

# Memorandum



**Date:** December 18, 2014

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

**From:** Carlos A. Gimenez  
Mayor 

**Subject:** Miami-Dade County, Aviation Revenue Refunding Bonds, Series 2014A (AMT) and 2014B (Non-AMT) Post-Sale and Ratings Update

I am pleased to report on the successful sale of the Aviation Revenue Refunding Bonds, Series 2014A Alternative Minimum Tax (AMT) for \$598.915 million and the Aviation Revenue Refunding Bonds, Series 2014B (Non-AMT) for \$162.225 million (collectively, the Series 2014 Bonds).

The issuance of the Series 2014 Bonds was approved by the Board of County Commissioners (Board) on November 5, 2014 in an amount not to exceed of \$812 million. The Series 2014 Bonds were successfully priced on December 2, 2014 by Wells Fargo Securities, LLC (Wells Fargo), the senior manager for the transaction, and are scheduled to close on December 17, 2014.

Pursuant to Resolution R-1313-09, results from the negotiated pricing are summarized in the chart below and compared to the initial number runs of October 10, 2014 as well as the number run update provided at the time of Board approval:

Number Run	Par Amount of Refunding Bonds to be Issued	Gross Debt Service Savings over Life of the Refunding Bonds	Net Present Value Savings	Issuance Cost	Final Maturity
Attachment 1 as of October 10, 2014	Not to exceed \$812,000,000.00	\$146,581,986.53	9.64 percent or greater; estimated at \$78,366,876.01	\$3,332,610.00	October 1, 2037
Rerun of Attachment 1 as of October 30, 2014	\$736,045,000.00	\$155,811,135.41	10.34 percent or greater; estimated at \$83,975,498.20	\$3,312,202.50	October 1, 2037
Final Pricing December 2, 2014	\$761,140,000	\$155,995,485.97	10.06 percent at \$84,344,766.59	\$2,119,999.50	October 1, 2037

The Bond Sale resulted in a True Interest Cost of 4.13 percent, with gross debt service savings of \$155.995 million that represent net present value savings of \$84.3 million or 10.06 percent of the Refunded Bonds. The final maturity of the Refunded Bonds was October 1, 2037 and the final maturity of the Series 2014 Refunding Bonds is October 1, 2037. The Series 2014 Bonds were sold in accordance with the delegation parameters of Resolution R-971-14, which required the net present value savings to be greater than five (5) percent and the final maturity of the Series 2014 Bonds not surpass the final maturity of the Refunded Bonds.

The total principal and interest payments to be made over the life of the Series 2014 Bonds are \$1.475 billion, which is a reduction of \$156 million in the debt service that would have been paid on the Refunded Bonds.

The firms that participated as part of the financing team include:

Bond Counsel:	Greenberg Traurig, P.A.
Co-Bond Counsel:	Edwards and Associates P.A.
Disclosure Counsel:	Hunton & Williams, LLP
Co-Disclosure Counsel:	Law Offices Thomas H. Williams, Jr., P.L.
Financial Advisor:	First Southwest Company
Co-Financial Advisor:	Frasca & Associates, LLC
Senior Underwriter:	Wells Fargo Securities, LLC
Remaining Underwriting Team:	Cabrera Capital Markets, LLC Rice Financial Products Company Siebert Branford Shank & Co., LLC Jefferies Barclays Blaylock Beal Van, LLC Citigroup Drexel Hamilton, LLC Estrada Hinojosa & Company, Inc. Loop Capital Markets RBC Capital Markets Ramirez & Co., Inc.
Underwriter's Counsel:	Bryant Miller Olive, P.A.
Trustee/Paying Agent/ Registrar:	The Bank of New York Mellon
Co-Trustee:	US Bank

Ancillary Services are provided by:

Verification Agent:	Robert Thomas CPA, LLC
Financial Printer:	ImageMaster

The County applied for ratings from all three major credit agencies – Moody's Investors Service (Moody's), Fitch Ratings (Fitch) and Standard & Poor's Ratings Services (S&P). All three rating agencies Moody's, S&P and Fitch affirmed their rating and Stable Outlook on the County's Aviation Bonds of "A2", "A", and "A", respectively.

Attachments

c: Robert A. Cuevas, Jr., County Attorney  
Edward Marquez, Deputy Mayor/Finance Director  
Emilio T. Gonzalez, Aviation Director  
Jennifer Moon, Director, Office of Management and Budget  
Blanca Padron, Deputy Director, Finance Department  
Frank P. Hinton, Director, Division of Bond Administration, Finance Department  
Anne Syrcle Lee, Chief Financial Officer, Aviation Department  
Charles Anderson, Commission Auditor

SAVINGS

Miami Dade County Aviation Department  
 Aviation Revenue Refunding Bonds, Series 2014A (AMT) and 2014B  
 Final Verified Numbers

Date	Prior Debt Service	Prior Receipts	Prior Net Cash Flow	Refunding Debt Service	Savings
10/01/2015	41,530,726.26	6,921,787.71	34,608,938.55	34,603,852.78	5,085.77
10/01/2016	41,705,726.26		41,705,726.26	41,701,800.00	3,926.26
10/01/2017	41,702,676.26		41,702,676.26	41,698,250.00	4,426.26
10/01/2018	41,704,396.26		41,704,396.26	41,699,250.00	5,146.26
10/01/2019	41,705,656.26		41,705,656.26	41,705,000.00	656.26
10/01/2020	41,706,456.26		41,706,456.26	41,704,750.00	1,706.26
10/01/2021	41,701,796.26		41,701,796.26	36,738,250.00	4,963,546.26
10/01/2022	41,701,906.26		41,701,906.26	36,738,250.00	4,963,656.26
10/01/2023	41,701,556.26		41,701,556.26	36,738,250.00	4,963,306.26
10/01/2024	41,705,746.26		41,705,746.26	36,738,250.00	4,967,496.26
10/01/2025	71,784,246.26		71,784,246.26	60,463,250.00	11,320,996.26
10/01/2026	44,199,606.26		44,199,606.26	35,552,000.00	8,647,606.26
10/01/2027	62,670,856.26		62,670,856.26	51,347,000.00	11,323,856.26
10/01/2028	62,678,106.26		62,678,106.26	51,352,250.00	11,325,856.26
10/01/2029	62,382,856.26		62,382,856.26	51,057,750.00	11,325,106.26
10/01/2030	62,353,643.76		62,353,643.76	51,026,500.00	11,327,143.76
10/01/2031	62,352,893.76		62,352,893.76	51,034,000.00	11,318,893.76
10/01/2032	119,769,268.76		119,769,268.76	108,446,250.00	11,323,018.76
10/01/2033	179,134,031.26		179,134,031.26	167,810,750.00	11,323,281.26
10/01/2034	90,692,993.76		90,692,993.76	79,369,000.00	11,323,993.76
10/01/2035	182,652,931.26		182,652,931.26	171,329,750.00	11,323,181.26
10/01/2036	168,083,850.00		168,083,850.00	156,758,750.00	11,325,100.00
10/01/2037	52,500,000.00		52,500,000.00	49,591,500.00	2,908,500.00
	1,638,121,926.46	6,921,787.71	1,631,200,138.75	1,475,204,652.78	155,995,485.97

Savings Summary

Savings PV date	12/17/2014
Savings PV rate	4.158887%
PV of savings from cash flow	84,341,492.10
Plus: Refunding funds on hand	3,274.49
<b>Net PV Savings</b>	<b>84,344,766.59</b>

SUMMARY OF REFUNDING RESULTS

Miami Dade County Aviation Department  
 Aviation Revenue Refunding Bonds, Series 2014A (AMT) and 2014B  
 Final Verified Numbers

Dated Date	12/17/2014
Delivery Date	12/17/2014
Arbitrage yield	3.564404%
Escrow yield	0.031972%
Value of Negative Arbitrage	1,855,313.11
Bond Par Amount	761,140,000.00
True Interest Cost	4.138559%
Net Interest Cost	4.412374%
All-In TIC	4.158887%
Average Coupon	4.997908%
Average Life	18.771
Weighted Average Maturity	18.743
Par amount of refunded bonds	838,325,000.00
Average coupon of refunded bonds	4.959635%
Average life of refunded bonds	19.025
Remaining weighted average maturity of refunded bonds	19.011
PV of prior debt to 12/17/2014 @ 4.158887%	933,940,082.55
Net PV Savings	84,344,766.59
Percentage savings of refunded bonds	10.061106%

SOURCES AND USES OF FUNDS

Miami Dade County Aviation Department  
 Aviation Revenue Refunding Bonds, Series 2014A (AMT) and 2014B  
 Final Verified Numbers

Dated Date 12/17/2014  
 Delivery Date 12/17/2014

Sources:	Airport Revenue Refunding Bonds, Series 2014A (AMT)	Airport Revenue Refunding Bonds, Series 2014B	Total
<b>Bond Proceeds:</b>			
Par Amount	598,915,000.00	162,225,000.00	761,140,000.00
Premium	64,257,232.15	23,273,648.80	87,530,880.95
	<u>663,172,232.15</u>	<u>185,498,648.80</u>	<u>848,670,880.95</u>
<b>Other Sources of Funds:</b>			
Debt Service Fund Transfer	5,419,394.79	1,502,392.92	6,921,787.71
	<u>668,591,626.94</u>	<u>187,001,041.72</u>	<u>855,592,668.66</u>
<b>Uses:</b>			
<b>Refunding Escrow Deposits:</b>			
Cash Deposit	0.19	0.77	0.96
SLGS Purchases	663,869,092.00	185,726,223.00	849,595,315.00
	<u>663,869,092.19</u>	<u>185,726,223.77</u>	<u>849,595,315.96</u>
<b>Delivery Date Expenses:</b>			
Cost of Issuance	1,668,155.00	451,844.50	2,119,999.50
Underwriter's Discount	3,051,468.82	822,609.89	3,874,078.71
	<u>4,719,623.82</u>	<u>1,274,454.39</u>	<u>5,994,078.21</u>
<b>Other Uses of Funds:</b>			
Additional Proceeds	2,910.93	363.56	3,274.49
	<u>668,591,626.94</u>	<u>187,001,041.72</u>	<u>855,592,668.66</u>

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BOND DEBT SERVICE

Miami Dade County Aviation Department  
 Aviation Revenue Refunding Bonds, Series 2014A (AMT) and 2014B  
 Final Verified Numbers

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
04/01/2015			10,934,227.78	10,934,227.78	
10/01/2015	4,745,000	1.000%	18,924,625.00	23,669,625.00	34,603,852.78
04/01/2016			18,900,900.00	18,900,900.00	
10/01/2016	3,900,000	** %	18,900,900.00	22,800,900.00	41,701,800.00
04/01/2017			18,809,125.00	18,809,125.00	
10/01/2017	4,080,000	5.000%	18,809,125.00	22,889,125.00	41,698,250.00
04/01/2018			18,707,125.00	18,707,125.00	
10/01/2018	4,285,000	5.000%	18,707,125.00	22,992,125.00	41,699,250.00
04/01/2019			18,600,000.00	18,600,000.00	
10/01/2019	4,505,000	5.000%	18,600,000.00	23,105,000.00	41,705,000.00
04/01/2020			18,487,375.00	18,487,375.00	
10/01/2020	4,730,000	5.000%	18,487,375.00	23,217,375.00	41,704,750.00
04/01/2021			18,369,125.00	18,369,125.00	
10/01/2021			18,369,125.00	18,369,125.00	36,738,250.00
04/01/2022			18,369,125.00	18,369,125.00	
10/01/2022			18,369,125.00	18,369,125.00	36,738,250.00
04/01/2023			18,369,125.00	18,369,125.00	
10/01/2023			18,369,125.00	18,369,125.00	36,738,250.00
04/01/2024			18,369,125.00	18,369,125.00	
10/01/2024			18,369,125.00	18,369,125.00	36,738,250.00
04/01/2025			18,369,125.00	18,369,125.00	
10/01/2025	23,725,000	5.000%	18,369,125.00	42,094,125.00	60,463,250.00
04/01/2026			17,776,000.00	17,776,000.00	
10/01/2026			17,776,000.00	17,776,000.00	35,552,000.00
04/01/2027			17,776,000.00	17,776,000.00	
10/01/2027	15,795,000	5.000%	17,776,000.00	33,571,000.00	51,347,000.00
04/01/2028			17,381,125.00	17,381,125.00	
10/01/2028	16,590,000	5.000%	17,381,125.00	33,971,125.00	51,352,250.00
04/01/2029			16,966,375.00	16,966,375.00	
10/01/2029	17,125,000	5.000%	16,966,375.00	34,091,375.00	51,057,750.00
04/01/2030			16,538,250.00	16,538,250.00	
10/01/2030	17,950,000	5.000%	16,538,250.00	34,488,250.00	51,026,500.00
04/01/2031			16,089,500.00	16,089,500.00	
10/01/2031	18,855,000	5.000%	16,089,500.00	34,944,500.00	51,034,000.00
04/01/2032			15,618,125.00	15,618,125.00	
10/01/2032	77,210,000	5.000%	15,618,125.00	92,828,125.00	108,446,250.00
04/01/2033			13,687,875.00	13,687,875.00	
10/01/2033	140,435,000	5.000%	13,687,875.00	154,122,875.00	167,810,750.00
04/01/2034			10,177,000.00	10,177,000.00	
10/01/2034	59,015,000	** %	10,177,000.00	69,192,000.00	79,369,000.00
04/01/2035			8,704,875.00	8,704,875.00	
10/01/2035	153,920,000	5.000%	8,704,875.00	162,624,875.00	171,329,750.00
04/01/2036			4,856,875.00	4,856,875.00	
10/01/2036	147,045,000	5.000%	4,856,875.00	151,901,875.00	156,758,750.00
04/01/2037			1,180,750.00	1,180,750.00	
10/01/2037	47,230,000	5.000%	1,180,750.00	48,410,750.00	49,591,500.00
	761,140,000		714,064,652.78	1,475,204,652.78	1,475,204,652.78

BOND DEBT SERVICE

Miami Dade County Aviation Department  
 Aviation Revenue Refunding Bonds, Series 2014A (AMT) and 2014B  
 Final Verified Numbers

Period Ending	Principal	Coupon	Interest	Debt Service
10/01/2015	4,745,000	1.000%	29,858,852.78	34,603,852.78
10/01/2016	3,900,000	** %	37,801,800.00	41,701,800.00
10/01/2017	4,080,000	5.000%	37,618,250.00	41,698,250.00
10/01/2018	4,285,000	5.000%	37,414,250.00	41,699,250.00
10/01/2019	4,505,000	5.000%	37,200,000.00	41,705,000.00
10/01/2020	4,730,000	5.000%	36,974,750.00	41,704,750.00
10/01/2021			36,738,250.00	36,738,250.00
10/01/2022			36,738,250.00	36,738,250.00
10/01/2023			36,738,250.00	36,738,250.00
10/01/2024			36,738,250.00	36,738,250.00
10/01/2025	23,725,000	5.000%	36,738,250.00	60,463,250.00
10/01/2026			35,552,000.00	35,552,000.00
10/01/2027	15,795,000	5.000%	35,552,000.00	51,347,000.00
10/01/2028	16,590,000	5.000%	34,762,250.00	51,352,250.00
10/01/2029	17,125,000	5.000%	33,932,750.00	51,057,750.00
10/01/2030	17,950,000	5.000%	33,076,500.00	51,026,500.00
10/01/2031	18,855,000	5.000%	32,179,000.00	51,034,000.00
10/01/2032	77,210,000	5.000%	31,236,250.00	108,446,250.00
10/01/2033	140,435,000	5.000%	27,375,750.00	167,810,750.00
10/01/2034	59,015,000	** %	20,354,000.00	79,369,000.00
10/01/2035	153,920,000	5.000%	17,409,750.00	171,329,750.00
10/01/2036	147,045,000	5.000%	9,713,750.00	156,758,750.00
10/01/2037	47,230,000	5.000%	2,361,500.00	49,591,500.00
	761,140,000		714,064,652.78	1,475,204,652.78