

News Clip

From: *Miami Today*, September 9, 2010
 Subject: **Bond sale next week will finance Metrorail link to airport and more**
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WEEK OF THURSDAY, SEPTEMBER 9, 2010

TODAY'S NEWS

Bond sale next week will finance Metrorail link to airport and more

By ASHLEY D. TORRES

Miami-Dade County is to close next week on \$217.26 million in transit revenue bonds to fund transit and public works projects.

The Transit System Sales Surtax Revenue bonds were split into two: \$29.67 million in Series 2010A tax-exempt bonds and \$187.59 million in Series 2010B taxable Build America Bonds. Under the American Recovery and Reinvestment Act, the federal government pays 35% of the bond interest on Build America Bonds.

The bonds went to market Aug. 25 and are to close Sept. 14.

"This bond sale was part of the scheduled capital financing plan for the MDC Transit Department," said Carter Hammer, county finance director, via email.

Proceeds from the bonds are to be split, Mr. Hammer said, with roughly \$150 million for transit and \$50 million for public works.

Of the transit funds, \$92 million is to go towards Phase I of the Miami Intermodal Center/Earlington Heights Project, a



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2.4-mile Metrorail extension that is to provide access to Miami International Airport, Tri-Rail and Amtrak. Other transit projects funded will replace the fare collection system and rehabilitate transit vehicles.

In addition, \$8.234 million of

public works funding is for neighborhood improvements and \$750,000 to add school zone flashing signals. Bond proceeds will also widen roads and improve streets.

The Series 2010A bonds are uninsured and expected to mature between 2013 and 2020. The Build America Bonds are to mature between 2021 and 2040.

The combined interest rate for the Series 2010 bonds was 3.58%, with a true interest cost for the Series 2010A bonds of 2.39% and 3.65% for the Series 2010B bonds after federal backing.

"This lower than expected interest cost," Mr. Hammer said, "allows the County to increase the total funding available for projects from \$182 million initially estimated to more than \$197 million."

The transit bonds, which are backed by revenues from the half-percent People's Transportation Plan sales tax, max out the county's \$1 billion allowance for bonds backed by the surtax. Any additional bond sales, Mr. Carter said, will require authorization from the county commission.