



COMMISSION MEMORANDUM

TO: Honorable Chair and Members of the Board of Directors

FROM: Eric Carpenter, Executive Director

DATE: May 21, 2025 10:00 a.m. Public Hearing

TITLE: A RESOLUTION OF THE CHAIRPERSON AND MEMBERS OF THE BOARD OF THE MIAMI BEACH REDEVELOPMENT AGENCY AUTHORIZING ISSUANCE OF NOT TO EXCEED \$267,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF MIAMI BEACH REDEVELOPMENT AGENCY TAX INCREMENT REVENUE REFUNDING BONDS, SERIES 2025 (CITY CENTER/HISTORIC CONVENTION VILLAGE), FOR THE PURPOSE OF REFUNDING A PORTION OF THE OUTSTANDING SERIES 2015A BONDS, FUNDING ANY NECESSARY DEPOSIT TO THE DEBT SERVICE RESERVE ACCOUNT AND PAYING COSTS OF ISSUANCE AND REFUNDING, ALL PURSUANT TO SECTION 304(H) OF RESOLUTION NO. 619-2015 ADOPTED BY THE AGENCY ON OCTOBER 14, 2015; PROVIDING THAT SAID SERIES 2025 BONDS AND INTEREST THEREON SHALL BE PAYABLE SOLELY FROM PLEDGED FUNDS; PROVIDING CERTAIN DETAILS OF THE SERIES 2025 BONDS; DELEGATING OTHER DETAILS AND MATTERS IN CONNECTION WITH THE ISSUANCE OF THE SERIES 2025 BONDS AND THE REFUNDING OF THE SERIES 2015A BONDS TO BE REFUNDED TO THE EXECUTIVE DIRECTOR, INCLUDING WHETHER TO SECURE A CREDIT FACILITY AND/OR A RESERVE ACCOUNT INSURANCE POLICY, WITHIN THE LIMITATIONS AND RESTRICTIONS STATED HEREIN; AUTHORIZING A BOOK-ENTRY REGISTRATION SYSTEM FOR THE SERIES 2025 BONDS; AUTHORIZING THE NEGOTIATED SALE AND AWARD OF THE SERIES 2025 BONDS TO THE UNDERWRITERS WITHIN THE LIMITATIONS AND RESTRICTIONS STATED HEREIN; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT; APPROVING THE FORM OF AND DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND AN OFFICIAL STATEMENT AND AUTHORIZING THE EXECUTION AND DELIVERY OF THE OFFICIAL STATEMENT; PROVIDING FOR THE APPLICATION OF THE PROCEEDS OF THE SERIES 2025 BONDS AND CREATING CERTAIN FUNDS AND SUBACCOUNTS; AUTHORIZING THE REFUNDING, DEFEASANCE AND REDEMPTION OF THE SERIES 2015A BONDS TO BE REFUNDED; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN ESCROW DEPOSIT AGREEMENT AND APPOINTING AN ESCROW AGENT; COVENANTING TO PROVIDE CONTINUING DISCLOSURE IN CONNECTION WITH THE SERIES 2025 BONDS IN ACCORDANCE WITH SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 AND AUTHORIZING THE EXECUTION AND DELIVERY OF A CONTINUING DISCLOSURE AGREEMENT WITH RESPECT THERETO AND APPOINTING A DISCLOSURE DISSEMINATION AGENT; APPOINTING A PAYING AGENT AND REGISTRAR FOR THE SERIES 2025 BONDS; AUTHORIZING OFFICERS AND EMPLOYEES OF THE AGENCY TO TAKE ALL NECESSARY ACTIONS IN CONNECTION WITH THE ISSUANCE OF THE SERIES 2025 BONDS AND THE REFUNDING OF THE SERIES 2015A BONDS TO BE REFUNDED AND OTHER RELATED MATTERS; AND PROVIDING FOR AN EFFECTIVE DATE.

RECOMMENDATION

Approve the resolution to allow for the issuance by the Miami Beach Redevelopment Agency ("RDA") of its Revenue Refunding Bonds, Series 2025 City Center/Historic Convention Village ("Series 2025 Refunding Bonds") in the amount of \$267,000,000.

BACKGROUND/HISTORY

The RDA Chief Financial Officer, in conjunction with the RDA's Financial Advisor, PFM Financial Advisors LLC (the "Financial Advisor"), has identified a refinancing opportunity to achieve debt service savings. A debt refunding opportunity is a chance to replace existing debt obligations with new ones that offer cost savings and improved financial conditions for the RDA.

At the February 21, 2024 City Commission meeting, the Mayor and Commission approved a referral to the Finance and Economic Resiliency Committee ("FERC") to review and discuss a possible refunding opportunity for RDA bonds. The RDA's Chief Financial Officer and Financial Advisor presented the opportunity, which was discussed by the FERC on April 19, 2024, and the FERC recommended that Administration move forward with the refinancing. At the September 11, 2024 meeting, the City Commission as well as the RDA approved the selection of the underwriters for the Series 2025 Refunding Bonds.

As the Miami-Dade County ("County") Board of County Commissioners would have to approve the refunding of the RDA Bonds, City/RDA staff met with County staff to discuss the opportunity. During these discussions, it was determined that a Sixth Amendment to the RDA Interlocal Agreement (the "Sixth Amendment"), would need to be approved to allow for the refunding to move forward.

In connection with the proposed issuance of the Series 2025 Refunding Bonds by the RDA to refund a portion of the RDA's Tax Increment Revenue and Revenue Refunding Bonds, Series 2015A (City Center/Historic Convention Village), which refunding will generate debt service savings, and as otherwise requested by the County, it was necessary to further amend the Interlocal Agreement through a Sixth Amendment to the Interlocal Agreement which needed to be executed among the County, the City, and the RDA. The Sixth Amendment does, among other amendments to the Interlocal Agreement, amend the Interlocal Agreement, as previously amended, to provide for the issuance of the Refunding Bonds and to amend certain of the provisions with respect to the Distribution of Series 2025 Trust Fund Revenues in order to delete the requirements thereunder that commencing in Fiscal Year 2024, excess revenues must be used to extinguish early, or if not subject to prepayment or redemption at that time, establish an escrow for, any "Agency Indebtedness" (which includes bonds issued by the RDA) and, in lieu of those provisions, provide for the uses as set forth in Sections H, I and J of Paragraph XII of the Interlocal Agreement as described in the Sixth Amendment. These changes were necessary to provide for the issuance of the Series 2025 Refunding Bonds.

At the October 30, 2024 RDA meeting, the Chairperson and members of the board approved the Sixth Amendment to the RDA Interlocal Agreement. At the November 6, 2024 County Commission meeting, the County Commission approved the Sixth Amendment to the RDA Interlocal Agreement. The Sixth Amendment to the RDA Interlocal Agreement was executed on December 18, 2024.

ANALYSIS

In 2015, the RDA issued Series 2015A Miami Beach Redevelopment Agency Tax Increment Revenue Bonds ("Series 2015A Bonds") in the amount of \$286,245,000 primarily for renovation and expansion of the Miami Beach Convention Center and to refund certain prior bonds issued by the RDA. The Series 2015A Bonds became callable on February 1, 2024, have a final maturity on February 1, 2044, and were issued with interest rates of 4.00% to 5.00% payable semiannually. Currently, the amount of outstanding Series 2015A Bonds is \$256,485,000.

The RDA may be able to achieve savings through a tax-exempt refunding. The net present value savings is estimated at \$10.3 million, which would be 4.0% of refunded bonds. The total savings

over 19 years would be approximately \$15.3 million. The final maturity of the refunding will not be later than February 1, 2044, which is the final maturity of the outstanding Series 2015A Bonds.

The foregoing information is summarized in the table below:

Series Refunded:	RDA Bonds, Series 2015A
Par Amount of Bonds Refunded:	\$256,480,000
Net Present Value Savings (\$):*	\$10,318,821
Net Present Value Savings (%):*	4.02%
Annual Gross Savings:*	
2026	\$461,183
2027	827,250
2028	825,000
2029	827,000
2030	823,000
2031	823,250
2032	827,500
2033	825,500
2034	822,500
2035	823,500
2036	823,250
2037	826,750
2038	823,750
2039	824,500
2040	823,750
2041	826,500
2042	827,500
2043	826,750
2044	824,250
Total	\$15,312,683

**Estimates based on current market conditions.*

Because of the character of the Series 2025 Refunding Bonds, the complexity of structuring an issue of bonds secured by Trust Fund Revenues, prevailing market conditions, the desire to premarket and educate potential investors, the recommendation of PFM Financial Advisors LLC, the financial advisor to the RDA, was that a negotiated sale of the Series 2025 Refunding Bonds is in the best interest of the RDA

The RDA Resolution for the issuance of the Series 2025 Refunding Bonds will delegate to the RDA Executive Director, relying upon the recommendation of the Chief Financial Officer and the RDA's Financial Advisor, certain matters, including the determination of various terms of the Series 2025 Refunding Bonds, and their sale and the refunding of the Series 2015A Bonds, and all other actions necessary or desirable in connection with the issuance of the Series 2025 Refunding Bonds.

U.S. Bank Trust Company, National Association, is being appointed as Paying Agent and Registrar for the Series 2025 Refunding Bonds.

The officers, agents and employees of the City, the Bond Registrar and DAC are hereby authorized and directed to do all acts and things and execute and deliver all documents, agreements and certificates required of them by the provisions of the Series 2025 Refunding Bonds, the Bond Resolution, the Series 2025 Refunding Bond Purchase Agreement, the Series 2025 Continuing Disclosure Agreement and this Series Resolution, for the full, punctual and complete performance of all the terms, covenants, provisions and agreements of the Series 2025

Refunding Bonds, the Bond Resolution, the Series 2025 Refunding Bond Purchase Agreement, the Series 2025 Continuing Disclosure Agreement and this Series Resolution.

The firms selected by the RDA for the Series 2025 Refunding Bonds are as follows:

- Senior Manager: BofA Securities. Inc.
- Co-Managers: Estrada Hinojosa & Company, Inc.; Jefferies LLC; PNC Capital Markets LLC; Raymond James & Associates, Inc.

The underwriters for the Series 2025 Refunding Bonds were also approved at the RDA meeting on September 11, 2024.

FISCAL IMPACT STATEMENT

The RDA may be able to achieve savings through a tax-exempt refunding. The net present value savings is estimated at \$10.3 million, which would be 4.0% of the refunded bonds. The total savings over 19 years would be approximately \$15.3 million.

Does this Ordinance require a Business Impact Estimate? (FOR ORDINANCES ONLY)

If applicable, the Business Impact Estimate (BIE) was published on:
See BIE at: <https://www.miamibeachfl.gov/city-hall/city-clerk/meeting-notices/>

FINANCIAL INFORMATION

CONCLUSION

The Administration recommends that the Chairperson and members of the board of the Miami Beach Redevelopment Agency approve the resolution to allow for the refunding of \$267,000,000 of tax increment revenue refunding bonds of the Miami Beach Redevelopment Agency.

Applicable Area

Citywide

Is this a "Residents Right to Know" item, pursuant to City Code Section 2-17?

No

Is this item related to a G.O. Bond Project?

No

Was this Agenda Item initially requested by a lobbyist which, as defined in Code Sec. 2-481, includes a principal engaged in lobbying? No

If so, specify the name of lobbyist(s) and principal(s):

Department

Finance

Sponsor(s)

Co-sponsor(s)

Condensed Title

Joint, 10:00 a.m. PH, Issue MBRDA Tax Increment Revenue Refunding Bonds, Series 2025.
FN

Previous Action (For City Clerk Use Only)