

Date: August 31, 2020

Agenda Item No. 10(A)(1)

To: Honorable Chairwoman Audrey M. Edmonson
and Members, Board of County Commissioners

From: Carlos A. Gimenez
Mayor

Resolution No. R-868-20

Subject: Resolution Approving Issuance of Industrial Development Revenue Bonds for Miami
Community Charter Schools, Inc. Project by Miami-Dade County Industrial Development
Authority

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 industrial development revenue bonds (Bonds) by the IDA for Miami Community Charter Schools, Inc. (Company) in a principal amount not to exceed \$20,000,000.00.

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

Scope

The project is located at 18720 SW 352nd Street, in Florida City, FL, which is within Commission District 9 and represented by Commissioner Dennis C. Moss.

Fiscal Impact/Funding Source

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

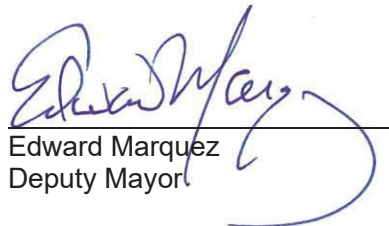
Track Record

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
Deputy Mayor

Memorandum



Date: August 31, 2020

To: Honorable Chairwoman Audrey M. Edmonson
and Members, Board of County Commissioners

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

A handwritten signature in blue ink, appearing to read "Roberto Pelaez", written over the name in the "From:" field.

Subject: Resolution approving issuance of Industrial Development Revenue Bonds for
Miami Community Charter Schools, Inc. project

RECOMMENDATION:

It is recommended the Board approve the issuance of the Authority's Industrial Development Revenue Bonds for the Miami Community Charter Schools, Inc. 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.

Miami Community Charter Schools, Inc., a Florida not-for-profit corporation, has applied for Industrial Development Revenue Bond financing assistance in a maximum principal amount not to exceed \$20,000,000.00. The bond proceeds will be loaned by the Authority to the Company in order to refinance the Capital Trust Agency tax-exempt revenue bonds, Series 2010A, currently outstanding in the aggregate principal amount of \$6,985,000, the proceeds of which were loaned to the Company to finance the acquisition, improvements and equipping of an approximately 35,000 square foot building to be used as a nonprofit charter school educational facility for primarily grades 6 through 12, located at 18720 SW 352nd Street, Florida City, Florida, in unincorporated Miami-Dade County, Florida; finance or refinance, including through reimbursement, all or a portion of the cost of the modification and expansion of the existing facility on the existing approximately 7.5 acre site, including, but not limited to, (a) construction and equipping of an approximately 38,000 square foot building expansion, (b) modifications and renovations to existing buildings, (c) acquisition and installation of furnishings, fixtures and equipment and (d) related site improvements (the Existing Facility, as so modified and expanded, the "Expanded Facility"), which modifications and expansions will accommodate the relocation of the Company's elementary school and a Voluntary Prekindergarten Educational Program (VPK) to the Expanded Facility; fund a reserve fund or funds for the Bonds and capitalized interest relating to the Bonds, if necessary; and pay certain costs of issuance relating to the Bonds. The Expanded Facility will be owned and operated by the Company. The Existing Facility has at all times been owned and operated by the Company.

Miami Community Charter Schools, Inc. report that it currently employs a total of 116 persons and as a result of the expansion the level of employment will increase by approximately 10

Honorable Chairwoman Audrey M. Edmonson
and Members, Board of County Commissioners
Page No. 2

employees and the schools' enrollment will increase from its current 1,070 students to approximately 1,200 students by 2022.



MEMORANDUM (Revised)

TO: Honorable Chairwoman Audrey M. Edmonson
and Members, Board of County Commissioners

DATE: August 31, 2020

FROM: Abigail Price-Williams
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)
8-31-20

RESOLUTION NO. R-868-20

RESOLUTION APPROVING ISSUANCE OF MIAMI-DADE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY INDUSTRIAL DEVELOPMENT REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$20,000,000.00, IN ONE OR MORE TAX-EXEMPT OR TAXABLE SERIES TO (I) REFUND THE REFUNDED BONDS (AS DEFINED HEREIN), (II) FINANCE OR REFINANCE, INCLUDING THROUGH REIMBURSEMENT, ALL OR A PORTION OF THE COST OF THE MODIFICATION AND EXPANSION OF CERTAIN EXISTING EDUCATIONAL FACILITIES, (III) FUND A DEBT SERVICE RESERVE FUND FOR THE BONDS AND CAPITALIZED INTEREST RELATING TO THE BONDS, IF NECESSARY, AND (IV) PAY CERTAIN COSTS OF ISSUANCE RELATING TO THE BONDS, ALL BENEFITTING MIAMI COMMUNITY CHARTER SCHOOL, INC., A FLORIDA NOT-FOR-PROFIT CORPORATION

WHEREAS, Miami Community Charter School, Inc., a Florida not-for-profit corporation (the “Borrower”), has requested the Miami-Dade County Industrial Development Authority (the “Authority”) to issue its industrial development revenue bonds (the “Bonds”), in an aggregate principal amount not to exceed \$20,000,000.00, in one or more tax-exempt or taxable series, and to loan the proceeds thereof to the Borrower in order to (i) refund the outstanding Capital Trust Agency Tax-Exempt Revenue Bonds (Miami Community Charter School Project), Series 2010A (the “Refunded Bonds”), the proceeds of which were loaned to the Borrower to finance the acquisition, improvements and equipping of an approximately 35,000 square foot building to be used as a nonprofit charter school educational facility for primarily grades 6 through 12, located at 18720 SW 352nd Street, Florida City, Florida 33034, in unincorporated Miami-Dade County, Florida (the “Existing Facility”), (ii) finance or refinance, including through reimbursement, all or a portion of the cost of the cost of the modification and expansion of the Existing Facility on

the existing approximately 7.5 acre site, including, but not limited to (a) construction and equipping of an approximately 38,000 square foot building expansion, (b) modifications and renovations to existing buildings, (c) acquisition and installation of furnishings, fixtures and equipment, and (d) related site improvements (the Existing Facility, as so modified and expanded, the “Expanded Facility”), which modifications and expansions will accommodate the relocation of the Company’s elementary school and a Voluntary Prekindergarten Educational Program (VPK) to the Expanded Facility, (iii) fund a debt service reserve fund for the Bonds and capitalized interest relating to the Bonds, if necessary, and (iv) pay certain costs of issuance relating to the Bonds (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”) of the issuance of the Bonds, 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 Wednesday, August 12, 2020, the Authority held a public hearing, notice of which was published on Monday, August 3, 2020, in The Miami Herald (a copy of such 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, and the location and nature of the Project, as required under 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 Wednesday, August 12, 2020, 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 for the purposes 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 foregoing recitals are adopted as if fully set forth herein.

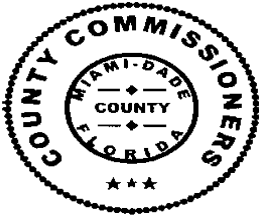
Section 2. The issuance of the Bonds for the purpose of financing or refinancing all or a part of the costs of the Project, as previously described, is approved.

Section 3. 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 Borrower 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 **Rebeca Sosa** ,
who moved its adoption. The motion was seconded by Commissioner **Sally A. Heyman**
and upon being put to a vote, the vote was as follows:

Audrey M. Edmonson, Chairwoman	aye
Rebeca Sosa, Vice Chairwoman	aye
Esteban L. Bovo, Jr.	aye
Jose “Pepe” Diaz	aye
Eileen Higgins	aye
Joe A. Martinez	absent
Dennis C. Moss	aye
Xavier L. Suarez	aye
Daniella Levine Cava	aye
Sally A. Heyman	aye
Barbara J. Jordan	aye
Jean Monestime	aye
Sen. Javier D. Souto	aye

The Chairperson thereupon declared this resolution duly passed and adopted this 31st day of August, 2020. 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: **Melissa Adames**
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency.

JRA

Juliette R. Antoine

MIAMI COMMUNITY CHARTER SCHOOLS, INC.
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THE CORPORATIONS

Miami Community Charter School, Inc. (the “Elementary School”), Miami Community Charter Middle School, Inc. (the “Middle School”) and Miami Community Charter High School, Inc. (the “High School”) (and together, “the Schools”) are Florida not-for-profit corporations governed by a six member Board of Directors. The Schools operate under charters sponsored by the School Board of Miami-Dade County (the “District”). The Elementary School which opened in Fall 2004 currently serves grades Kindergarten through the 5th grade. In its first year of operation, the Elementary School served 125 students and has expanded over the years to its current enrollment of 532 students. The Middle School opened in Fall 2007 and serves grades 6th through 8th. The Middle School student population has grown from 51 students in its first year of operations to its current enrollment of 308 students. The High School opened in Fall 2009 to serve grade 9 with a class size of 28 students and added a grade per year to serve grades 9th through 12th and currently serves 230 students. Together, the Schools served a student population of 1,070 students during the 2019-2020 school year.

Charter Contracts Operated by the Corporations:

Year Open	School Name	County	Address	Grades Served	Enrollment 2019-2020
2004	Miami Community Elementary School	Dade	101 SW Redland Road, Florida City, FL 33034	K-5	532
2007	Miami Community Middle School	Dade	18720 SW 352 nd Street, Florida City, FL 33034	6-8	308
2009	Miami Community High School	Dade	18720 SW 352 nd Street, Florida City, FL 33034	9-12	230

The Schools were chartered to provide a cross-cultural learning environment which develops adaptive and active learners who embrace the exploration of other cultures as well as their own ancestral heritage through art, music, and literature. The curriculum uses the multiple intelligence test to identify individual strengths and learning styles. The Schools also use positive behavior support, a system developed by the Florida Department of Education as an approach to behavioral intervention that integrates features of applied behavioral analysis with student-centered values.

The Schools are intended to ensure mastery of both the current state standard and the Miami-Dade Public School’s Competency-Based Curriculum. The Schools’ Vision Statement is for its students to take ownership to transform obstacles into opportunities for a better community. The student population at the Elementary, Middle and High Schools were 100% minority in the most recent 2019-2020 school year (compared to a 93% District average) and have a 98% average of students who qualify for free and reduced lunch (compared to a 67% District average). The Elementary, Middle, and High Schools were each most recently assigned a “B” grade from the State of Florida.

THE PROJECT

Miami Community Charter Schools, Inc. is requesting tax-exempt and taxable Industrial Development Revenue Bond financing assistance in an amount not to exceed \$20,000,000 to facilitate the refinancing of the Schools' Series 2010 bonds which were used to refinance the land and an approximate 35,000 square foot existing facility which currently serves the Middle and High Schools and to finance an approximate 38,000 square foot expansion of the current Middle and High School facility in order to accommodate the relocation of the Elementary School and a Voluntary Prekindergarten (VPK) program to the premises. The project cost covers the modification and expansion of the existing facility including general classrooms, support facilities, as well as the necessary site improvements. The expansion will occur on the School's existing 7.5-acres land site. As noted, the expansion will enable the relocation of the Elementary School from its leased facility located at 101 SW Redland Road, Florida City to the expanded Middle and High Schools facility located at 18720 SW 352nd Street, Florida City. Following completion of the project, the entire K through 12 grades will be housed within the expanded facility by the start of the 2021-2022 school year.

Elements of the proposed project include:

1. Refinance Existing Series 2010 Bonds: ----- \$7,230,000
2. Modification and Expansion of existing facility on existing land: ----- \$9,400,000
 - Building Expansion – approximately 38,000 sq. ft.: -- \$6,270,000
 - Site Improvements: ----- \$1,800,000
 - Modifications Existing Building:----- \$ 600,000
 - Permit Phase:----- \$ 730,000

FINANCIAL SUFFICIENCY

The Schools have provided audited financial statements for the fiscal years ended June 30, 2019, 2018 and 2017.

A review of the submitted financial and related information indicates:

<u>SOURCE OF FUNDS</u>		<u>USE OF FUNDS</u>	
Tax-Exempt Bond Proceeds*	\$19,820,000	Refinance Existing Series 2010 Bonds	\$7,230,000
Taxable Bonds	180,000	Expansion and Site Improvements	9,400,000
		Debt Service Reserve Fund	1,250,000
		Capitalized Interest	1,055,000
		Contingency Reserve	535,000
		Bond Issuance Expenses	530,000
<hr/>		<hr/>	
TOTAL	<u>\$20,000,000</u>	TOTAL	<u>\$20,000,000</u>

* *Any costs related to the bond issue and development of the project which cannot be paid out of bond proceeds will be borne by Schools.*

Information relative to the proposed financial structure includes:

Financial Structure:	Tax-Exempt Debt (with small taxable tail)
Security:	First mortgage on property financed with bond proceeds. Pledge of revenues from the schools operated on this property.
Marketing:	Limited public offering to qualified institutional/accredited investors.

LEGAL

Under the 1986 Tax Act, facilities for 501(c)(3) corporations remain eligible for financing with tax-exempt Industrial Development Revenue Bonds provided that the project is part of the corporation's normal course of business. Bonds issued for the benefit of a 501(c)(3) corporation are also exempt from the requirement of being included under the state bond volume cap.

ECONOMIC IMPACT

The Schools report that it currently employs a total of 116 persons and as a result of the expansion the level of employment will increase by approximately 10 employees and the schools' enrollment will increase from its current 1,070 students to approximately 1,200 students by 2022. Additional economic benefits include added support to the local construction industry.



MIAMI-DADE COUNTY
INDUSTRIAL DEVELOPMENT AUTHORITY
TEFRA/PUBLIC HEARING

The Miami-Dade County Industrial Development Authority (the "Authority") has been requested by Miami Community Charter Schools, Inc. (the "Company"), a Florida not for profit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1936, as amended (the "Code"), to issue its revenue bonds in an aggregate principal amount not to exceed \$20,000,000 (the "Bonds"), in one or more series.

The Bonds are to be issued as qualified 501(c)(3) bonds, as defined in Section 145 of the Code, and the proceeds of the Bonds will be loaned by the Authority to the Company in order to: (i) Refund the Capital Trust Agency Tax-Exempt Revenue Bonds (Miami Community Charter School Project), Series 2010A, currently outstanding in the aggregate principal amount of \$6,985,000, the proceeds of which were loaned to the Company to finance the acquisition, improvements and equipping of an approximately 35,000 square foot building to be used as a nonprofit charter school educational facility for primarily grades 6 through 12, located at 18720 SW 352nd Street, Florida City, Florida 33034, in unincorporated Miami-Dade County, Florida (the "Existing Facility"); (ii) finance or refinance, including through reimbursement, all or a portion of the cost of the modification and expansion of the Existing Facility on the existing approximately 7.5 acre site, including, but not limited to, (a) construction and equipping of an approximately 38,000 square foot building expansion, (b) modifications and renovations to existing buildings, (c) acquisition and installation of furnishings, fixtures and equipment and (d) related site improvements (the Existing Facility, as so modified and expanded, the "Expanded Facility"), which modifications and expansions will accommodate the relocation of the Company's elementary school and a Voluntary Prekindergarten Educational Program (VPK) to the Expanded Facility; (iii) fund a reserve fund or funds for the Bonds and capitalized interest relating to the Bonds, if necessary; and (iv) pay certain costs of issuance relating to the Bonds (collectively, the "Project"). The Expanded Facility will be owned and operated by the Company. The Existing Facility has at all times been owned and operated by the Company.

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 now only hold a virtual public hearing utilizing communications media technology made permissible pursuant to the Governor's Executive Orders relating to COVID-19, concerning the nature and location of the Project and the proposed issuance of the Bonds, on Wednesday, August 12, 2020, commencing at 11:00 a.m. or shortly thereafter. No persons will physically appear in person.

How to participate:

(1) Call in live to listen and/or speak at the hearing - Dial: 602-580-9813 Access Code: 8005385 #; (2) Join the hearing via ZOOM to listen and/or speak Hearing ID: 852 227 0453 Password: 3n3uZK

Meeting Link: <https://zoom.us/j/8522270453?pwd=QlRnVt80Nktzcm1ZVXphNE10bEJkOTQ9>

(3) If you are deaf or hard of hearing, you may join the hearing using Florida Relay Service by dialing 711 on your telephone.

Interested parties who wish to introduce documents during the public hearing must submit such materials to ccastillo@mdcda.org. The deadline to submit such documents and materials is Monday, August 10, 2020. Submitted documents and materials will be included in the public record for the referenced application.

If you have any questions or require additional information regarding the virtual meeting, please call and leave a voice message for the above referenced at Telephone 305-579-0070 (Due to COVID-19, staff is currently working remotely but will promptly respond to voicemails received).

The Authority will submit a transcript of the statement at the hearing to the Board of County Commissioners, Miami-Dade County, Florida, which must approve or disapprove the issuance of the Bonds for the purposes of and pursuant to Section 147(f) of the Code.

MIAMI-DADE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY
VIRTUAL TRANSCRIPT OF PUBLIC HEARING
WEDNESDAY, AUGUST 12, 2020

At 11:00 a.m., the Executive Director of the Miami-Dade County Industrial Development Authority announced that the Authority would proceed to hold a virtual public hearing on the issuance of Industrial Development Revenue Bonds. The following is a substantially verbatim account of the proceedings of this hearing.

The following persons were virtually 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
Amanda Llovet <i>Chief Financial Officer</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
Richard Moreno <i>Advisor</i>	Building Hope Services, LLC <i>(representing Miami Community Charter Schools, Inc.)</i>	1225 SE 2 nd Avenue Fort Lauderdale, Florida 33316
Dr. Jila Rezaie <i>Executive Director</i>	Miami Community Charter Schools, Inc.	18720 SW 352 nd Street Florida City, Florida 33034
Jeffrey S. Wood <i>Borrower's Counsel</i>	Tripp Scott Law Firm <i>(representing Miami Community Charter Schools, Inc.)</i>	110 SE 6 th Street Fort Lauderdale, Florida 33301
Thomas Sternberg <i>Borrower's Counsel</i>	Tripp Scott Law Firm <i>(representing Miami Community Charter Schools, Inc.)</i>	110 SE 6 th Street Fort Lauderdale, Florida 33301

Executive Director

We will now conduct the virtual public hearing on the proposed issuance of Industrial Development Revenue Bonds for the capital project located in Miami-Dade County.

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 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.

We have received a copy of a notice advising that the Industrial Development Authority will hold a virtual public hearing on the proposed issuance of Industrial Development Revenue Bonds to finance all or a portion of the capital costs associated with the project mentioned in that notice. The notice appeared in The Miami Herald on Monday, August 3, 2020, page 6A.

The project for consideration is an Industrial Development Revenue Bond issue for Miami Community Charter Schools, Inc., in an aggregate principal amount not to exceed \$20,000,000. The bond issue proceeds will be loaned by the Authority to the Company for use as detailed in the public hearing notice.

Executive Director

Let the record reflect that no one has contacted the Authority with respect to the project and no one has logged into today's ZOOM hearing to comment other than three Authority staff persons and Richard Moreno who introduced Dr. Jila Rezaie, Jeffrey Wood, and Thomas Sternberg, all representing the project.

Executive Director

This concludes the virtual public hearing scheduled for today. This project, together with a transcript of today's virtual public hearing, will be forwarded to the Miami-Dade County Board of County Commissioners for inclusion on a regular virtual meeting agenda, at which time the Commission will approve or disapprove the proposed issuance of Bonds by the Miami-Dade County Industrial Development Authority.