

# Memorandum

MIAMI-DADE  
COUNTY

Date: (Public Hearing 2-2-16)  
January 20, 2016

To: Honorable Chairman Jean Monestime  
and Members, Board of County Commissioners

From: Carlos A. Gimenez  
Mayor

Subject: Ordinance Authorizing Issuance of \$200 million of Miami-Dade County, Florida Aviation  
Commercial Paper Notes

Agenda Item No. 5(D)

## Recommendation

It is recommended that the Board of County Commissioners (Board) enact the accompanying Ordinance which authorizes the issuance of not to exceed \$200 million at any one time in one or more series of Aviation Commercial Paper Notes (Notes), for the purpose of providing temporary financing for a portion of the cost of the Aviation Department's (Department) Capital Improvement Program (Capital Projects), which is scheduled to be initiated during fiscal year 2016. These expenditures are needed to meet current and forecasted Department capital intensive demands at Miami International Airport and the general aviation airports.

## Scope

The implementation of a Commercial Paper Program by issuing Notes for the Aviation Department (Department) will provide a means of temporary financing to fund a portion of the Department's Capital Projects. Once the full \$200 million of the Commercial Paper Program has been issued, the County anticipates to take-out the Notes with long-term, fixed rate bonds, thereby allowing additional Notes to be issued. The impact of the Commercial Paper Program is countywide.

## Track Record/Monitoring

Issuance of the Notes will be managed by Sandra Bridgeman, Chief Financial Officer at the Aviation Department.

## Fiscal Impact/Funding Source

The Ordinance authorizes the issuance of Notes to be paid from the proceeds of future Aviation revenue bonds. Interest on the Notes will be paid from bond proceeds or unencumbered funds on deposit in the Department's Capital Improvement Fund or with proceeds from the Notes. The principal and interest from the bonds used to take out the Notes will be paid from revenues of the Department pursuant to the Department's Amended and Restated Trust Agreement.

The Commercial Paper Program enables the Department to have immediate access to capital funds at short-term interest rates. This program will expedite the Capital Projects, which may lead to savings by taking advantage of historically low short-term rates and favorable construction prices. The Notes will be structured as a tax-exempt commercial paper program and will be issued in anticipation of the issuance of bonds.

## Background

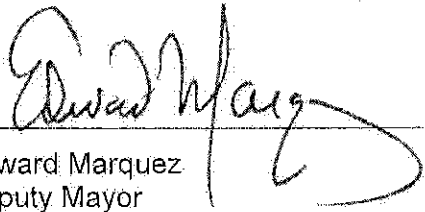
To fund the Department's Capital Improvement Program, the County, pursuant to Ordinance No. 08-121, has authorized \$1.9 billion in Airport Revenue Bonds, of which \$1.618 billion have been issued.

Creating a Commercial Paper Program will allow the Department to respond quickly to the pace of construction and changing financial market conditions, ultimately allowing more construction to take place while prices are favorable and minimizing the cost of financing.

The Department will issue Notes as necessary to maintain construction activity. When the Department needs to issue additional commercial paper, it will request issuance of new commercial paper from the commercial paper dealer(s). Once the \$200 million of Notes have been issued, the County must issue Aviation Revenue Bonds to pay off the outstanding Notes. Once the outstanding Notes are paid off, the Department can recommence issuing Notes. The term of the CP Program is five (5) years. Continuation of the CP Program beyond this period will require additional Board action.

The CP Program requires a commercial bank with high credit ratings to issue a letter of credit to provide liquidity for the Notes. The letter(s) of credit are necessary to take out the Notes in the event the Notes cannot to be timely remarketed or if the County is unable to issue its revenue bonds when required to repay the principal and interest of the Notes.

Pursuant to the Ordinance, the Mayor or the Mayor's designee is authorized to direct First Southwest, the County's enterprise segment financial advisor, to obtain proposals through requests for proposals or any other competitive process deemed appropriate for the selection of commercial paper dealer(s), issuing and paying agent(s) and letter of credit provider(s) in connection with the Notes. The County will negotiate a letter of credit and a reimbursement agreements with the commercial paper dealer(s) and paying agent(s), and present those terms to the Board for approval and adoption through a subsequent resolution. The County will also negotiate remarketing agreements with the commercial paper dealer(s) and paying agent agreement with the paying agent.

  
Edward Marquez  
Deputy Mayor



**MEMORANDUM**  
(Revised)

**TO:** Honorable Chairman Jean Monestime  
and Members, Board of County Commissioners

**DATE:** February 2, 2016

**FROM:** Abigail Price-Williams  
County Attorney

**SUBJECT:** Agenda Item No. 5(D)

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
- Statement of social equity required
- Ordinance creating a new board requires detailed County Mayor'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

Agenda Item No. 5(D)

Veto \_\_\_\_\_

2-2-16

Override \_\_\_\_\_

ORDINANCE NO. \_\_\_\_\_

ORDINANCE AUTHORIZING ISSUANCE FROM TIME TO TIME OF NOT EXCEEDING \$200,000,000.00 AGGREGATE PRINCIPAL AMOUNT OF MIAMI-DADE COUNTY, FLORIDA AVIATION COMMERCIAL PAPER NOTES OUTSTANDING AT ANY ONE TIME FOR PURPOSE OF PAYING OR REIMBURSING AVIATION DEPARTMENT, TOGETHER WITH OTHER AVAILABLE FUNDS AND REVENUE, FOR COST OF CERTAIN IMPROVEMENTS TO COUNTY'S AIRPORT FACILITIES PURSUANT TO PROVISIONS OF AMENDED AND RESTATED TRUST AGREEMENT, INCLUDING SECTION 212A THEREOF; PROVIDING FOR ESTABLISHMENT BY SUBSEQUENT RESOLUTION OF TERMS, MATURITIES, INTEREST RATES AND OTHER DETAILS OF SUCH NOTES; PROVIDING FOR SUCH NOTES TO BE PAYABLE FROM THE PROCEEDS OF AVIATION REVENUE BONDS AUTHORIZED AND UNISSUED; PROVIDING SEVERABILITY AND EFFECTIVE DATE

**WHEREAS**, Chapter 71-249, Laws of Florida, 1971, as amended (the "Enabling Act") authorizes Miami-Dade County, Florida (the "County"):

"To borrow money and to issue notes for any purpose or purposes for which bonds may be issued [under the Enabling Act] and to refund the same; to issue notes in anticipation of the receipt of the proceeds of the sale of any such bonds; to secure an advance of credit for any such purpose or purposes under a credit agreement or other agreement with any bank or trust company or any person, firm, or corporation within or without the state; and to secure any such borrowing, notes or agreement by a pledge of all or any part of the available income or revenues to be received by the county under the provisions of [the Enabling Act] or by an agreement to exercise any of the powers conferred [by the Enabling Act]"; and

**WHEREAS**, the County has previously issued aviation revenue bonds and bond anticipation notes pursuant to the Trust Agreement dated as of October 1, 1954, by and among the County, The Chase Manhattan Bank, as trustee, and First Union National Bank of Miami, as co-trustee, as amended and restated by the Amended and Restated Trust Agreement dated as of December 15, 2002 (as so amended and restated, the “Trust Agreement”), by and among the County, The Bank of New York Mellon (successor in interest to JPMorgan Chase Bank), as trustee (the “Trustee”), and U.S. Bank National Association (successor in interest to Wachovia Bank, National Association), as co-trustee (the “Co-Trustee”); and

**WHEREAS**, Section 210 of the Trust Agreement authorizes the County to issue additional bonds, upon the satisfaction of certain conditions and within certain limitations, for the purpose of paying the cost (as defined in the Trust Agreement and referred to in this Ordinance as “Cost”) of any additional Improvements (as defined in the Trust Agreement), including the payment of any notes issued under the provisions of Section 212A of the Trust Agreement; and

**WHEREAS**, the County may issue notes or other obligations in anticipation of the issuance of bonds (the “Notes”) pursuant to Section 212A of the Trust Agreement provided that the principal of, and interest on, the Notes is repaid from bond proceeds or unencumbered funds on deposit in the Improvement Fund (as defined in the Trust Agreement); and

**WHEREAS**, by Ordinance No. 08-121, enacted by the Board of County Commissioners of the County (the "Board") on October 21, 2008 (the "Authorizing Ordinance"), the Board authorized the issuance of not exceeding \$1,900,000,000.00 Aviation Revenue Bonds (collectively, together with additional bonds issuable under Section 210 of the Trust Agreement that may be authorized by ordinance of the Board in the future, the "Bonds") of the County pursuant to the provisions of Section 210 of the Trust Agreement for the purpose of providing funds, together with any other moneys of the Miami Dade County Aviation Department (the "Department"), to pay, or reimburse the Department for its payment of, all or a portion of the Cost of Improvements and to pay certain costs in connection with the issuance of the Bonds; and

**WHEREAS**, the County has issued \$1,617,820,000.00 in Bonds pursuant to the Authorizing Ordinance and has remaining capacity under the Authorizing Ordinance for the issuance of \$282,180,000.00 in Bonds; and

**WHEREAS**, the Board believes that it is in the best interest of the citizens of the County to institute a commercial paper program (the "CP Program") by issuing Notes (the "CP Notes") in an amount not to exceed \$200,000,000.00 at any one time outstanding from time-to-time to fund temporarily a part of the Cost of Improvements in anticipation of Bonds being issued; and

**WHEREAS**, the CP Notes will be payable as to principal and interest from the proceeds of the Bonds and shall have such other security as may be set forth in the CP Note Resolution (as defined below),

**NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that:**

Section 1. Definitions. Unless the context expressly requires otherwise, capitalized terms used but not defined in this Ordinance (this "Ordinance"), including the recitals to this Ordinance, shall have the meanings ascribed to them in the Trust Agreement. Capitalized terms defined in the recitals to this Ordinance shall have the meanings ascribed to them in the recitals to this Ordinance.

Section 2. Incorporation of Recitals. The matters set forth in the recitals to this Ordinance are incorporated as part of this Ordinance.

Section 3. Authority for Issuance of CP Notes. The CP Notes are to be issued pursuant to the authority of the Constitution and laws of the State of Florida (including, but not limited to, the Home Rule Amendment and Charter of Miami-Dade County, Florida, as amended, the Code of Miami-Dade County, as amended, the Enabling Act, Chapters 125 and 166, Florida Statutes, as amended, and all other applicable laws), Section 212A and other provisions of the Trust Agreement, and this Ordinance.

Section 4. Authorization for Issuance of CP Notes. CP Notes of the County in an aggregate principal amount not to exceed \$200,000,000.00 outstanding at any one time are authorized to be issued at one time or from time to time in one or more Series for the purpose, together with other available moneys of the County, if any, of (i) providing funds for paying or reimbursing the Department for all or a portion of the Costs of Improvements, (ii) financing the payment of the principal of, and interest on, any of the CP Notes or obligations owed to any financial institution that has provided credit support for the CP Program, and (iii) paying the costs of issuance of the CP Notes, including, without limitation, the cost of any premiums for

7

any credit enhancement for the CP Notes as may be approved by or pursuant to the CP Note Resolution (as defined below). The CP Notes will be structured as a commercial paper program and shall be issued in anticipation of the issuance of Bonds.

Section 5. Details of CP Notes.

(a) The terms and provisions of the CP Notes or the means by which such terms and provisions shall be finally established or determined, including, without limitation, the denomination of each CP Note, the numbering sequence of the CP Notes, interest rates, maturities, payment dates, and the approval of documents (including, without limitation, an issuing and paying agency agreement, a dealer agreement and one or more agreements to facilitate the provision of credit enhancement for the CP Notes, such agreement(s) being referred to in this Ordinance as the "Credit Agreement"), to be authorized and/or executed in connection with the issuance, sale and delivery of the CP Notes shall be set forth or provided for in a resolution of the Board (the "CP Note Resolution"). The CP Notes shall bear an appropriate title, which shall include an identifying Series designation.

(b) The CP Notes and the obligations of the County under the Credit Agreement shall be special obligations of the County, secured by and payable solely as provided in the CP Note Resolution and Section 212A of the Trust Agreement. The CP Notes and such obligations shall not constitute an indebtedness, liability, general or moral obligation, or a pledge of the faith, credit or taxing power of the County, the State or any political subdivision of the State, within the meaning of any constitutional, statutory or charter provisions. Neither the State nor any political subdivision of the State or the County shall be obligated to levy ad valorem taxes on any property to pay the principal of, premium, if any, and interest on or other costs incident to the CP Notes or such obligations.



(c) The officers, agents and employees of the County and of the Trustee and the Co-Trustee are hereby authorized and directed to do all acts and things required of them by the provisions of the CP Notes and the Trust Agreement, for the full, punctual and complete performance of all the terms, covenants provisions and agreements of the CP Notes, the Trust Agreement and the obligations of the County under the Credit Agreement, and also to do all acts and things required of them by the provisions of this Ordinance and the CP Note Resolution.

Section 6. Severability. If any term or provision of this Ordinance or the CP Notes or the application thereof for any reason or circumstances shall to any extent be held to be invalid or unenforceable, the remaining provisions or the application of such term or provision to persons and situations, other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Ordinance and the CP Notes shall be valid and enforced to the fullest extent permitted by law.

Section 7. Controlling Law; Venue. The Laws of the State shall govern the construction and interpretation of this Ordinance. Venue shall lie exclusively in Miami-Dade County, Florida.

Section 8. Headings for Convenience Only. The descriptive headings in this Ordinance are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions of this Ordinance.

Section 9. Inconsistent Ordinances. All ordinances and parts thereof, which are inconsistent with any of the provisions of this Ordinance are hereby declared to be inapplicable to the provisions of this Ordinance.

01

Section 10. Effective Date. This Ordinance shall be excluded from the Code and shall become effective ten (10) days after the date of its enactment unless vetoed by the Mayor, and if vetoed, shall become effective upon an override by this Board.

PASSED AND ADOPTED:

Approved by County Attorney as  
to form and legal sufficiency:

APW

Prepared by:

JRA

Juliette R. Antoine