

Explanation of Consent Agenda Item E.(2)c.35
October 28, 2015 Commission Meeting

ITEM:

Consideration of authorizing a TEFRA hearing for the purpose of receiving comments and hearing discussion of a plan of financing relating to renovation of Canaveral Port Authority Cruise Terminals 5, 8 and 10 as well as various Commission approved capital expenditures relating to warehousing and distribution projects, on-port car processing facilities and pipeline construction as well as a refunding and extending the maturity of its outstanding Port Revenue Refunding Bonds, Series 2006A and 2006B. The financing shall not exceed \$11.4 Million in refunding and approximately \$93 Million new money proceeds through issuing Port Improvement Revenue Bonds, Series 2016A and Series 2016B and proceeds from direct bank loans. In addition, this action also authorizes CFO or designee to act as Hearing Officer for the same.

Explanation:

TEFRA hearing will be scheduled for November 18 at 9:00a.m. to hear discussion relating to the refunding and extension by the Port Authority in an amount not exceeding \$11.5 Million of its Port Improvement Revenue Bonds, Series 2006A and 2006B. It is anticipated that the extension of the bonds will be for 5 years. Also included in the financing are projects previously financed by Line of Credit (LOC) issued through PNC Bank. The Line of Credit projects include property purchased at Interstate 95 and State Road 424, Sunrise Marina project, CT1 Pipeline, 9001 Marlin building and lease buy-out for car processing, warehousing and associated design costs as well as 399 Challenger Road building and lease buy-out. The LOC projects total approximately \$11.4 Million and could include construction draws for Cruise Terminals 5, 8 and 10. Also included in the financing is the renovation costs of approximately \$81 Million for of Cruise Terminals 5, 8 and 10 which was previously approved by CPA Commissioners.

The second part of the consent item is appointing the Chief Financial Officer (CFO) or his designee, to act as hearing officer for this public hearing on behalf of the Canaveral Port Authority. All actions of the TEFRA hearing must subsequently be approved by the Board.

The public hearing is required by Section 147(f) of the Internal Revenue Code of 1986, as amended.

Staff recommends approval

Prepared by Rodger Rees