

Financial Services
Mrs. Judith M. Marte, Chief Financial Officer

**SUBJECT: APPROVE RESOLUTION 15-054 AUTHORIZING THE
ISSUANCE OF UP TO \$25,000,000 QUALIFIED ZONE
ACADEMY BONDS IN THE FORM OF CERTIFICATES OF
PARTICIPATION SERIES 2015-QZAB**

COMMITTEE: FISCAL ACCOUNTABILITY

LINK TO STRATEGIC FRAMEWORK: FINANCIAL EFFICIENCY/STABILITY

Authorization is being requested to issue up to \$25 Million Qualified Zone Academy Bonds (QZAB), Series 2015-QZAB Certificates of Participation (Series 2015-QZAB Certificates) under Resolution 15-054. The District submitted the application for QZAB funding to the State of Florida and is awaiting approval as to the available amount allocated to the District. Eligible projects and authorization to apply for the QZAB funds were approved by the Board at the September 3, 2014 School Board meeting under Agenda Item E-29. By providing authorization to issue the QZAB in advance, the District will be in a better position to finalize the QZAB sale as soon as approval is received from the State and take advantage of current favorable financial market conditions.

The District's Financial Advisor distributed a request for bids to the District's authorized underwriters on June 9, 2015 for a direct purchase or privately placement of the Series 2015-QZAB Certificates. On June 24, 2015 the Treasury Advisory Committee reviewed the 3 responses to the bid request and recommended Blaylock Beal Van, LLC, which provided the best terms and fees. Estimated costs of issuance will be approximately \$480,000. Exhibits referenced in Resolution 15-054 will be distributed to the Board under separate cover.

RECOMMENDED: That The School Board of Miami-Dade County, Florida, approves Resolution 15-054 authorizing issuance of up to \$25,000,000 of Qualified Zone Academy Bonds in the form of Series 2015-QZAB Certificates

RESOLUTION 15-054

A RESOLUTION OF THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA, AUTHORIZING EXECUTION OF SCHEDULE 2015-QZAB TO THE MASTER LEASE PURCHASE AGREEMENT; APPROVING THE FORM OF A SERIES 2015-QZAB SUPPLEMENTAL TRUST AGREEMENT AND A SERIES 2015-QZAB ASSIGNMENT AGREEMENT; APPROVING THE NEGOTIATED SALE OF CERTIFICATES OF PARTICIPATION, SERIES 2015-QZAB IN AN AGGREGATE PRINCIPAL AMOUNT NOT EXCEEDING \$25,000,000 TO ONE OR MORE QUALIFIED BUYERS PROVIDING THE BEST OVERALL PROPOSAL TO THE SCHOOL BOARD; DESIGNATING THE SERIES 2015-QZAB LEASE, EVIDENCED BY THE SERIES 2015-QZAB CERTIFICATES, AS A “QUALIFIED ZONE ACADEMY BOND”; MAKING CERTAIN FINDINGS IN CONNECTION THEREWITH; PROVIDING FOR INCIDENTAL ACTION; AND PROVIDING FOR SEVERABILITY AND 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(9) 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 corporation, 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 (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, Sections 54A and 54E of the Internal Revenue Code (the “Code”), and the regulations of the Internal Revenue Service promulgated thereunder, and Section 14101 of the

Elementary and Secondary Education Act of 1965 (collectively, the “QZAB Rules”), subject to the limitations and conditions imposed therein, authorize the School Board to issue or cause to be issued on its behalf obligations called “qualified zone academy bonds” (“QZABs”) to rehabilitate or repair a public school facility in which a “qualified zone academy” is located; and

WHEREAS, pursuant to the QZAB Rules, an “eligible local education agency” (as such term is defined in the QZAB Rules), which includes the School Board, is authorized to issue bonds or other obligations called “qualified zone academy bonds” for certain purposes which include rehabilitation and repair, provision of equipment, development of course materials and training, for any “qualified zone academy” (as such term is defined in the QZAB Rules) which includes any public school or academic program below the post-secondary level (i) which is designed, in cooperation with private business, to enhance the academic curriculum, increase graduation and employment rates and prepare students for college and the work force, (ii) whose students are subject to the same academic standards and assessments as other students, (iii) whose comprehensive education plan is approved by the local education agency, and (iv) which is located in an empowerment zone or enterprise community or is reasonably expected to have at least 35% of its students attending such school or participating in such program, eligible for free or reduced cost lunches under the National School Lunch Act (42 USCS Section 1751 *et seq.*); and

WHEREAS, the School Board by resolution adopted on September 3, 2014, approved a qualified zone academy project list and submitted it to the Florida Department of Education (the “DOE”), and the District has received, or will prior to issuance receive, a qualified zone academy bond allocation of \$25,000,000 for such projects (the “Series 2015-QZAB Facilities”); and

WHEREAS, the School Board and the Foundation have determined to execute Schedule 2015-QZAB, for the lease purchase financing of certain educational facilities and equipment (the “Series 2015-QZAB Facilities”) as described in Schedule 2015-QZAB (the Master Lease together with Schedule 2015-QZAB, the “Series 2015-QZAB Lease”); 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, in order to accomplish the lease purchase financing of the Series 2015-QZAB Facilities, the School Board wishes to authorize the issuance by the Trustee of a series of certificates in an amount not to exceed \$25,000,000 to be designated Certificates of Participation, Series 2015-QZAB (the “Series 2015-QZAB Certificates”) representing undivided proportionate interests in the principal portion of the basic lease payments to be made by the School Board under the Series 2015-QZAB Lease; and

WHEREAS, the Foundation and the Trustee will enter into a Series 2015-QZAB Supplemental Trust Agreement (the “Series 2015-QZAB Supplemental Trust Agreement”), pursuant to which the Series 2015-QZAB Certificates will be issued; and

WHEREAS, the Foundation and the Trustee will enter into an Assignment Agreement (the “Series 2015-QZAB Assignment Agreement”) pursuant to which the Foundation will unconditionally and irrevocably assign, without recourse, all of its right, title and interest as lessor of the Series 2015-QZAB Facilities under the Series 2015-QZAB Lease, except for certain rights to indemnification and to receive notices, to the Trustee for the benefit of the Series 2015-QZAB Certificate holders; and

WHEREAS, the Department of Education has given, or will prior to issuance have given, all necessary approvals to the Series 2015-QZAB Facilities to be leased and to the use of the State of Florida’s QZAB allocation with respect to the financing of the Series 2015-QZAB Facilities;

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

Section 1. Schedule 2015-QZAB. Schedule 2015-QZAB which together with the Master Lease constitutes the Series 2015-QZAB 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 2015-QZAB. The execution of Schedule 2015-QZAB by the Chair or Vice Chair and the Secretary shall constitute conclusive evidence of the approval thereof. The School Board hereby designates the Series 2015-QZAB Lease as a QZAB for purposes of Section 54E(a)(3)(A) of the Code.

Section 2. Series 2015-QZAB Supplemental Trust Agreement. The form of Series 2015-QZAB Supplemental Trust Agreement submitted to this meeting and attached hereto as **Exhibit B** is hereby approved, with such insertions, modifications and changes as may be approved by the Superintendent. The execution and delivery of the consent of the School Board to the Series 2015-QZAB Supplemental Trust Agreement shall constitute conclusive evidence of the approval thereof.

Section 3. Series 2015-QZAB Assignment Agreement. The form of Series 2015-QZAB Assignment Agreement between the Foundation and the Trustee 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 Schedule 2015-QZAB shall constitute conclusive evidence of the approval of the Series 2015-QZAB Assignment Agreement.

Section 4. Negotiated Sale. It is hereby found and declared that a negotiated sale of the Series 2015-QZAB Certificates 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:

(a) Due to the volatility of the municipal market, including the market for “annual appropriation” securities such as the Series 2015-QZAB Lease, as evidenced by the Series 2015-QZAB Certificates, the School Board must be able to enter the market at the most advantageous times, rather than at specific advertised dates, thereby permitting the School Board to obtain the best possible prices and interest rates to be represented by the Series 2015-QZAB Certificates;

(b) The nature of the financing of the Series 2015-QZAB Lease is a complex transaction which requires the assistance of an underwriter to deal with prospective investors;

(c) The purchasers will participate in structuring the issuance of the Series 2015-QZAB Certificates and can assist the School Board in obtaining the most attractive financing for the School Board; and

(d) The School Board will not be adversely affected if the Series 2015-QZAB Certificates are not sold pursuant to a competitive sale.

The Chair, the Vice Chair, the Superintendent, the Chief Financial Officer and the Treasurer are authorized to negotiate with prospective purchasers of the 2015-QZAB Certificates with respect to the terms and conditions of such sale and are further authorized to sell the Series 2015-QZAB Certificates to such purchaser and upon such terms as he or she shall deem to be in the best interest of the School Board, including the awarding of an investment agreement to the selected purchaser, and to execute all appropriate documents to evidence such sale; provided that:

(i) the principal amount of the Series 2015-QZAB Certificates shall not exceed \$25,000,000,

(ii) the final maturity of the Series 2015-QZAB Certificates shall be no later than the maximum term of QZABs determined by the Secretary of the Treasury pursuant to Section 54A of the Code for the month in which the Series 2015-QZAB Certificates are sold,

(iii) the price at which the Series 2015-QZAB Certificates shall be sold to the initial purchaser or purchasers shall not be less than 100% of the face amount thereof,

(iv) the interest portion of the Basic Lease Payments represented by the Series 2015-QZAB Certificates shall not exceed [_____] % per annum.

The execution and delivery of the Schedule 2015-QZAB by the Chair, Vice Chair, Superintendent or Chief Financial Officer shall constitute conclusive evidence of the approval of the sale of the Series 2015-QZAB Certificates and approval of related documents evidencing same. The proceeds from the sale of the Series 2015-QZAB Certificates shall be used by the District to pay (x) a portion of the costs of the financing of the Series 2010 Facilities which qualify as a permitted use of the proceeds of QZABs and (y) a portion of the costs associated with the issuance of the Series 2015-QZAB Certificates not to exceed 2% of the “available

project proceeds” (as defined in Section 54A(e)(4) of the Code) of sale of the Series 2015-QZAB Certificates.

Section 5. Execution of Additional Documents. 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 including, without limitation, documents relating to the issuance of the Series 2015-QZAB 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 the Series 2015-QZAB Certificates, on behalf of the School Board which are necessary or desirable in connection with the issuance of the Series 2015-QZAB Certificates, the execution and delivery and compliance with the provisions of the Master Lease, Schedule 2015-QZAB, the Master Trust Agreement, the Series 2015-QZAB Supplemental Trust Agreement, the Series 2015-QZAB Assignment Agreement, or the financing of the Series 2015-QZAB Facilities, and which are not inconsistent with the terms and provisions of this Resolution.

Section 6 Open Meeting. 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 7. Severability. 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 8. Repeal of Inconsistent Documents. 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 9. Effective Date. This Resolution shall take effect immediately upon its adoption.

Adopted this 15th day of July, 2015.

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

Attest:

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

Approved as to form:

School Board Attorney

EXHIBIT A

FORM OF SCHEDULE 2015-QZAB

EXHIBIT B

FORM OF SERIES 2015-QZAB SUPPLEMENTAL TRUST AGREEMENT

EXHIBIT C

FORM OF SERIES 2015-QZAB ASSIGNMENT AGREEMENT

MIA 184027349v4