

Memorandum



Date: (Public Hearing: 9-1-21)
July 20, 2021

To: Honorable Chairman Jose “Pepe” Diaz
and Members, Board of County Commissioners

Agenda Item No. 5(L)

From: Daniella Levine Cava *Daniella Levine Cava*
Mayor

Subject: Ordinance Authorizing Issuance of Miami-Dade County Seaport Commercial Paper Notes

Recommendation

It is recommended that the Board of County Commissioners (Board) enact the accompanying ordinance which authorizes the issuance of Seaport Commercial Paper Notes (CP Notes), in an amount not to exceed \$200 million outstanding at any one time, in one or more series, on a subordinate basis for the purpose of providing temporary financing for a portion of the cost of the Capital Improvement Program (CIP) of the Miami-Dade County Seaport Department (Department). The Department is currently restructuring all its outstanding debt obligations, including the 2019 Commercial Paper Program authorized pursuant to Ordinance No. 88-66 (Prior Ordinance) for purposes of better matching revenues with debt service payments over the next several years, eliminating restrictive bond covenants, and modernizing provisions by which the County can issue Seaport bonds. Implementation of a new Commercial Paper Program is recommended to assist the Department in meeting its overall financing objectives. The Department has had a Commercial Paper Program in place since 2017.

Delegation of Authority

The proposed ordinance delegates and authorizes the Mayor or Mayor’s designee to select a credit provider, commercial paper dealer, issuing and paying agent after a competitive process.

Scope

The implementation of a commercial paper program (CP Program) provides temporary financing that will fund portions of the Department’s CIP. The proposed CP Program is a revolving program whereby the County will refinance the CP Notes which are short-term in nature with long-term, fixed rate bonds, thereby allowing additional CP Notes to be issued. The impact of the commercial paper program is county-wide.

Fiscal Impact/Funding Source

The CP Notes will be payable as to principal and interest from proceeds of authorized but unissued bonds secured by Department revenues and shall have such other security as may be set forth in a resolution of the Board. The CP Notes will be secured by a bank credit facility and will be collateralized by a covenant to budget and appropriate legally available non ad valorem revenues of the County.

The CP program will enable the Department to have access to funds at short-term interest rates. The CP Program will be structured as a tax-exempt commercial paper program and will be issued in anticipation of the issuance of bonds. This financing mechanism has been used by the Department since 2017 and is being recommended because the existing CP program will need to be replaced as part of the Department’s current financial restructuring plan.

Social Equity Statement

The proposed ordinance authorizes a CP Program and the issuance of CP Notes, which will provide funds to pay for seaport projects that benefit all citizens of Miami-Dade County. These projects will provide for continued development at Port Miami, which is one of the County’s leading economic engines, and will benefit residents, local businesses as well as the traveling public.

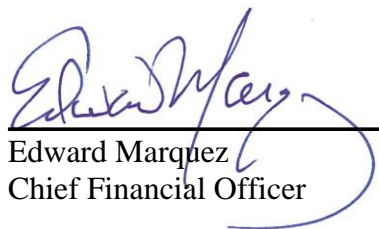
Track Record/Monitoring

The CP Program will be managed by Andrew Hecker, Chief Financial Officer of the Seaport Department. Continuing disclosure compliance will be managed by Arlesa Wood, Director of Division of Bond Administration of the Miami-Dade County Finance Department.

Background

The attached ordinance seeks authorization to issue, in one or more series, CP Notes in an aggregate principal amount not to exceed \$200 million outstanding at any time for the purpose of providing short-term financing to pay a portion of the cost of the CIP projects and is part of the Seaport Department’s overall plan to restructure its’ debt. The CP Program requires a commercial bank with high credit ratings to issue a letter of credit to provide liquidity support in the event of a failure to achieve a timely remarketing of the CP Notes.

Creating a CP Program enables the Department to have access to funds at historically low short-term interest rates, take advantage of favorable construction prices, and minimize the cost of financing the CIP projects.



Edward Marquez
Chief Financial Officer



MEMORANDUM

(Revised)

TO: Honorable Chairman Jose "Pepe" Diaz
and Members, Board of County Commissioners

DATE: September 1, 2021

FROM: 
Gen Bonzon-Keenan
County Attorney

SUBJECT: Agenda Item No. 5(L)

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 present ____, 2/3 membership ____, 3/5's ____, unanimous ____, CDMP 7 vote requirement per 2-116.1(3)(h) or (4)(c) ____, CDMP 2/3 vote requirement per 2-116.1(3)(h) or (4)(c) ____, or CDMP 9 vote requirement per 2-116.1(4)(c)(2) ____ to approve
- ☐ Current information regarding funding source, index code and available balance, and available capacity (if debt is contemplated) required

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No. 5(L)
9-1-21

ORDINANCE NO. _____

ORDINANCE AUTHORIZING ISSUANCE FROM TIME TO TIME OF MIAMI-DADE COUNTY, FLORIDA SEAPORT COMMERCIAL PAPER (CP) NOTES, IN ONE OR MORE SERIES, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$200,000,000.00 OUTSTANDING AT ANY ONE TIME, FOR PURPOSE OF PROVIDING INTERIM FINANCING OF IMPROVEMENTS TO SEAPORT PROPERTIES AND CERTAIN OTHER CAPITAL EXPENDITURES, INCLUDING PAYING CP NOTES; PROVIDING FOR ESTABLISHMENT OF DETAILS OF CP NOTES BY SUBSEQUENT RESOLUTIONS; AUTHORIZING THE COUNTY MAYOR OR COUNTY MAYOR'S DESIGNEE TO OBTAIN PROPOSALS FOR SELECTION OF COMMERCIAL PAPER DEALER(S), ISSUING AND PAYING AGENT(S) AND CREDIT PROVIDERS) IN CONNECTION WITH CP NOTES; PROVIDING SEVERABILITY, EXCLUSION FROM THE CODE AND EFFECTIVE DATE

WHEREAS, Miami-Dade County, Florida (the "County"), pursuant to Ordinance No. 21 enacted by the Board of County Commissioners of Miami-Dade County, Florida (the "Board") on July 20th , 2021 (the "Master Ordinance"), is authorized to issue revenue bonds from time to time secured by Net Revenues of the Seaport Department to finance or refinance Additional Improvements and Capital Expenditures necessary for the operation of the Seaport Properties; and

WHEREAS, all terms used in capitalized form and not defined herein have the meanings assigned to such terms in the Master Ordinance; and

WHEREAS, the County is undertaking certain Additional Improvements and Capital Expenditures necessary for the operation of the Seaport Properties; and

WHEREAS, the County is in urgent need of funds to pay the Cost of Additional Improvements and Capital Expenditures and in order to provide interim financing therefor in anticipation of the issuance of Refunding Bonds under the Master Ordinance, the County desires to issue commercial paper notes (the “CP Notes”); and

WHEREAS, sections 208 and 211 of the Master Ordinance permit proceeds derived from the sale of Refunding Bonds to be applied to the payment of the CP Notes; and

WHEREAS, it is the intent of the Board that the details of the CP Notes be approved by subsequent resolutions adopted by the Board; and

WHEREAS, the Board deems it appropriate to authorize the Mayor or Mayor’s designee (the “County Mayor”) to obtain proposals through requests for proposals or any other process as the County Mayor deems appropriate for the selection of commercial paper dealer(s), issuing and paying agent(s) and credit provider(s) in connection with the CP Notes; and

WHEREAS, the Board desires to accomplish the purposes outlined in the accompanying memorandum (the “County Mayor’s Memorandum”), a copy of which is incorporated in this ordinance by reference,

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

Section 1. Recitals. The recitals contained in the foregoing “WHEREAS” clauses are incorporated in this ordinance by this reference.

Section 2. Authorization of CP Notes.

(a) Under the authority of the Constitution and laws of the State of Florida, including but not limited to the Act, as applicable, and the provisions of this ordinance, the Board authorizes the issuance of commercial paper notes of the County to be known as “Miami-Dade County,

Florida Seaport Commercial Paper Notes,” at one time or from time to time in one or more series, in an aggregate principal amount not to exceed \$200,000,000.00 outstanding at any one time, for the purpose of (i) paying Costs of Additional Improvements and Capital Expenditures and/or (ii) paying CP Notes previously issued or obligations to any Credit Facility Provider that has provided a Credit Facility for the CP Notes, including in each case paying costs and expenses incurred in connection with the issuance of the CP Notes, all as shall be provided by subsequent resolution or resolutions adopted by the Board. It is hereby understood and agreed that CP Notes may be issued hereunder in an aggregate principal amount exceeding \$200,000,000.00; provided, however, that at no one time shall the CP Notes collectively be outstanding hereunder in an aggregate principal amount exceeding \$200,000,000.00.

(b) The CP Notes and the obligations to the Credit Facility Provider(s) shall be payable from the sources described in, or pursuant to, subsequent resolution or resolutions adopted by the Board, which may include, without limitation, proceeds of CP Notes and/or Refunding Bonds, Net Revenues, with respect to CP Notes, funds drawn under a Credit Facility and with respect to obligations due Credit Facility Provider(s), a covenant to budget and appropriate legally available non-ad valorem revenues of the County. The CP Notes shall constitute Junior Obligations under the Master Ordinance. The CP Notes and the obligations to the Credit Facility Provider(s) shall not constitute a 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 provision.

(c) The CP Notes shall have such series designations, shall be issued in such denominations, shall be numbered, shall be dated as of such dates, shall mature on such dates, shall be subject to redemption, shall bear interest at such rates payable on such dates, shall be in such forms, and shall have such other terms, all as shall be determined pursuant to subsequent resolution or resolutions adopted by the Board.

Section 3. Proposals. The County Mayor is hereby authorized to obtain proposals through requests for proposals or any other process as the County Mayor deems appropriate for the selection of commercial paper dealer(s), issuing and paying agent(s) and Credit Facility Provider(s) in connection with the CP Notes. Any prior such proposals obtained by the County Mayor are hereby ratified.

Section 4. Further Acts. The officers, employees and agents of the County are authorized and directed to take all actions and do all things required of them by the Master Ordinance and this ordinance for the full, punctual and complete performance of all of the terms, covenants, provisions and agreements contained in the Master Ordinance and this ordinance.

Section 5. Headings Not Part of Ordinance. Any headings preceding the sections of this ordinance shall be solely for convenience of reference and shall not constitute a part of this ordinance, nor shall they affect its meaning, construction or effect.

Section 6. Effect of Partial Invalidity. In case any one or more of the provisions of this Ordinance or of any CP Notes shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this ordinance or of the CP Notes, but this ordinance and the CP Notes shall be construed and enforced as if such illegal or invalid provision had not been contained therein.

Section 7. Application of Florida Law. The CP Notes are issued and this ordinance is enacted with the intent that the laws of the State shall govern their construction.

Section 8. Code of the County. It is the intention of the Board, and it is hereby ordained that the provisions of this ordinance shall be excluded from the Code of Miami-Dade County, Florida.

Section 9. Effective Date. This ordinance shall become effective ten (10) days after the date of its enactment unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override of the veto by the Board.

PASSED AND ADOPTED:

Approved by County Attorney as
to form and legal sufficiency:

Prepared by:

Juliette R. Antoine

GBK
JRA