

Memorandum



Date: June 6, 2014

To: Honorable Xavier L. Suarez
County Commissioner, District 7

From: Carlos A. Gimenez
Mayor 

Subject: Response to Inquiry on Sale of Seaport Variable Rate Demand Revenue Bonds, Series 2014A and 2014B

The following is in response to your inquiry dated May 29, 2014 regarding the sale of Seaport Variable Rate Demand Bonds, Series 2014A and 2014B. More specifically, you had asked, in response to the post sale memorandum issued to the Board of County Commissioners on May 21, 2014, how often can the variable rates be adjusted.

As stated in the fifth paragraph of the post-sale memorandum, "the total principal and interest payments to be made over the 36 year life of the Series 2014 Bonds cannot be calculated as the rate of interest will change weekly." Because variable rates change weekly, for debt service projections, the Seaport shall use the amount that will be budgeted annually, which is the average 30-year weekly interest rate (2.43 percent) plus the cost of the line of credit (0.55 percent) and remarketing fee (0.08 percent), rounded to three percent.

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

c: Honorable Chairwoman Rebeca Sosa
and Members, Board of County Commissioners
Robert A. Cuevas, Jr., County Attorney
Office of the Mayor Senior Staff
Blanca Padron, Deputy Director, Finance Department
Frank Hinton, Division Director, Bond Administration, Finance Department
Charles Anderson, Commission Auditor