

AGENDA

DIVISION OF BOND FINANCE OF THE STATE BOARD OF ADMINISTRATION

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(Contact person: J. Ben Watkins III - 488-4782)

The Capitol

November 17, 2009

This meeting is open to the public.

1. Approval of minutes of the meeting of September 29, 2009.
(Attachment #1)
2. ADOPTION OF RESOLUTIONS AUTHORIZING THE ISSUANCE AND THE COMPETITIVE OR NEGOTIATED SALE OF \$285,000,000 DEPARTMENT OF ENVIRONMENTAL PROTECTION FLORIDA FOREVER REVENUE BONDS AND \$278,000,000 DEPARTMENT OF ENVIRONMENTAL PROTECTION FLORIDA FOREVER REVENUE REFUNDING BONDS.

The bonds will be payable from certain excise taxes on documents associated with real estate transactions, i.e., documentary stamp taxes, on a parity with previously issued Preservation 2000, Florida Forever and Everglades Restoration bonds. The bonds will not be secured by the full faith and credit of the State. The proceeds of the bonds will be used to finance the acquisition and improvement of public lands, water areas, and related property interests and resources, and to refund certain outstanding Preservation 2000 bonds.

Copies of the resolutions may be obtained from the Division of Bond Finance upon request.

(Recommend)

3. ADOPTION OF RESOLUTIONS AUTHORIZING THE ISSUANCE AND THE COMPETITIVE OR NEGOTIATED SALE OF \$19,500,000 BOARD OF GOVERNORS, UNIVERSITY OF CENTRAL FLORIDA PARKING FACILITY REVENUE BONDS.

The bonds will be payable from the revenues of the parking system, including the mandatory transportation access fees charged to all students attending the University of Central Florida. The bonds will not be secured by the full faith and credit of the State. The proceeds of the bonds will be used to finance the construction of a parking garage on the campus of the University.

Copies of the resolutions may be obtained from the Division of Bond Finance upon request.

(Recommend)

4. ADOPTION OF A RESOLUTION AMENDING A RESOLUTION WHICH AUTHORIZED THE SALE OF \$32,000,000 BOARD OF GOVERNORS, FLORIDA INTERNATIONAL UNIVERSITY PARKING FACILITY REVENUE BONDS.

The bonds will be payable from the revenues of the parking system, including the mandatory transportation access fees charged to all students attending Florida International University. The bonds will not be secured by the full faith and credit of the State. The proceeds of the bonds will be used to finance the construction of a parking garage on the Miami campus of the University. The resolution amends the previously adopted sale resolution to provide options for the funding of a debt service reserve for the Bonds.

Copies of the resolution may be obtained from the Division of Bond Finance upon request.

(Recommend)

5. REPORT OF AWARD ON THE COMPETITIVE SALE OF \$300,775,000 FULL FAITH AND CREDIT, STATE BOARD OF EDUCATION PUBLIC EDUCATION CAPITAL OUTLAY REFUNDING BONDS, 2009 SERIES D, TO THE LOW BIDDER FOR SUCH BONDS.

Bids were received at the office of the Division of Bond Finance at 12:00 noon on September 22, 2009, and the bonds were awarded to the low bidder, J.P. Morgan Securities Inc., which submitted a bid at an annual true interest cost rate of 3.1185%. The bonds were delivered on October 13, 2009.

The bonds were issued to refund the outstanding Public Education Capital Outlay Bonds, 1996 Series B, 1997 Series B and 1999 Series B. The refunding resulted in gross debt service savings of approximately \$44.1 million, average annual debt service savings of approximately \$3.0 million and present value debt service savings of approximately \$35.5 million, or 10.44% of the principal amount refunded.

A report of award and tabulation of bids is attached.

(Attachment #2)

6. REPORT OF AWARD ON THE COMPETITIVE SALE OF \$186,600,000 FULL FAITH AND CREDIT, STATE BOARD OF EDUCATION PUBLIC EDUCATION CAPITAL OUTLAY BONDS, 2006 SERIES F AND G TO THE LOW BIDDERS FOR SUCH BONDS.

The financing included a combination of \$42,080,000 of 2006 Series F Tax-Exempt Bonds and \$144,520,000 of 2006 Series G Taxable Build America Bonds. Bids were received at the office of the Division of Bond Finance on October 1, 2009 at 11:00 a.m. for the 2006 Series F Tax-Exempt Bonds and 11:30 a.m. for the 2006 Series G Taxable Build America Bonds. The Tax-Exempt Bonds were awarded to the low bidder, UBS Financial Services Inc., which submitted a bid at an annual true interest cost rate of 2.4431%. The Taxable Build America Bonds were awarded to the low bidder, Merrill Lynch & Co., which submitted a bid at an annual (net) true interest cost rate of 3.6292%. The bonds were delivered on October 22, 2009.

The estimated savings from using Build America Bonds was 70 basis points less than a conventional tax-exempt bond issue or an estimated gross interest savings of approximately \$36.9 million and a net present value savings of \$17.7 million or 9.5% of the principal amount of the bonds.

A report of award and tabulation of bids is attached.

(Attachment #3)

7. REPORT OF AWARD ON THE NEGOTIATED SALE OF \$336,985,000 DEPARTMENT OF MANAGEMENT SERVICES, FLORIDA CORRECTIONAL FINANCE CORPORATION, CERTIFICATES OF PARTICIPATION, SERIES 2009B AND C.

Pursuant to a resolution of the Florida Correctional Finance Corporation, the Division of Bond Finance negotiated the sale of the above referenced certificates with a syndicate led by J.P. Morgan Securities, Inc. on October 29, 2009. The financing included a combination of \$62,460,000 of Series 2009B Certificates (Tax-Exempt) and \$274,525,000 of Series 2009C Certificates (Federally Taxable - Build American Bonds). The certificates were priced to yield an annual true interest cost rate of 4.05% and are scheduled for delivery on November 19, 2009.

The estimated savings from using Build America Bonds was 46 basis points less than a conventional tax-exempt bond issue or an estimated gross interest savings of approximately \$18.0 million and a net present value savings of \$13.6 million or 4.04% of the principal of the certificates.

A report on the sale of the Certificates is attached.

(Attachment #4)

8. REPORT OF AWARD ON THE COMPETITIVE SALE OF \$206,695,000 FULL FAITH AND CREDIT, DEPARTMENT OF TRANSPORTATION RIGHT-OF-WAY ACQUISITION AND BRIDGE CONSTRUCTION REFUNDING BONDS, SERIES 2009B TO THE LOW BIDDER FOR SUCH BONDS.

Bids were received at the office of the Division of Bond Finance at 11:00 a.m. on November 4, 2009, and the bonds were awarded to the low bidder, J.P. Morgan Securities Inc., which submitted a bid at an annual true interest cost rate of 3.7626%. The bonds are scheduled to be delivered on November 24, 2009.

The bonds were issued to refund the outstanding Department of Transportation Right-of-Way Acquisition and Bridge Construction Bonds, Series 1999A. The refunding resulted in gross debt service savings of approximately \$23.4 million, average annual debt service savings of approximately \$1.2 million and present value debt service savings of approximately \$16.9 million, or 7.42% of the principal amount refunded.

A report of award and tabulation of bids is attached.

(Attachment #5)