

# Memorandum



**Date:** July 1, 2013

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

**From:** Carlos A. Gimenez  
County Mayor

**Subject:** Updated Market Conditions as of June 27, 2013 for the Miami-Dade County, Florida Special Obligation Court Facilities Bonds, Series 2013A and Miami-Dade County, Florida Special Obligation Court Facilities Refunding Bonds, Series 2013B - Legistar 131092

This updates Attachment 1 included in the proposed Miami-Dade County, Florida Special Obligation Court Facilities Revenue Bonds, Series 2013A (New Money Bonds) and Miami-Dade County, Florida Special Obligation Court Facilities Revenue Refunding Bonds, Series 2013B (Refunding Bonds) listed as Item 8D1 on the July 2, 2013 meeting agenda of the Board of County Commissioners (Board). 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's general meeting. A final pricing report will be distributed to the Board after the Series 2013A and 2013B Bonds are priced.

This transaction proposes both new money and refunding bonds. For new money bonds, a number run must provide a projected debt service schedule including principal and interest payments, current market interest rates, total annual debt service including debt service for all parity debt and projected debt service coverage. In this case all parity debt would be the proposed Refunding Bonds. 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. Exceptions must demonstrate a compelling public policy reason.

Number Run	Par Amount of New Money and 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 \$150,000,000	NA	NA	\$1,180,440 (Refunding Bonds Only)	April 1, 2043
Initial Run of Attachment 1 as of April 23, 2013	\$127,975,000	(\$7,879,274)	(5.81 percent) or (\$6,514,547)	\$1,535,700 (including New Money and Refunding Bonds)	April 1, 2043
Rerun of Attachment 1 as of June 27, 2013	\$134,620,000	(\$5,609,218)	(5.0 percent) or (\$5,609,218)	\$1,615,440 (including New Money and Refunding Bonds)	April 1, 2043

The Initial Run of Attachment 1 was based on the interest rates one would have expected to receive on April 23, 2013 with a level debt service structure and assumed a 20 year historical variable interest rate of 3.0 percent on the County's outstanding Series 2003B Bonds to be refunded. The Initial Run has been revised to reflect a 30 year term historical variable rate assumption of 3.92 percent on the Series 2003B Bonds to reflect the remaining term of the 2003B Bonds. The Rerun of Attachment 1 (attached to this memorandum) is based on interest rates one would have expected to receive as of June 27, 2013 with a level debt service structure. Based on market conditions on June 27, 2013, the refunding results in an overall negative net present value savings as shown in the above table (see Attachment 1, page 3). As explained in the transmittal memorandum to the series resolution, this result is recommended because the proposed transaction relies only on a pledge of the traffic surcharge revenue, eliminating a secondary

Honorable Chairwoman Rebeca Sosa  
and Members, Board of County Commissioners  
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pledge of the County's General Fund credit. In order to do this, all outstanding bonds must be refunded. A portion of the Refunding Bonds are in a variable rate mode and when refunded to a fixed rate mode, the savings is distorted. In addition, the transaction eliminates long run interest rate risk associated with the variable rate debt to be refunded. Both of these remain sound, compelling public policy objectives.

The estimated debt service on the proposed Series 2013A and Series 2013B Bonds is outlined on page six of Attachment 1. The Series 2013A and the Series 2013B Bonds are the only debt that would be on parity under this credit. It is a level debt service structure to final maturity. Based on the June 27, 2013 Rerun of Attachment 1, the estimated true interest cost (TIC) on the transaction is 4.86 percent (see Attachment 1, page 2) as compared to a TIC of 4.46 on April 23, 2013. Using a maximum annual debt service of \$9,255,400 in 2016 and audited Fiscal Year 2012 revenue of \$12,492,877, debt service coverage is 1.35 times; and the maturity of both the Series 2013A and 2013B Bonds does not exceed the final maturity of the bonds to be refunded, April 1, 2043.

If you have any questions, please contact Deputy Mayor Edward Marquez 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  
Blanca Padron, Deputy Director, Finance Department  
Frank Hinton, Director of Bond Administration, Finance Department  
Charles Anderson, Commission Auditor

SOURCES AND USES OF FUNDS

Special Obligation Court Facilities Bonds (Traffic Surcharge Revenues)  
2013AB New Money and Refunding Bonds  
Preliminary Numbers

Sources:	Series 2013A	Series 2013B	Total
<b>Bond Proceeds:</b>			
Par Amount	30,775,000.00	103,845,000.00	134,620,000.00
Net Premium	104,545.75	2,376,510.20	2,481,055.95
	<u>30,879,545.75</u>	<u>106,221,510.20</u>	<u>137,101,055.95</u>
<b>Other Sources of Funds:</b>			
Funds on Hand	1,950,167.77	6,580,509.23	8,530,677.00
2003 Funds on Hand		7,468,000.00	7,468,000.00
1998A Funds on Hand		317,000.00	317,000.00
1998B Funds on Hand		1,702,000.00	1,702,000.00
	<u>1,950,167.77</u>	<u>16,067,509.23</u>	<u>18,017,677.00</u>
	<u>32,829,713.52</u>	<u>122,289,019.43</u>	<u>155,118,732.95</u>
<b>Uses:</b>			
<b>Project Fund Deposits:</b>			
Project Fund	30,343,778.00		30,343,778.00
<b>Refunding Escrow Deposits:</b>			
Cash Deposit		113,900,770.38	113,900,770.38
<b>Other Fund Deposits:</b>			
Debt Service Reserve	2,115,844.12	7,139,555.88	9,255,400.00
<b>Delivery Date Expenses:</b>			
Cost of Issuance	215,425.00	726,915.00	942,340.00
Underwriter's Discount	153,875.00	519,225.00	673,100.00
	<u>369,300.00</u>	<u>1,246,140.00</u>	<u>1,615,440.00</u>
<b>Other Uses of Funds:</b>			
Additional Proceeds	791.40	2,553.17	3,344.57
	<u>32,829,713.52</u>	<u>122,289,019.43</u>	<u>155,118,732.95</u>

BOND SUMMARY STATISTICS

Special Obligation Court Facilities Bonds (Traffic Surcharge Revenues)  
2013AB New Money and Refunding Bonds  
Preliminary Numbers

Dated Date	08/07/2013
Delivery Date	08/07/2013
Last Maturity	04/01/2043
Arbitrage Yield	4.563823%
True Interest Cost (TIC)	4.859298%
Net Interest Cost (NIC)	4.912017%
All-In TIC	4.387095%
Average Coupon	4.985073%
Average Life (years)	18.383
Weighted Average Maturity (years)	18.060
Duration of Issue (years)	11.573
Par Amount	134,620,000.00
Bond Proceeds	137,101,055.95
Total Interest	123,368,252.50
Net Interest	121,560,296.55
Total Debt Service	257,988,252.50
Maximum Annual Debt Service	9,255,400.00
Average Annual Debt Service	8,701,121.50
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	5.000000
Total Underwriter's Discount	5.000000
Bid Price	101.343007

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
Bond Component	69,830,000.00	105.481	4.959%	12.876	48,847.55
Bond Component	64,790,000.00	97.921	5.000%	24.319	78,142.00
	134,620,000.00			18.383	126,989.55

	TIC	All-In TIC	Arbitrage Yield
Par Value	134,620,000.00	134,620,000.00	134,620,000.00
+ Accrued Interest			
+ Premium (Discount)	2,481,055.95	2,481,055.95	2,481,055.95
- Underwriter's Discount	-673,100.00	-673,100.00	
- Cost of Issuance Expense		-942,340.00	
- Other Amounts		8,530,677.00	
Target Value	136,427,955.95	144,016,292.95	137,101,055.95
Target Date	08/07/2013	08/07/2013	08/07/2013
Yield	4.859298%	4.387095%	4.563823%



SUMMARY OF REFUNDING RESULTS

Special Obligation Court Facilities Bonds (Traffic Surcharge Revenues)  
2013AB New Money and Refunding Bonds  
Preliminary Numbers

	Refunding of 1998 and 2003 Fixed Rate Bonds	Refunding of Series 2003B Variable Rate Bonds	Total
Dated Date	08/07/2013	08/07/2013	08/07/2013
Delivery Date	08/07/2013	08/07/2013	08/07/2013
Arbitrage Yield	4.563823%	4.563823%	4.563823%
Escrow Yield			
Value of Negative Arbitrage			
Bond Par Amount	59,850,000.00	43,995,000.00	103,845,000.00
True Interest Cost	4.498574%	5.121189%	4.813492%
Net Interest Cost	4.646724%	5.067437%	4.882159%
Average Coupon	4.958149%	5.000000%	4.981569%
Average Life	13.747	23.764	17.991
Par amount of refunded bonds	66,290,000.00	45,850,000.00	112,140,000.00
Average coupon of refunded bonds	4.939791%	3.920000%	4.378563%
Average life of refunded bonds	13.217	23.387	17.375
PV of prior debt	69,652,691.77	42,381,074.25	112,033,766.01
Net PV Savings	2,198,264.85	-7,807,482.92	-5,609,218.07
Percentage savings of refunded bonds	3.316133%	-17.028316%	-5.001978%
Percentage savings of refunding bonds	3.672957%	-17.746296%	-5.401529%

SUMMARY OF BONDS REFUNDED

Special Obligation Court Facilities Bonds (Traffic Surcharge Revenues)  
Series 2013B  
Preliminary Numbers

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price	
Series 1998A, 1998A:						
ASERIALS	04/01/2014	4.650%	155,000.00	08/07/2013	100.000	
ATERM18	04/01/2015	4.750%	165,000.00	08/07/2013	100.000	
	04/01/2016	4.750%	175,000.00	08/07/2013	100.000	
ATERM20	04/01/2017	4.750%	180,000.00	08/07/2013	100.000	
	04/01/2018	4.750%	190,000.00	08/07/2013	100.000	
	04/01/2019	4.750%	205,000.00	08/07/2013	100.000	
	04/01/2020	4.750%	2,290,000.00	08/07/2013	100.000	
				3,360,000.00		
1998B, 1998B:						
BSERIALS	04/01/2014	4.650%	2,530,000.00	08/07/2013	100.000	
BTERM18	04/01/2015	4.750%	2,645,000.00	08/07/2013	100.000	
	04/01/2016	4.750%	2,770,000.00	08/07/2013	100.000	
	04/01/2017	4.750%	2,905,000.00	08/07/2013	100.000	
	04/01/2018	4.750%	3,040,000.00	08/07/2013	100.000	
BTERM20	04/01/2019	4.750%	3,180,000.00	08/07/2013	100.000	
	04/01/2020	4.750%	1,255,000.00	08/07/2013	100.000	
			18,325,000.00			
Series 2003A, 2003A:						
TERM27	04/01/2026	4.625%	3,145,000.00	08/07/2013	100.000	
	04/01/2027	4.625%	3,295,000.00	08/07/2013	100.000	
TERM32	04/01/2028	5.000%	3,690,000.00	08/07/2013	100.000	
	04/01/2029	5.000%	3,875,000.00	08/07/2013	100.000	
	04/01/2030	5.000%	4,065,000.00	08/07/2013	100.000	
	04/01/2031	5.000%	4,270,000.00	08/07/2013	100.000	
	04/01/2032	5.000%	1,000,000.00	08/07/2013	100.000	
TERM35	04/01/2032	5.000%	3,935,000.00	08/07/2013	100.000	
	04/01/2033	5.000%	5,500,000.00	08/07/2013	100.000	
	04/01/2034	5.000%	5,770,000.00	08/07/2013	100.000	
	04/01/2035	5.000%	6,060,000.00	08/07/2013	100.000	
			44,605,000.00			
Series 2003B, 2003B:						
TERM43	04/01/2021	3.920%	1,510,000.00	08/07/2013	100.000	
	04/01/2022	3.920%	1,575,000.00	08/07/2013	100.000	
	04/01/2023	3.920%	1,635,000.00	08/07/2013	100.000	
	04/01/2024	3.920%	1,700,000.00	08/07/2013	100.000	
	04/01/2025	3.920%	1,770,000.00	08/07/2013	100.000	
	04/01/2036	3.920%	4,080,000.00	08/07/2013	100.000	
	04/01/2037	3.920%	4,250,000.00	08/07/2013	100.000	
	04/01/2038	3.920%	4,420,000.00	08/07/2013	100.000	
	04/01/2039	3.920%	4,595,000.00	08/07/2013	100.000	
	04/01/2040	3.920%	4,780,000.00	08/07/2013	100.000	
	04/01/2041	3.920%	4,975,000.00	08/07/2013	100.000	
	04/01/2042	3.920%	5,175,000.00	08/07/2013	100.000	
	04/01/2043	3.920%	5,385,000.00	08/07/2013	100.000	
				45,850,000.00		
				112,140,000.00		

SAVINGS

Special Obligation Court Facilities Bonds (Traffic Surcharge Revenues)  
Series 2013B  
Preliminary Numbers

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 08/07/2013 @ 4.5638233%
04/01/2014	7,715,772.50	3,284,222.50	4,431,550.00	4,342,399.12
04/01/2015	7,715,920.00	7,777,650.00	-61,730.00	-58,854.73
04/01/2016	7,717,445.00	7,780,900.00	-63,455.00	-58,312.14
04/01/2017	7,717,557.50	7,776,600.00	-59,042.50	-52,534.77
04/01/2018	7,716,020.00	7,776,000.00	-59,980.00	-51,263.03
04/01/2019	7,717,595.00	7,780,750.00	-63,155.00	-51,489.72
04/01/2020	7,716,807.50	7,777,750.00	-60,942.50	-47,602.51
04/01/2021	5,513,420.00	5,557,000.00	-43,580.00	-33,229.58
04/01/2022	5,519,228.00	5,564,000.00	-44,772.00	-32,540.79
04/01/2023	5,517,488.00	5,562,500.00	-45,012.00	-31,225.15
04/01/2024	5,518,396.00	5,562,750.00	-44,354.00	-29,400.58
04/01/2025	5,521,756.00	5,564,500.00	-42,744.00	-27,107.05
04/01/2026	6,827,372.00	6,862,500.00	-35,128.00	-21,558.48
04/01/2027	6,831,915.76	6,866,750.00	-34,834.24	-20,446.79
04/01/2028	7,074,522.00	7,108,500.00	-33,978.00	-19,097.52
04/01/2029	7,075,022.00	7,110,500.00	-35,478.00	-19,059.91
04/01/2030	7,071,272.00	7,103,750.00	-32,478.00	-16,868.32
04/01/2031	7,073,022.00	7,108,250.00	-35,228.00	-17,429.69
04/01/2032	7,524,522.00	7,558,000.00	-33,478.00	-15,971.51
04/01/2033	7,842,772.00	7,875,250.00	-32,478.00	-14,920.62
04/01/2034	7,837,772.00	7,870,000.00	-32,228.00	-14,230.11
04/01/2035	7,839,272.00	7,872,000.00	-32,728.00	-13,857.04
04/01/2036	5,556,272.00	5,705,250.00	-148,978.00	-55,144.07
04/01/2037	5,566,336.00	5,717,500.00	-151,164.00	-53,334.12
04/01/2038	5,569,736.00	5,719,500.00	-149,764.00	-50,384.04
04/01/2039	5,571,472.00	5,721,250.00	-149,778.00	-48,022.00
04/01/2040	5,576,348.00	5,727,250.00	-150,902.00	-46,090.43
04/01/2041	5,583,972.00	5,736,750.00	-152,778.00	-44,437.86
04/01/2042	5,588,952.00	5,739,000.00	-150,048.00	-41,562.66
04/01/2043	5,596,092.00	5,748,750.00	-152,658.00	-40,241.82
	199,214,049.26	196,915,372.50	2,298,676.76	3,316,182.11

Savings Summary

PV of savings from cash flow	3,316,182.11
Less: Prior funds on hand	-16,067,509.23
Plus: Refunding funds on hand	7,142,109.05
Net PV Savings	-5,609,218.07



BOND DEBT SERVICE BREAKDOWN

Special Obligation Court Facilities Bonds (Traffic Surcharge Revenues)  
 2013AB New Money and Refunding Bonds  
 Preliminary Numbers

Period Ending	Series 2013A	Series 2013B	Total
04/01/2014	2,260,130	3,284,222.50	5,544,352.50
04/01/2015	1,474,500	7,777,650.00	9,252,150.00
04/01/2016	1,474,500	7,780,900.00	9,255,400.00
04/01/2017	1,474,500	7,776,600.00	9,251,100.00
04/01/2018	1,474,500	7,776,000.00	9,250,500.00
04/01/2019	1,474,500	7,780,750.00	9,255,250.00
04/01/2020	1,474,500	7,777,750.00	9,252,250.00
04/01/2021	2,974,500	5,557,000.00	8,531,500.00
04/01/2022	2,964,500	5,564,000.00	8,528,500.00
04/01/2023	2,966,250	5,562,500.00	8,528,750.00
04/01/2024	2,969,000	5,562,750.00	8,531,750.00
04/01/2025	2,967,500	5,564,500.00	8,532,000.00
04/01/2026	1,666,750	6,862,500.00	8,529,250.00
04/01/2027	1,661,500	6,866,750.00	8,528,250.00
04/01/2028	1,420,000	7,108,500.00	8,528,500.00
04/01/2029	1,419,000	7,110,500.00	8,529,500.00
04/01/2030	1,427,000	7,103,750.00	8,530,750.00
04/01/2031	1,418,500	7,108,250.00	8,526,750.00
04/01/2032	969,250	7,558,000.00	8,527,250.00
04/01/2033	906,250	7,875,250.00	8,781,500.00
04/01/2034	906,250	7,870,000.00	8,776,250.00
04/01/2035	906,250	7,872,000.00	8,778,250.00
04/01/2036	2,826,250	5,705,250.00	8,531,500.00
04/01/2037	2,810,250	5,717,500.00	8,527,750.00
04/01/2038	2,810,250	5,719,500.00	8,529,750.00
04/01/2039	2,810,250	5,721,250.00	8,531,500.00
04/01/2040	2,800,000	5,727,250.00	8,527,250.00
04/01/2041	2,794,750	5,736,750.00	8,531,500.00
04/01/2042	2,789,000	5,739,000.00	8,528,000.00
04/01/2043	2,782,500	5,748,750.00	8,531,250.00
	61,072,880	196,915,372.50	257,988,252.50

