

Memorandum



Date: July 7, 2022

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

From: Daniella Levine Cava 
Mayor

Subject: Resolution approving issuance of Revenue Bonds for Florida Power & Light Company Project
by Miami-Dade County Industrial Development Authority

Agenda Item No. 10(A)(1)

Recommendation

The accompanying resolution is being placed before the Board of County Commissioners (Board) at the request of the Miami-Dade County Industrial Development Authority (IDA). This item approves the issuance of revenue bonds (Bonds) by the IDA for Florida Power & Light Company (Company) in a principal amount not to exceed \$350,000,000.00.

Details of the project are included in the accompanying memorandum and exhibits from the Chairman of the IDA.

Scope

The Miami-Dade County project is located at 9700 SW 344th Street, in unincorporated Miami-Dade County, FL, which is within Commission District 9 and represented by Commissioner Kionne McGhee.

Delegated Authority

There is no delegated authority for this IDA item.

Fiscal Impact/Funding Source

Neither the IDA nor Miami-Dade County has any liability with respect to the repayment of the Bonds.

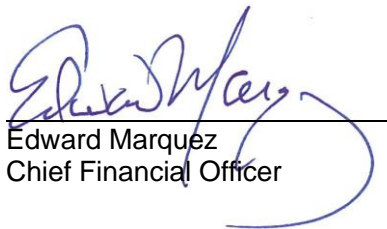
Track Record

Issuance of the Bonds will be conducted and monitored by the Executive Director of the IDA.

Background

The Tax Equity and Fiscal Responsibility Act (TEFRA) requires that the Board approve the issuance of Bonds by the IDA after a public hearing has been held either by the IDA or by the Board. For efficiency, the Board has allowed the IDA to conduct the public hearing subject to review and ratification by the Board.

Attachments


Edward Marquez
Chief Financial Officer

Memorandum



Date: July 7, 2022

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

From: Roberto Pelaez, Chairman
Miami-Dade County
Industrial Development Authority

Subject: Resolution approving issuance of Revenue Bonds for Florida Power & Light
Company project

RECOMMENDATION:

It is recommended the Board approve the issuance of the Authority's Revenue Bonds for the Florida Power & Light Company project, as detailed in the attached reports.

BACKGROUND:

Review and analysis of the project has been completed by the Authority, County Attorney's Office, and Bond Counsel. The Authority has conducted the federally required public hearing, as detailed in the attached public hearing transcript.

Florida Power & Light Company (FPL), a Florida corporation, has applied for Revenue Bond financing assistance in a maximum principal amount not to exceed \$350,000,000.00. The bond issue proceeds will be used to finance or refinance all or a portion of the cost of acquisition, construction, installation and equipping of certain wastewater/sewage facilities at Unit 5 of the FPL's Turkey Point Clean Energy Center located at 9700 SW 344th Street, Homestead, Florida in unincorporated Miami-Dade County used for the collection, transfer, treatment, recycling and disposal of municipal sewage from the Miami-Dade South District Waste Water Treatment Plant, and functionally related and subordinate facilities, and costs of issuance. The owner and principal user of the Project is FPL. On June 16, 2020, the Board of County Commissioners approved resolution R-579-20 approving agreement for reclaimed water processing, treatment and use at the FPL's Turkey Point Complex.

FPL reports it currently employs approximately 9,700 people and projects the creation of approximately 100 jobs during construction. The new capital investment through the issuance of Revenue Bonds will benefit FPL through the availability of lower debt service costs, which ultimately benefits FPL customers and Miami-Dade County. The operation of the project is anticipated to generate an estimated \$60 million in property taxes over the expected life of the facility and direct operational benefits from the project include employment, property tax revenues, and operational and maintenance expenditures.




MEMORANDUM

(Revised)

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

DATE: July 7, 2022

FROM: 
Gen Bonzon-Keenan
County Attorney

SUBJECT: Agenda Item No. 10(A)(1)

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. 10(A)(1)
7-7-22

RESOLUTION NO. _____

RESOLUTION APPROVING ISSUANCE OF MIAMI-DADE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY REVENUE BONDS IN AN AMOUNT NOT TO EXCEED \$350,000,000.00 AND IN ONE OR MORE SERIES TO (I) FINANCE OR REFINANCE ALL OR A PART OF THE COSTS OF CERTAIN WASTEWATER/SEWAGE FACILITIES AT UNIT 5 OF FLORIDA POWER & LIGHT COMPANY'S TURKEY POINT CLEAN ENERGY CENTER AND (II) PAY CERTAIN COSTS OF ISSUANCE RELATING TO THE BONDS, ALL BENEFITING FLORIDA POWER & LIGHT COMPANY FOR PURPOSES OF AND PURSUANT TO SECTION 147(F) OF INTERNAL REVENUE CODE OF 1986, AS AMENDED

WHEREAS, Florida Power & Light Company, a Florida corporation (the "Company"), has requested the Miami-Dade County Industrial Development Authority (the "Authority") to issue, in one or more series, not exceeding \$350,000,000.00 in revenue bonds (the "Bonds"), the proceeds of which will be loaned to the Company in order to finance or refinance (i) all or a portion of the cost of acquisition, construction, installation and equipping of certain wastewater/sewage facilities at Unit 5 of the Company's Turkey Point Clean Energy Center located at 9700 SW 344th Street, Homestead, Florida 33035 in Miami-Dade County used for the collection, transfer, treatment, recycling and disposal of municipal sewage from the Miami-Dade South District Waste Water Treatment Plant, and functionally related and subordinate facilities; and (ii) pay certain bond issuance costs (collectively, the "Project"); and

WHEREAS, the Authority intends to issue the Bonds subject to approval by the Board of County Commissioners of Miami-Dade County, Florida (the “Board”) as described herein, and final approval by the Authority of the financing documents for the Project, which is more particularly described in the report prepared by the Executive Director of the Authority (a copy of which is attached hereto as Exhibit A); and

WHEREAS, on April 27, 2022, the Authority held a public hearing, notice of which was posted on the Authority’s website on April 19, 2022, (a copy of the website posting of the Notice is attached hereto as Exhibit B), for the purpose of giving all interested persons an opportunity to express their views in connection with the issuance of the Bonds, as required by Section 147(f) of the Internal Revenue Code of 1986, as amended (the “Code”); and

WHEREAS, after reviewing a copy of the transcript of the Authority’s public hearing held on April 27, 2022, with respect to the Bonds (a copy of which transcript is attached hereto as Exhibit C), and finding that the Project will inure to the benefit of the citizens of Miami-Dade County, this Board desires to approve the issuance of the Bonds and related plan of financing for the purpose of complying with Section 147(f) of the Code,

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

Section 1. The issuance of revenue bonds of the Miami-Dade County Industrial Development Authority in one or more series in an aggregate principal amount not to exceed \$350,000,000.00 and related plan of financing for the purpose of financing and refinancing all or a part of the costs of the Project, as previously described, is approved pursuant to Section 147(f) of the Code.

Section 2. The Bonds and the interest on the Bonds shall not constitute a debt, liability or general obligation of the Authority, the County or of the State of Florida or of any political subdivision thereof, but shall be payable solely from the revenues or other moneys specifically provided by the Company for the payment of the Bonds and neither the faith and credit nor any taxing power of the Authority, the County or of the State of Florida or of any political subdivision thereof is pledged to the payment of the principal or interest on the Bonds.

The foregoing resolution was offered by Commissioner _____ ,
who moved its adoption. The motion was seconded by Commissioner _____
and upon being put to a vote, the vote was as follows:

Jose “Pepe” Diaz, Chairman	
Oliver G. Gilbert, III, Vice-Chairman	
Sen. René García	Keon Hardemon
Sally A. Heyman	Danielle Cohen Higgins
Eileen Higgins	Joe A. Martinez
Kionne L. McGhee	Jean Monestime
Raquel A. Regalado	Rebeca Sosa
Sen. Javier D. Souto	

The Chairperson thereupon declared this resolution duly passed and adopted this 7th day of July, 2022. This resolution shall become effective upon the earlier of (1) 10 days after the date of its adoption unless vetoed by the County Mayor, and if vetoed, shall become effective only upon an override by this Board, or (2) approval by the County Mayor of this resolution and the filing of this approval with the Clerk of the Board.

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

By: _____
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency.

D.P.C

Dale P. Clarke

FLORIDA POWER & LIGHT COMPANY**THE COMPANY**

Florida Power & Light Company (“FPL”) is a rate-regulated electric utility engaged primarily in the generation, transmission, distribution, and sale of electric energy in Florida. FPL is the largest electric utility company in the State of Florida and one of the largest electric utilities in the United States. As of December 31, 2021, FPL reports it had approximately 28,600 megawatts of net generating capacity, approximately 77,000 circuit miles of transmission and distribution lines and 696 substations. FPL provides service to its electric customers through integrated transmission and distribution systems that link its generation facilities to its customers. FPL now serves more than 11 million people through more than 5.7 million customer accounts. FPL’s service area covers most of the east and lower west coasts of Florida and eight counties throughout northwest Florida. FPL’s typical 1,000-kWh residential customer bill is approximately 30 percent lower than the latest national average and among the lowest in the United States. FPL’s service reliability is better than 99.98 percent, and its highly fuel-efficient power plant fleet is one of the cleanest among all electric companies nationwide. FPL, which was incorporated under the State of Florida laws in 1925, is a wholly owned subsidiary of NextEra Energy, Inc., a clean energy company widely recognized for its efforts in sustainability, ethics, and diversity, and has been ranked No. 1 in the electric and gas utilities industry in Fortune’s 2022 list of “World’s Most Admired Companies.”

THE PROJECT

FPL is requesting Industrial Development Revenue Bonds in a maximum principal amount not to exceed \$350,000,000 to facilitate the acquisition, construction, installation and equipping of certain wastewater/sewage facilities at Unit 5 of FPL’s Turkey Point Clean Energy Center located at 9700 SW 344th Street, Homestead, Florida in unincorporated Miami-Dade County used for the collection, transfer, treatment, recycling and disposal of municipal sewage from the Miami-Dade South District Waste Water Treatment Plant, and functionally related and subordinate facilities. The reclaimed water treatment facility will treat up to 15 million gallons per day (gpd) of reclaimed water provided by Miami-Dade County, which treated reclaimed water will be used in FPL’s combined cycle natural gas plant cooling towers. The project is a collaboration between FPL and Miami-Dade County Water and Sewer Department and facilitates Miami-Dade County’s compliance with the “Ocean Outfall Statute (F.S. 403.086(10)) which requires Miami-Dade County’s wastewater utility to beneficially reuse up to 60% of their wastewater by 2025. On June 16, 2020, the Board of County Commissioners approved resolution R-579-20 approving agreement for reclaimed water processing, treatment and use at the FPL’s Turkey Point Complex.

FINANCIAL SUFFICIENCY

FPL has provided the annual report (Form 10-K) for its parent company NextEra Energy, Inc., for the fiscal years ended December 31, 2021, 2020, and 2019. Additional financial information is available online at the Company's website (<http://www.nexteraenergy.com/>).

A review of the submitted financial and related information indicates:

<u>SOURCE OF FUNDS</u>		<u>USE OF FUNDS</u>	
Bond Issue Proceeds*	\$ 350,000,000	Pipeline – South District Wastewater Treatment Plant	\$85,700,000
		Deep Injection and Monitoring Wells	34,800,000
		Sitework and Concrete	33,800,000
		Water Treatment Equipment	9,100,000
		Plant Piping	18,200,000
		Plant Electrical	18,400,000
		Structural Steel and Architectural	4,400,000
		Contractor Indirect Expenses and Fees	83,900,000
		Owners Costs	20,900,000
		Contingency	40,800,000
TOTAL	<u>\$350,000,000</u>	TOTAL	<u>\$350,000,000</u>

* Any costs related to the bond issue which cannot be paid out of bond proceeds will be borne by company.

Information relative to the proposed financial structure includes:

Financial Structure: Corporate debt.

Security: The Bonds will be payable from and secured solely by a pledge of loan repayments to be made under a Loan Agreement between FPL and the Miami-Dade County Industrial Development Authority. The Authority will assign its rights under the Loan Agreement (except certain rights that will be reserved) to the bond trustee as security for the bonds.

Marketing: The bonds will be sold through a negotiated sale, by competitive bid or Public Offering.

LEGAL

The project consists of the acquisition, construction, installation and equipping of an advanced reclaimed water treatment facility and related infrastructure, which is an approved use of revenue bonds under federal and state law. Issuance allocation will be required for this project from the Private Activity Bonds State Volume Cap Allocation Pool, utilizing allocations set aside for projects of this nature. No locally available bond allocation will be used for this project unless the allocation is not required for local qualified projects.

If accepted for processing by the Authority, the project will be referred to the County Attorney's Office and Bond Counsel for review and comment.

ECONOMIC IMPACT

FPL reports it currently employs approximately 9,700 people and projects the creation of approximately 100 jobs during construction. The new capital investment through the issuance of Revenue Bonds will benefit FPL through the availability of lower debt service costs, which ultimately benefits FPL customers and Miami-Dade County. The operation of the project is anticipated to generate an estimated \$60 million in property taxes over the expected life of the facility and direct operational benefits from the project include employment, property tax revenues, and operational and maintenance expenditures.

MIAMI-DADE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

Home

About IDA

Mission

Qualifications

Advantages

Sources of Financing

Issuance Costs

Authority Members

Contact Information

Meeting Dates

Public Hearing

MIAMI-DADE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

TEFRA/PUBLIC HEARING

The Miami-Dade County Industrial Development Authority (the "Authority") has been requested by Florida Power & Light Company (the "Borrower"), a Florida corporation, to issue its revenue bonds, in one or more series, in an aggregate principal amount not to exceed \$350,000,000 (the "Bonds"), the proceeds of which will be loaned by the Authority to the Borrower in order to finance or refinance (i) all or a portion of the cost of acquisition, construction, installation and equipping of certain wastewater/sewage facilities at Unit 5 of the Borrower's Turkey Point Clean Energy Center located at 9700 SW 344th Street, Homestead, Florida 33035 in Miami-Dade County used for the collection, transfer, treatment, recycling and disposal of municipal sewage from the Miami-Dade South District Waste Water Treatment Plant, and functionally related and subordinate facilities, and (ii) costs of issuance (collectively, the "Project"). The owner and principal user of the Project is the Borrower.

The Bonds shall not be a debt, liability or obligation of the Authority, Miami-Dade County, Florida, the State of Florida, or of any political subdivision of the State of Florida, but shall be payable solely from the proceeds derived from the repayment of the related loan or loans, or from the other security pledged therefor.

Please take note that the Executive Director of the Authority (as its hearing officer) will hold a public hearing as required by Section 147(f) of the Internal Revenue Code of 1986, as amended, concerning the nature and location of the Project and the proposed issuance of the Bonds, on **April 27, 2022** commencing at 10:00 a.m. or shortly thereafter, at which time any person may be heard regarding the proposed issuance of the Bonds and the nature and location of the Project.

How to participate in the public hearing:

- (1) In order to call in to listen and/or speak at the hearing – Please dial the following toll-free number: 1-888-453-4408 when prompted please use access code: 3957667542#;
- (2) If you are deaf or hard of hearing, you may join the hearing using Florida Relay Service by dialing 711 on your telephone; and
- (3) Interested parties who wish to provide documents for the public hearing must submit such materials to ccastillo@mdcida.org. The deadline to submit such documents and materials is April 26, 2022. Submitted documents and materials will be included in the public record for the referenced hearing.

If you have any questions or require additional information regarding the virtual hearing, please call and leave a voice message regarding the above at telephone number: (305) 579-0070 (Due to COVID-19, staff may be currently working remotely but will promptly respond to voicemails received).

The Authority will submit a transcript of the statements after the hearing to the Board of County Commissioners, Miami-Dade County, Florida, which must approve or disapprove the issuance of the Bonds.

MIAMI-DADE COUNTY INDUSTRIAL

DEVELOPMENT AUTHORITY

This notice is published pursuant to the requirements of Section 147(f) of the Code.

MIAMI-DADE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY
TRANSCRIPT OF PUBLIC HEARING
WEDNESDAY, APRIL 27, 2022

At 10:00 a.m., the Executive Director of the Miami-Dade County Industrial Development Authority announced that the Authority would proceed to hold a public hearing on the issuance of Industrial Development Authority Revenue Bonds for the (Florida Power & Light Company project). The following is a substantially verbatim account of the proceedings of this hearing.

The following persons were present:

James D. Wagner Jr. <i>Executive Director</i>	Miami-Dade County Industrial Development Authority	80 SW 8 th Street, Ste. 2801 Miami, Florida 33130
Cynthia Castillo <i>Assistant to Executive Director</i>	Miami-Dade County Industrial Development Authority	80 SW 8 th Street, Ste. 2801 Miami, Florida 33130
Amanda Llovet <i>Chief Financial Officer</i>	Miami-Dade County Industrial Development Authority	80 SW 8 th Street, Ste. 2801 Miami, Florida 33130

The following persons were present telephonically:

Mark-David Adams <i>Bond Counsel</i>	Locke Lord LLP <i>Florida Power & Light Company</i>	777 South Flagler Dr., Ste. 215-E West Palm Beach, Florida 33401
W. Jay Frazier <i>Senior Attorney</i>	Florida Power & Light Company	700 Universe Boulevard Juno Beach, Florida 33408
Russell MacPherson <i>Engineering Consultant</i>	BECON Corp	60 Ledgewood Place, 2 nd Floor Rockland, Massachusetts 02370
Luis Reiter <i>Company Counsel</i>	Squire Patton Boggs LLP <i>Florida Power & Light Company</i>	200 S. Biscayne Blvd., Ste 4700 Miami, Florida 33131

Executive Director

We will now conduct the public hearing on the proposed issuance of Industrial Development Authority Revenue Bonds for the (Florida Power & Light Company project).

This public hearing is being conducted pursuant to requirements of the Federal Tax Equity and Fiscal Responsibility Act of 1982. The Act requires that in order for the interest on Industrial Development Authority Revenue Bonds to be exempt from Federal Income Tax, such proposed bonds must be approved by either a voter referendum or by an applicable elected legislative body after a public hearing.

The public hearing notice was advertised on the Miami-Dade County Industrial Development Authority's website on Tuesday, April 19, 2022.

The project for consideration is an Industrial Development Authority Revenue Bond issue for the Florida Power & Light Company project, in one or more series, in an aggregate principal amount not to exceed \$350,000,000. The bond issue proceeds of which will be loaned by the Authority to the Borrower in order to finance or refinance all or a portion of the cost of acquisition, construction, installation and equipping of certain wastewater/sewage facilities at Unit 5 of FPL's Turkey Point Clean Energy Center located at 9700 SW 344th Street, Homestead, Florida in unincorporated Miami-Dade County used for the collection, transfer, treatment, recycling and disposal of municipal sewage from the Miami-Dade South District Waste Water Treatment Plant, and functionally related and subordinate facilities, and costs of issuance. The owner and principal user of the Project is the Borrower.

Executive Director

Testimony will now be heard by anyone desiring to speak.

Let the record reflect that FPL representatives are in attendance telephonically. Representatives, is there anything you would like to add?

Executive Director

Hearing no comments, this concludes the public hearing scheduled for today. This project, together with a transcript of today's public hearing, will be forwarded to the Miami-Dade County Board of County Commissioners for inclusion on a regular meeting agenda, at which time the Commission will approve or disapprove the proposed issuance of Bonds by the Miami-Dade County Industrial Development Authority.