

Alberto M. Carvalho, Superintendent of Schools

**SUBJECT: APPROVE RESOLUTION 12-122 AUTHORIZING THE REQUEST TO THE FLORIDA DEPARTMENT OF EDUCATION OF THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE SCHOOL DISTRICT OF MIAMI-DADE COUNTY, FLORIDA IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$1.2 BILLION TO PROVIDE 21<sup>ST</sup> CENTURY SCHOOL FACILITIES AND INSTRUCTIONAL TECHNOLOGY UPGRADES AND AUTHORIZE A SPECIAL BOARD MEETING PRIOR TO AUGUST 17, 2012 TO AUTHORIZE A VOTER REFERENDUM**

**COMMITTEE: INNOVATION, EFFICIENCY & GOVERNMENTAL RELATIONS**

**LINK TO STRATEGIC FRAMEWORK: FINANCIAL EFFICIENCY/STABILITY**

Addressing the District's capital needs has been an ongoing priority of this administration and a recurring topic of concern expressed by Board members. In the absence of State aid, compounded by drastically reduced property values, it is unrealistic to expect a solution from traditional revenue sources. Further, other financing mechanisms recently explored by the District's financial team have been determined to be less than ideal.

As discussed at the Board meeting of July 18, 2012, this Agenda item represents the initial step in a long-term, voter-approved and sustainable solution to the District's capital revenue problem that will:

1. Benefit from stakeholder input and decisive participation and minimizing taxpayer burden
2. Promote greater public/private partnership ventures
3. Achieve districtwide infrastructure improvements including repair, upgrade and replacement of schools
4. Guarantee technology equity across all schools, and
5. Provide economic development and employment opportunities to our community.

#### Background

Miami-Dade County Public Schools operates nearly 400 facilities encompassing over 44 million square feet in 3,070 permanent buildings. Approximately half of the District's school buildings are more than 40 years-old and over one-third are at least 50 years-old causing a great inequity between the instructional environment experienced by students attending newer facilities and those enrolled at schools with older buildings.

Due to chronic unmet facilities needs at the District's schools and the inability to fund capital improvement projects from reasonably expected available revenue sources, it is recommended that the Board seek approval from the Florida Department of Education to issue General Obligation (GO) Bonds of the School District of Miami-Dade County, Florida in an aggregate principal amount not to exceed \$1.2 Billion to provide 21<sup>st</sup> century school facilities and instructional technology upgrades for the students of Miami-Dade County.

In 1988, voters approved the issuance of \$980 million of GO Bonds and major capital improvements were successfully undertaken throughout the District's schools. The final maturity of the 1988 bonds in FY 2017 offers a timely opportunity to continue a GO program with minimal impact on local property taxes. Additionally, current conditions in financial markets and the local construction market are extremely favorable to undertaking a capital solution at this time. Historically low interest rates coupled with competition in the construction industry will maximize the value of this investment to the taxpayers of Miami-Dade County and provide a substantial infusion of direct and indirect construction jobs and wages to stimulate our local economy.

It is therefore recommended that the Board approve Resolution 12-122 authorizing the request to the Florida Department of Education. The GO Bonds maturity will not exceed 30 years.

Exhibit A, referenced in Resolution 12-122, will be distributed to the Board under separate cover.

**RECOMMENDED:** That The School Board of Miami-Dade County, Florida:

1. approve Resolution 12-122, authorizing the request to the Florida Department of Education of the issuance of General Obligation Bonds of the School District of Miami-Dade County, Florida, in an amount not-to-exceed \$1.2 billion to provide 21<sup>st</sup> Century School Facilities and Instructional Technology Upgrades, and
2. authorize a Special Board Meeting prior to August 17, 2012 to authorize a voter referendum.

AMC:jt

## RESOLUTION 12-122

### **A RESOLUTION OF THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA REQUESTING APPROVAL BY THE FLORIDA DEPARTMENT OF EDUCATION OF THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE SCHOOL DISTRICT OF MIAMI-DADE COUNTY, FLORIDA IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$1,200,000,000 FOR IMPROVEMENTS TO PUBLIC SCHOOL FACILITIES OF THE DISTRICT AND INSTRUCTIONAL TECHNOLOGY UPGRADES**

WHEREAS, pursuant to the provisions of Section 1010.40, Florida Statutes, the proposition for issuing general obligations bonds for the purpose of acquiring, building, enlarging, furnishing or otherwise improving buildings or school grounds, or for any other exclusive use of the public schools within any school district may be initiated by the school board of any county; and

WHEREAS, the School District of Miami-Dade County, Florida (the "District"), is coextensive with the boundaries of such County; and

WHEREAS, it is necessary that a school improvement program for the District be carried out in order to afford proper and adequate school facilities in and for the District; and

WHEREAS, on September 7, 2011 the Board adopted its District Five Year Capital Work Plan ("Five Year Plan"), a portion of which remains unfunded and which Five Year Plan is in the process of being updated; and

WHEREAS, it is recommended that such bond issue or issues be in an aggregate amount not exceeding \$1,200,000,000 which will be used for the facilities and sites and purposes as listed on Exhibit A attached hereto; and

WHEREAS, the improvements to and replacement of existing facilities and construction of new facilities, including instructional technology upgrades and an allocation for meeting administrative requirements of Section 1010.41, Florida Statutes, are included in the total costs and such costs, including all of the expenses, shall not exceed \$1,200,000,000, subject, however, to the right of The School Board of Miami-Dade County, Florida (the "Board"), if it be found at the time of construction of a project that the amounts allocated to certain of the projects described in Exhibit A are inadequate for the completion of such projects, to allocate additional amounts to said projects from other projects listed on Exhibit A, and if it be found at the time of the construction of the projects that less than the amount herein above allocated to certain of the projects is needed for the completion of such projects, to allocate the amounts so saved to other projects, or if through unusual conditions or circumstances including changes in population, it is deemed necessary and advisable to change any of the school sites or modify, substitute or replace any of the projects described in Exhibit A, to make such necessary changes in site or projects on the basis of a survey of

school plant needs conducted pursuant to Section 1013.31, Florida Statutes or other applicable provisions of law; and

WHEREAS, on July 25, 2012 the Board Committee on Innovation Efficiency and Governmental Relations considered the recommendations which were submitted to it by the Superintendent of Schools, as well as the Five Year Plan and reached the conclusion that the facilities and sites listed on Exhibit A attached hereto for which general obligation bonds are proposed to be issued are essential for the school improvement program of the District; and

WHEREAS, the Board has attempted to prepare a plan for carrying out the projects with current funds which might be set aside for that purpose as prescribed by Section 1010.41, Florida Statutes, and has found and determined that the major portion of the foregoing projects cannot be financed so that all costs can be met from the proceeds of special district millage voted for that purpose, or from the District's current funds which are not needed for salaries of teachers or other necessary expenses of operating the schools, nor from such funds which can reasonably be expected to be available by the time the projects are completed, and cannot be completed on the basis of a loan against the District's current funds; and has found and determined that such funds are not sufficient to carry out such projects without the proceeds of the proposed general obligation bonds; and

WHEREAS, the Board has found and determined that it will be necessary to issue general obligation bonds in the amount of not exceeding \$1,200,000,000 to finance the projects proposed for the District, and that no valid election has been held on a proposal for such bond issue within six months prior to the date of adoption of this resolution; and

WHEREAS, as of July 1, 2012, there is no existing indebtedness outstanding against the territory included in the District, except for the District's outstanding \$32,700,000 General Obligation School Bonds, Series 1994 (which will be retired by August 1, 2014), the District's outstanding \$49,095,000 General Obligation Refunding School Bonds, Series 1997 (which will be retired by February 15, 2017) and the District's \$80,065,000 General Obligation Refunding School Bonds, Series 1998 (which will be retired by August 1, 2015) and the levy required to retire the proposed general obligation bonds together with the outstanding general obligation bonds of the District on the basis of present assessed valuation of the property in the District, is not expected to exceed .35 mills, or such other levy as shall be deemed necessary and appropriate in each year to retire principal and interest on the proposed general obligation bonds.

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

**SECTION 1. BONDS.** The cost of the capital projects described on Exhibit A shall be paid from moneys derived from the proceeds of the sale of general obligation bonds of the District now proposed to be issued in the aggregate amount not exceeding \$1,200,000,000, and from other available funds.

**SECTION 2. BOND MATURITY.** If approved by an election called for that purpose, each series of general obligation bonds shall be issued according to a schedule

which will permit such general obligation bonds to be retired over a period of time not exceeding thirty years and which will be so arranged that the total payments required in each year will be as nearly equal as practicable.

**SECTION 3. COPY OF RESOLUTION TO FLORIDA DEPARTMENT OF EDUCATION.** A copy of this resolution shall be transmitted to the Florida Department of Education, with the request that it approve the construction, renovation, replacement and modernization of the projects described in Exhibit A; including technology upgrades, the proposed plan for meeting the total cost of such capital projects including issuance of the general obligation bonds; and the calling of an election for the purpose of determining whether or not such general obligation bonds shall be issued in an amount not to exceed \$1,200,000,000 to be used to meet the costs of completing the capital projects.

**SECTION 4. EFFECTIVE DATE.** This resolution shall take effect immediately upon its adoption.

Approved by The School Board of Miami-Dade County, Florida this 1st day of August, 2012.

SEAL

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Perla Tabares Hantman  
Chair, The School Board of Miami-Dade  
County, Florida

Attest:

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Alberto M. Carvalho  
Secretary, The School Board  
of Miami-Dade County, Florida

Approved as to form:

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Walter J. Harvey, Esq.  
School Board Attorney

EXHIBIT A