

Financial Services
Mr. Ron Y. Steiger, Chief Financial Officer

SUBJECT: AUTHORIZE THE SUPERINTENDENT TO NEGOTIATE, FINALIZE AND EXECUTE DOCUMENTS TO OBTAIN A LOAN PAYABLE FROM LEASE PAYMENTS UNDER THE CURRENT LEASE TO CLEARWIRE SPECTRUM HOLDINGS II LLC OF TWELVE EDUCATIONAL BROADBAND CHANNELS OWNED BY THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA

COMMITTEE: FISCAL ACCOUNTABILITY & GOVERNMENT RELATIONS

LINK TO STRATEGIC PLAN: EFFECTIVE AND SUSTAINABLE OPERATIONAL PRACTICES

Authorization is requested for the Superintendent to negotiate, finalize and execute a loan transaction to be payable solely from lease payments received by the School Board under the following described lease. Pursuant to the Board's approval, at its meeting of June 18, 2008, of Revised Agenda Item E-116 ("Approval of Long-Term Negotiated Lease of Excess Capacity of the School Board's Educational Broadband Service ("EBS") Frequencies to Clearwire Spectrum Holdings II, Inc.), on June 27, 2008, the School Board entered into a 30 year lease (the "Clearwire Lease") of 10 of its 12 educational broadband channels licensed by the Federal Communications Commission ("FCC") with Clearwire Spectrum Holdings II LLC, a Nevada limited liability company ("Clearwire").. Effective April 29, 2020 the School Board exercised a "put option" to add its two remaining broadband channels to the Lease and increase the lease payments owed by Clearwire in accordance with the Board's approval of Agenda Item E-111(Authorize the Superintendent to Negotiate, Finalize, and Execute an Amendment to the Agreement with Clearwire Spectrum Holding II LLC, for the Lease of Two Mid-Band Channels Owned by the School Board of Miami-Dade County, Florida) on April 29,, 2020. After the commencement of the lease agreement, Clearwire's parent company merged with Sprint in 2013, which merged with T-Mobile US, Inc. in 2020. Clearwire is now an indirect wholly owned subsidiary of T-Mobile US. The Clearwire Lease payments have been a steady source of revenue that pays for a portion of WLRN's operating expenses and teacher salaries.

As an opportunity to raise non-recurring revenue yet enable the District to retain ownership of the broadband channels, the School Board may consider raising funds through negotiating a loan that will be nonrecourse to the School Board, but payable from amounts received under the Clearwire Lease, including all of the remaining rent payments due thereunder until 2038 (the "Loan"). The exact amount of the Loan is not determinable at this time, as the amount and interest rate will be dependent on a number of factors, including without limitation, the following: the absence of a pledge of the District's credit, dependence on Clearwire's need for the broadband channels and continued obligation to pay rent, current interest rates for a 13

year loan in the taxable market, the nature of the lender or lenders consisting of banks, affiliates or other qualified institutional buyers, and the nature of the Loan: whether the structure will be direct loan or purchase of a debt instrument, year loan in the taxable market, the nature of the lender or lenders consisting of banks, affiliates or other qualified institutional buyers, and the nature of the Loan: whether the structure will be direct loan or purchase of a debt instrument, or an institutional private or limited placement with disclosure pursuant to a private placement memorandum or limited offering memorandum.

The Superintendent requests authorization to engage the District's financial advisor, PFM Financial Advisors, LLC, and special counsel, Greenberg Traurig P.A., to assist in structuring and negotiating the Loan, and authorization to engage JLA Advisors to perform due diligence on the Clearwire Lease. The costs of these professionals, along with all of the other costs necessary to consummate the Loan transaction, will be paid from the net proceeds of the Loan.

RECOMMENDED: That the School Board of Miami-Dade County, Florida authorize the Superintendent to obtain the requisite Loan as described in this item, to negotiate, to finalize and to execute all documents necessary in connection therewith, such Loan to be secured solely by payments to be received under the Clearwire Lease, and further that the Superintendent be authorized to engage such professionals as he deems necessary as expressed herein, including, but not limited to, the District's financial advisor, PFM Financial Advisors, LLC, and special counsel, Greenberg Traurig P.A., and JLA Advisors, to assist in consummating the Loan transaction. The costs of all parties assisting in consummating the Loan transaction are to be paid from the proceeds of the Loan as approved by the Superintendent.