



AGENDA REQUEST FORM

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

MEETING DATE	2017-12-12 12:30 - Leasing Corporation - Special Meeting
AGENDA ITEM	SUPERINTENDENT'S RECOMMENDATION
CATEGORY	Superintendent's Recommendation
DEPARTMENT	Treasurer's Office

Special Order Request	
<input type="radio"/> Yes	<input checked="" type="radio"/> No
Time	
Open Agenda	
<input type="radio"/> Yes	<input checked="" type="radio"/> No

ITEM No.:
2.

TITLE:
Resolution No. 17-03 - Certificates of Participation, Series 2017C - Refunding Series 2011A & 2012A

REQUESTED ACTION:
Adopt Resolution No. 17-03 - Certificates of Participation, Series 2017C - Refunding Series 2011A & 2012A.

SUMMARY EXPLANATION AND BACKGROUND:
Resolution No. 17-03 authorizes the refunding of all or a portion of the outstanding Certificates of Participation (COPs), Series 2011A & 2012A through the issuance of refunding Certificates of Participation, Series 2017C in the aggregate principal amount of \$185,000,000; authorizes the execution of one or more Certificate Purchase Contracts; and approves the form of and authorizes the execution, if required, of the documents in the exhibit section below. See Executive Summary for further explanation and background. Copies of the full attachment are available at the Board Members' Office on the 14th Floor of the K. W. Wright Administration Center and available online via the Broward County Public Schools eAgenda at: https://webappe.browardschools.com/eagenda/

SCHOOL BOARD GOALS:
<input type="radio"/> Goal 1: High Quality Instruction <input type="radio"/> Goal 2: Continuous Improvement <input checked="" type="radio"/> Goal 3: Effective Communication

FINANCIAL IMPACT:
The District will realize approximately \$5.5 million in net present value (NPV) savings over the next nine (9) years from the refunding COPs Series 2017C. Actual savings may be higher or lower depending upon the market at the time of pricing.

EXHIBITS: (List)
(1) Executive Summary LC 2017C Final (2) Resolution 17-03 (3) Exhibit A-1 Schedule 2001A-1 - ONLINE (4) Exhibit A-2 Schedule 2001B-1 - ONLINE (5) Exhibit B Trust Agreement - ONLINE (6) Exhibit C Purchase Agreement - ONLINE

BOARD ACTION:
ADOPTED
(For Official School Board Records Office Only)

SOURCE OF ADDITIONAL INFORMATION:	
Name: Ivan Perrone	Phone: 754-321-1980
Name:	Phone:

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA
Senior Leader & Title

Judith M. Marte - Chief Financial Officer

Signature Judith M. Marte
12/8/2017, 1:44:48 PM

Electronic Signature
 Form #4189 Revised 08/04/2017
 RWR/ JMM/IP/pt

Approved In Open Board Meeting On: DEC 12 2017
 By: *Nora Rupert*
School Board Chair

Item No. : 2

**December 12, 2017 – The Broward School
Board Leasing Corporation**

EXECUTIVE SUMMARY

Resolution No. 17-03 – Certificates of Participation, Series 2017C - Refunding Certificates of Participation, Series 2011A and 2012A

At the present time, market conditions are favorable for the District to prudently refund all or a portion of the outstanding Certificates of Participation (COPs), Series 2011A and 2012A with an aggregate principal amount not to exceed \$185,000,000.

The District was considering to refund the outstanding COPs, Series 2011A and 2012A in 2018. However, the proposed Tax Cut and Job Act (TCJA) has a provision included in both the House and Senate Bills that, if passed into law, would repeal tax-exempt advance refunding of bonds, effective December 31, 2017. This would prevent the District from refunding bonds on an advance basis to obtain savings.

The TCJA caused a paradigm in our initial planning: Do we move forward with our original plan and hope that the repeal of the advance refunding is taken out before it becomes law or expedite the plan to issue the bonds in December 2017, rather than in 2018? Since the District had already commenced the refunding process with COPS, Series 2017B (12/12/2017 Special School Board Meeting, item No. 2), staff decided it would be prudent and beneficial for the District to also sell the COPs, Series 2017C (refunding COPs, Series 2011A and 2012A) in December 2017 to avoid any potential impacts that TCJA may have on savings for the District.

If the market continues at the current levels during the time of pricing (between December 14 - 18), the District would realize substantial savings. Based on a recent analysis, the potential refunding is expected to realize Net Present Value (NPV) debt service dollar savings estimated at \$5,510,000. In accordance with the District's Debt Management Policy, the minimum NPV savings requirement is three (3) percent. This proposed refunding (COPs, Series 2017C) would generate approximately 3.489% NPV savings, which exceeds the minimum three (3) percent requirement.

Since the opportunity for advance refundings could vanish with the approval of TCJA, the refunding proposal of COPs, Series 2017C was brought before the Financial Advisory Committee on November 29, 2017. A motion was passed unanimously for the District to proceed with the refunding. In addition, staff, along with the District's Financial Advisors and Special Tax Counsel, recommend moving forward with this approach, to avoid the risk that the TCJA may eliminate all advance refundings after December 31, 2017.

**AUTHORIZING RESOLUTION OF
BROWARD SCHOOL BOARD LEASING CORP.
17-03**

BE IT RESOLVED by the Broward School Board Leasing Corp. that:

Section 1. Broward School Board Leasing Corp. (the "Corporation") has determined to lease-purchase certain real property and educational facilities and equipment and to refinance the lease-purchase of certain other real property and educational facilities and equipment previously financed (collectively, the "Facilities") from time to time to The School Board of Broward County, Florida (the "School Board") and has entered into a Master Lease Purchase Agreement dated as of July 1, 1990 (as amended, the "Master Lease"), between the Corporation and the School Board, and certain Schedules attached and to be attached thereto in connection with the lease-purchase financing and refinancing of various Facilities from time to time. The Corporation has also determined to enter into ground leases with the School Board and assignment agreements and has entered into a Master Trust Agreement dated as of July 1, 1990 (as amended, the "Master Trust Agreement"), with U.S. Bank National Association (successor in interest to First Union National Bank of Florida), as Trustee (the "Trustee") in order to facilitate such financings and refinancings. In order to provide for such lease-purchase financings and refinancings, the Corporation has determined to cause to be issued series of certificates of participation to the public, representing undivided proportionate interests in the principal portion and interest portion of the basic lease payments to be made under the Master Lease and the Schedule or Schedules relating to the Facilities being financed or refinanced by the School Board.

Section 2. The School Board and the Corporation have entered into (i) a Series 2001A-1 Ground Lease dated as of May 1, 2001 (the "Series 2001A-1 Ground Lease") and (ii) Schedule 2001A-1 to the Master Lease ("Schedule 2001A-1") dated as of May 1, 2001, as amended and restated as of March 1, 2004, June 1, 2011 and May 1, 2012 (which Schedule, as amended and restated, together with the Master Lease is herein referred to as the "Series 2001A-1 Lease") pursuant to which the School Board leased certain real property to the Corporation and subleased from the Corporation such real property and leased the improvements thereon, known respectively as the "Series 2001A-1 Facility Sites" and the "Series 2001A-1 Facilities." The School Board and the Corporation have also entered into Schedule 2001A-2 to the Master Lease ("Schedule 2001A-2") dated as of May 1, 2001 (which Schedule, as amended and restated, together with the Master Lease is herein referred to as the "Series 2001A-2 Lease," the term of which has ended), pursuant to which the School Board leased certain real property to the Corporation and subleased from the Corporation such real property and leased the improvements thereon, known as the "Series 2001A-2 Facilities" (the funds for which have been repaid). To provide funds for the acquisition and construction of the Series 2001A-1 Facilities and Series 2001A-2 Facilities, Certificates of Participation, Series 2001A (the "Series 2001A Certificates") were issued in the aggregate principal amount of \$241,765,000, currently outstanding in the aggregate principal amount of \$43,990,000, representing an undivided proportionate interest in the principal portion and interest portion of the Basic Lease Payments to be made by the School Board under the Series 2001A-1 Lease and the Series 2001A-2 Lease, pursuant to the Master

Trust Agreement, as supplemented by a Series 2001A Supplemental Trust Agreement dated as of May 1, 2001 (the Master Trust Agreement, as so supplemented is herein referred to as the "Series 2001A Trust Agreement"). The Corporation assigned substantially all of its interest in the Series 2001A-1 Ground Lease and Schedule 2001A-1 and Schedule 2001A-2 to the Trustee pursuant to a Series 2001A Assignment Agreement dated as of May 1, 2001 (the "Series 2001A Assignment Agreement").

Section 3. The School Board and the Corporation have entered into (i) a Series 2001B-1 Ground Lease dated as of January 1, 2002, as amended as of May 1, 2002, August 1, 2002, June 1, 2006 and July 1, 2010 (the "Series 2001B-1 Ground Lease"), and (ii) Schedule 2001B-1 to the Master Lease ("Schedule 2001B-1") dated as of January 1, 2002, as amended and restated as of May 1, 2002, August 1, 2002, March 1 2004, June 1, 2006, July 1, 2010, June 1, 2011 and May 1, 2012 (which Schedule together with the Master Lease is herein referred to as the "Series 2001B-1 Lease"), pursuant to which the School Board leased certain real property to the Corporation and subleased from the Corporation such real property and leased the improvements thereon, known respectively as the "Series 2001B-1 Facility Sites" and the "Series 2001B-1 Facilities." The School Board and the Corporation also entered into Schedule 2001B-2 to the Master Lease ("Schedule 2001B-2") dated as of January 1, 2002 (which Schedule together with the Master Lease is herein referred to as the "Series 2001B-2 Lease," the term of which has ended), pursuant to which the School Board leased bus parking and maintenance facilities to the Corporation and subleased from the Corporation such property, known as the "Series 2001B-2 Facilities" (the funds for which have been repaid). To provide funds for the acquisition and construction of the Series 2001B-1 Facilities and the Series 2001B-2 Facilities, Certificates of Participation, Series 2001B (the "Series 2001B Certificates") were issued in the aggregate principal amount of \$176,730,000 (the "Series 2001B Certificates"), currently outstanding in the aggregate principal amount of \$51,930,000, representing an undivided proportionate interest in the principal portion and interest portion of the Basic Lease Payments to be made by the School Board under the Series 2001B-1 Lease and the Series 2001B-2 Lease, pursuant to the Master Trust Agreement, as supplemented by a Series 2001B Supplemental Trust Agreement dated as of January 1, 2002 (the Master Trust Agreement, as so supplemented is herein referred to as the "Series 2001B Trust Agreement"). The Corporation assigned substantially all of its interest in the Series 2001B-1 Ground Lease and Schedule 2001B-1 and Schedule 2001B-2 to the Trustee pursuant to a Series 2001B Assignment Agreement dated as of January 1, 2002 (the "Series 2001B Assignment Agreement").

Section 4. As a result of a decline in interest rates, the School Board has previously refinanced a portion of its obligations under the Series 2001A-1 Lease and the Series 2001B-1 Lease by amending and restating Schedule 2001A-1 and Schedule 2001B-1 and issuing Certificates of Participation, Series 2004B (the "Series 2004B Certificates") in an aggregate principal amount of \$71,920,000 pursuant to the Master Trust Agreement, as supplemented by a Series 2004B Supplemental Trust Agreement dated as of March 1, 2004 (the Master Trust Agreement as so supplemented is herein referred to as the "Series 2004B Supplemental Trust Agreement").

Section 5. As a result of a further decline in interest rates, the School Board refinanced an additional portion of its obligations under the Series 2001A-1 Lease and the Series 2001B-1 Lease by further amending and restating Schedule 2001A-1 and Schedule 2001B-1 and issuing Certificates of Participation, Series 2011A (the “Series 2011A Certificates”) in an aggregate principal amount of \$175,510,000 pursuant to the Master Trust Agreement, as supplemented by a Series 2011A Supplemental Trust Agreement dated as of June 1, 2011 (the Master Trust Agreement as so supplemented is herein referred to as the “Series 2011A Supplemental Trust Agreement”).

Section 6. As a result of a further decline in interest rates, the School Board refinanced an additional portion of its obligations under the Series 2001A-1 Lease and the Series 2001B-1 Lease by further amending and restating Schedule 2001A-1 and Schedule 2001B-1 and issuing Certificates of Participation, Series 2012A (the “Series 2012A Certificates”) in an aggregate principal amount of \$270,650,000 pursuant to the Master Trust Agreement, as supplemented by a Series 2012A Supplemental Trust Agreement dated as of May 1, 2012 (the Master Trust Agreement as so supplemented is herein referred to as the “Series 2011A Supplemental Trust Agreement”).

Section 7. As a result of a further decline in interest rates, the School Board wishes to consider refinancing an additional portion of its obligations under the Series 2001A-1 Lease and Series 2001B-1 Lease by further amending and restating Schedule 2001A-1 (“Amended and Restated Schedule 2001A-1”) and further amending and restating Schedule 2001B-1 (“Amended and Restated Schedule 2001B-1”).

Section 8. The Board of Directors of the Corporation hereby authorizes the execution by the President or Vice President and the Secretary of (i) Amended and Restated Schedule 2001A-1, substantially in the form submitted to this meeting and attached hereto as Exhibit A-1, and (ii) Amended and Restated Schedule 2001B-1, substantially in the form submitted to this meeting and attached hereto as Exhibit A-2, with such insertions, modifications and changes as may be approved by the President or Vice President. The execution and delivery of Amended and Restated Schedule 2001A-1, Amended and Restated Schedule 2001B-1, by the President or Vice President and the Secretary shall constitute conclusive evidence of the approval thereof.

Section 9. The Board of Directors of the Corporation hereby authorizes the execution by the President or Vice President and the Secretary of a Series 2017C Supplemental Trust Agreement (the “Series 2017C Supplemental Trust Agreement” and together with the Master Trust Agreement, the “Series 2017C Supplemental Trust Agreement”), between the Corporation and the Trustee, substantially in the form submitted to this meeting and attached hereto as Exhibit B, with such insertions, modifications and changes as may be approved by the President or Vice President. The execution and delivery of the Series 2017C Supplemental Trust Agreement by the President or Vice President and the Secretary shall constitute conclusive evidence of the approval thereof.

Section 10. The Board of Directors of the Corporation hereby authorizes the issuance and sale of not exceeding \$185,000,000 aggregate principal amount of refunding Certificates of

Participation, Series 2017C (the "Series 2017C Certificates") to advance refund, as applicable, all or a portion of the Series 2011A Certificates and the Series 2012A Certificates (collectively the "Refunded Certificates"), which Series 2017C Certificates will represent undivided proportionate interests in a portion of the principal portion and interest portion of the Basic Lease Payments to be made under the Series 2001A-1 Lease and the Series 2001B-1 Lease; and further authorizes the execution by the President or Vice President and Secretary and delivery of a Certificate Purchase Agreement for the Series 2017C Certificates (the "Purchase Agreement") among the Corporation, the School Board and the Underwriters referred to therein, substantially in the form submitted to this meeting and attached hereto as Exhibit C, with such insertions, modifications and changes as may be approved by the President or Vice President, provided, however, that:

(i) the present value of the total savings anticipated to accrue to the School Board upon the refinancing involving the execution of Amended and Restated Schedule 2001A-1 and Amended and Restated Schedule 2001B-1, and the issuance of the Series 2017C Certificates, including any amounts contributed to the escrow deposit trust fund from sources other than the proceeds of the Series 2017C Certificates, shall be at least three percent (3%) of the aggregate principal amount of the Refunded Certificates;

(ii) the aggregate principal amount of the Series 2017C Certificates shall not exceed \$185,000,000;

(iii) the final maturity of the Series 2017C Certificates shall not be later than July 1, 2026; and

(iv) the price at which the Series 2017C Certificates shall be sold to the Underwriters shall not be less than 99.00% of the face amount thereof, exclusive of original issue discount and original issue premium.

The execution and delivery of the Purchase Agreement by the President or Vice President and Secretary shall constitute conclusive evidence of the approval thereof. The Trustee is hereby requested to execute and deliver the Series 2017C Certificates to the Underwriters in accordance with the provisions of the Purchase Agreement.

Section 11. Each of the President, the Vice President, the Secretary, the Assistant Secretary and any other proper officer of the Corporation are authorized and directed to execute and deliver all documents, contracts, instruments and certificates and to take all actions and steps on behalf of the Corporation including, without limitation, amendments to the Series 2001A Assignment Agreement, the Series 2001B Assignment Agreement, the Series 2001A-1 Ground Lease and the Series 2001B-1 Ground Lease that may be necessary or desirable and to take all actions and steps including, without limitation, to change the dated date of any and all documents or the series designation of the Series 2017C Certificates in the event of a delay in the issuance of the Series 2017C Certificates, which are necessary or desirable in connection with the issuance of the Series 2017C Certificates, the execution and delivery and compliance with the provisions of the Master Lease, Amended and Restated Schedule 2001A-1, Amended and

Restated Schedule 2001B-1, the Master Trust Agreement, the Series 2017C Supplemental Trust Agreement and the Purchase Agreement, and which are not inconsistent with the terms and provisions of this Resolution.

Section 12. It is hereby found and determined that all formal actions of the Corporation concerning and relating to the adoption of this Resolution and the consummation of the transactions contemplated by this Resolution were adopted in open meetings of the Corporation, and that all deliberations of the Corporation that resulted in such formal action were in meetings open to the public, in compliance with all legal requirements.

Section 13. This Resolution shall be effective immediately upon its adoption.

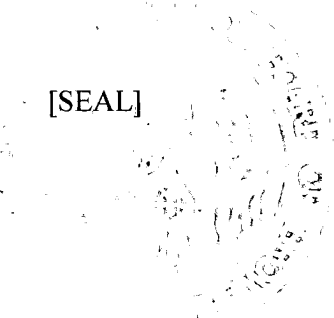
Adopted this 12th day of December, 2017.

[Remainder of Page Intentionally Left Blank]

I, ROBERT W. RUNCIE, the duly appointed, qualified and acting Secretary of the Broward School Board Leasing Corp., a not-for-profit corporation organized and existing under the laws of the State of Florida, do hereby certify that the foregoing is a true and correct copy of Resolution 17-03 of the Corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of the Corporation this 12th day of December, 2017.

[SEAL]



A handwritten signature in black ink, which appears to read "Robert W. Runcie", is written over a horizontal line.

Robert W. Runcie,
Secretary

EXHIBIT A-1

FORM OF AMENDED AND RESTATED SCHEDULE 2001A-1

EXHIBIT A-2

FORM OF AMENDED AND RESTATED SCHEDULE 2001B-1

EXHIBIT B

FORM OF SERIES 2017C SUPPLEMENTAL TRUST AGREEMENT

EXHIBIT C

FORM OF PURCHASE AGREEMENT