



City of Miami Beach, 1700 Convention Center Drive, Miami Beach, FL 33139, www.miamibeachfl.gov

DEPARTMENT OF MARKETING & COMMUNICATIONS, Tel: 305.673.7575

PRESS RELEASE

Tonya Daniels, E-mail: tonyadaniels@miamibeachfl.gov

Melissa Berthier, E-mail: melissaberthier@miamibeachfl.gov

FOR IMMEDIATE RELEASE

March 13, 2019

Miami Beach Issues First Tranche of General Obligation Bond

— Totaling \$153 Million for the First Three Years —

Miami Beach, FL – Today, the Miami Beach City Commission unanimously approved the issuance of \$153 million as part of the first tranche of the city’s \$439 million general obligation bond. During the months of January and February 2019, the G.O. Bond Oversight Committee reviewed and validated the proposed project implementation plan. The timing and amounts were consistent with the voter education campaign shared with the community and the Committee’s final recommendations to the City Commission were 99 percent consistent with the City administration’s initial proposed plan.

As a result, the total allocation for the final amount is as follows: \$87.7 million for projects regarding parks, recreational facilities and cultural facilities; \$36.9 million for police, fire and public safety measures; and \$28.4 million for neighborhoods and infrastructure improvements.

“The timing is ideal for the first issuance of our general obligation bond,” noted Mayor Dan Gelber. “Not only did we recently conclude a careful review of the prioritization of our projects of which our resident, committee members and City Commission were in agreeance, but the current market is extremely strong for municipal bonds.”

Based on market conditions as of January 25, 2019, a refinancing of the Series 2003 Bonds would have an all-inclusive true interest cost of 2.72 percent and provide net present value savings of \$3.8 million, which is over 13 percent of bonds refunded. The total savings over the life of the bonds would be \$6.2 million as of January 25, 2019, with the final principal amortization on the Series 2003 Bonds shortened from 2033 to 2032 to maximize total savings.

While the savings from this refinancing are subject to market conditions at the time of pricing, combining the refinancing with the issuance for new projects creates economies of scale. Rather than issuing all the bonds at once, the phased-out approach allows the 57 projects to be implemented over a period of approximately 10 to 12 years issuing tranches every three fiscal years. The total of the 4 tranches will be issued as follows: approximately \$153 million in FY 2019, \$103 million in FY 2022, \$98 million in FY 2025, and \$85 million in FY 2028. As such, the necessary millage rate increases will be also be gradually phased in after the initial issuance to cover the debt service costs associated with the bond issuances.

###

To request this material in alternate format, sign language interpreter (five-day notice required), information on access for persons with disabilities, and/ or any accommodation to review any document or participate in any city-sponsored proceedings, call 305.604.2489 and select 1 for English or 2 for Spanish, then option 6; TTY users may call via 711 (Florida Relay Service).