

March 27, 2019

Town of Cutler Bay, Florida

Oral Presentation - RFQ #19-02
Financial Advisory Services



ESTRADA • HINOJOSA
INVESTMENT BANKERS

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Introduction – Established Firm (27 yrs)

Estrada Hinojosa is an Industry Leader



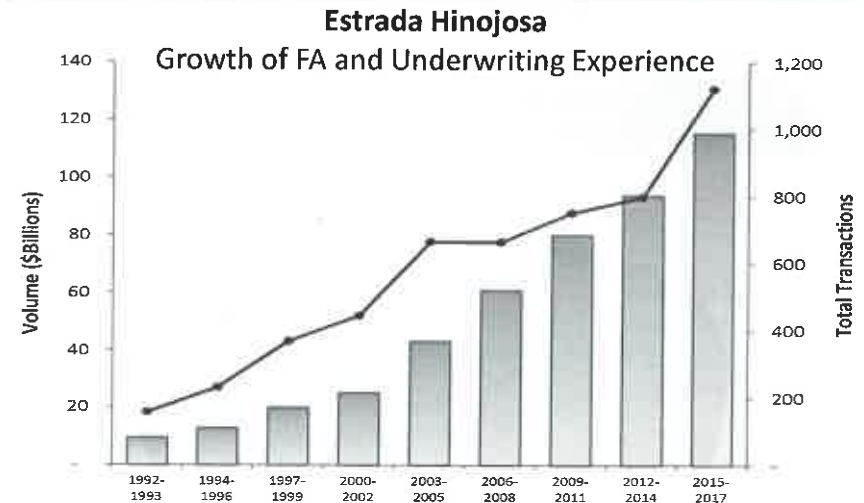
Facts about our experience:

- Consistent leadership for over 27 years resulting in providing steady, quality customer service
- Successful each year for 27 consecutive years with 40 people on its staff
- Daily presence in the municipal market providing the firm with deep experience on a variety of transactions around the country
- Maintains 8 offices around the country and has served as FA or underwriter in 44 states

EH Footprint Map



Growth of Financial Advisory & Underwriting Experience



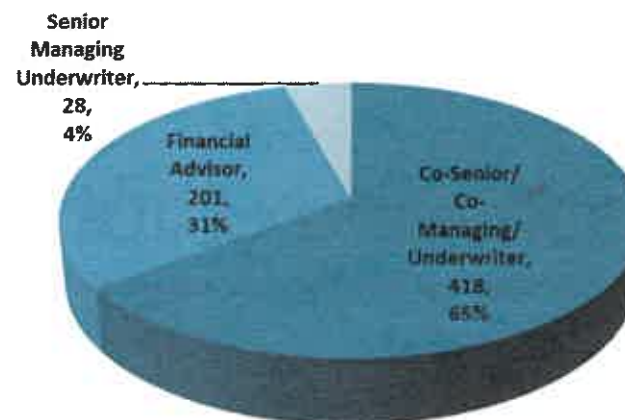
We have a very active underwriting desk that provides our financial advisory clients with the Broker Dealer Advantage

- Having an Underwriting, Sales and Trading Desk that is active in the municipal bond market is a tremendous asset for our Clients by providing:

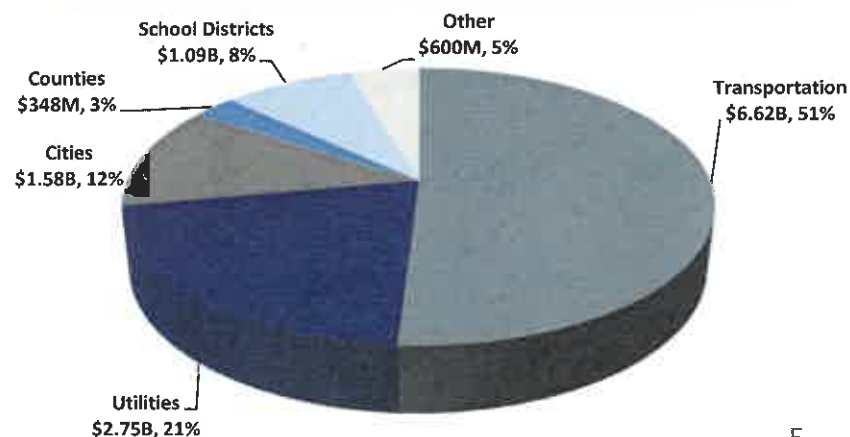
- Real-time information on Municipal Market conditions;
- First hand information on Investor activity and preferences;
- Realistic market information to support financial structuring decisions such as:
 - Interest rate levels;
 - Credit spreads (Sr. & Jr. Lien);
 - Call option premiums; and
 - Take downs and expenses

- In 2017 & 2018 combined, Estrada Hinojosa's Underwriting Desk and Financial Advisory Services were involved in **642** municipal bond issues totaling over **\$63** billion.

2017 - 2018 Estrada Hinojosa
Municipal Market Activity



2017 - 2018 Estrada Hinojosa
Financial Advisory Activity





Knowledge of the Town/Prior Experience



Knowledge of the Town Goals





Knowledge of the Town

Capital Improvement Projects

- The Capital Improvement Projects funded through budget include two major categories: (1) Park Improvements and (2) Transportation/Roadway Improvements. The following is a summary of the approved projects and their planned funding sources:

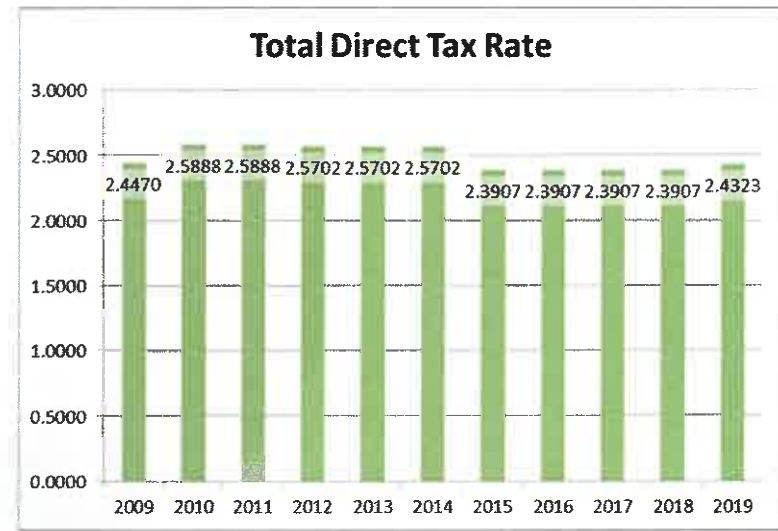
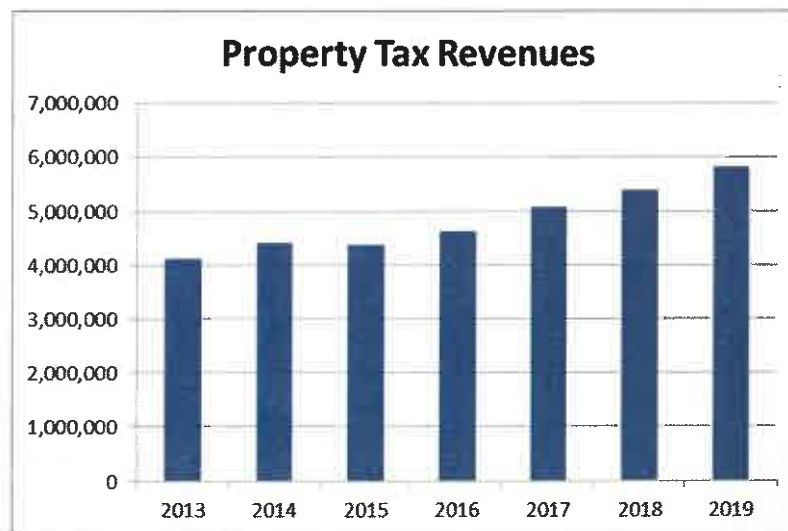
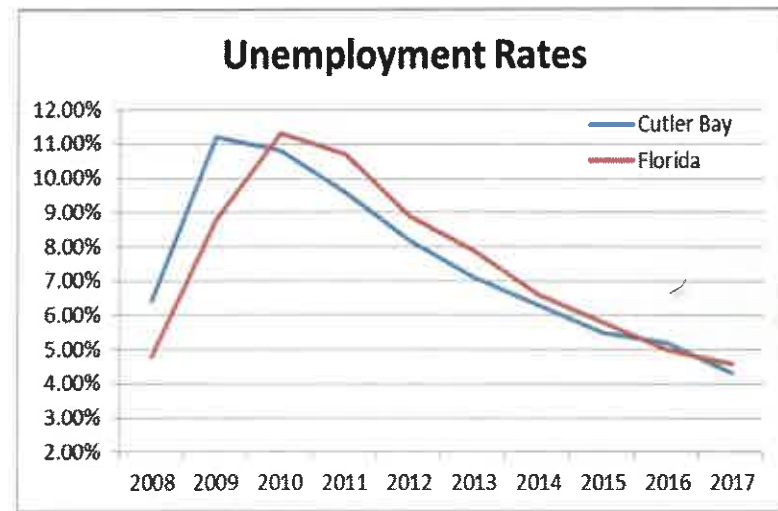
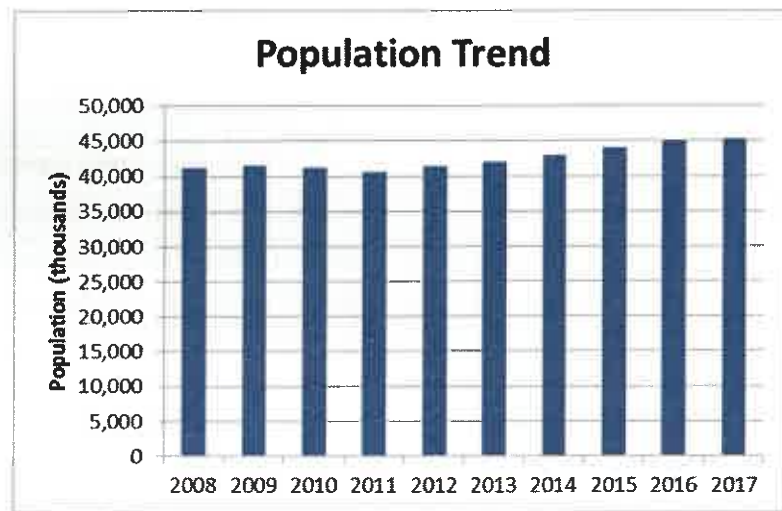
PARK IMPROVEMENTS	
Funding is programmed for several new park and ride facilities, a bike path, pedestrian underpasses, additional lanes to the Homestead Extension to the Florida turnpike and improvements to the SR 5/US1/South Dixie Highway corridor for the entire length of the Town. Recreation and Open Space Improvements: A kayak launch and dock at Lakes by the Bay Park and improvements to Franjo Park, a tot lot at Sage Lake Park. The Town is exploring the feasibility of a dog park at Lincoln City Park.	
Revenue Source	Amount (000's)
General Fund	\$1,393
Park Impact Fees	\$164
Florida Recreation Development Assistance Program	\$200
Total	\$1,757

TRANSPORTATION/ROADWAY IMPROVEMENTS	
Caribbean Boulevard Bridge Improvements and the Town Bus Shelter program will install six new bus shelters and replace four others.	
Revenue Source	Amount (000's)
State Appropriations	\$165
County Funding (PTP, JPA)	\$1,335
FDOT	\$924
FDEP	\$374
Road Impact Fees	\$643
Town Stormwater Utility Fund	\$643
Gas Taxes	\$1,105
Total	\$4,998



Knowledge of the Town

At a Glance

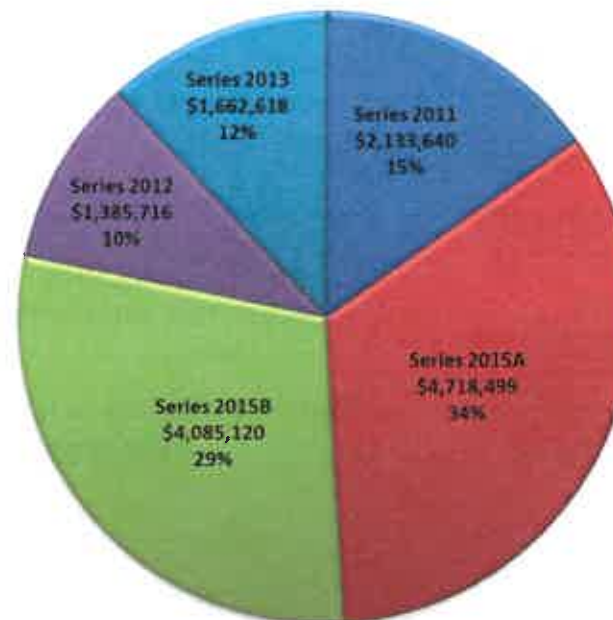




Knowledge of the Town Outstanding Debt

Loan	Principal Outstanding (FYE 2018)	Interest Rate	Security
Public Service Tax Refunding Bond (UMSA), Ser. 2011*	\$2,133,640	**	Public Service Taxes
School Bonds, Ser. 2012	\$1,385,716	2.18%	Non Ad-Valorem
Stormwater Utility Revenue Bonds, Ser. 2013*	\$1,662,618	**	Stormwater Fees
Tax-Exempt Refunding Promissory Notes, Ser. 2015A	\$4,718,499	2.50%	Local Govt. Half-Cent Sales Tax
Taxable Refunding Promissory Notes, Ser. 2015B	\$4,085,120	2.80%	Local Govt. Half-Cent Sales Tax
	\$13,985,593		

Principal Outstanding as of FYE 2018



*via an interlocal agreement with
Miami-Dade County

** Interest rate information
unavailable

Knowledge of the Town Recent Events



- **General Obligation Bond Referendum** - In June of 2018, 17% of registered voters in the Town responded to the General Obligation (GO) Bond Referendum, which failed by a small margin with 47.93% in favor and 52.07% against the bonds.
- The proposed \$40 million GO bonds would have been used to acquire and improve property for parks, open space, public facilities and economic development.
- According to Cutler Bay News, the bonds would have been used to purchase a portion of the land known as "Potato Field" and other possible smaller purchases of vacant land for public use.
- The Town will have to be resourceful in obtaining funds if it still wants to make these land purchases.

Estrada Hinojosa can apply its expertise to aid the Town in developing a comprehensive financing plan.



Your Town. Your Future.

Town of Cutler Bay General Obligation Bond Referendum

The Town of Cutler Bay is asking voters to decide if the Town should be authorized to issue general obligation bonds in the amount of \$40 Million, secured by ad valorem taxes to be levied on each property owner within the Town. A general obligation (G.O.) bond is a form of borrowing in which a municipality pledges its full faith and credit (taxing power) to repay the debt with interest over a specified term. G.O. bonds are generally the least costly financing option available to the Town for funding these projects.

A Special mail ballot Election will be held on **Tuesday, June 5, 2018**. The ballot question is as follows:

"Shall the Town of Cutler Bay issue general obligation bonds not exceeding \$40,000,000 in one or more series, as tax-exempt and/or taxable bonds, maturing not later than thirty years from their issuance dates, bearing interest not exceeding the maximum allowable by law, payable from ad valorem taxes levied by the town, to acquire and improve property for parks, open space, public facilities, and economic development?"

What will the bonds be used for?

If approved, the \$40 Million of bonds will be used to acquire vacant property which may be used for the development of new parks and open space, public facilities, and/or opportunities for economic development. More information will be mailed out and advertised in the Miami Herald, Cutler Bay Community News, and on the Town's website (www.cutlerbayfl.gov).

Who is eligible to vote?

The Town is asking all registered voters who live in Cutler Bay to vote on the GO Bond Issue. If you are not already a registered voter, the last day to register to vote in the bond referendum is Monday, May 7, 2018. Visit <http://www.miamidade.gov/lections> or call 3-1-1 to register or check your voter registration status.

Save the Date

- Thursday, May 3 at 7:00 pm - Public Information Session at Cutler Ridge Park 18100 SW 200 Street
- Wednesday, May 16 - Referendum Ballots Mailed to all Registered Voters from Miami-Dade County Elections
- Tuesday, May 22 at 7:00 pm - Public Information Session at Town Hall 10720 Caribbean Blvd
- Tuesday, June 5 at 7:00 pm - Deadline to Receive Mail-in Ballots at Miami-Dade County Elections

We Want to Hear from You!

Email us your questions, comments or concerns at GOBond@cutlerbay.fl.gov

For more information, please visit www.cutlerbaygobond.org



Knowledge of the Town

Prior Experience

Prior Experience with the Town- Ms. Abadin was involved in several transactions for the Town of Cutler Bay, at a time when municipalities were facing a downturn in *ad valorem* revenues resulting from the mortgage crisis.

- In 2012, the Town participated in 4 transactions:
 1. \$5,800,002 Taxable Note, Series 2012B,
 2. \$1,925,122 Bank Qualified Tax-Exempt Note, Series 2012C,
 3. \$735,000 Taxable Note, Series 2012E
 4. \$2,578,000 School Improvement Revenue Bonds, Series 2012.
- Moreover, Ms. Abadin ***facilitated an agreement between the Town and the Miami-Dade School District*** to fund necessary renovations to a high school in the Town. As a result, the new money issue was obtained with more flexible covenants and lower interest rates than those in the prior obligations.
- Ms. Abadin was able to assist with ***restructuring the Town's debt portfolio*** to enable the Town to mitigate and postpone its debt service obligations and avoid a millage rate increase.



Proposer Credentials/Accomplishments

Town of Cutler Bay Team

Our team will be readily available to serve the Town at a moment's notice.



Banker	Role	Location
Lourdes Reyes Abadin	Lead Banker	Miami
Robert Estrada	Executive Supervision	Dallas
Tania Askins	Quantitative Lead	Dallas
Steven Eaddy	Credit Analysis	New York
Cristina Zeinali	Quantitative Support	Miami
Tom Nolan	Senior Syndicate Underwriter	Dallas
Paul Jack	P3 Special Models	Austin

Technical Expertise:

Offer full range of in-house technical specialists to address all of Cutler Bay's Financial Advisor needs



Quantitative Group

- Structured over 2,000 transactions for a par value in excess of \$127 billion
- Structure transactions for largest and most sophisticated clients, to smallest municipalities
- Cutler Bay FA team includes the head of the Quant group

Broad Based Credit Experience

- General Obligation
- Utility System Revenue
- Parking
- Sales Tax
- Sports Venue
- Public Private Partnership
- Lease/Contract Revenue

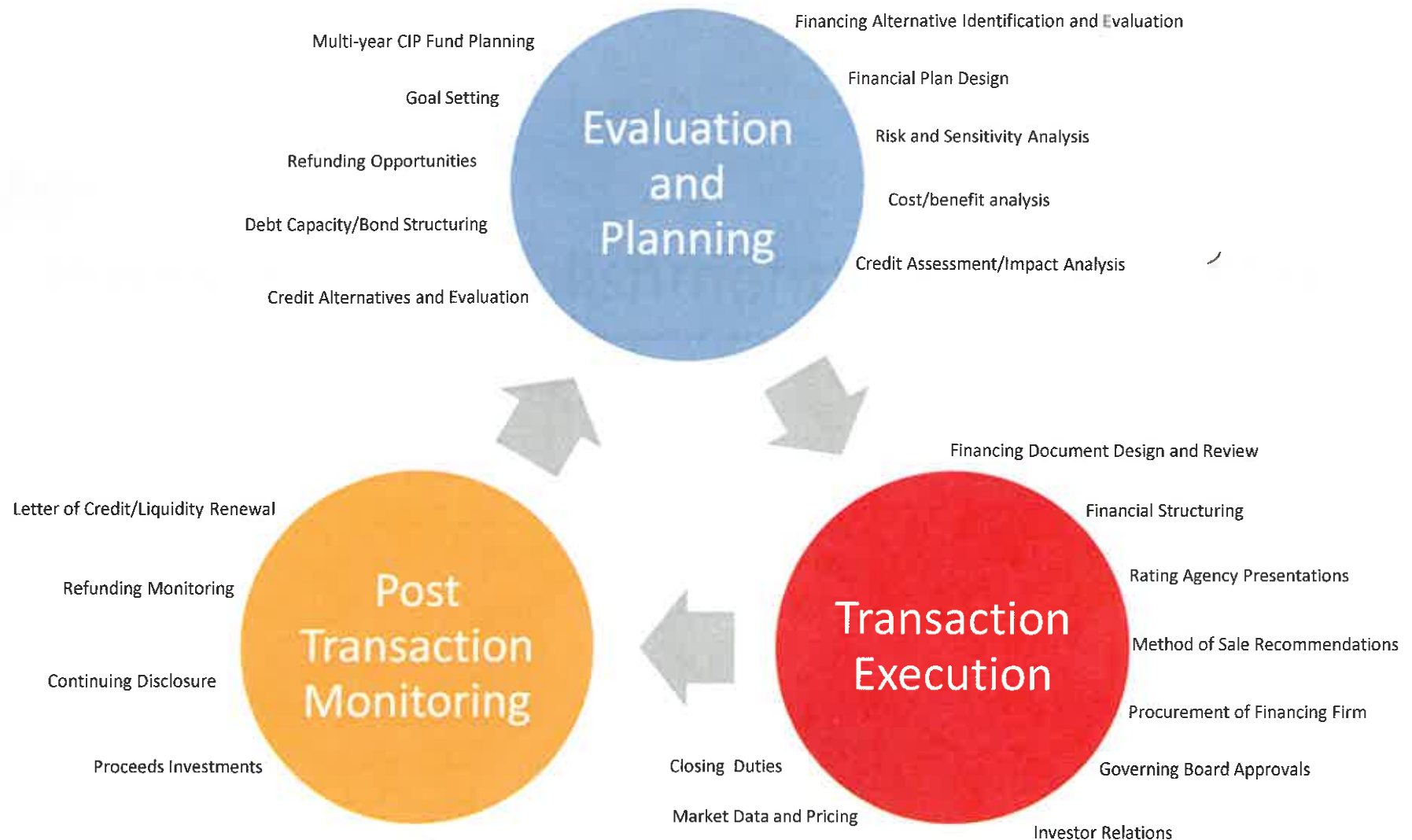
P3/Concession Models

- Concessionaire bid proposals (debt/equity cases)
- Full income statement/balance sheet/cash flow capabilities
- Value for Money models and Public Sector Comparable feasibility
- Detailed reporting capability

Structuring Tools: DBC and Excel Based Models

- Sophisticated cashflow models, including multi-year borrowing and pro forma revenue and expense projections
- Flexible capital structure, with options for Senior/Sub, Equity
- Debt Profile model that track debt, financial metrics, and refunding options

Financial Advisory Services





Projects/Accomplishments Service Quality

Municipal Experience

A fundamental focus of the Firm's business is serving municipalities. The Firm has assisted some of the largest municipalities including the City of Miami as well as some of the smallest municipalities such as the City of Sweetwater, Florida. Overall, the Firm has served on **1,056** municipal financial advisory transactions totaling over **\$62.74 billion** and **1,018** municipal underwritings totaling over **\$57.77 billion** in par amount. The Firm understands the economic, legal, political, and financial issues faced by municipalities.

As Financial Advisor

- City of Brownsville, Texas
- Town of Cutler Bay, Florida
- City of Dallas, Texas
- City of Fort Worth, Texas
- Town of Golden Beach, Florida
- Village of Indian Creek, Florida
- Village of Key Biscayne, Florida
- City of Miami Beach, Florida
- Town of Miami Lakes, Florida
- City of National City, California
- City of North Bay Village, Florida
- City of San Antonio, Texas
- City of Sweetwater, Florida
- City of West Miami, Florida

\$12.390 Million
Town of Golden Beach, FL



**General Obligation Refunding
Bonds, Series 2016
Financial Advisor**

\$5.575 Million
Village of Key Biscayne, FL



**Amendment & Reissuance of
School Improvement Revenue
Bonds, Series 2017
Financial Advisor**

As Underwriter

- Alachua County, Florida
- City of Atlanta, Georgia
- City of Austin, Texas
- City of Chicago, Illinois
- City of Ft. Myers, Florida
- City of Houston, Texas
- City of Las Cruces, New Mexico
- City of Miami Beach, Florida
- City of Miami, Florida
- City of New Orleans, Louisiana
- City of Orlando, Florida
- City of Phoenix, Arizona
- City of San Diego, California
- City of West Palm Beach, Florida

\$107.480 Million
City of Miami, FL



**Special Obligation Refunding
Bonds, Series 2018A, B, C
(Street and Sidewalk
Improvement Program)
Underwriter**

\$156.550 Million
City of Miami Beach, FL



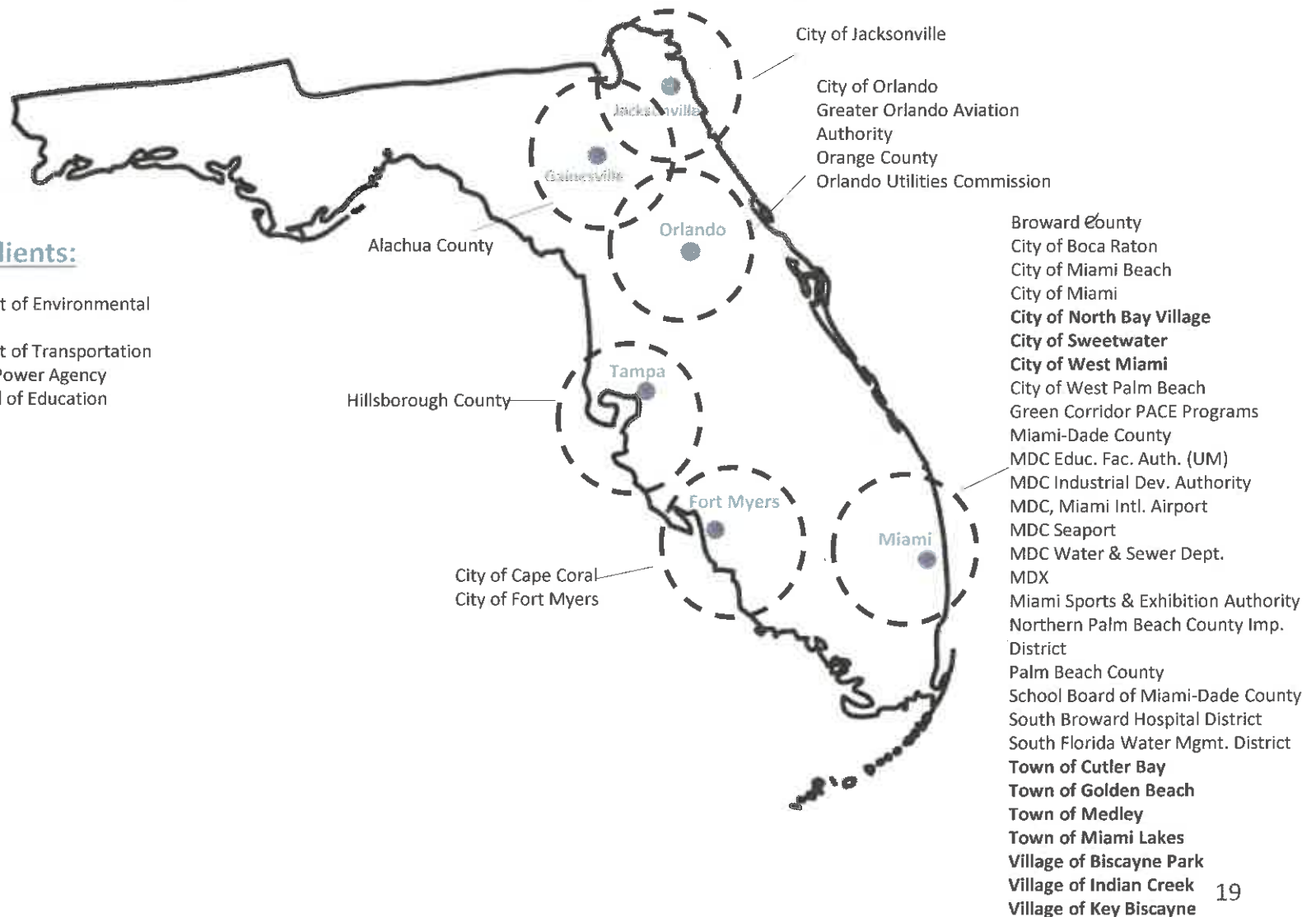
**Stormwater Revenue and
Revenue Refunding Bonds,
Series 2017
Underwriter**

Experience/Credentials: We have a strong history of providing quality public finance services for Florida Issuers

Estrada Hinojosa Florida Financial Advisory & Underwriting Client List (Since 1993)

Statewide Clients:

State of Florida
Florida Department of Environmental Protection
Florida Department of Transportation
Florida Municipal Power Agency
Florida State Board of Education





Experience with P3 Transactions

Significant experience in the development, bidding, and financing of public private partnerships.

Ms. Abadin has served as a speaker on various panels focused on P3 projects including for the Bond Buyer, Bond Dealers of America (BDA) and Risk Management Association (RMA). She also served as the Chairman's appointee on the Miami-Dade County Courthouse P3 Taskforce.

Transportation

- ✓ No. Tarrant Express Mobility Partners
- ✓ LBJ Infrastructure Group LLC
- ✓ Texas Department of Transportation
- ✓ Chicago Transit Authority
- ✓ Dallas Area Rapid Transit

Hotels

- ✓ City of Dallas
- ✓ City of San Antonio

Energy

- ✓ Duke Energy Hidalgo, LP

Stadiums

- ✓ Dallas Cowboys Football Club

Chicago Transit Authority



Red and Purple Line
Modernization

Red Line Extension
Co-Financial Advisor

\$479.82 Million
City of Dallas
Dallas Convention Center
Hotel Development
Corporation



Financial Advisor

Dallas Area Rapid Transit
Cotton Belt Rail Project P3



Financial Advisor

\$147.865 Million
City of Arlington, Texas
Dallas Cowboys Complex
Admissions and Parking Taxes
Revenue Bonds, Taxable
Series 2006



Co-Senior Managing
Underwriter

\$7.4 Billion
Trans Texas Corridor
TTC IH35 Corridor
Master Financial Plan*

Cintra



Financial Advisor

\$400 Million
NTE Mobility Partners
North Tarrant Express
Managed Lanes Project



Underwriter



Project Performance & Respondent Track Record

Industry Participation and Public Recognition

- Municipal financial advisory and underwriting is our singular focus
 - Fully subject to MSRB rules as regulated by FINRA and the SEC
- We are a known firm in the municipal bond industry and work alongside the large “bulge bracket” firms on a daily basis
 - We have served as underwriter or financial advisor on over 5,000 deals for a total par amount of \$450 billion
 - We maintain a New York City office, led by a former rating analyst for S&P and Fitch
- Firm Principals have served on the major regulatory/supervisory state and national boards in our industry



- We have won numerous Bond Buyer’s Deals of the Year awards
 - 2009 – Parkland Hospital
 - 2012 – Midland County Freshwater Supply District
 - 2013 – DFW Airport
 - 2016 – Texas Water Development Board SWIRFT
 - 2018 – Denver Airport



National & Civic Organizations

Estrada Hinojosa, up front and present in the empowerment of women professionals and local civic organizations

- **Women in Public Finance**
- **Women who Make a Difference**
- **In the Company of Women**
- **Florida Women in Public Finance**
- **MDC Commission for Women**
- **Banyan Health Systems**
- **MDC P3 Task Force**



Executive and board members of Women in Public Finance pose after being elected to the 2019 slate of the professional financial organization. The members include women from all aspects of the public finance industry around the country.

The 2019 board members include Jennifer Wright, Texas Department of Transportation; Lourdes Abadín, Estrada Hinojosa & Company, Inc.; Ginger Flohagen, Nuveen Asset Management; Stephanie Ferry, Raymond James & Associates Inc.; Marjorie Henning, New York City's Comptroller's Office; Anne Spano, Hilliard City Schools; Natalie Brill, City of Los Angeles; Jennifer Fredericks, BNY Mellon; Lindsay Sovde, JP Morgan; Angela Colton, City of San Diego; Ritta McLaughlin, Municipal Securities Rulemaking Board; and Kim Edwards, Piper Jaffray & Co.

The events being sponsored this year by WPF include a March 7 presentation called "One Women's Career Path," featuring an interview with Lucy Hooper, former chair of the Municipal Securities Rulemaking Board, hosted by the Virginia Chapter of WPF.

The group's national annual conference is set for Austin, Texas, Sept. 26 and 27.



Bond Buyer 2018 Deal of the Year Award

- Estrada Hinojosa Served as Co-Managing Underwriter for the *Bond Buyer's "2018 Deal of the Year."* It was the largest AMT transaction and largest airport transaction ever issued.

Denver International Airport's \$2.5 billion sale wins Deal of the Year | <https://www.bondbuyer.com/news/denver-international-airports-25-billion-sale-wins-deal-of-the-year>

Denver International Airport's \$2.5 billion sale wins Deal of the Year

Published December 04 2018, 9:04pm EST

Here is Deal of the Year, Announcement, Denver City & County

The city and county of Denver won The Bond Buyer's 17th annual Deal of the Year award for its \$2.5 billion financing on behalf of Denver International Airport.

Once derided as a "field of dreams" far from downtown Denver, the airport has become one of the nation's major airline hubs and a powerful economic engine for the region. The deal, issued to finance the bulk of a \$3.5 billion capital program, marked the largest AMT bond transaction and the largest airport revenue bond ever issued.

GREAT HALL - PROJECT VISION 



PHOTO BY JEFFREY M. HARRIS FOR THE BOND BUYER

"This year, our editorial board has selected a massive transaction that financed a major

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Village of Key Biscayne - Undergrounding

http://www.islandnews.com/news/buried-utilities-still-need-final-approval-but-the-money-will/article_cdbf259a-8ac0-11e8-9afc-67348c6774c5.html

Buried utilities still need final approval, but the money will be there if and when it comes

Kelly Josephsen **09/24/2018**



The Village Attorney's budget proposal includes a line item to deal with any legal issues that come up as the Council explores burying the Key's power lines and other utilities.

While there hasn't been an official yes or no vote on burying Key Biscayne's utilities, Village Council members say they'll develop a Fiscal Year 2019 budget that treats the massive project as if it's a go.

At a July 17 meeting, Council members said they'll set a number in their Capital Improvements Plan that reflects work that would be done on the project during FY 2019, which runs October 1–September 31, 2019. The Council directed Village Manager John Gilbert to work financial advisors and the Underground Utilities Task Force to come up with the appropriate figure prior to the September 11 and 25 hearings at which the budget will be finalized.

Former Vice Mayor Mike Davey, chair of the Underground Utilities Task Force and a candidate for Mayor, said Florida Power & Light is waiting for the Village's direction on whether to harden its overhead system or work with the community on buried lines. "We've got to make a decision if we're going to go or not on this project," he said. "We can't just keep slowing down."

Council member Luis de la Cruz, who is also a Mayoral candidate in 2018, said local leaders should budget as if the project is moving forward – then, if a decision is made to approve buried utilities, "We can move full speed ahead."

Therefore, discussion centered on how much money will be needed.

Gilbert proposed a CIP with \$1.53 million to cover FY 2019 debt service on the project and Davey offered support for that number, but some local leaders questioned whether it's too high.

Council member Gary Gross said burying utilities would be a five- or six-year undertaking, and, "I don't think we're going to incur that kind of expense in the next fiscal year if we phase it in. We likely would be able to cover some of the startup costs out of our capital fund. We need to take a harder look at that and make sure we're looking at a realistic number for next year."

De la Cruz said he was expecting the Village to borrow in phases due to the long time-frame for the project.

Financial Advisor Lourdes Abadin said the \$1.53 million figure reflects borrowing for the entire estimated \$30 million project because, "Once you enter a binding agreement with a contractor, you have to have the money to pay that contractor."

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