OFFICIAL FILE COPY
CLERK OF THE BOARD
OF COUNTY COMMISSIONERS
MIAMI-DADE COUNTY, FLORIDA

Memorandum

MIAMI-DADE COUNTY

Date: (Public Hearing 11-4-10)
October 5, 2010

Amended
Agenda Item No. 5(C)

To: Honorable Chairman Dennis C. Moss
and Members, Board of County Commissioners

From: George M. Burgess
County Manager

Ordinance No. 10-72

Subject: Ordinance Authorizing Issuance of Special Obligation Bonds for Miami-Dade Transit and Seaport Department Capital Improvement Projects

---

Recommendation

It is recommended that the Board of County Commissioners (Board) enact the attached Ordinance (Ordinance) authorizing the issuance, in one or more series, of Capital Asset Acquisition Special Obligation Bonds (Bonds) in an aggregate principal amount not to exceed $80,000,000. The bond proceeds will be used to fund all or a part of the costs to acquire, construct, improve and/or renovate projects (Projects) described in the Background section of this cover memorandum and attached as Exhibit A to this Ordinance.

In addition, the Ordinance sets forth that each Bond Series Resolution will:

- Fund a cash debt service reserve and pay the costs associated with the issuance of the Bonds;
- Establish the capital projects, terms, maturities, interest rates and other bond related details for each series of Bonds to be adopted by the Board prior to the issuance of each series of Bonds.

Each Bond may be issued as tax-exempt, taxable, or a combination of both, and it is anticipated that portions of the Bonds will be issued as Recovery Zone Economic Development Bonds (RZEDs), provided that they will result in an economic benefit to the County.

Scope

The bond proceeds will be used to pay for Miami-Dade Transit (MDT) and Seaport Department capital improvement projects. These projects are included in the multi-year capital improvement program previously approved by the Board and have a countywide impact.

Fiscal Impact/Funding Source

The principal and interest on the proposed Bonds are special and limited obligations of the County payable solely from legally available non-ad valorem County revenues as appropriated annually, or from revenues otherwise available from authorized funds and debt service reserves. Actual debt payments will be made from funds appropriated in the respective adopted budgets of the Seaport Department and MDT.

Background

In the past, the County participated in the financing pool programs provided by the Sunshine State Governmental Financing Commission (Financing Commission) to fund many of its countywide capital equipment needs, in particular Seaport. In the latter part of FY 2007 and throughout FY 2008, various attempts were made to access the Financing Commission's Commercial Paper Program to fund numerous projects at the Seaport Department; however, due to the volatility in the capital market, and the limited availability of credit facility providers, this financing mechanism is not a viable option.

The accompanying Ordinance provides the County with a mechanism to finance the acquisition, construction and or renovation of priority capital assets through Bonds. The County's ability to appropriate funds on an annual "pay-as-you-go" basis to acquire capital assets is limited and in this case is not a solution to meet the required capital needs of MDT and the Seaport.

There is approximately $53 million in funding needs listed in the Seaport Department's Capital Improvement Plan (CIP) for Fiscal Year 2010-11. It has been determined that approximately $18.941 million in of Seaport projects and $20.345 million in MDT projects meet the purposes described under the American Recovery and Reinvestment Act (ARRA) and qualify to be issued as RZEDs. RZEDs are a special class of Build America Bonds (BABs) and may be issued by state and local governments for qualified purposes by December 31, 2010. Miami-Dade County was allocated $40.281 million for qualified public projects. With RZEDs, the County can issue taxable bonds and receive a subsidy from the U.S. Treasury to offset interest payments. Under existing federal legislation, the County would receive a 35 percent interest rate subsidy for direct-pay BABs and a 45 percent interest rate subsidy for direct-pay RZEDs. It is anticipated that the savings generated by the issuance of RZEDs is approximately $12.2 million over the life of the Bonds or over $400,000 annually.

The additional $34.957 million in Seaport capital improvements projects are expected to be funded by regular tax-exempt bonds to take advantage of a special tax provision included in ARRA. This provision, known as the Alternative Minimum Tax (AMT) Holiday, allows project financing which normally would be subject to the AMT to be financed through Non-AMT Bonds, if the financing is completed before January 1, 2011. AMT Bonds are more expensive than Non-AMT Bonds, so it is to the County's benefit to take advantage of the AMT Holiday.

Some of the projects anticipated to be financed through the issuance of the proposed Bonds are listed on Exhibit A, and may include but are not limited to:

Project Description **Estimated Funding Needs**

Seaport Projects	Taxable (RZED)	Tax-Exempt
Dredge III (including Bulkhead Strengthening)	$18,573,500	$0
Supplemental Guide Sign	367,500	0
Cruise Terminals D and E Improvements	0	1,393,000
Cruise Terminals F and G Improvements	0	4,958,000
Cargo Yard Improvements	0	8,787,000
Gantry Cranes – Acquisition	0	9,532,000
Port-wide Facilities Improvements	0	10,287,000
Seaport Project Total	**$18,941,000**	**$34,957,000**

Transit Projects	Taxable (RZED)	Tax-Exempt
Metrorail Integrated Central Control Upgrade	$13,895,000	$0
Lehman Rail Yard Rehabilitation – Expansion Phase 1	3,546,000	
Park and Ride Facility at SW 344 Street and Busway	2,404,000	
Metromover Bicentennial Park Station Rehabilitation	500,000	
Transit Project Total	**$20,345,000**	**$0**
Total Projects Eligible for Funding	**$39,286,000**	**$34,957,000**

Exhibit A may be modified or supplemented by a certificate executed by the Mayor or County Mayor's designee. The Ordinance provides for submission of subsequent resolutions for each series of Bonds to be issued. Each Series Resolution will provide a more detailed description of the capital assets to be financed, the terms, maturities, interest rates, hedge arrangements and other details for the series of bonds to be issued.

In addition to authorizing the issuance of Bonds in one or more series, the Ordinance limits the maximum maturity to 40 years in the form of either tax-exempt or taxable bonds.

Assistant County Manager

MEMORANDUM
(Revised)

TO: Honorable Chairman Dennis C. Moss and Members, Board of County Commissioners

DATE: November 4, 2010

FROM: R. A. Cuevas, Jr. County Attorney

SUBJECT: Amended Agenda Item No. 5(C)

Please note any items checked.

_____ **"3-Day Rule" for committees applicable if raised**

_____ **6 weeks required between first reading and public hearing**

_____ **4 weeks notification to municipal officials required prior to public hearing**

_____ **Decreases revenues or increases expenditures without balancing budget**

_____ **Budget required**

_____ **Statement of fiscal impact required**

_____ **Ordinance creating a new board requires detailed County Manager's report for public hearing**

_____ **No committee review**

_____ **Applicable legislation requires more than a majority vote (i.e., 2/3's ____, 3/5's ____, unanimous _____) to approve**

_____ **Current information regarding funding source, index code and available balance, and available capacity (if debt is contemplated) required**

Approved _____ Mayor
Veto _____
Override _____

Amended
Agenda Item No. 5(C)
11-4-10

ORDINANCE NO. 10-72

ORDINANCE AUTHORIZING ISSUANCE OF MIAMI-DADE COUNTY SPECIAL OBLIGATION BONDS FROM TIME TO TIME IN ONE OR MORE SERIES IN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $80,000,000 FOR PURPOSE OF ACQUIRING, CONSTRUCTING, IMPROVING AND/OR RENOVATING CERTAIN CAPITAL ASSETS; PROVIDING THAT DETAILS OF SAID BONDS BE DETERMINED IN ONE OR MORE SERIES RESOLUTIONS; PROVIDING FOR SEVERABILITY AND EFFECTIVE DATE

BE IT ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA:

WHEREAS, this Board of County Commissioners ("Board") of Miami Dade County, Florida (the "County"), after input from certain County departments, finds that there exists a need to acquire, construct, improve and/or renovate all or a portion of the capital assets listed on Exhibit A to this Ordinance, which is incorporated in this Ordinance by reference, as such Exhibit A may be modified or supplemented from time from time by a certificate executed by the County Mayor or County Mayor's designee (collectively, the "Projects"); and

WHEREAS, this Board finds that the funding of the Projects serves a public purpose and is in the best interests of the citizens of the County; and

WHEREAS, in order to accomplish the purposes outlined in the accompanying memorandum, a copy of which is incorporated in this Ordinance by reference, including the funding of all or a portion of the Projects, this Board wishes to approve the issuance from time to time of its special obligation bonds (the "Bonds") in one or more series in an aggregate principal amount not to exceed $80,000,000,

Section 1. (a) Pursuant to the Constitution and laws of the State of Florida, including Chapters 125 and 166, Florida Statutes, the Home Rule Amendment and Charter of Miami-Dade County, Florida, as amended, other applicable provisions of law and the provisions of this Ordinance, the issuance by the County of the Bonds from time to time in one or more series in an aggregate principal amount not to exceed Eighty Million Dollars ($80,000,000) to fund all or a portion of the Projects is authorized and approved. Prior to the issuance of each series of Bonds, the Board shall adopt a subsequent resolution with respect to such series of Bonds (each, a "Series Resolution" and collectively, the "Series Resolutions"). The Board may, by Series Resolution, provide that after the issuance of the series of Bonds with respect to which such Series Resolution is being adopted, the authorization for the issuance of any portion of the aggregate principal amount of Bonds authorized under this Ordinance that has not been issued shall expire.

(b) The Bonds shall be dated such date or dates, shall mature at such time or times, not to exceed forty (40) years, shall bear interest at such rate or rates, fixed or variable, or any combination of the same authorized by law, not to exceed in any event the maximum rate authorized by law, and may be either tax-exempt or taxable bonds, or a combination thereof, all as shall be determined by the Series Resolution with respect to each series of Bonds.

(c) The Bonds shall be payable from legally available non-ad valorem revenues of the County that the County may covenant to appropriate annually, as more fully described and conditioned in the Series Resolution, or from moneys otherwise available from authorized funds and reserves.

(d) The Bonds shall be issued for the purpose of paying, together with any other legally available moneys, costs of all or a portion of the Projects, including, where applicable, reimbursing the County for any costs previously incurred in connection with the Projects, and for such other purposes as may be specified in the Series Resolutions.

(e) The Board may, by Series Resolution, authorize the Finance Director of the County as the designee of the Mayor of the County to negotiate all agreements associated with the issuance of the Bonds and to award the sale of the Bonds from time to time in the manner, and subject to such conditions and limitations, as may be set forth in the Series Resolutions.

Section 2. This Ordinance shall be governed by and construed and interpreted in accordance with the laws of the State of Florida. Venue shall lie in Miami-Dade County, Florida.

Section 3. If any one or more of the provisions of this Ordinance should be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such provisions shall be null and void and shall be deemed separate from the remaining provisions of this Ordinance.

Section 4. This Ordinance shall become effective ten (10) days after the date of enactment unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by the Board.

PASSED AND ADOPTED: November 4, 2010

Approved by County Attorney as
to form and legal sufficiency:

Prepared by:

Gerald T. Heffernan

EXHIBIT A
PROJECTS

PROJECT DESCRIPTION	TOTAL FY 2011 FUNDING NEEDS
SEAPORT PROJECTS:	
RECOVERY ZONE ECONOMIC DEVELOPMENT BONDS	
• Dredge III (including Bulkhead Strengthening) – Deepening of South Channel to a depth of 50 feet	$18,573,500
• Supplemental Guide Sign – Signage at the Port Entrance	367,500
TOTAL SEAPORT RECOVERY ZONE ECONOMIC DEVELOPMENT BONDS PROJECTS	$18,941,000
TAX-EXEMPT – PRIVATE ACTIVITY BONDS (AMT HOLIDAY)	
• Cruise Terminals D and E Improvements – Upgrade terminals to berth new class ships to meet future growth demands	$ 1,393,000
• Cruise Terminals F and G Improvements – including consolidation of immigration and customs processing facility, information technology upgrades; roofing, stairways and ventilation	4,958,000
• Cargo Yard Improvements – Phase III of Seaboard cargo yard; container crane rails replacement	8,787,000
• Gantry Cranes – Acquisition of two additional super post-Panamax gantry cranes; upgrade and refurbishment of gantry crane infrastructure	9,532,000
• Port-wide Facilities Improvements; upgrades and enhancements – various Port-wide projects including rehabilitation of bulkheads (cruise and cargo areas); mooring bollards; rip-rap replacements, information technology and telecommunications upgrades	10,287,000
TOTAL SEAPORT TAX-EXEMPT – PRIVATE ACTIVITY BONDS (AMT HOLIDAY)	$34,957,000
TOTAL SEAPORT PROJECTS	$53,898,000
TRANSIT PROJECTS:	
RECOVERY ZONE ECONOMIC DEVELOPMENT BONDS	
• Metrorail Integrated Central Control Upgrade	$ 13,895,000
• Lehman Yard Rehabilitation – Expansion Phase 1	3,546,000
• Park and Ride Facility at SW 344 Street and Busway	2,404,000
• Metromover Bicentennial Park Station Rehabilitation	500,000
TOTAL TRANSIT PROJECTS	$20,345,000
GRAND TOTAL FOR PROJECTS	$74,243,000