

Memorandum



Date: April 21, 2015
To: Honorable Chairman Jean Monestime
and Members, Board of County Commissioners
From: Carlos A. Gimenez
County Mayor
Subject: Updated Market Conditions for Item 8D2 on the April 21, 2015 Regular Meeting Agenda of the Board of County Commissioners - Legistar 150763

This memorandum updates Attachment 1 to the Cover Memorandum for Item 8D2 (Legistar 150763) on the April 21, 2015 Board of County Commissioners (Board) meeting agenda. The item relates to the proposed issuance of not to exceed \$675 million aggregate principal amount of Miami-Dade County, Florida Aviation Revenue and Revenue Refunding Bonds, Series 2015.

Resolution R-1313-09 requires that an initial number run attached to a Series Resolution for a bond transaction be updated prior to the Board's meeting for final consideration. 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 for all parity debt and projected debts service coverage. For refunding bonds, a number run must provide a comparison of the debt service on the bonds to be refunded with the estimated debt service of the proposed refunding bonds, the estimated net present value savings, the estimated cost of issuance and the estimated final maturity on the proposed refunding debt obligations.

The following table together with Attachment 1 to this memorandum summarizes the requirements of R-1313-09 for the proposed refunding transaction:

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
Initial Number Run of Attachment 1 as of March 19, 2015	\$538,880,000.00 not to exceed \$675,000,000.00	\$69,003,956.25	8.80 percent; estimated at \$44,923,875.01	\$4,777,634.49 including Underwriter's Discount	October 1, 2045
Rerun of Attachment 1 as of April 14, 2015	\$537,660,000.00	\$65,861,158.34	8.49 percent; estimated at \$43,037,478.33	\$4,768,486.01 including Underwriter's Discount	October 1, 2045

The current market update (Attachment 1 to this update memorandum) is based on expected interest rates of April 14, 2015, with the same debt structure as the initial number runs of March 19, 2015. Page 6 provides the projected annual debt service (\$1.025 billion) on the issuance of the Series 2015 Refunding and New Money Bonds and when comparing to the prior debt service (\$955.9 million) on Page 5, the proposed Series 2015 Bonds increases the debt service to be paid by the Aviation Department by \$69.6 million.

Should you have any questions regarding this financial update on the proposed Series 2015 Revenue and Revenue Refunding Bonds, please contact Deputy Mayor Edward Marquez at 375-1451.

Attachment

c: R.A. Cuevas, Jr., County Attorney
Office of the Mayor Senior Staff
Emilio T. Gonzalez, Director, Aviation Department
Jennifer Moon, Director, Office of Management and Budget
Frank P. Hinton, Director of Bond Administration, Finance Department
Charles Anderson, Commission Auditor

SOURCES AND USES OF FUNDS

Miami-Dade County, Florida
 Aviation Revenue and Revenue Refunding Bonds, Series 2015A&B
 Market Rates as of 4/14/2015
 Preliminary/Subject to Change

	Dated Date			
	07/07/2015			
	Delivery Date			
	07/07/2015			
Sources:	Series 2015A (AMT) New Money	Series 2015A (AMT) Refunding	Series 2015B (Non-AMT) Refunding	Total
Bond Proceeds:				
Par Amount	69,695,000.00	411,335,000.00	56,630,000.00	537,660,000.00
Premium	8,397,997.55	43,907,453.65	11,617,275.60	63,922,726.80
	<u>78,092,997.55</u>	<u>455,242,453.65</u>	<u>68,247,275.60</u>	<u>601,582,726.80</u>
Other Sources of Funds:				
Debt Service Fund		5,569,875.00	776,625.00	6,346,500.00
	<u>78,092,997.55</u>	<u>460,812,328.65</u>	<u>69,023,900.60</u>	<u>607,929,226.80</u>
Uses:	Series 2015A (AMT) New Money	Series 2015A (AMT) Refunding	Series 2015B (Non-AMT) Refunding	Total
Project Fund Deposits:				
Project Fund	75,000,000.00			75,000,000.00
Refunding Escrow Deposits:				
Cash Deposit		1.78	0.01	1.79
SLGS Purchases		457,169,006.00	68,518,983.00	525,687,989.00
		<u>457,169,007.78</u>	<u>68,518,983.01</u>	<u>525,687,990.79</u>
Other Fund Deposits:				
Debt Service Reserve Fund	2,472,750.00			2,472,750.00
Delivery Date Expenses:				
Cost of Issuance	264,803.05	1,545,512.37	216,104.59	2,026,420.01
Underwriter's Discount	355,444.50	2,097,808.50	288,813.00	2,742,066.00
	<u>620,247.55</u>	<u>3,643,320.87</u>	<u>504,917.59</u>	<u>4,768,486.01</u>
	<u>78,092,997.55</u>	<u>460,812,328.65</u>	<u>69,023,900.60</u>	<u>607,929,226.80</u>

BOND SUMMARY STATISTICS

Miami-Dade County, Florida
 Aviation Revenue and Revenue Refunding Bonds, Series 2015A&B
 Market Rates as of 4/14/2015
 Preliminary/Subject to Change

Dated Date	07/07/2015
Delivery Date	07/07/2015
First Coupon	10/01/2015
Last Maturity	10/01/2045
Arbitrage Yield	3.463162%
True Interest Cost (TIC)	4.062356%
Net Interest Cost (NIC)	4.373025%
All-In TIC	4.091094%
Average Coupon	5.000000%
Average Life (years)	18.149
Duration of Issue (years)	12.045
Par Amount	537,660,000.00
Bond Proceeds	601,582,726.80
Total Interest	487,903,449.99
Net Interest	426,722,789.19
Total Debt Service	1,025,563,449.99
Maximum Annual Debt Service	181,442,750.00
Average Annual Debt Service	33,921,613.56
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	5.100000
Total Underwriter's Discount	5.100000
Bid Price	111.379061

Bond Component	Par Value	Price	Average Coupon	Average Life	Duration	PV of 1 bp change
2015A - Serial Bonds	127,250,000.00	112.385	5.000%	7.658	4.902	72,112.20
2015A - Term Bond due in 2040	332,370,000.00	110.357	5.000%	22.747	14.285	295,809.30
2015B - Serial Bonds	56,630,000.00	120.514	5.000%	10.888	8.767	55,166.70
2015A - Term Bond due in 2045	21,410,000.00	109.911	5.000%	28.331	16.029	19,054.90
	537,660,000.00			18.149		442,143.10

	TIC	All-In TIC	Arbitrage Yield
Par Value	537,660,000.00	537,660,000.00	537,660,000.00
+ Accrued Interest			
+ Premium (Discount)	63,922,726.80	63,922,726.80	63,922,726.80
- Underwriter's Discount	(2,742,066.00)	(2,742,066.00)	
- Cost of Issuance Expense		(2,026,420.01)	
- Other Amounts			
Target Value	598,840,660.80	596,814,240.79	601,582,726.80
Target Date	07/07/2015	07/07/2015	07/07/2015
Yield	4.062356%	4.091094%	3.463162%

SUMMARY OF REFUNDING RESULTS

**Miami-Dade County, Florida
 Aviation Revenue and Revenue Refunding Bonds, Series 2015A&B
 Market Rates as of 4/14/2015
 Preliminary/Subject to Change**

Dated Date	07/07/2015
Delivery Date	07/07/2015
Arbitrage yield	3.463162%
Escrow yield	0.435065%
Value of Negative Arbitrage	8,000,185.22
Bond Par Amount	467,965,000.00
True Interest Cost	4.049707%
Net Interest Cost	4.360917%
All-In TIC	4.078849%
Average Coupon	5.000000%
Average Life	17.768
Par amount of refunded bonds	506,975,000.00
Average coupon of refunded bonds	5.002279%
Average life of refunded bonds	17.435
PV of prior debt to 07/07/2015 @ 4.091094%	567,987,943.76
Net PV Savings	43,037,478.33
Percentage savings of refunded bonds	8.489073%

SUMMARY OF BONDS REFUNDED

Miami-Dade County, Florida
 Aviation Revenue and Revenue Refunding Bonds, Series 2015A&B
 Market Rates as of 4/14/2015
 Preliminary/Subject to Change

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
Series 2005A, 2005A:					
SERIAL	10/01/2036	4.875%	18,000,000.00	10/01/2015	100.000
	10/01/2037	5.000%	134,000,000.00	10/01/2015	100.000
	10/01/2038	5.000%	170,500,000.00	10/01/2015	100.000
TERM30	10/01/2025	5.000%	3,000,000.00	10/01/2015	100.000
	10/01/2026	5.000%	3,000,000.00	10/01/2015	100.000
	10/01/2027	5.000%	3,000,000.00	10/01/2015	100.000
	10/01/2028	5.000%	3,000,000.00	10/01/2015	100.000
	10/01/2029	5.000%	3,000,000.00	10/01/2015	100.000
	10/01/2030	5.000%	3,400,000.00	10/01/2015	100.000
TERM35	10/01/2031	5.000%	3,400,000.00	10/01/2015	100.000
	10/01/2032	5.000%	3,400,000.00	10/01/2015	100.000
	10/01/2033	5.000%	3,400,000.00	10/01/2015	100.000
	10/01/2034	5.000%	3,400,000.00	10/01/2015	100.000
	10/01/2035	5.000%	3,400,000.00	10/01/2015	100.000
			357,900,000.00		
Series 2005B, 2005B:					
SERIAL	10/01/2016	5.000%	15,150,000.00	10/01/2015	100.000
	10/01/2017	5.000%	15,900,000.00	10/01/2015	100.000
	10/01/2018	5.000%	16,700,000.00	10/01/2015	100.000
	10/01/2019	5.000%	17,535,000.00	10/01/2015	100.000
	10/01/2020	5.000%	18,410,000.00	10/01/2015	100.000
	10/01/2021	5.000%	4,445,000.00	10/01/2015	100.000
			88,140,000.00		
Series 2007B, 2007B:					
SERIAL	10/01/2025	4.500%	1,600,000.00	10/01/2017	100.000
	10/01/2025	5.000%	4,020,000.00	10/01/2017	100.000
	10/01/2026	4.500%	100,000.00	10/01/2017	100.000
	10/01/2026	5.000%	5,940,000.00	10/01/2017	100.000
	10/01/2027	5.000%	3,395,000.00	10/01/2017	100.000
	10/01/2028	5.000%	5,095,000.00	10/01/2017	100.000
			20,150,000.00		
Series 2007D, 2007D:					
SERIAL	10/01/2026	5.250%	27,300,000.00	10/01/2017	100.000
Series 2008B, 2008B:					
SERIAL	10/01/2023	5.000%	7,100,000.00	10/01/2018	100.000
Series 2009B, 2009B:					
TERM25	10/01/2025	5.000%	6,385,000.00	10/01/2019	100.000
			506,975,000.00		

SAVINGS

Miami-Dade County, Florida
 Aviation Revenue and Revenue Refunding Bonds, Series 2015A&B
 Market Rates as of 4/14/2015
 Preliminary/Subject to Change

Date	Prior Debt Service	Prior Receipts	Prior Net Cash Flow	Refunding Debt Service	Savings
10/01/2015	12,693,000.00	6,346,500.00	6,346,500.00	5,459,591.66	886,908.34
10/01/2016	40,536,000.00		40,536,000.00	37,048,250.00	3,487,750.00
10/01/2017	40,528,500.00		40,528,500.00	37,040,750.00	3,487,750.00
10/01/2018	40,533,500.00		40,533,500.00	37,044,500.00	3,489,000.00
10/01/2019	40,533,500.00		40,533,500.00	37,047,250.00	3,486,250.00
10/01/2020	40,531,750.00		40,531,750.00	37,042,250.00	3,489,500.00
10/01/2021	25,646,250.00		25,646,250.00	22,848,000.00	2,798,250.00
10/01/2022	20,979,000.00		20,979,000.00	19,467,000.00	1,512,000.00
10/01/2023	28,079,000.00		28,079,000.00	25,807,000.00	2,272,000.00
10/01/2024	20,624,000.00		20,624,000.00	19,150,000.00	1,474,000.00
10/01/2025	35,629,000.00		35,629,000.00	32,070,000.00	3,559,000.00
10/01/2026	56,221,750.00		56,221,750.00	52,664,000.00	3,557,750.00
10/01/2027	24,392,000.00		24,392,000.00	20,836,000.00	3,556,000.00
10/01/2028	25,772,250.00		25,772,250.00	22,214,000.00	3,558,250.00
10/01/2029	20,272,500.00		20,272,500.00	17,748,000.00	2,524,500.00
10/01/2030	20,522,500.00		20,522,500.00	17,996,250.00	2,526,250.00
10/01/2031	20,352,500.00		20,352,500.00	17,828,500.00	2,524,000.00
10/01/2032	20,182,500.00		20,182,500.00	17,659,750.00	2,522,750.00
10/01/2033	20,012,500.00		20,012,500.00	17,490,250.00	2,522,250.00
10/01/2034	19,842,500.00		19,842,500.00	17,315,250.00	2,527,250.00
10/01/2035	19,672,500.00		19,672,500.00	17,150,250.00	2,522,250.00
10/01/2036	34,102,500.00		34,102,500.00	31,575,000.00	2,527,500.00
10/01/2037	149,225,000.00		149,225,000.00	146,700,250.00	2,524,750.00
10/01/2038	179,025,000.00		179,025,000.00	176,499,750.00	2,525,250.00
	955,909,500.00	6,346,500.00	949,563,000.00	883,701,841.66	65,861,158.34

Savings Summary

Savings PV date	07/07/2015
Savings PV rate	4.091094%
PV of savings from cash flow	43,037,478.32
Net PV Savings	43,037,478.32

BOND DEBT SERVICE BREAKDOWN

Miami-Dade County, Florida
 Aviation Revenue and Revenue Refunding Bonds, Series 2015A&B
 Market Rates as of 4/14/2015
 Preliminary/Subject to Change

Period Ending	Series 2015A (AMT) New Money	Series 2015A (AMT) Refunding	Series 2015B (Non-AMT) Refunding	Total
10/01/2015	813,108.33	4,798,908.33	660,683.33	6,272,699.99
10/01/2016	3,484,750.00	34,216,750.00	2,831,500.00	40,533,000.00
10/01/2017	3,484,750.00	34,209,250.00	2,831,500.00	40,525,500.00
10/01/2018	3,484,750.00	34,213,000.00	2,831,500.00	40,529,250.00
10/01/2019	3,484,750.00	34,215,750.00	2,831,500.00	40,532,000.00
10/01/2020	3,484,750.00	34,210,750.00	2,831,500.00	40,527,000.00
10/01/2021	4,944,750.00	20,016,500.00	2,831,500.00	27,792,750.00
10/01/2022	4,946,750.00	16,635,500.00	2,831,500.00	24,413,750.00
10/01/2023	4,945,000.00	16,635,500.00	9,171,500.00	30,752,000.00
10/01/2024	4,944,500.00	16,635,500.00	2,514,500.00	24,094,500.00
10/01/2025	4,945,000.00	18,345,500.00	13,724,500.00	37,015,000.00
10/01/2026	4,946,250.00	18,200,000.00	34,464,000.00	57,610,250.00
10/01/2027	4,943,000.00	18,047,500.00	2,788,500.00	25,779,000.00
10/01/2028	4,945,250.00	17,898,500.00	4,315,500.00	27,159,250.00
10/01/2029	4,942,500.00	17,748,000.00		22,690,500.00
10/01/2030	4,944,750.00	17,996,250.00		22,941,000.00
10/01/2031	4,946,500.00	17,828,500.00		22,775,000.00
10/01/2032	4,947,500.00	17,659,750.00		22,607,250.00
10/01/2033	4,947,500.00	17,490,250.00		22,437,750.00
10/01/2034	4,946,250.00	17,315,250.00		22,261,500.00
10/01/2035	4,943,500.00	17,150,250.00		22,093,750.00
10/01/2036	4,944,000.00	31,575,000.00		36,519,000.00
10/01/2037	4,942,250.00	146,700,250.00		151,642,500.00
10/01/2038	4,943,000.00	176,499,750.00		181,442,750.00
10/01/2039	4,945,750.00			4,945,750.00
10/01/2040	4,945,000.00			4,945,000.00
10/01/2041	4,945,500.00			4,945,500.00
10/01/2042	4,946,750.00			4,946,750.00
10/01/2043	4,943,250.00			4,943,250.00
10/01/2044	4,944,750.00			4,944,750.00
10/01/2045	4,945,500.00			4,945,500.00
	141,861,608.33	796,242,158.33	87,459,683.33	1,025,563,449.99