

Memorandum



Date: May 14, 2013
To: Honorable Chairwoman Rebeca Sosa
and Members, Board of County Commissioners
From: Carlos A. Gimenez
County Mayor
Subject: Updated Market Conditions as of May 9, 2013 for the Series 2013 Aviation Revenue Refunding and Revenue Bonds - Legistar130839

This updates Attachment 2 included in the proposed Series 2013 Aviation Revenue Refunding and Revenue Bonds listed as item 3B on the May 14, 2013 Finance Committee meeting agenda. Resolution R-1313-09 requires that a preliminary number run attached to a Series Resolution for a bond transaction be updated prior to the meeting of the committee of jurisdiction and the Board of County Commissioners' general meeting.

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 equals or exceeds five percent.

| Number Run | Par Amount of Refunding Bonds to be Issued | Gross Debt Service Savings over Life of the Refunding Bonds | Net Present Value Savings | Estimated Issuance Cost | Estimated Final Maturity |
|--|--|---|---------------------------|-------------------------|--------------------------|
| Resolution Parameters | Not to exceed \$900,000,000 | Positive | five percent or greater | \$3,178,000 | October 1, 2036 |
| Initial Run of Attachment 2, April 3, 2013 | \$740,990,000 | \$91,233,806 | 7.15 percent | \$3,177,260 | October 1, 2036 |
| Rerun of Attachment 2, May 9, 2013 | \$731,930,000 | \$106,687,238 | 8.44 percent | \$3,177,260 | October 1, 2036 |

The initial run of Attachment 2 was based on the interest rates one would have expected to receive on April 3, 2013 with a level savings structure. The rerun of Attachment 2 (attached to this memorandum) is based on interest rates one would have expected to receive as of May 9, 2013 with a level savings structure. Based on market conditions on May 9, 2013, this transaction now provides greater savings, which would be used to fund debt service on up to \$62.385 million of new money bonds plus \$7.3 million of premium proceeds in order to realize up to \$69 million of funding for Aviation Department Capital Improvement Plan projects, as compared to \$58.5 million on the initial run.

The debt service on the refunding plus the debt service on the new money bonds does not cause the total current debt service for the Aviation Department to increase. The proposed par amount of new money bonds is in addition to the par amount of refunding bonds. The issuance costs identified above include issuance costs associated with both the refunding bonds as well as the new money bonds.

If you have any questions, please contact Edward Marquez, Deputy Mayor, at 375-1451 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
Charles Anderson, Commission Auditor

Preliminary FSW Scale May 9, 2013

\$794,315,000.00

ESTIMATED BASED ON MARKET OF MAY 9, 2013

Miami-Dade County, Florida

Aviation Revenue Refunding and Revenue Bonds, Series 2013

Sources & Uses

Dated 08/28/2013 | Delivered 08/28/2013

| Sources Of Funds: | Series 2013 | Series 2013 New | Series 2013 Bonds |
|---|-------------------------|------------------------|-------------------------|
| | Refunding Bonds | Money Bonds | |
| Par Amount of Bonds | \$731,930,000.00 | \$62,385,000.00 | \$794,315,000.00 |
| Premium | 71,954,144.35 | 7,313,526.80 | 79,267,671.15 |
| Transfer from Prior Debt Service | 16,196,708.33 | | 16,196,708.33 |
| Total Sources | \$820,080,852.68 | \$69,698,526.80 | \$889,779,379.48 |
| Uses Of Funds: | | | |
| Project Fund | | \$69,137,061.80 | \$69,137,061.80 |
| Total Underwriter's Discount (0.500%) | 3,659,650.00 | 311,925.00 | 3,971,575.00 |
| Costs of Issuance | 2,927,720.00 | 249,540.00 | 3,177,260.00 |
| Refunding Escrow Deposit - Cash | 429,872,974.91 | | 429,872,974.91 |
| Refunding Escrow Deposit - SLGS Purchases | 383,619,487.00 | | 383,619,487.00 |
| Rounding Amount | 1,020.77 | | 1,020.77 |
| Total Uses | \$820,080,852.68 | \$69,698,526.80 | \$889,779,379.48 |

Preliminary FSW Scale May 9, 2013

\$731,930,000.00

ESTIMATED BASED ON MARKET OF MAY 9, 2013

Miami-Dade County, Florida

Aviation Revenue Refunding Bonds, Series 2013

Debt Service and Savings - Series 2013 Revenue Refunding Bonds

Series 2013 Revenue Refunding Bonds

| Date | Principal | Interest | ESTIMATED Total Debt Service | Net Debt Service of Refunded Bonds | ESTIMATED Total Refunding Savings |
|---------------|-------------------------|-------------------------|---------------------------------|---------------------------------------|--------------------------------------|
| 2013 | | \$3,354,679.17 | \$3,354,679.17 | \$3,640,610.42 | \$285,931.25 |
| 2014 | 5,180,000.00 | 36,596,500.00 | 41,776,500.00 | 46,669,637.50 | 4,893,137.50 |
| 2015 | 5,445,000.00 | 36,337,500.00 | 41,782,500.00 | 46,675,775.00 | 4,893,275.00 |
| 2016 | 5,720,000.00 | 36,065,250.00 | 41,785,250.00 | 46,677,550.00 | 4,892,300.00 |
| 2017 | 6,000,000.00 | 35,779,250.00 | 41,779,250.00 | 46,671,725.00 | 4,892,475.00 |
| 2018 | 6,295,000.00 | 35,479,250.00 | 41,774,250.00 | 46,664,900.00 | 4,890,650.00 |
| 2019 | 6,615,000.00 | 35,164,500.00 | 41,779,500.00 | 46,671,025.00 | 4,891,525.00 |
| 2020 | 6,945,000.00 | 34,833,750.00 | 41,778,750.00 | 46,673,262.50 | 4,894,512.50 |
| 2021 | 7,290,000.00 | 34,486,500.00 | 41,776,500.00 | 46,670,362.50 | 4,893,862.50 |
| 2022 | 7,655,000.00 | 34,122,000.00 | 41,777,000.00 | 46,670,762.50 | 4,893,762.50 |
| 2023 | | 33,739,250.00 | 33,739,250.00 | 38,593,231.26 | 4,853,981.26 |
| 2024 | | 33,739,250.00 | 33,739,250.00 | 38,590,156.26 | 4,850,906.26 |
| 2025 | | 33,739,250.00 | 33,739,250.00 | 35,604,781.26 | 1,865,531.26 |
| 2026 | | 33,739,250.00 | 33,739,250.00 | 35,604,781.26 | 1,865,531.26 |
| 2027 | 23,465,000.00 | 33,739,250.00 | 57,204,250.00 | 62,094,781.26 | 4,890,531.26 |
| 2028 | 24,645,000.00 | 32,566,000.00 | 57,211,000.00 | 62,101,506.26 | 4,890,506.26 |
| 2029 | 25,870,000.00 | 31,333,750.00 | 57,203,750.00 | 62,098,756.26 | 4,895,006.26 |
| 2030 | 27,165,000.00 | 30,040,250.00 | 57,205,250.00 | 62,096,756.26 | 4,891,506.26 |
| 2031 | 28,520,000.00 | 28,682,000.00 | 57,202,000.00 | 62,097,006.26 | 4,895,006.26 |
| 2032 | 87,365,000.00 | 27,256,000.00 | 114,621,000.00 | 119,515,756.26 | 4,894,756.26 |
| 2033 | 115,675,000.00 | 22,887,750.00 | 138,562,750.00 | 143,458,256.26 | 4,895,506.26 |
| 2034 | 121,460,000.00 | 17,104,000.00 | 138,564,000.00 | 143,455,756.26 | 4,891,756.26 |
| 2035 | 127,535,000.00 | 11,031,000.00 | 138,566,000.00 | 143,456,681.26 | 4,890,681.26 |
| 2036 | 93,085,000.00 | 4,654,250.00 | 97,739,250.00 | 102,633,850.00 | 4,894,600.00 |
| Totals | \$731,930,000.00 | \$696,470,429.17 | \$1,428,400,429.17 | \$1,595,087,666.80 | \$106,687,237.63 |

Yield Statistics: Series 2013A Revenue Refunding Bonds

| | |
|-----------------------------------|--------------|
| Average Life | 19.031 Years |
| Average Coupon | 5.000000% |
| Net Interest Cost (NIC) | 4.5097100% |
| True Interest Cost (TIC) | 4.2661910% |
| Bond Yield for Arbitrage Purposes | 3.7517250% |
| All Inclusive Cost (AIC) | 4.2958650% |

Net Present Value Savings: Series 2013A Bonds

| | |
|--|---------------|
| Gross PV Debt Service Savings | 67,114,076.88 |
| Net PV Cashflow Savings @ 4.272849% (AIC from simultaneous solution) | 67,114,076.88 |
| Contingency or Rounding Amount | 1,020.77 |
| Net Present Value Benefit | 67,115,097.65 |
| Net PV Benefit/\$795,200,000 Refunded Principal | 8.440% |
| Net PV Benefit/\$731,930,000 Refunding Principal | 9.170% |

Preliminary FSW Scale May 9, 2013

\$62,385,000.00

ESTIMATED BASED ON MARKET OF MAY 9, 2013

Miami-Dade County, Florida

Aviation Revenue Bonds, Series 2013 New Money Bonds

Series 2013 Revenue Bonds - Debt Service Funded with Savings

| Series 2013 Revenue Bonds (New Money) | | | | | | |
|---------------------------------------|------------------------|------------------------|---------------------------------|---|---|---------------------|
| Date | Principal | Interest | ESTIMATED Total Debt Service | Savings from Series 2013 Refunding Revenue Bonds | Net Savings After New Money Debt Service | |
| 2013 | | \$285,931.25 | \$285,931.25 | \$285,931.25 | | \$0.00 |
| 2014 | 1,770,000.00 | 3,119,250.00 | 4,889,250.00 | 4,893,137.50 | | 3,887.50 |
| 2015 | 1,860,000.00 | 3,030,750.00 | 4,890,750.00 | 4,893,275.00 | | 2,525.00 |
| 2016 | 1,950,000.00 | 2,937,750.00 | 4,887,750.00 | 4,892,300.00 | | 4,550.00 |
| 2017 | 2,050,000.00 | 2,840,250.00 | 4,890,250.00 | 4,892,475.00 | | 2,225.00 |
| 2018 | 2,150,000.00 | 2,737,750.00 | 4,887,750.00 | 4,890,650.00 | | 2,900.00 |
| 2019 | 2,260,000.00 | 2,630,250.00 | 4,890,250.00 | 4,891,525.00 | | 1,275.00 |
| 2020 | 2,375,000.00 | 2,517,250.00 | 4,892,250.00 | 4,894,512.50 | | 2,262.50 |
| 2021 | 2,495,000.00 | 2,398,500.00 | 4,893,500.00 | 4,893,862.50 | | 362.50 |
| 2022 | 2,615,000.00 | 2,273,750.00 | 4,888,750.00 | 4,893,762.50 | | 5,012.50 |
| 2023 | 2,710,000.00 | 2,143,000.00 | 4,853,000.00 | 4,853,981.26 | | 981.26 |
| 2024 | 2,840,000.00 | 2,007,500.00 | 4,847,500.00 | 4,850,906.26 | | 3,406.26 |
| 2025 | | 1,865,500.00 | 1,865,500.00 | 1,865,531.26 | | 31.26 |
| 2026 | | 1,865,500.00 | 1,865,500.00 | 1,865,531.26 | | 31.26 |
| 2027 | 3,025,000.00 | 1,865,500.00 | 4,890,500.00 | 4,890,531.26 | | 31.26 |
| 2028 | 3,175,000.00 | 1,714,250.00 | 4,889,250.00 | 4,890,506.26 | | 1,256.26 |
| 2029 | 3,335,000.00 | 1,555,500.00 | 4,890,500.00 | 4,895,006.26 | | 4,506.26 |
| 2030 | 3,500,000.00 | 1,388,750.00 | 4,888,750.00 | 4,891,506.26 | | 2,756.26 |
| 2031 | 3,680,000.00 | 1,213,750.00 | 4,893,750.00 | 4,895,006.26 | | 1,256.26 |
| 2032 | 3,865,000.00 | 1,029,750.00 | 4,894,750.00 | 4,894,756.26 | | 6.26 |
| 2033 | 4,055,000.00 | 836,500.00 | 4,891,500.00 | 4,895,506.26 | | 4,006.26 |
| 2034 | 4,255,000.00 | 633,750.00 | 4,888,750.00 | 4,891,756.26 | | 3,006.26 |
| 2035 | 4,465,000.00 | 421,000.00 | 4,886,000.00 | 4,890,681.26 | | 4,681.26 |
| 2036 | 3,955,000.00 | 197,750.00 | 4,152,750.00 | 4,894,600.00 | | 741,850.00 |
| Totals | \$62,385,000.00 | \$43,509,431.25 | \$105,894,431.25 | \$106,687,237.63 | | \$792,806.38 |

Yield Statistics: Series 2013B Bonds (New Money)

| | |
|-----------------------------------|--------------|
| Average Life | 13.949 Years |
| Average Coupon | 5.0000000% |
| Net Interest Cost (NIC) | 4.1953930% |
| True Interest Cost (TIC) | 3.8953160% |
| Bond Yield for Arbitrage Purposes | 3.7517250% |
| All Inclusive Cost (AIC) | 3.9317960% |