Memorandum

MIAMI-DADE COUNTY

Date: November 12, 2020

Agenda Item No. 10(A)(1)
(11-19-20)

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

From: Carlos A. Gimenez
Mayor

Resolution No. R-1206-20

Subject: Resolution approving issuance of Industrial Development Revenue Bonds for True North Classical Academy, Inc. Project by Miami-Dade County Industrial Development Authority

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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 True North Classical Academy, Inc. (Company) in a principal amount not to exceed $17,500,000.00.

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

Scope

The projects are located at 7900 SW 86th Street, unincorporated Miami-Dade County, FL, which is within Commission District 7, represented by Commissioner Xavier L. Suarez, and 9393 SW 72nd Street, unincorporated Miami-Dade County, FL, which is within Commission District 10, represented by Commissioner Javier D. Souto.

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: November 12, 2020

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

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

Subject: Resolution approving issuance of Industrial Development Revenue Bonds for True North Classical Academy, Inc. project

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RECOMMENDATION:

It is recommended the Board approve the issuance of the Authority's Industrial Development Revenue Bonds for the True North Classical Academy, 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.

True North Classical Academy, Inc., a Florida not-for-profit 501(c)(3) corporation, has applied for Industrial Development Revenue Bond financing assistance in a maximum principal amount not to exceed $17,500,000.00. The bond proceeds will be loaned by the Authority to the Corporation:

(1) in order to refinance two existing loans used for the construction of the two-story, 30,100 sq. ft. Sunset Chapel educational facility located at 9393 SW 72nd Street, unincorporated Miami-Dade County. The Sunset Chapel educational facility is essentially completed with the exception of the 15,000 sq. ft. gymnasium which is still under construction. The completed facility will provide 24 classrooms, two science labs, a cafeteria, seven restrooms, seven offices, a conference room, the gymnasium, as well as provide a 60-space parking lot. The facility will accommodate up to 900 students.

(2) to fund the construction of a 7,800 sq. ft., 2nd floor addition to the True North South educational facility located at 7900 SW 86th Street, unincorporated Miami-Dade County. When completed the addition will add nine classrooms for a total of 18 classrooms accommodating up to 360 students, as well as provide a 94-space parking lot.

(3) fund the construction of a new, two-story 26,734 sq. ft. educational facility which will connect to the existing True North South educational facility located at 7900 SW 86th Street, unincorporated Miami-Dade County. When completed the facility will include 20 classrooms, lab space, and a lunchroom and accommodate up to 440 students.

True North Classical Academies report it currently employs a total of 87 employees and following completion of the project employment will increase to approximately 150 employees. Student enrollment at the campuses is expected to increase from 511 students in 2019-2020 to approximately 1,700 students once it reaches full capacity in the school year 2023-2024.

MEMORANDUM
(Revised)

TO: Honorable Vice Chairwoman Rebeca Sosa
and Members, Board of County Commissioners

DATE: November 19, 2020

FROM: Geri Bonzon-Keenan
Successor 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	Agenda Item No. 10(A)(1)
Veto	__________	11-19-20
Override	__________	

RESOLUTION NO. R-1206-20

RESOLUTION APPROVING THE ISSUANCE OF MIAMI-DADE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY INDUSTRIAL DEVELOPMENT REVENUE BONDS IN AN AMOUNT NOT TO EXCEED $17,500,000.00 TO REFINANCE EXISTING DEBT AND TO FINANCE CAPITAL PROJECTS FOR THE BENEFIT OF TRUE NORTH CLASSICAL ACADEMY, INC. FOR PURPOSES OF AND PURSUANT TO SECTION 147(F) OF INTERNAL REVENUE CODE OF 1986, AS AMENDED

WHEREAS, True North Classical Academy, Inc., a Florida not-for-profit corporation (the "Borrower"), has requested the Miami-Dade County Industrial Development Authority (the "Authority") issue not exceeding $17,500,000.00 of its Industrial Development Revenue Bonds (True North Classical Academy, Inc. Project), Series 2020 (the "Bonds") in taxable and tax exempt series, the proceeds of which will be used (together with funds of the Borrower) to: (a) refinance two existing loans previously undertaken by the Borrower (the "Loans") the proceeds of which were used as described below; (b) finance the construction of an approximate 7,800 square foot, 2nd floor addition to the educational facility known as the "True North South School" located at 7900 SW 86th Street, in unincorporated Miami-Dade County, Florida (the "True North South Campus Location"), (c) finance the construction of an approximate 26,734 square foot two-story educational facility to connect as an addition to the True North South School educational facility located at 7900 SW 86th Street, in unincorporated Miami-Dade County, Florida, (d) fund a debt service reserve fund, if required, (e) fund capitalized interest and (f) pay certain bond issuance costs (collectively, the "Project"); and

WHEREAS, The proceeds of the Loans being refinanced with the Bonds were previously expended to construct a two-story, 30,100 square foot educational facility of the Borrower located at 9393 SW 72nd Street, in unincorporated Miami-Dade County, Florida (the "True North Academy Campus") and also were used to finance capital improvements to the educational facilities at the True North South Campus location; 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, October 7, 2020, the Authority held a public hearing, notice of which was published on Wednesday, September 30, 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, October 7, 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.

<u>Section 2.</u> 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.

<u>Section 3.</u> 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 **José "Pepe" Diaz**, 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:

Rebeca Sosa, Vice Chairwoman **aye**

Jose “Pepe” Diaz	**aye**	Sen. René García	**aye**
Oliver G. Gilbert, III	**aye**	Keon Hardemon	**aye**
Sally A. Heyman	**aye**	Eileen Higgins	**aye**
Joe A. Martinez	**aye**	Kionne L. McGhee	**aye**
Jean Monestime	**aye**	Raquel A. Regalado	**aye**
Sen. Javier D. Souto	**aye**	District 8 - Vacant	**vacant**

The Chairperson thereupon declared this resolution duly passed and adopted this 19th day of November, 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

COUNTY COMMISSIONERS MIAMI-DADE COUNTY FLORIDA

HARVEY RUVIN, CLERK

By: **Melissa Adames**
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency.

D.P.C

Dale P. Clarke

TRUE NORTH CLASSICAL ACADEMY, INC.

THE CORPORATION

True North Classical Academy Charter School and True North Classical Academy South Charter School (the "Schools") are charter schools under True North Classical Academy, Inc., ("True North") a component unit of the District School Board of Miami-Dade County, Florida. The governing body of the Schools is a not-for-profit corporation Board of Directors, comprised of four members each.

True North Classical Academy opened in Fall 2015 serving grades Kindergarten to 5th and expanded in subsequent years to now offer up to the 10th grade for the upcoming 2020-21 school year. In its first year of operation, the School served 180 students and has grown rapidly over the years to 365 students for the 2019-20 school year. True North Classical Academy offers its students the highest level of education in the classical tradition. True North is the first Classical school to open in Miami and it follows a growing number of charter and public classical schools around the country that are frequently found on the lists of the best schools in America. True North allows students to receive the same superior academic experience in a free public charter school that previously was only available in expensive, exclusive private schools. The student population at True North Classical Academy is 79% minority (K-8) and 81% minority (9th grade high school level) in the most recent 2019-2020 school year (compared to a 93% District average) and has a 17.13% average who qualify for free or reduced lunch (compared to a 67% District average). Since opening, True North Classical Academy has received an "A" grade each year and has consistently been one of the top performing K-8 schools in the state. The Schools rank in the top 1% of all Florida charter and traditional public schools. Some past highlights include its Algebra students receiving the highest score in the entire state of Florida and its 3rd and 7th grade students tied for the highest Math and Reading scores for the state in 2018.

True North Classical Academy South opened in the Fall of 2018 with a Kindergarten grade of 72 students. It expanded the following year to Kindergarten to 2nd grade with 146 students in 2019-20 and will expand to offer the 3rd grade as well for the upcoming 2020-21 school year. The vision of True North Classical Academy is to unleash a thirst for knowledge within its students. True North Classical Academy will achieve its vision through a rigorous, content-rich curriculum grounded in the tradition of the classical liberal arts. Through steadfast focus on scholarship, citizenship, and leadership in an environment that values and models intellectual and moral virtue, the Schools are committed to empowering its students to reach their highest potential and sustain a lifelong love of learning. The student population at True North Classical Academy South is 82% minority and 6.85% of students qualify for free or reduced lunch.

True North's combined waiting list now exceeds more than 1,300 students. Demand for enrollment has been fueled by the high quality of the school's academic program, which has produced "A" ratings since the beginning of operations. True North has continued to show steady academic improvement since it was formed. Moreover, True North has consistently outperformed state averages in key academic areas since its inception.

Charter Contracts Operated by the Corporation:

Year Open	Charter Name	Campus Name	County	Address	Grades Authorized	Grades Currently (2020-21)	Charter Expiration
2015	True North Academy	Sunset Chapel	Miami-Dade	9393 SW 72nd Street Miami, FL 33173	K - 8	K - 8	6-30-2035
2019	True North Academy High School	Sunset Chapel	Miami-Dade	9393 SW 72nd Street Miami, FL 33173	9 - 12	9 - 10	6-30-2024
2018	True North Academy South	True North South	Miami-Dade	7900 SW 86th Street Miami, FL 33143	K - 8	K - 3	6-30-2023

THE PROJECTS

True North Classical Academy, Inc. is requesting tax-exempt and taxable Industrial Development Revenue Bond financing assistance in an amount not to exceed $17,500,000 to facilitate:

1. The refinancing of two existing loans used for the construction of the two-story, 30,100 sq. ft. Sunset Chapel educational facility located at 9393 SW 72nd Street, unincorporated Miami-Dade County. The Sunset Chapel educational facility is essentially completed with the exception of the 15,000 sq. ft. gymnasium which is still under construction. The completed facility will provide 24 classrooms, two science labs, a cafeteria, seven restrooms, seven offices, a conference room, the gymnasium, as well as provide a 60-space parking lot. The facility will accommodate up to 900 students.

2. To add a 7,800 sq. ft., 2nd floor addition to the True North South educational facility located at 7900 SW 86th Street, unincorporated Miami-Dade County. When completed the addition will add nine classrooms for a total of 18 classrooms accommodating up to 360 students, as well as provide a 94-space parking lot.

3. The construction of a new, two-story 26,734 sq. ft. educational facility which will connect to the existing True North South educational facility located at 7900 SW 86th Street, unincorporated Miami-Dade County. When completed the facility will include 20 classrooms, lab space, and a lunchroom and accommodate up to 440 students.

Elements of the proposed project include:

1. Refinance two existing loans used for the construction of the Sunset Chapel educational facility located at 9393 SW 72nd Street: -- $8,200,000

2. Construction of an approximate 7,800 sq. ft., 2nd floor addition to the True North South educational facility located at 7900 SW 86th Street: -------------------------------------- $2,100,000

3. Construction of an approximate 26,734 sq. ft. two-story educational facility to be attached to the True North South educational facility located at 7900 SW 86th Street: ---------- $6,100,000

FINANCIAL SUFFICIENCY

The Schools have provided audited financial statements for the fiscal years ended June 30, 2019, 2018 and 2017, as well as unaudited financial information for fiscal year ended June 30, 2020. The audited financial statements for fiscal year ended June 30, 2020 will be provided when completed.

A review of the submitted financial and related information indicates:

SOURCE OF FUNDS		USE OF FUNDS	
Tax-Exempt Bond Proceeds*	$16,500,000	Refinance existing Sunset Chapel loans	$8,200,000
Taxable Bond Proceeds	1,000,000	Construction of 2nd floor addition	2,100,000
		Construction of 2 story facility	6,100,000
		Capitalized Interest	600,000
		Underwriter's Discount	250,000
		Bond Issuance Expenses	250,000
TOTAL	**$17,500,000**	**TOTAL**	**$17,500,000**

* *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:	Corporate Debt.
Security:	First mortgage on property financed with bond proceeds. Pledge of revenues from the schools.
Marketing:	Limited public offering to qualified institutional/accredited investors.

LEGAL

Under the 1986 Tax Act, facilities for not for profit 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 not for profit corporations are also exempt from the requirement of being included under the state bond volume cap.

ECONOMIC IMPACT

True North Classical Academies report it currently employs a total of 87 employees and following completion of the project employment will increase to approximately 150 employees. Student enrollment at the campuses is expected to increase from 511 students in 2019-2020 to approximately 1,700 students once it reaches full capacity in the school year 2023-2024. Additional economic benefits include added support to the local construction industry.

Exhibit B

MIAMI-DADE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY TEFRA/PUBLIC HEARING

The Miami-Dade County Industrial Development Authority (the "Authority") has been requested by True North Classical Academy, Inc., a Florida not-for-profit 501(c)(3) corporation (the "Borrower"), to issue its Industrial Development Revenue Bonds (True North Classical Academy, Inc. Project), Series 2020 in an aggregate principal amount not to exceed $17,500,000 (the "Series 2020 Bonds"). The Series 2020 Bonds are planned to be issued in various series with either taxable or tax-exempt status.

The proceeds of the Series 2020 Bonds may be used, together with funds provided by the Borrower, to: (a) refinance two existing loans previously undertaken by the Borrower (the "Loans") the proceeds of which were used as described below; (b) finance the construction of an approximate 7,800 square foot, 2nd floor addition to the educational facility known as the "True North South School" located at 7900 SW 86th Street, in unincorporated Miami-Dade County, Florida (the "True North South Campus Location"), (c) finance the construction of an approximate 26,734 square foot two-story educational facility to connect as an addition to the True North South School educational facility located at 7900 SW 86th Street, in unincorporated Miami-Dade County, Florida, (d) fund a debt service reserve fund, if required, (e) fund capitalized interest and (f) pay certain bond issuance costs (collectively, the "Project"). The proceeds of the Loans being refinanced with the Bonds were previously expended to construct a two-story, 30,100 square foot educational facility of the Borrower located at 9393 SW 72nd Street, in unincorporated Miami-Dade County, Florida (the "True North Academy Campus") and also were used to finance capital improvements to the educational facilities at the True North South Campus location. The maximum stated principal amount expected to be issued to finance or refinance projects located the True North South School Campus is $8,000,000, and the maximum stated principal amount expected to be issued to finance or refinance projects located at the True North Academy Campus is $9,500,000.

The Series 2020 Bonds shall not be a debt, liability or obligation of the Authority, Miami-Dade County, Florida, the Miami-Dade County School District, the State of Florida, nor of any political subdivision thereof, but shall be payable solely from payments derived from the operation of the facilities or the security instruments therefor. The Project will be owned and operated by the Borrower as the principal user of the Project.

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, on the nature and location of Project, and associated issues regarding the issuance of the Series 2020 Bonds, on Wednesday, October 7, 2020 commencing at 10:00a.m. or shortly thereafter, at which time any person may be heard regarding the proposed issuance of the Series 2020 Bonds and the Project.

How to participate:

(1) In order to call in to listen and/or speak at the hearing – Please dial the following toll free number: (888) 857-8249 when prompted please use conference code: 1207176814#;

(2) Interested parties who wish to alternatively join the hearing using Zoom technology may join by using the following non toll free method: Hearing ID: 852 227 0453 Password: 3n3uZK, Meeting Link: https://zoom.us/j/8522270453?pwd=QlRnVk80NktzamIZVXphNE10bEJKQT09

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

(4) 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 Monday, October 5, 2020. 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 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 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, OCTOBER 7, 2020

At 10:02 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. *Executive Director*	Miami-Dade County Industrial Development Authority	80 SW 8th Street, Ste. 2801 Miami, Florida 33130
Cynthia Castillo *Assistant to Executive Director*	Miami-Dade County Industrial Development Authority	80 SW 8th Street, Ste. 2801 Miami, Florida 33130
Amanda Llovet *Chief Financial Officer*	Miami-Dade County Industrial Development Authority	80 SW 8th Street, Ste. 2801 Miami, Florida 33130
Grace Dunlap *Bond Counsel*	Bryant Miller & Olive, P.A.	201 North Franklin Street, Ste. 2700 Tampa, Florida 33602

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 Wednesday, September 30, 2020, page 7A.

The project for consideration is an Industrial Development Revenue Bond issue for True North Classical Academy, Inc., in an aggregate principal amount not to exceed $17,500,000. 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 virtual hearing to comment other than three Authority staff persons and Grace Dunlap, bond counsel.

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 their meeting agenda, at which time the Commission will approve or disapprove the proposed issuance of Bonds by the Miami-Dade County Industrial Development Authority.