

Financial Services  
Richard H. Hinds, Chief Financial Officer

**SUBJECT: APPROVE RESOLUTION 09-72 AUTHORIZING REIMBURSEMENT OF ELIGIBLE EXPENSES FROM FUTURE QUALIFIED TAX CREDIT OBLIGATIONS AND APPROVE THE PAYOFF OF THE CITY OF NORTH MIAMI, FLORIDA EDUCATIONAL FACILITIES CONSTRUCTION NOTE FROM 2009 REVENUE ANTICIPATION NOTE PROCEEDS**

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

**LINK TO DISTRICT STRATEGIC PLAN: IMPROVE FINANCIAL SERVICES**

As the tax roll is projected to significantly decline in Fiscal Year 2009-10 and 2010-11, district staff have reviewed all outstanding interim financing obligations in an effort to minimize the district's risk for repayment. The district has used interim financing vehicles to allow the aggressive construction program to fund projects in a timely and less expensive manner. Initial phases of the projects were funded under these obligations with the intent to ultimately provide permanent funding under the District's Certificates of Participation (COP) program.

On October 27, 2006 the \$124 million City of North Miami, Florida Educational Facilities Construction Notes were issued to partially fund \$89 million of the BBB1, North Miami Senior Replacement School and \$35 million for QQQ1, a new senior high at Biscayne Landings. The Note matures on August 1, 2009. Both schools are scheduled to be opened August 2009. Currently only \$35 million remains outstanding for QQQ1, as BBB1 was paid off immediately following the issuance of the 2009A COPS.

The district has been issuing Revenue Anticipation Notes (RAN) since 1999 and currently has outstanding \$132 million that are due to mature January 28, 2010.

At the May 6, 2009 Treasury Advisory Committee Meeting several financing options were reviewed as possible plans for repayment for the interim financing obligations. Projects being considered included projects currently budgeted that would qualify for funding under the American Recovery and Reinvestment Act (ARRA). ARRA involves two federal stimulus financing programs that provide interest-free financing (the Qualified School Construction Bonds (QSCB) program) or interest payment subsidies (the Build American Bond (BAB) program). A full presentation of alternatives will be provided at the next Capital Outlay Board Workshop.

The Treasury Advisory Committee recommended that the District approve Resolution 09-72 authorizing reimbursement from the future issuance of a Qualified Tax Credit Obligation for eligible expenses for projects that are budgeted, but for which expenses have not been incurred. This early action by the Board will allow expenditures incurred 60 days prior to Board approval of Resolution 09-72 to qualify for financing under ARRA. There is no fiscal impact in that the Resolution is intended as a declaration of official intent under Treasury Regulation

§ 1.150-2. It will assure compliance with requirement for issuance of tax credit obligations under ARRA.

The Treasury Advisory Committee also recommended that the \$35 million outstanding on the City of North Miami, Florida Educational Facilities Construction Notes for QQQ1 be paid off immediately from available balances in the 2009 RAN Fund. In addition, any additional available balances in the 2009 RAN Fund will be set-up as a reserve for emergency occurrences, such as for a hurricane, which was authorized under the RAN Resolution 08-A3 approved by the Board at the December 10, 2008 Board Meeting.

**RECOMMENDED:** That The School Board of Miami-Dade County, Florida, approve Resolution 09-72 authorizing reimbursement of eligible expenses from future Qualified Tax Credit Obligations and approve the pay off of the City of North Miami, Florida Educational Facilities Construction Note from 2009 Revenue Anticipation Note Proceeds.

**RESOLUTION NO. 09-72**

**A RESOLUTION DECLARING THE OFFICIAL INTENT OF THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA TO REIMBURSE ITSELF FROM THE PROCEEDS OF QUALIFIED TAX CREDIT OBLIGATIONS FOR CERTAIN EXPENSES TO BE INCURRED WITH RESPECT TO THE IMPLEMENTATION OF THE SCHOOL BOARD'S FIVE-YEAR EDUCATIONAL FACILITIES PLAN; AUTHORIZING CERTAIN INCIDENTAL ACTIONS; AND PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE.**

**WHEREAS**, in connection with the implementation of the Five-Year Educational Facilities Plan adopted by The School Board of Miami-Dade County, Florida (the "School Board") pursuant to Section 1013.35, Florida Statutes, as such plan may be modified from time to time hereafter (the "Plan"), the School Board expects to incur expenses for which the School Board will advance internal funds legally available for capital outlay purposes; and

**WHEREAS**, the School Board intends to reimburse itself for all or a portion of such expenses from the proceeds of qualified tax credit obligations;

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

**Section 1.        Declaration of Official Intent.** The School Board, acting as the governing body of the School District of Miami-Dade County, Florida (the "School District"), hereby declares the official intent of the School Board to reimburse itself from the proceeds of qualified tax credit obligations for expenses incurred with respect to the Plan subsequent to the date of this Resolution. This Resolution is intended as a declaration of official intent under Treasury Regulation § 1.150-2 to satisfy the requirements of Sections 54A(d)(2)(D)(i) and 54A(d)(2)(D)(ii) of the Internal Revenue Code. The qualified tax credit obligations intended to finance the Plan are expected not to exceed an aggregate principal amount of \$210,000,000.

**Section 2.        Incidental Action.** The appropriate members of the School Board, officials and staff of the School District are hereby authorized to take such actions as may be necessary to carry out the purpose of this Resolution.

**Section 3.        Repealing Clause.** All resolutions and orders or parts thereof in conflict herewith, to the extent of such conflict, are hereby superseded and repealed.

**Section 4.**        **Effective Date.** This Resolution shall take effect immediately upon its adoption.

Adopted this \_\_\_\_\_ day of \_\_\_\_\_, 2009.

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

Attest:

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

Approved as to form and content:

\_\_\_\_\_  
School Board Attorney