-2,419,075.00	
- Cost of Issuance Expense		-1,346,410.00	
- Other Amounts			
Target Value	532,550,670.55	531,204,260.55	534,969,745.55
Target Date	11/08/2012	11/08/2012	11/08/2012
Yield	4.194413%	4.215139%	3.683704%

SUMMARY OF REFUNDING RESULTS

Special Obligation - Convention Development Tax
CDT Refunding Bonds, Series 2012
PRELIMINARY NUMBERS FOR DISCUSSION ONLY

Dated Date	11/08/2012
Delivery Date	11/08/2012
Arbitrage yield	3.683704%
Escrow yield	0.155384%
Bond Par Amount	483,815,000.00
True Interest Cost	4.194413%
Net Interest Cost	4.455308%
Average Coupon	4.995893%
Average Life	18.634
Par amount of refunded bonds	286,229,120.00
Value of refunded bonds on 11/8/2012	488,527,117.30
Average coupon of refunded bonds	5.242328%
Average life of refunded bonds	16.734
PV of prior debt to 11/08/2012 @ 3.683704%	610,163,978.37
Net PV Savings	52,821,044.37
Percentage savings of refunded bonds	10.812305%
Percentage savings of refunding bonds	10.917612%

SUMMARY OF BONDS REFUNDED

Special Obligation - Convention Development Tax
CDT Refunding Bonds, Series 2012

PRELIMINARY NUMBERS FOR DISCUSSION ONLY

Bond	Maturity Date	Interest Rate	Par Amount	Value on Nov 8, 2012	Value at Redemption	Call Date	Call Price
Sub.Special Obligation Refunding Bonds Sr. 1997A:							
CAB	10/01/2013	5.350%	241,169.70	529,320.15	532,822.20	12/23/2012	102.000
	10/01/2014	5.400%	5,576,577.60	12,328,514.00	12,410,899.60	12/23/2012	102.000
	10/01/2015	5.450%	5,712,322.20	12,720,575.10	12,806,346.15	12/23/2012	102.000
	10/01/2016	5.500%	5,820,510.50	13,055,622.00	13,144,498.30	12/23/2012	102.000
	10/01/2017	5.520%	5,937,971.20	13,357,819.20	13,449,030.40	12/23/2012	102.000
	10/01/2018	5.540%	6,037,244.00	13,620,600.00	13,714,036.00	12/23/2012	102.000
	10/01/2019	5.550%	6,130,399.05	13,850,729.55	13,945,895.10	12/23/2012	102.000
	10/01/2020	5.560%	6,206,539.55	14,043,267.50	14,139,848.80	12/23/2012	102.000
	10/01/2021	5.570%	7,546,837.20	17,100,476.80	17,218,130.40	12/23/2012	102.000
	10/01/2022	5.580%	7,535,088.00	17,098,694.80	17,216,614.80	12/23/2012	102.000
	10/01/2023	5.590%	7,513,186.85	17,073,499.95	17,191,501.60	12/23/2012	102.000
	10/01/2024	5.600%	7,481,105.65	17,025,205.75	17,143,119.30	12/23/2012	102.000
	10/01/2025	5.610%	7,440,494.25	16,957,542.35	17,075,233.35	12/23/2012	102.000
	10/01/2026	5.620%	7,391,410.45	16,870,026.05	16,987,378.95	12/23/2012	102.000
			86,570,856.20	195,631,893.20	196,975,354.95		
Sub. Special Obligation Bonds, Sr. 1997B:							
CAB	10/01/2028	5.630%	4,512,985.65	10,315,110.80	10,386,923.60	12/23/2012	102.000
	10/01/2029	5.630%	7,900,485.45	18,058,384.30	18,183,898.70	12/23/2012	102.000
	10/01/2030	5.650%	8,167,197.50	18,722,690.00	18,853,117.50	12/23/2012	102.000
	10/01/2031	5.650%	8,055,714.25	18,466,591.00	18,595,728.00	12/23/2012	102.000
	10/01/2032	5.660%	7,917,226.40	18,175,188.40	18,302,102.40	12/23/2012	102.000
	10/01/2033	5.660%	7,803,531.90	17,914,365.00	18,039,736.80	12/23/2012	102.000
	10/01/2034	5.660%	3,896,436.80	8,945,225.35	9,007,777.25	12/23/2012	102.000
	10/01/2035	5.660%	3,534,610.00	8,113,933.75	8,170,727.50	12/23/2012	102.000
	10/01/2036	5.660%	1,365,189.15	3,133,975.65	3,155,862.45	12/23/2012	102.000
TERM2037	10/01/2036	5.000%	51,200,000.00	51,200,000.00	51,200,000.00	12/23/2012	100.000
	10/01/2037	5.000%	65,655,000.00	65,655,000.00	65,655,000.00	12/23/2012	100.000
			170,008,377.10	238,700,464.25	239,550,874.20		
Sub. Special Obligation Bonds, Sr. 1997C:							
CAB	10/01/2013	5.400%	5,096,902.20	11,268,124.20	11,343,417.60	12/23/2012	102.000
CAB_TERM	10/01/2027	5.680%	7,414,605.50	17,070,642.50	17,190,407.30	12/23/2012	102.000
	10/01/2028	5.680%	2,914,313.50	6,709,622.50	6,756,696.10	12/23/2012	102.000
			15,425,821.20	35,048,389.20	35,290,521.00		
Sub. Special Obligation Bonds, Sr. 2005A:							
CAB	10/01/2013	3.920%	1,895,273.55	2,525,462.40			
	10/01/2014	4.050%	7,575,225.15	10,189,616.25			
	10/01/2015	4.130%	4,753,566.80	6,431,292.00			
			14,224,065.50	19,146,370.65			
			286,229,120.00	488,527,117.30	471,816,750.15		

SAVINGS

Special Obligation - Convention Development Tax
CDT Refunding Bonds, Series 2012
PRELIMINARY NUMBERS FOR DISCUSSION ONLY

Date	Prior Debt Service	Refunding Debt Service	Refunding Adjustments	Refunding Receipts	Refunding Net Cash Flow	Savings	Present Value to 11/08/2012 @ 3.6837042%
10/01/2013	20,832,750.00	21,549,259.02	-775,000.00	218,196.46	20,556,062.56	276,687.44	151,510.18
10/01/2014	30,477,750.00	30,567,750.00		243,191.10	30,324,558.90	153,191.10	-11,148.20
10/01/2015	27,947,750.00	28,021,250.00		243,191.10	27,778,058.90	169,691.10	5,723.57
10/01/2016	21,972,750.00	23,653,250.00	-1,900,000.00	243,191.10	21,510,058.90	462,691.10	261,008.36
10/01/2017	23,282,750.00	23,653,250.00	-625,000.00	243,191.10	22,785,058.90	497,691.10	280,923.63
10/01/2018	24,642,750.00	23,653,250.00		243,191.10	23,410,058.90	1,232,691.10	863,508.21
10/01/2019	26,047,750.00	23,653,250.00		243,191.10	23,410,058.90	2,637,691.10	1,924,845.87
10/01/2020	27,497,750.00	23,653,250.00		243,191.10	23,410,058.90	4,087,691.10	2,942,719.87
10/01/2021	33,722,750.00	31,428,250.00		243,191.10	31,185,058.90	2,537,691.10	1,717,061.82
10/01/2022	35,322,750.00	33,024,500.00		243,191.10	32,781,308.90	2,541,441.10	1,660,623.45
10/01/2023	36,977,750.00	34,681,500.00		243,191.10	34,438,308.90	2,539,441.10	1,602,776.08
10/01/2024	38,687,750.00	36,391,250.00		243,191.10	36,148,058.90	2,539,691.10	1,549,039.28
10/01/2025	40,457,750.00	38,160,750.00		243,191.10	37,917,558.90	2,540,191.10	1,497,914.51
10/01/2026	42,287,750.00	39,991,250.00		243,191.10	39,748,058.90	2,539,691.10	1,448,550.05
10/01/2027	45,162,615.05	42,868,500.00		243,191.10	42,625,308.90	2,537,306.15	1,400,418.03
10/01/2028	47,122,750.00	44,823,500.00		243,191.10	44,580,308.90	2,542,441.10	1,359,075.63
10/01/2029	51,987,750.00	49,692,750.00		243,191.10	49,449,558.90	2,538,191.10	1,314,606.97
10/01/2030	56,592,750.00	54,297,750.00		18,205,499.15	36,092,250.85	20,500,499.15	10,621,687.91
10/01/2031	58,767,750.00	49,946,250.00		153,379.56	49,792,870.44	8,974,879.56	4,467,278.89
10/01/2032	61,022,750.00	52,200,500.00		153,379.56	52,047,120.44	8,975,629.56	4,315,605.98
10/01/2033	63,352,750.00	54,531,250.00		153,379.56	54,377,870.44	8,974,879.56	4,169,241.14
10/01/2034	36,207,750.00	27,384,500.00		153,379.56	27,231,120.44	8,976,629.56	4,029,849.02
10/01/2035	34,967,750.00	26,148,250.00		153,379.56	25,994,870.44	8,972,879.56	3,887,735.95
10/01/2036	68,937,750.00	60,119,250.00		153,379.56	59,965,870.44	8,971,879.56	3,751,735.50
10/01/2037	68,937,750.00	60,117,750.00		30,829,292.12	29,288,457.88	39,649,292.12	15,981,153.74
	1,023,218,615.05	934,212,259.02	-3,300,000.00	54,064,322.69	876,847,936.33	146,370,678.72	71,193,445.45

Savings Summary

PV of savings from cash flow	71,193,445.45
Less: Prior funds on hand	-18,375,000.00
Plus: Refunding funds on hand	2,598.92
Net PV Savings	52,821,044.37

BOND DEBT SERVICE

Special Obligation - Convention Development Tax
 CDT Refunding Bonds, Series 2012

PRELIMINARY NUMBERS FOR DISCUSSION ONLY

Dated Date 11/08/2012
 Delivery Date 11/08/2012

Period Ending	Principal	Coupon	Interest	Debt Service
10/01/2013			21,549,259.02	21,549,259.02
10/01/2014	6,550,000	3.000%	24,017,750.00	30,567,750.00
10/01/2015	4,200,000	4.000%	23,821,250.00	28,021,250.00
10/01/2016			23,653,250.00	23,653,250.00
10/01/2017			23,653,250.00	23,653,250.00
10/01/2018			23,653,250.00	23,653,250.00
10/01/2019			23,653,250.00	23,653,250.00
10/01/2020			23,653,250.00	23,653,250.00
10/01/2021	7,775,000	5.000%	23,653,250.00	31,428,250.00
10/01/2022	9,760,000	5.000%	23,264,500.00	33,024,500.00
10/01/2023	11,905,000	5.000%	22,776,500.00	34,681,500.00
10/01/2024	14,210,000	5.000%	22,181,250.00	36,391,250.00
10/01/2025	16,690,000	5.000%	21,470,750.00	38,160,750.00
10/01/2026	19,355,000	5.000%	20,636,250.00	39,991,250.00
10/01/2027	23,200,000	5.000%	19,668,500.00	42,868,500.00
10/01/2028	26,315,000	5.000%	18,508,500.00	44,823,500.00
10/01/2029	32,500,000	5.000%	17,192,750.00	49,692,750.00
10/01/2030	38,730,000	5.000%	15,567,750.00	54,297,750.00
10/01/2031	36,315,000	5.000%	13,631,250.00	49,946,250.00
10/01/2032	40,385,000	5.000%	11,815,500.00	52,200,500.00
10/01/2033	44,735,000	5.000%	9,796,250.00	54,531,250.00
10/01/2034	19,825,000	5.000%	7,559,500.00	27,384,500.00
10/01/2035	19,580,000	5.000%	6,568,250.00	26,148,250.00
10/01/2036	54,530,000	5.000%	5,589,250.00	60,119,250.00
10/01/2037	57,255,000	5.000%	2,862,750.00	60,117,750.00
	483,815,000		450,397,259.02	934,212,259.02