

Memorandum



Date: July 15, 2013
To: Honorable Chairwoman Rebeca Sosa
and Members, Board of County Commissioners
From: Carlos A. Gimenez,
County Mayor
Subject: Updated Market Conditions as of July 11, 2013 for Seaport Revenue Bonds, Series 2013 and Seaport Revenue Refunding Bonds, Series 2013 – Legistar 131251

This updates Attachment 2 included in the proposed Seaport Revenue Bonds, Series 2013 and Seaport Revenue Refunding Bonds, Series 2013 listed as item 5C on the July 16, 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 2013 Seaport Revenue and Revenue Refunding 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. 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 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 \$395,000,000	N/A	5.00 percent	N/A	October 1, 2042
Initial Run of Attachment 2, June 5, 2013	\$384,300,976	\$3,532,211	9.87 percent	\$2,125,680 (Series 2013)	October 1, 2042
Rerun of Attachment 2, July 11, 2013	\$376,820,000	\$2,594,003	7.21 percent	\$2,269,259 (Series 2013)	October 1, 2042

The Initial Run of Attachment 2 was based on the interest rates one would have expected to receive in the bond market as of June 5, 2013. The Rerun of Attachment 2 (attached to this memorandum) is based on the interest rates one would have expected to receive as of July 11, 2013. As outlined in the transmittal memorandum to the series resolution, this refunding is recommended because it generates economic savings in excess of five percent on debt service payments with final maturities no greater than the final maturities of the previously issued Seaport Series 1995 and 1996 Bonds (Refunded Bonds).

The estimated debt service on the proposed Series 2013 Revenue and Revenue Refunding Bonds is outlined on page four of Attachment 2. The estimated true interest cost (TIC) on the transaction is

Honorable Chairwoman Rebeca Sosa
and Members, Board of County Commissioners
Page 2

5.13 percent and maximum annual debt service is \$27,169,934 (see Attachment 2, page two). Total proceeds of the Series 2013 Bonds amounting to \$395.75 million will fund \$276.8 million worth of projects, \$31.4 million to pay off the Refunded Bonds, and \$87.5 million to pay capitalized interest, reserve funds and other costs of issuance (see Attachment 2, page one).

If you have any questions, please contact Deputy Mayor Edward Marquez at 305-375-1451, 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

TABLE OF CONTENTS

Miami-Dade County Seaport Department
Revenue and Revenue Refunding Bonds, Series 2013
*** Preliminary ***
Rates as of Close of Business July 11, 2013

Report	Page
Sources and Uses of Funds	1
Bond Summary Statistics	2
Net Debt Service	4
Summary of Refunding Results	5
Savings	6

SOURCES AND USES OF FUNDS

Miami-Dade County Seaport Department
 Revenue and Revenue Refunding Bonds, Series 2013
 *** Preliminary ***
 Rates as of Close of Business July 11, 2013

Dated Date 09/11/2013
 Delivery Date 09/11/2013

Sources:	Seaport Revenue Bonds, Series 2013A	Seaport Revenue Bonds, Series 2013B (AMT)	Seaport Revenue Refunding Bonds, Series 2013C	Seaport Revenue Refunding Bonds, Series 2013D (AMT)	Total
Bond Proceeds:					
Par Amount	238,720,000.00	108,200,000.00	12,035,000.00	17,865,000.00	376,820,000.00
Premium	12,401,806.60	4,685,785.85	519,630.00	1,322,797.55	18,930,020.00
	251,121,806.60	112,885,785.85	12,554,630.00	19,187,797.55	395,750,020.00
Uses:					
Project Fund Deposits:					
Project Fund	191,810,000.00	84,998,000.00			276,808,000.00
Refunding Escrow Deposits:					
Cash Deposit			0.42	0.30	0.72
SLGS Purchases			12,409,724.00	18,969,287.00	31,379,011.00
			12,409,724.42	18,969,287.30	31,379,011.72
Other Fund Deposits:					
Capitalized Interest Fund	38,702,662.50	18,405,139.50			57,107,802.00
Debt Service Reserve Fund	17,741,594.85	8,183,492.65			25,925,087.50
	56,444,257.35	26,588,632.15			83,032,889.50
Cost of Issuance:					
Other Cost of Issuance	1,432,320.00	649,200.00	72,210.00	107,190.00	2,260,920.00
Delivery Date Expenses:					
Underwriter's Discount	1,432,320.00	649,200.00	72,210.00	107,190.00	2,260,920.00
Other Uses of Funds:					
Additional Proceeds	2,909.25	753.70	485.58	4,130.25	8,278.78
	251,121,806.60	112,885,785.85	12,554,630.00	19,187,797.55	395,750,020.00

BOND SUMMARY STATISTICS

Miami-Dade County Seaport Department
Revenue and Revenue Refunding Bonds, Series 2013

*** Preliminary ***

Rates as of Close of Business July 11, 2013

Dated Date	09/11/2013
Delivery Date	09/11/2013
First Coupon	04/01/2014
Last Maturity	10/01/2042
Arbitrage Yield	4.789698%
True Interest Cost (TIC)	5.130397%
Net Interest Cost (NIC)	5.314349%
All-In TIC	5.182237%
Average Coupon	5.552467%
Average Life (years)	18.577
Duration of Issue (years)	11.419
Par Amount	376,820,000.00
Bond Proceeds	395,750,020.00
Total Interest	388,691,006.21
Net Interest	372,021,906.21
Total Debt Service	765,511,006.21
Maximum Annual Debt Service	27,169,934.00
Average Annual Debt Service	26,346,459.10
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	6.000000
Total Underwriter's Discount	6.000000
Bid Price	104.423624

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
Series 2013C Serial Bonds	12,035,000.00	104.318	3.668%	1.564	1,935.35
Series 2013D Serial Bonds	17,865,000.00	107.404	5.049%	7.726	11,168.95
Series 2013B Serial Bonds	53,040,000.00	105.359	5.438%	12.946	39,076.10
Series 2013A Serial Bonds	110,975,000.00	107.688	5.370%	13.565	85,753.45
Series 2013A Term Bond 1	63,130,000.00	103.431	5.500%	23.165	50,504.00
Series 2013B Term Bond 1	26,955,000.00	103.740	6.000%	23.175	21,024.90
Series 2013A Term Bond 2	64,615,000.00	102.637	5.500%	27.624	50,399.70
Series 2013B Term Bond 2	28,205,000.00	102.962	6.000%	27.631	21,999.90
	376,820,000.00			18.577	281,862.35

BOND SUMMARY STATISTICS

Miami-Dade County Seaport Department
 Revenue and Revenue Refunding Bonds, Series 2013

*** Preliminary ***

Rates as of Close of Business July 11, 2013

	TIC	All-In TIC	Arbitrage Yield
Par Value	376,820,000.00	376,820,000.00	376,820,000.00
+ Accrued Interest			
+ Premium (Discount)	18,930,020.00	18,930,020.00	18,930,020.00
- Underwriter's Discount	(2,260,920.00)	(2,260,920.00)	
- Cost of Issuance Expense		(2,260,920.00)	
- Other Amounts			
Target Value	393,489,100.00	391,228,180.00	395,750,020.00
Target Date	09/11/2013	09/11/2013	09/11/2013
Yield	5.130397%	5.182237%	4.789698%

NET DEBT SERVICE

Miami-Dade County Seaport Department
 Revenue and Revenue Refunding Bonds, Series 2013

*** Preliminary ***

Rates as of Close of Business July 11, 2013

Period Ending	Principal	Interest	Total Debt Service	Capitalized Interest Fund	Net Debt Service
09/30/2014		11,293,949.45	11,293,949.45	10,575,518.89	718,430.56
09/30/2015	6,945,000	20,224,934.00	27,169,934.00	19,035,934.00	8,134,000.00
09/30/2016	7,175,000	19,977,259.00	27,152,259.00	19,035,934.00	8,116,325.00
09/30/2017	6,245,000	19,677,634.00	25,922,634.00	8,460,415.11	17,462,218.89
09/30/2018	6,565,000	19,357,384.00	25,922,384.00		25,922,384.00
09/30/2019	6,900,000	19,020,759.00	25,920,759.00		25,920,759.00
09/30/2020	7,255,000	18,666,884.00	25,921,884.00		25,921,884.00
09/30/2021	7,630,000	18,294,759.00	25,924,759.00		25,924,759.00
09/30/2022	8,020,000	17,903,509.00	25,923,509.00		25,923,509.00
09/30/2023	8,430,000	17,492,259.00	25,922,259.00		25,922,259.00
09/30/2024	8,860,000	17,060,009.00	25,920,009.00		25,920,009.00
09/30/2025	9,315,000	16,605,634.00	25,920,634.00		25,920,634.00
09/30/2026	9,805,000	16,115,377.75	25,920,377.75		25,920,377.75
09/30/2027	10,335,000	15,586,702.75	25,921,702.75		25,921,702.75
09/30/2028	10,890,000	15,029,546.50	25,919,546.50		25,919,546.50
09/30/2029	11,495,000	14,427,571.50	25,922,571.50		25,922,571.50
09/30/2030	12,145,000	13,777,471.50	25,922,471.50		25,922,471.50
09/30/2031	12,835,000	13,088,155.88	25,923,155.88		25,923,155.88
09/30/2032	13,565,000	12,357,287.13	25,922,287.13		25,922,287.13
09/30/2033	14,340,000	11,582,096.50	25,922,096.50		25,922,096.50
09/30/2034	15,165,000	10,759,010.75	25,924,010.75		25,924,010.75
09/30/2035	16,040,000	9,882,562.50	25,922,562.50		25,922,562.50
09/30/2036	16,975,000	8,950,087.50	25,925,087.50		25,925,087.50
09/30/2037	17,960,000	7,963,300.00	25,923,300.00		25,923,300.00
09/30/2038	19,005,000	6,919,075.00	25,924,075.00		25,924,075.00
09/30/2039	20,105,000	5,814,150.00	25,919,150.00		25,919,150.00
09/30/2040	21,275,000	4,644,987.50	25,919,987.50		25,919,987.50
09/30/2041	22,510,000	3,407,762.50	25,917,762.50		25,917,762.50
09/30/2042	23,825,000	2,098,362.50	25,923,362.50		25,923,362.50
09/30/2043	25,210,000	712,525.00	25,922,525.00		25,922,525.00
	376,820,000	388,691,006.21	765,511,006.21	57,107,802.00	708,403,204.21

SUMMARY OF REFUNDING RESULTS

Miami-Dade County Seaport Department
Revenue and Revenue Refunding Bonds, Series 2013

*** Preliminary ***

Rates as of Close of Business July 11, 2013

Dated Date	09/11/2013
Delivery Date	09/11/2013
Arbitrage yield	4.789698%
Escrow yield	0.009709%
Value of Negative Arbitrage	142,108.18
Bond Par Amount	29,900,000.00
True Interest Cost	3.615232%
Net Interest Cost	3.822876%
Average Coupon	4.883202%
Average Life	5.246
Par amount of refunded bonds	30,460,000.00
Average coupon of refunded bonds	5.501938%
Average life of refunded bonds	5.334
PV of prior debt to 09/11/2013 @ 4.789698%	32,160,976.89
Net PV Savings	2,194,868.54
Percentage savings of refunded bonds	7.205740%
Percentage savings of refunding bonds	7.340697%

SAVINGS

Miami-Dade County Seaport Department
Revenue and Revenue Refunding Bonds, Series 2013

*** Preliminary ***

Rates as of Close of Business July 11, 2013

Date	Prior Debt Service	Refunding Debt Service	Savings	Annual Savings	Present Value to 09/11/2013 @ 4.7896984%
10/01/2013	848,588.75		848,588.75		846,360.25
04/01/2014	848,588.75	718,430.56	130,158.19		126,780.18
09/30/2014				978,746.94	
10/01/2014	7,708,588.75	7,591,587.50	117,001.25		111,299.26
04/01/2015	652,878.75	542,412.50	110,466.25		102,625.02
09/30/2015				227,467.50	
10/01/2015	7,902,878.75	7,717,412.50	185,466.25		168,271.45
04/01/2016	446,038.75	398,912.50	47,126.25		41,757.10
09/30/2016				232,592.50	
10/01/2016	1,571,038.75	1,508,912.50	62,126.25		53,760.64
04/01/2017	415,382.50	371,162.50	44,220.00		37,370.59
09/30/2017				106,346.25	
10/01/2017	1,600,382.50	1,536,162.50	64,220.00		53,003.36
04/01/2018	383,387.50	342,037.50	41,350.00		33,329.63
09/30/2018				105,570.00	
10/01/2018	1,633,387.50	1,567,037.50	66,350.00		52,229.73
04/01/2019	349,637.50	311,412.50	38,225.00		29,386.39
09/30/2019				104,575.00	
10/01/2019	1,669,637.50	1,601,412.50	68,225.00		51,222.90
04/01/2020	313,997.50	279,162.50	34,835.00		25,542.20
09/30/2020				103,060.00	
10/01/2020	1,703,997.50	1,629,162.50	74,835.00		53,588.20
04/01/2021	276,467.50	245,412.50	31,055.00		21,717.90
09/30/2021				105,890.00	
10/01/2021	1,741,467.50	1,665,412.50	76,055.00		51,944.07
04/01/2022	236,912.50	209,912.50	27,000.00		18,009.18
09/30/2022				103,055.00	
10/01/2022	1,781,912.50	1,699,912.50	82,000.00		53,415.32
04/01/2023	194,425.00	172,662.50	21,762.50		13,844.67
09/30/2023				103,762.50	
10/01/2023	1,824,425.00	1,732,662.50	91,762.50		57,011.31
04/01/2024	149,600.00	133,662.50	15,937.50		9,670.25
09/30/2024				107,700.00	
10/01/2024	1,869,600.00	1,773,662.50	95,937.50		56,849.67
04/01/2025	102,300.00	92,662.50	9,637.50		5,577.32
09/30/2025				105,575.00	
10/01/2025	1,912,300.00	1,812,662.50	99,637.50		56,312.67
04/01/2026	52,525.00	47,512.50	5,012.50		2,766.68
09/30/2026				104,650.00	
10/01/2026	1,962,525.00	1,857,512.50	105,012.50		56,606.73
09/30/2027				105,012.50	
	40,152,871.25	37,558,868.06	2,594,003.19	2,594,003.19	2,190,252.72

Savings Summary

PV of savings from cash flow	2,190,252.72
Plus: Refunding funds on hand	4,615.83
Net PV Savings	2,194,868.55