

# Memorandum

MIAMI-DADE  
COUNTY

**Date:** April 8, 2014

Agenda Item No. 10(A)(2)

**To:** Honorable Chairwoman Rebeca Sosa  
and Members, Board of County Commissioners

**From:** Carlos A. Gimenez  
Mayor

**Subject:** Resolution approving issuance of Industrial Development Revenue Bonds for Pinecrest Academy, Inc. Project by Miami-Dade County Industrial Development Authority

## Recommendation

The accompanying resolution is being placed before the Board of County Commissioners (Board) at the request of the Miami-Dade County Industrial Development Authority (IDA). This item approves the issuance of industrial development revenue bonds (Bonds) by the IDA for Pinecrest Academy, Inc. (Company) in a principal amount not to exceed \$27,000,000. Such approval is required by the Tax Equity and Fiscal Responsibility Act, Section 147(f) of the Internal Revenue Code of 1986, as amended (TEFRA).

Details of the project are included in the accompanying memorandum and exhibits from the Vice Chairman of the IDA.

## Scope

The projects are located at:

- 14901 SW 42 Street, in unincorporated Miami-Dade County, which is within Commission District 11, represented by Commissioner Juan C. Zapata; and
- 4101 SW 107 Avenue, in unincorporated Miami-Dade County, which is within Commission District 10, represented by Commissioner Javier D. Souto.

## Fiscal Impact/Funding Source

Neither the IDA nor Miami-Dade County has any liability with respect to the repayment of the Bonds.

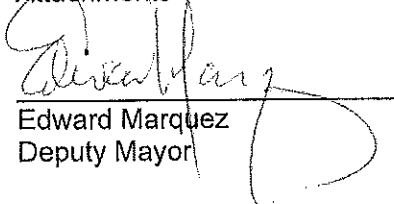
## Track Record

Issuance of the Bonds will be conducted and monitored by the Executive Director of the IDA.

## Background

TEFRA requires that the Board approve the issuance of industrial development revenue bonds by the IDA after a public hearing has been held either by the IDA or by the Board. For efficiency, the Board has allowed the IDA to conduct the public hearing subject to review and ratification by the Board.

## Attachments

  
Edward Marquez  
Deputy Mayor

# Memorandum



**Date:** April 8, 2014

**To:** Honorable Chairwoman Rebeca Sosa  
and Members, Board of County Commissioners

**From:** Roberto Pelaez, Vice Chairman  
Miami-Dade County  
Industrial Development Authority

A handwritten signature in black ink, appearing to read "Roberto Pelaez".

**Subject:** Resolution approving issuance of Industrial Development Revenue Bonds for  
Pinecrest Academy, Inc. project

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## **RECOMMENDATION:**

It is recommended the Board approve the issuance of the Authority's Industrial Development Revenue Bonds for Pinecrest Academy, Inc. project, as detailed in the attached reports.

## **BACKGROUND:**

Review and analysis of the project has been completed by the Authority, County Attorney's Office, and Bond Counsel. The Authority has conducted the federally required public hearing, as detailed in the attached public hearing transcript.

**Pinecrest Academy, Inc.**, a Florida not-for-profit corporation, has applied for Industrial Development Revenue Bond financing assistance in a maximum principal amount not to exceed \$27,000,000 (the "Series 2014 Bonds"). The proceeds of the Series 2014 Bonds may be used, together with funds provided by the Borrower, to: refinance existing debt incurred for the acquisition of the Company's existing building located at 14901 SW 42nd Street, in Miami, Florida, and finance additional rehabilitation costs for such property; and to finance the acquisition of the Company's leased 49,200 square foot building located on a two-acre site at 4101 SW 107th Avenue in Miami, Florida; and pay certain bond issuance costs. The Project will be owned and operated by the Borrower. Pinecrest Academy, Inc. reports the schools operate at full enrollment and currently employ approximately 125 persons.



# MEMORANDUM

(Revised)

**TO:** Honorable Chairwoman Rebeca Sosa  
and Members, Board of County Commissioners

**DATE:** April 8, 2014

**FROM:** R. A. Cuevas, Jr.  
County Attorney

**SUBJECT:** Agenda Item No. 10(A)(2)

Please note any items checked.

- ☐ "3-Day Rule" for committees applicable if raised
- ☐ 6 weeks required between first reading and public hearing
- ☐ 4 weeks notification to municipal officials required prior to public hearing
- ☐ Decreases revenues or increases expenditures without balancing budget
- ☐ Budget required
- ☐ Statement of fiscal impact required
- ☐ Ordinance creating a new board requires detailed County Mayor's report for public hearing
- ☒ No committee review
- ☐ Applicable legislation requires more than a majority vote (i.e., 2/3's \_\_\_\_, 3/5's \_\_\_\_, unanimous \_\_\_\_ ) to approve
- ☐ Current information regarding funding source, index code and available balance, and available capacity (if debt is contemplated) required

Approved \_\_\_\_\_ Mayor  
Veto \_\_\_\_\_  
Override \_\_\_\_\_

Agenda Item No. 10(A) (2)  
4-8-14

RESOLUTION NO. \_\_\_\_\_

RESOLUTION APPROVING THE ISSUANCE OF MIAMI-DADE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY INDUSTRIAL DEVELOPMENT REVENUE BONDS IN AN AMOUNT NOT TO EXCEED \$27,000,000.00 TO REFINANCE EXISTING DEBT AND TO FINANCE CAPITAL PROJECTS FOR THE BENEFIT OF PINECREST ACADEMY, INC. FOR PURPOSES OF AND PURSUANT TO SECTION 147(F) OF INTERNAL REVENUE CODE OF 1986, AS AMENDED

**WHEREAS,** Pinecrest Academy, Inc., a Florida not-for-profit corporation (the "Company"), has requested the Miami-Dade County Industrial Development Authority (the "Authority") issue not exceeding \$27,000,000.00 of its Industrial Development Revenue Bonds (Pinecrest Academy Project), Series 2014 (the "Bonds"), the proceeds of which will be used (together with funds of the Company) to (i) refinance existing debt incurred for the acquisition, rehabilitation and equipping of the Company's existing building located at 14901 SW 42nd Street, in Miami, Florida, and to finance additional rehabilitation costs for such property; (ii) reimburse prior capital expenditures; (iii) finance the acquisition, rehabilitation and equipping of an existing 49,200 square foot building located on a two-acre site at 4101 SW 107th Avenue in Miami, Florida (the foregoing (i), (ii) and (iii), collectively, the "Project"); (iv) fund a debt service reserve fund; and (v) pay certain bond issuance costs; and

**WHEREAS,** the Authority intends to issue the Bonds subject to approval by the Board of County Commissioners of Miami-Dade County, Florida (the "Board") and final approval by the Authority of the financing documents for the Project, which is more particularly described in the

report prepared by the Executive Director of the Authority (a copy of which is attached hereto as Exhibit A); and

**WHEREAS**, on Thursday, March 6, 2014 the Authority held a public hearing, notice of which was published on Thursday, February 20, 2014 in The Miami Herald (a copy of which notice is attached hereto as Exhibit B), for the purpose of giving all interested persons an opportunity to express their views in connection with the issuance of the Bonds, as required by Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code") and such public hearing disclosed no reason why the Bonds should not be issued; and

**WHEREAS**, since the Bonds will inure to the benefit of the citizens of Miami-Dade County, this Board desires to approve the issuance of the Bonds for the purpose of complying with Section 147(f) of the Code; and

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

Section 1. The issuance of Industrial Development Revenue Bonds of the Miami-Dade County Industrial Development Authority in an aggregate principal amount not to exceed \$27,000,000.00 for the purpose of financing and refinancing the Project, as previously described, is approved.

Section 2. The Bonds and the interest on the Bonds shall not constitute a debt, liability or general obligation of the Authority, the County or of the State of Florida or of any political subdivision thereof, but shall be payable solely from the revenues or other moneys specifically provided by the Company for the payment of the Bonds and neither the faith and credit nor any

taxing power of the Authority, the County or of the State of Florida or of any political subdivision thereof is pledged to the payment of the principal or interest on the Bonds.

The foregoing resolution was offered by Commissioner  
who moved its adoption. The motion was seconded by Commissioner  
and upon being put to a vote, the vote was as follows:

Rebeca Sosa, Chairwoman  
Lynda Bell, Vice Chair

Bruno A. Barreiro  
Jose "Pepe" Diaz  
Sally A. Heyman  
Jean Monestime  
Sen. Javier D. Souto  
Juan C. Zapata

Esteban L. Bovo, Jr.  
Audrey M. Edmonson  
Barbara J. Jordan  
Dennis C. Moss  
Xavier L. Suarez

The Chairperson thereupon declared the resolution duly passed and adopted this 8<sup>th</sup> day of April, 2014. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

MIAMI-DADE COUNTY, FLORIDA  
BY ITS BOARD OF  
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

By: \_\_\_\_\_  
Deputy Clerk

Approved by County Attorney as  
to form and legal sufficiency.



# PINECREST ACADEMY, INC.

## THE CORPORATION

Pinecrest Academy, Inc., ("Pinecrest") a 501(c)(3) not-for-profit Florida corporation formed in March 2000 is located at 14301 SW 42<sup>nd</sup> Street, unincorporated Miami-Dade County. Pinecrest Academy, Inc. holds the charter for eight charter schools serving approximately 3,569 students located in unincorporated Miami-Dade County and two charter schools serving approximately 452 students located in Orange County listed below. The Schools, which operate under charters granted by the School Boards of Miami-Dade County and Orange County, contract with Academica, a professional charter school management organization, as their education service provider.

Academica, a Florida corporation, founded in 1999, which is located at 6340 Sunset Drive, in the City of South Miami, currently serves over 125 charter schools located in Florida, California, Georgia, Texas, Utah, Nevada and Washington DC. The company provides management and administrative services to the charter schools including, but not limited to, facility design, staffing recommendations, human resource coordination, regulatory compliance, legal and corporate upkeep, maintenance of books and records, budgeting and financial reporting.

### UNINCORPORATED MIAMI-DADE COUNTY

- Chartered in 2001, Pinecrest Preparatory Academy is located at 14301 SW 42<sup>nd</sup> Street and serves 650 students in grades K-5.
- Chartered in 2003, Pinecrest Academy Charter Middle School is located at 14901 SW 42<sup>nd</sup> Street and serves 596 students in grades 6-8.
- Chartered in 2008, Pinecrest Preparatory Academy Charter High School is located at 14901 SW 42<sup>nd</sup> Street and serves 417 students in grades 9-12.
- Chartered in 2006, Pinecrest Academy (South Campus) is located at 15130 SW 80<sup>th</sup> Street and serves 732 students in grades K-5.
- Chartered in 2010, Pinecrest Academy (North Campus) is located at 10207 W. Flagler Street and serves 420 students in grades K-5.
- Chartered in 2011, Pinecrest Academy Middle School (North Campus) is located at 10207 W. Flagler Street and serves 22 students in grades 6-8.
- Chartered in 2011, Pinecrest Cove Academy is located at 4101 SW 107<sup>th</sup> Avenue and serves 714 students in grades K-8.
- Chartered in 2013, Pinecrest Palm Academy is located at 15130 SW 80<sup>th</sup> Street and serves 18 students in grades K-1.

### ORANGE COUNTY

- Chartered in 2010, Pinecrest Preparatory Charter School (Orlando Campus) is located at 8503 Daetwyler Drive and serves 212 students in grades K-8.
- Chartered in 2012, Pinecrest Creek Charter is located at 3032 Monte Carlo Trail and serves 240 students in grades K-5.

### THE PROJECT

Pinecrest Academy, Inc. is requesting Industrial Development Revenue Bond financing assistance in an amount not to exceed \$27,000,000 to facilitate the refinancing and renovation of the recently acquired Pinecrest Academy Middle School and Pinecrest Preparatory Academy High School facility located at 14901 SW 42<sup>nd</sup> Street, in unincorporated Miami-Dade County which includes classrooms, a laboratory, library and administrative office space, as well as outdoor recreational areas and parking and the acquisition of the currently leased Pinecrest Cove Academy located at 4101 SW 107<sup>th</sup> Avenue, in unincorporated Miami-Dade County which includes classrooms, a multi-purpose room and administrative space, as well as outdoor recreational areas and parking. Pinecrest reports these three schools which are fully enrolled are accredited by the Southern Association of Colleges and Schools and exemplify all of the highest teaching and learning standards.

Elements of the proposed project include:

1. Refinance and renovate existing building located at 14901 SW 42<sup>nd</sup> Street, including: ---- \$15,200,000
  - Refinance existing building approximating 72,500 sq. ft.  
on 3.2 acres land site: ----- \$14,750,000
  - Renovate existing facility, including:----- \$ 450,000
    - New Roof: ----- \$150,000
    - Building Upgrades:----- \$300,000
2. Acquisition of Existing Building located at 4101 SW 107<sup>th</sup> Avenue, including: ----- \$ 9,000,000
  - Acquire existing building approximating 49,200 sq. ft.  
on 2 acres land site



### LEGAL

Under the 1986 Tax Act, facilities for 501(c)(3) corporations remain eligible for financing with tax-exempt Industrial Development Revenue Bonds provided that the project is part of the corporation's normal course of business. Bonds issued for the benefit of a 501(c)(3) corporation are also exempt from the requirement of being included under the state bond volume cap.

If accepted for processing by the Authority, the project will be referred to the County Attorney's Office and Bond Counsel for review and comment.

### ECONOMIC IMPACT

Pinecrest Academy, Inc. reports the three schools operate at full enrollment and currently employ approximately 125 persons. Completion of the proposed project will ensure the schools will be able to fully meet the needs of their student population for future generations as well as preserve existing job opportunities. In addition, other economic benefits include added support to the local construction industry.



**MIAMI-DADE COUNTY  
INDUSTRIAL DEVELOPMENT AUTHORITY  
TEFRA/PUBLIC HEARING**

The Miami-Dade County Industrial Development Authority (the "Authority") has been requested by Pinecrest Academy, Inc., a Florida not-for-profit 501(c)(3) corporation (the "Borrower"), to issue its Industrial Development Revenue Bonds (Pinecrest Academy Project), Series 2014 in an aggregate principal amount not to exceed \$27,000,000 (the "Series 2014 Bonds").

The proceeds of the Series 2014 Bonds may be used, together with funds provided by the Borrower, to: (i) refinance existing debt incurred for the rehabilitation of the Company's existing building located at 14901 SW 42nd Street, in Miami, Florida, and to finance additional rehabilitation costs for such property; (ii) reimburse prior capital expenditures; (iii) finance the acquisition, rehabilitation and equipping of an existing 49,200 square foot building located on a two-acre site at 4101 SW 107th Avenue in Miami, Florida (the foregoing (i), (ii) and (iii), collectively, the "Project"); and (iv) pay certain bond issuance costs. The Project will be owned and operated by the Borrower.

The Series 2014 Bonds shall not be a debt, liability or obligation of the Authority nor of Miami-Dade County, Florida, nor of the State of Florida, nor of any political subdivision thereof, but shall be payable solely from payments derived from the operation of the facilities or the security instruments therefor.

Please take note that the Executive Director of the Authority (as its hearing officer) will hold a public hearing as required by Section 147(f) of the Internal Revenue Code of 1986, as amended, on the nature and location of Project, the nature and location and associated issues regarding the Series 2014 Bonds, at the Brickell BayView Centre, 80 SW 8th Street, Suite 2801, Miami, Florida, on Thursday, March 6, 2014 commencing at 11:00 a.m. or shortly thereafter, at which time any person may be heard regarding the proposed issuance of the Series 2014 Bonds and the Project. The Authority will submit a transcript of the statements made at the hearing to the Board of County Commissioners, Miami-Dade County, Florida, which must approve or disapprove the issuance of the Series 2014 Bonds.