

Office of Superintendent of Schools
Board Meeting of June 18, 2014

June 4, 2014

Financial Services
Richard H. Hinds, Chief Financial Officer

**SUBJECT: APPROVAL OF RESOLUTION 14-061 AUTHORIZING
ISSUANCE OF UP TO \$4.5 MILLION IN CERTIFICATES OF
PARTICIPATION, SERIES 2014C**

COMMITTEE: INNOVATION, EFFICIENCY & GOVERNMENTAL RELATIONS

LINK TO DISTRICT STRATEGIC PLAN: IMPROVE FINANCIAL SERVICES

Authorization is being requested to issue up to \$4.5 million in Certificates of Participation, Series 2014C (COP's) with a 10 year maturity. Proceeds from the issuance of the COP's will be used to build additional classroom and other related facilities at the Design and Architecture Senior High School (DASH), which is currently leasing similar space at a current rental lease cost of \$410,300 per year.

Due to the current low interest rate environment and accounting for future required potential annual increases to the rental lease payments, the financed principal and interest payments will be structured to approximately offset annual commercial rental lease, in order to replace the rental cost with the principal and interest payments. Once the COP's are paid off in 10 years the district will continue saving the annual amount that would have been paid to lease this space.

The District requested private placement financing proposals from multiple banks and received 5 responses. The Treasury Advisory Committee reviewed the financing proposals on May 28, 2014 and recommended the TD Bank proposal which provided the lowest fixed interest rate of 2.21% with a lock feature. Estimated costs of issuance will not exceed \$85,000.

Exhibits referenced in Resolution 14-061 will be distributed to the Board under separate cover.

RECOMMENDED: That The School Board of Miami-Dade County, Florida approve Resolution 14-061 providing for issuance of up to \$4.5 million of Certificates of Participation, Series 2014C through TD Bank.

RESOLUTION 14-061

A RESOLUTION OF THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA, AUTHORIZING EXECUTION OF SCHEDULE 2014C TO THE MASTER LEASE PURCHASE AGREEMENT; AUTHORIZING EXECUTION OF A SERIES 2014C GROUND LEASE; APPROVING A FORM OF SERIES 2014C SUPPLEMENTAL TRUST AGREEMENT WITH THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., AS TRUSTEE, PURSUANT TO WHICH THE TRUSTEE WILL EXECUTE AND DELIVER CERTIFICATES OF PARTICIPATION SERIES 2014C (HEREINAFTER REFERRED TO AS THE "SERIES 2014C CERTIFICATES"); APPROVING A FORM OF SERIES 2014C ASSIGNMENT AGREEMENT; APPROVING THE NEGOTIATED SALE OF THE SERIES 2014C CERTIFICATES IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$4,500,000 THROUGH A PRIVATE DIRECT PLACEMENT SALE TO TD BANK, N.A. (THE "PURCHASER"); ACCEPTING AND AUTHORIZING THE EXECUTION OF A PROPOSAL SUBMITTED BY THE PURCHASER; AUTHORIZING THE EXECUTION OF A CERTIFICATE PURCHASE CONTRACT WITH RESPECT TO THE CERTIFICATES, AUTHORIZING SUCH FURTHER AGREEMENTS AND AMENDMENTS AS SHALL BE NECESSARY OR DESIRABLE TO CARRY OUT THE PURPOSES OF THIS RESOLUTION; PROVIDING FOR INCIDENTAL ACTION; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, The School Board of Miami-Dade County, Florida (the "School Board") as the governing body of the School District of Miami-Dade County, Florida (the "District"), has determined to finance certain of its capital needs through a master lease purchase agreement pursuant to Sections 1001.42 and 1013.15, Florida Statutes; and

WHEREAS, the School Board has the power under Section 1001.42(2), Florida Statutes, to receive, purchase, acquire, lease, sell, hold, transmit and convey title to real and personal property for educational purposes, and under Sections 1001.42(11) and 1013.15(2), Florida Statutes, to enter into leases or lease purchase arrangements of sites and educational facilities for school purposes; and

WHEREAS, Miami-Dade County School Board Foundation, Inc. (the "Foundation"), a not-for-profit Foundation, has been formed to lease purchase certain real property, educational facilities and equipment to the School Board; and

WHEREAS, the Foundation and the School Board have provided for the lease purchase financing of certain real property, educational facilities and equipment (the "Facilities") from time to time by entering into a Master Lease Purchase Agreement dated as of August 1, 1994, as the same may be supplemented and amended from time to time (the "Master Lease"), and related agreements; and

WHEREAS, the Facilities to be leased from time to time are identified on separate Schedules (each a "Schedule") attached to the Master Lease; and

WHEREAS, the School Board and the Foundation have determined to execute Schedule 2014C for the lease-purchase financing of improvements on real property to be specified therein (the "Series 2014C Facilities") (the Master Lease together with Schedule 2014C, the "Series 2014C Lease"); and

WHEREAS, the School Board will ground lease certain real property and improvements thereon constituting the Series 2014C Facility Site (the "Series 2014C Facility Site") to the Foundation pursuant to the Series 2014C Ground Lease (the "Series 2014C Ground Lease"), which may be amended from time to time without further action by the School Board; and

WHEREAS, pursuant to this resolution, the School Board will, after due notice as required by law, at a public meeting, approve the form of Series 2014C Ground Lease, a copy of which in substantially final form has been made available for inspection and review by the public; and

WHEREAS, the Foundation has entered into a Master Trust Agreement dated as of August 1, 1994 (the "Trust Agreement") with The Bank of New York Mellon Trust Company, N.A. (successor in interest to NationsBank of Florida, N.A.), as trustee (the "Trustee"), providing for the issuance of series of Certificates of Participation to the public from time to time, representing undivided proportionate interests in the principal portion and interest portion of the basic lease payments to be made by the School Board under the Master Lease and the Schedule or Schedules relating to such series of Certificates; and

WHEREAS, to accomplish the lease-purchase financing of the Series 2014C Facilities the School Board wishes to approve the issuance by the Trustee of a series of certificates of participation in an aggregate principal amount not to exceed \$4,500,000 to be designated Certificates of Participation, Series 2014C (the "Series 2014C Certificates"), each representing undivided proportionate interests in the principal portion and interest portion of the basic lease payments to be made by the School Board under the Series 2014C Lease; and

WHEREAS, the Foundation and the Trustee will enter into a Series 2014C Supplemental Trust Agreement (the "Series 2014C Supplemental Trust Agreement"), pursuant to which the Series 2014C Certificates will be issued; and

WHEREAS, the Foundation and the Trustee will enter into a Series 2014C Assignment Agreement (the "Series 2014C Assignment Agreement") pursuant to which the Foundation will unconditionally and irrevocably assign, without recourse, all of its right, title and interest as lessee of the Series 2014C Facility Site under the Series 2014C Ground Lease, as sublessor of

the Series 2014C Facility Site and as lessor of the Series 2014C Facilities under the Series 2014C Lease, except for certain rights to indemnification and to receive notices and to hold title to such Series 2014C Facilities, to the Trustee for the benefit of the holders of the Series 2014C Certificates; and

WHEREAS, all necessary approvals of the Department of Education have been received with respect to the Series 2014C Facilities to be leased thereunder, or are expected to be received prior to execution and delivery of the Series 2014C Lease.

WHEREAS, the School Board has received proposals for a direct purchase of the Series 2014C Certificates, each of which has been submitted and reviewed by staff and Public Financial Management, Inc., the School Board's Financial Advisor; and

WHEREAS, the Chairman and Superintendent, based on information provided by the School Board's Financial Advisor, are authorized to determine the proposal for the direct purchase of the Series 2014C Certificates which will provide the most favorable financing terms available to the School Board and will result in the lowest possible risk and costs associated with the Series 2014C Certificates; and

WHEREAS, the Financial Advisor, the Treasury Advisory Committee and District staff determined that the Proposal for a fixed rate financing (the "Proposal") submitted by TD Bank, N.A. for the purchase of the Series 2014C Certificates by TD Bank, N.A. (the "Purchaser") in a direct placement provides the School Board with the most attractive financial structure; and

WHEREAS, in order to fix the interest rate on the Series 2012C Certificates prior to the sale of the Series 2014C Certificates, subject to the approval of the School Board of the Proposal for the financing, an Interest Rate Lock Agreement was entered into with the Purchaser (the "Interest Rate Lock Agreement"); and

WHEREAS, the School Board deems it to be in the best interests of the District to accept the Proposal to purchase the Series 2014C Certificates and to enter into the Interest Rate Lock Agreement;

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

Section 1 The lease-purchase financing of construction of additional classrooms and other related facilities at the Design and Architecture Senior High School (the "Series 2014C Facilities") is hereby approved.

Schedule 2014C, which together with the Master Lease constitutes the Series 2014C Lease, substantially in the form submitted to this meeting and attached hereto as **Exhibit A**, is hereby approved, with such insertions, modifications and changes as may be approved by the Superintendent, and the Chair or Vice Chair and the Secretary, upon such approval by the Superintendent, are hereby authorized and directed to execute Schedule 2014C. The execution of Schedule 2014C by the Chair or Vice Chair and the Secretary shall constitute conclusive evidence of the approval thereof. The School Board also authorizes the execution and delivery

of a memorandum of lease with respect to the Series 2014C Lease and the recording thereof in the Official Public Records of Miami-Dade County, Florida.

Section 2 The Series 2014C Ground Lease between the School Board and the Foundation substantially in the form submitted to this meeting and attached hereto as **Exhibit B**, providing for the ground leasing of the Series 2014C Facility Site to the Foundation, is hereby approved, with such insertions, modifications and changes as may be approved by the Superintendent, and the Chair or Vice Chair and the Secretary, upon such approval by the Superintendent, are hereby authorized and directed to execute the Series 2014C Ground Lease. The execution and delivery of the Series 2014C Ground Lease by the Chair or Vice Chair and the Secretary shall constitute conclusive evidence of the approval thereof. The School Board also authorizes the execution and delivery of a memorandum of ground lease with respect to each Series 2014C Ground Lease and the recording thereof in the Official Public Records of Miami-Dade County, Florida.

Section 3 The form of Series 2014C Supplemental Trust Agreement between the Foundation and the Trustee for the Series 2014C Certificates, substantially in the form submitted to this meeting and attached hereto as **Exhibit C**, is hereby approved, with such insertions, modifications and changes as may be approved by the Superintendent. The execution and delivery of the Series 2014C Supplemental Trust Agreement by the Foundation and the Trustee shall constitute conclusive evidence of the approval thereof.

Section 4 The form of Series 2014C Assignment Agreement between the Foundation and the Trustee for the Series 2014C Certificates, substantially in the form submitted to this meeting and attached hereto as **Exhibit D** is hereby approved, with such insertions, modifications and changes as may be approved by the Superintendent. The execution and delivery of the Series 2014C Assignment Agreement by the Foundation and the Trustee shall constitute conclusive evidence of the approval thereof. The School Board hereby authorizes the recording thereof in the Official Public Records of Miami-Dade County, Florida.

Section 5 (a) It is hereby found and declared that a negotiated direct placement sale of the Series 2014C Certificates to the Purchaser is in the best interest of the School Board and is found to be necessary on the basis of the following reasons, as to which specific findings are hereby made:

(i) the volatility of the municipal market, including the market for "annual appropriation" tax exempt securities such as the Series 2014C Lease as represented by the Series 2014C Certificates, requires flexibility in order to permit the School Board to enter the market at the most advantageous time, rather than at a specific advertised date, thereby permitting the School Board to obtain the best possible price and interest rate with respect to the Series 2014C Certificates, and any lack of flexibility in the sale of the Series 2014C Certificates could be prejudicial to the School Board and to the public;

(ii) the Proposal for a direct placement to the Purchaser provides the School Board with the most attractive financial structure;

(iii) the nature of the financing of the School Board's obligations under the Series 2014C Lease is a complex transaction and the structure of the issue and the current demand for this type of security support a negotiated sale; and

(iv) the School Board will not be adversely affected if the Series 2014C Certificates are not sold pursuant to a competitive sale.

(b) The Chair and Superintendent are hereby authorized to accept the Purchaser's Proposal for the purchase of the Series 2014C Certificates, which the Superintendent with the recommendation of the Treasury Advisory Committee and the advice of its Financial Advisor has determined offers the most attractive financial structure. The form of Proposal submitted to this meeting and attached hereto as **Exhibit E** and the sale of the Series 2014C Certificates by the Foundation and the Trustee upon the terms and conditions set forth therein, are hereby approved, with such insertions, modifications and changes as may be approved by the Superintendent; and the Chair or Vice Chair and the Secretary, upon such approval by the Superintendent, are hereby authorized and directed to execute the Proposal. Upon approval and acceptance of the Proposal, the Chair, the Vice Chair, the Superintendent, the Chief Financial Officer and the Treasurer are each hereby authorized to take such actions (including, without limitation, approval of changes to the documents herein approved) and to execute such commitments, agreements, certificates, instruments and opinions as are required thereby.

The School Board hereby ratifies, confirms and approves in all respects the Interest Rate Lock Agreement attached hereto as **Exhibit F**.

The form of Certificate Purchase Contract for the Series 2014C Certificates among the Purchaser named therein, the Foundation and the School Board (the "Purchase Contract") submitted to this meeting and attached hereto as **Exhibit G**, and the sale of the Series 2014C Certificates by the Foundation and the Trustee upon the terms and conditions set forth in the Purchase Contract, are hereby approved, with such insertions, modifications and changes as may be approved by the Superintendent. The Purchase Contract shall have such terms as are negotiated with the Purchaser, subject to the approval of the Superintendent based on the then prevailing market conditions. Any of the Chair, Vice Chair, Superintendent or Chief Financial Officer, upon such approval by the Superintendent, is hereby authorized and directed to execute the Purchase Contract. The execution and delivery of the Purchase Contract by the Chair, Vice Chair, Superintendent or Chief Financial Officer shall constitute conclusive evidence of the approval thereof and of the Purchaser named therein.

Execution of the Purchase Contract is subject to the following additional requirements:

(i) the aggregate principal amount of the Series 2014C Certificates shall not exceed \$4,500,000,

(ii) the final maturity of the Series 2014C Certificates shall be no later than ten (10) years after the dated date of the Series 2014C Certificates,

(ii) the price at which the Series 2014C Certificates shall be sold to the Purchaser shall not be less than the face amount of the Series 2014C Certificates, and

(iii) the interest rate on the Series 2014C Certificates shall be as provided in the Interest Rate Lock Agreement and shall not exceed the maximum legal rate.

(iv) The Purchaser shall be required to deliver a Purchaser's Letter of Representations substantially in the form submitted to this meeting and attached hereto as **Exhibit H**, with such insertions, modifications and changes as may be approved by the Superintendent and Greenberg Traurig, P.A., special tax counsel to the School Board, in connection with the issuance of the Series 2014C Certificates.

The proceeds from the sale of a series of the Series 2014C Certificates shall be used by the District to pay the costs of the acquisition, construction and financing of the Series 2014C Facilities and the costs associated with the issuance of such series of Series 2014C Certificates including, but not limited to, rating agency, financial advisory and attorneys' fees.

Section 6 The Chair, the Vice Chair, the Secretary, the Superintendent, the Chief Financial Officer, the Treasurer and the School Board Attorney on behalf of the School Board are each authorized and directed to execute and deliver all additional documents, contracts, instruments and certificates and to take all actions and steps including, without limitation, to change the series designation or the dated date of any and all documents in the event of a delay in the issuance of a series of the Series 2014C Certificates, which are necessary or desirable in connection with the issuance of the Series 2014C Certificates, the execution and delivery and compliance with the provisions of the Series 2014C Lease, the Series 2014C Ground Lease, Trust Agreement, the Series 2014C Supplemental Trust Agreement, the Series 2014C Assignment Agreement, the Purchase Contract, and the acquisition, construction and financing of the Series 2014C Facilities, and which are not inconsistent with the terms and provisions of this Resolution.

Section 7 It is hereby found and determined that all formal actions of the School Board concerning and relating to the adoption of this Resolution and the consummation of the transactions contemplated by this Resolution were adopted in open meetings of the School Board, and that all deliberations of the School Board that resulted in such formal action were in meetings open to the public, in compliance with all legal requirements.

Section 8 If any section, paragraph, clause or provision of this Resolution shall be held invalid by any court of competent jurisdiction, such holding shall not affect any other section, paragraph, clause or provision of this Resolution.

Section 9 All resolutions or portions thereof previously adopted by the School Board which are inconsistent with the provisions of this Resolution are hereby repealed to the extent of such inconsistency.

Section 10 This Resolution shall take effect immediately upon its adoption.

Adopted this 18th day of June, 2014.

Chair, The School Board of Miami-Dade
County, Florida

Attest:

Secretary, The School Board of Miami-Dade
County, Florida

EXHIBIT A
FORM OF SCHEDULE 2014C

EXHIBIT B

FORM OF SERIES 2014C GROUND LEASE

EXHIBIT C

FORM OF SERIES 2014C SUPPLEMENTAL TRUST AGREEMENT

EXHIBIT D

FORM OF SERIES 2014C ASSIGNMENT AGREEMENT

EXHIBIT E

PROPOSAL OF TD BANK, N.A.

EXHIBIT F

INTEREST RATE LOCK AGREEMENT

EXHIBIT G

FORM OF PURCHASE CONTRACT

EXHIBIT H

FORM OF PURCHASER'S LETTER OF REPRESENTATIONS

[Closing Date]

The School Board of Miami-Dade County,
Florida
Miami, Florida

The Bank of New York Mellon Trust
Company, N.A., as Trustee
Jacksonville, Florida

Miami-Dade School Board Foundation,
Inc.
Miami, Florida

Re: Certificates of Participation, Series 2014C Evidencing Undivided Proportionate Interests of the Owners thereof in Basic Lease Payments to be made by The School Board of Miami-Dade County, Florida, as Lessee, pursuant to a Master Lease Purchase Agreement with the Miami-Dade County School Board Foundation, Inc., as Lessor

Ladies and Gentlemen:

The undersigned TD Bank, N.A. (the "Purchaser") hereby acknowledges receipt of \$ _____ in aggregate principal amount of the above-referenced refunding Certificate of Participation, Series 2014C (the "Series 2014C Certificates"). Capitalized terms used, but not defined, herein shall have the meanings assigned thereto in the Master Trust Agreement dated as of August 1, 1994, as amended and supplemented by the Series 2014C Supplemental Trust Agreement dated as of [Document Date] (collectively, the "Trust Agreement") between the Miami-Dade County School Board Foundation, Inc. (the "Foundation") and The Bank of New York Mellon Trust Company, N.A. (successor in interest to NationsBank of Florida, N.A.), as trustee (the "Trustee").

The undersigned acknowledges that the Series 2014C Certificates were issued for the purpose of (i) financing the construction and installation of the Series 2014C Facilities, and (ii) paying Costs of Issuance of the Series 2014C Certificates, as more particularly described in the Trust Agreement, the Master Lease Purchase Agreement dated as of August 1, 1994, as amended and supplemented (the "Master Lease"), Schedule 2014C to the Master Lease dated [Document Date] (which Schedule together with the Master Lease is herein referred to as the "Series 2014C Lease"), and related agreements. The undersigned further acknowledges that the Series 2014C Certificates are issued under the Trust Agreement and are secured by and payable solely from the trust estate established for the Series 2014C Certificates described therein (the "Trust Estate") for the benefit of the Owners of the Series 2014C Certificates.

In connection with the purchase of the Series 2014C Certificates by the Purchaser, the Purchaser hereby makes the following representations upon which you may rely:

1. The Purchaser has authority to purchase the Series 2014C Certificates and to execute this Purchaser's Letter of Representation and any other instruments and documents required to be executed by the Purchaser in connection with the purchase of the Series 2014C Certificates.

2. The Purchaser is, or is a wholly owned subsidiary of, a "Qualified Investor" who is a financial institution constituting an "accredited investor," as such term is defined in Rule 501 of the Securities Act of 1933, or a financial institution serving as trustee or custodian signing in such capacity for the benefit of a financial institution constituting an "accredited investor," but excluding therefrom any individuals permitted as purchasers thereunder as described in subsections (4), (5) and (6) of said Rule 501, which individuals shall not qualify as accredited investors hereunder.

3. The Purchaser is not purchasing for more than one account or with a view to distributing the interest in the Series 2014C Lease represented by the Series 2014C Certificates.

4. The Purchaser understands that the Series 2014C Certificates are not registered under the Securities Act of 1933 and that such registration is not legally required as of the date hereof; and further understands that the Series 2014C Certificates (a) are not being registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any state, (b) will not be listed in any stock or other securities exchange, (c) will not carry a rating from any rating service and (d) will be delivered in a form which is not readily marketable.

5. The Purchaser is a [] corporation which has extensive experience in financial and business matters, including the purchase of certificates of participation evidencing undivided proportionate interests of the owners thereof in payments to be made by a political subdivision of the State of Florida (the "State") wherein the obligation of the political subdivision to make said payments constitutes a special and limited obligation payable solely from current or other legally available funds appropriated by the political subdivision for such purpose, and the Purchaser is able, independently, to evaluate the merits of, and to bear the risk of, the investment represented by the purchase of the Series 2014C Certificates.

6. The Purchaser acknowledges that it has either been furnished with or has had access to all necessary information including, without limitation, the financial statements of the School District of Miami-Dade County, Florida (the "District"), that it desires in order to enable it to make an informed investment decision regarding investment in the Series 2014C Certificates, (ii) had the opportunity to ask questions to and receive answers from representatives of the School Board of Miami-Dade County, Florida (the "School Board"), as the governing body of the District, and the District and other knowledgeable individuals concerning the School Board, the District and the Series 2014C Certificates and the security therefor, and (iii) had such access to such documents and instruments concerning the School Board, the District and the Series 2014C Certificates and the security therefor as the Purchaser has desired, so that the Purchaser has been able to make an informed decision to purchase the Series 2014C Certificates.

7. The Purchaser has not received from the District, the School Board nor the Foundation any formal or informal offering or disclosure document relating to the Series 2014C Certificates, and the Purchaser has concluded that the receipt of one prior to the purchase of the Series 2014C Certificates is not required.

8. The Purchaser has made its own inquiry and analysis with respect to the Series 2014C Certificates and the security therefor, and other material factors affecting the security and payment of the Series 2014C Certificates. The Purchaser is aware that "annual appropriation" tax exempt securities such as the Series 2014C Lease involve certain economic variables and risks that could adversely affect the security for the Series 2014C Certificates.

9. The Purchaser understands that (i) Basic Lease Payments are payable from funds appropriated by the School Board for such purpose from current or other funds authorized by law and regulations of the State of Florida Department of Education, (ii) the School Board is not legally required to appropriate moneys for the purpose of making Basic Lease Payments (iii) the Series 2014C Certificates shall be payable solely from the funds specifically pledged to the payment thereof and shall not constitute a general obligation of the School Board, the District, the State, or any agency or political subdivision thereof, (iv) the Series 2014C Certificates will never represent or constitute a general obligation or a pledge of the faith and credit of the School Board, the District, the State, or any agency or political subdivision thereof, (v) neither the School Board, the District, the State, nor any agency or political subdivision thereof shall be obligated to pay, except from appropriated funds, any sums due under the Series 2014C Lease from any source of taxation and neither the Trustee, the Foundation nor the Owner of the Series 2014C Certificates may compel the levy of any ad valorem taxes by the School Board, the District, the State, or any agency or political subdivision thereof to pay any sums due under the Series 2014C Lease and (vi) the liability of the District, the School Board, the Foundation or any of their officials, officers, employees or any of their members with respect to the Series 2014C Certificates is subject to further limitations as set forth in the Trust Agreement and the resolution of the School Board authorizing the issuance and sale of the Series 2014C Certificates.

Very Truly Yours,

TD BANK, N.A.

By: _____

Name: _____

Title: _____

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