

## Request for Proposal for Bond Underwriter

### City of Hollywood, Florida

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May 8, 2014



**RFP Number:** 4414-14-RD

**RFP Title:** Bond Underwriter

**Name of Firm:** Wells Fargo Securities

**Address:** 2363 Gulf-to-Bay Boulevard, Suite 200  
Clearwater, Florida 33765

**Contact Person:** John Generalli

**Email:** john.generalli@wellsfargo.com

**Business Phone:** (727) 953-1073

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# Important Disclosures

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This document and any other materials accompanying this document (collectively, the “Materials”) are provided for general informational purposes only. By accepting any Materials, the recipient acknowledges and agrees to the matters set forth below.

Wells Fargo Securities (“WFS”) is providing these Materials to you for discussion purposes only in anticipation of serving as an underwriter or placement agent (collectively referred to herein as “underwriter”) to you. We understand that you cannot make a commitment at this time with respect to designating senior managers or co-managers of the syndicate or any level of allocation with respect to the transaction described in the Materials. As part of our services as underwriter, WFS may provide advice concerning the structure, timing, terms, and other similar matters concerning the issue of municipal securities that WFS proposes to underwrite as described in the Materials. The Materials may also contain such advice. Any such advice has been, and would be, provided by WFS in the context of serving as an underwriter and not as your financial advisor. In our capacity as underwriter, our primary role would be to purchase securities from you (or the issuer in the case of a conduit transaction) for resale to investors, or arrange for the placement of securities with investors on your behalf, in an arm’s length commercial transaction between you and WFS in which WFS would be acting solely as a principal or agent, as applicable, and not as a municipal advisor, financial advisor or fiduciary to you or any other person or entity regardless of whether we, or an affiliate has or is currently acting as such on a separate transaction (the use of the term “agent” does not imply any fiduciary relationship). As underwriter, WFS’ financial and other interests differ from your (or the issuer’s) interests. The information in the Materials is not intended to be and should not be construed as “advice” within the meaning of Section 15B of the Securities Exchange Act of 1934. WFS is not expressing an opinion about whether or not you should enter into any swap transaction in this presentation nor in any conversation between you and WFS with respect to the materials addressed in this presentation. WFS will not have any duties or liability to any person or entity in connection with the information being provided in the Materials. You should consult with your own financial and/or municipal, legal, accounting, tax, and other advisors, as applicable, to the extent you deem appropriate. If you would like a municipal advisor that has legal fiduciary duties to you, you are certainly free to engage a municipal advisor to serve in that capacity.

Transactions referenced in the Materials which are attributed to Wells Fargo or to WFS may include transactions executed by a Wachovia Corporation or Wells Fargo & Company (“WFC”) broker/dealer affiliate or by other municipal securities dealers and/or broker/dealers which were acquired by Wachovia Corporation or WFC.

Municipal underwriting and remarketing rankings referenced herein represent combined totals for Wells Fargo Bank, N.A. (“WFBNA”) and Wells Fargo Securities, LLC (“WFSLLC”). Source information for any ranking information not otherwise provided herein is available on request. Rankings referencing competitive municipal new issues for time periods prior to 2011 include issues underwritten by Wells Fargo Advisors, LLC (“WFA”), a separate broker/dealer subsidiary of WFC. Underwriting activities of WFA are not managed or otherwise controlled by WFBNA or WFSLLC. Information for 2009 and prior includes transactions that may have been underwritten by other broker/dealers that were acquired by WFC and/or its predecessors.

WFS distributes municipal securities to institutional investors primarily through WFBNA and Wells Fargo Securities, LLC (“WFSLLC”). Distribution to middle market clients is provided primarily through WFSLLC and Wells Fargo Institutional Securities, LLC (“WFIS”).

Retail distribution is primarily provided by Wells Fargo Advisors, which is the trade name used by Wells Fargo Advisors, LLC (“WFA”) and Wells Fargo Advisors Financial Network, LLC (“WFAFN”), two non-bank separate registered broker-dealers (members FINRA and SIPC). WFSLLC, WFIS, WFBNA, WFA, and WFAFN are affiliates and are each wholly owned subsidiaries of WFC.

In the event that the Materials include information related to a bank-purchased bond transaction (“Direct Purchase”), please be advised that Direct Purchase is a product offering of Wells Fargo Bank, N.A. or a subsidiary thereof (“Purchaser”) as purchaser / investor. WFS will not participate in any manner in any Direct Purchase transaction between you and Purchaser, and Wells Fargo employees involved with a Direct Purchase transaction are not acting on behalf of or as representatives of WFS. The information contained herein regarding Purchaser’s Direct Purchase is being provided to you by WFS only for purposes of providing you, pursuant to your ITN, financing alternatives that may be available to you from Wells Fargo & Company and its affiliates. Information contained in this document regarding Direct Purchase is for discussion purposes only in anticipation of engaging in arm’s length commercial transactions with you in which Purchaser would be acting solely as a principal to purchase securities from you or a conduit issuer, and not as a municipal advisor, financial advisor or fiduciary to you or any other person or entity regardless of whether Purchaser, or an affiliate has or is currently acting as such on a separate transaction. Additionally, Purchaser has financial and other interests that differ from your interests. Purchaser’s sole role would be to purchase securities from you (or the issuer in the case of a conduit transaction).

Wells Fargo Securities is the trade name for certain securities-related capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including Wells Fargo Bank, National Association. Commercial banking products and services are provided by WFBNA. Investment banking and capital markets products and services are provided by WFS, and are not a condition to any banking product or service.

See additional important disclosures at the end of this document.

### 3. RFP CHECKLIST

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RFP CHECKLIST

Please check each line item after the completion of the appropriate item.

- ☒ I verify that the signature on page number one (1) is the signature of the person authorized to bind the agreement. (Preferably in blue ink)
- ☒ I acknowledge reading and signing the Hold Harmless Statement.\*
- ☒ I have included all information, certificates, licenses and additional documentation as required by the City in this RFP document.
- ☒ I have checked for any addendums to this RFP, and will continue to check for any addendums up to the due date and time of this RFP.
- ☒ I have submitted one (1) original and twelve (12) copies and one (1) electronic copy (CD) of the entire proposal with addendums.
- ☒ I have verified that the outside address label of my RFP package is clearly marked to include my company's name, address, RFP number and date of RFP opening.
- ☒ I have read and completed (if applicable) the "Disclosure of Conflict of Interest".
- ☒ I am aware that a Notice of Intent to award this bid shall be posted on the City's website at [www.hollywoodfl.org](http://www.hollywoodfl.org) and on the Procurement Services bulletin board in room 303 at City Hall, and that it is my responsibility to check for this posting. Also, I have provided my email address, as the City, at its discretion, may provide me information by such means regarding this procurement process.
- N/A I have submitted all supporting documentation for local preference eligibility, which must be received with the bid package prior to the bid opening date and time (if applicable).

NAME OF COMPANY: Wells Fargo Bank, N.A. Municipal Products Group

PROPOSER'S NAME: John P. Generalli

PROPOSER'S AUTHORIZED SIGNATURE: 

DATE: 05/06/2014

\*After taking into account Wells Fargo's proposed modifications and amendments provided in Appendix C of this response.

## **4. Letter of Transmittal**

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# Request for Proposal for Bond Underwriter

## 4. Letter of Transmittal

May 8, 2014

Mr. Ralph Dierks  
City of Hollywood, Florida  
2600 Hollywood Boulevard  
Hollywood, Florida 33020  
Office of City Clerk, Room 221

Mr. Dierks:

Well Fargo Securities<sup>1</sup> ("Wells Fargo") is pleased to submit our proposal to serve as an underwriter on the City of Hollywood's (the "City") underwriting team. We understand the commitment and services required for the City's financing plans and our industry-leading financial strength, distribution networks, underwriting experience, and credit expertise enable us to provide the City an exceptional level of investment banking and underwriting services.

### Experienced Professionals

Wells Fargo's public finance team is among the most experienced in Florida. Mr. John Generalli, located in our Clearwater office, will serve as day-to-day contact and primary representative on behalf of Wells Fargo. Mr. Generalli is authorized to make representations on behalf of Wells Fargo. During his career Mr. Generalli has worked on some of the largest and most complicated municipal financings in Florida. His financing experience at Wells Fargo includes serving as the lead banker on over \$8 billion of municipal bonds. Mr. Generalli's experience with Florida credits includes issues secured by general obligation pledges, water and sewer revenues, covenant to budget and appropriate, sales and use taxes, and special assessments. Mr. Generalli will be supported by experienced professionals in our Clearwater office, as well as specialty banking teams from across Wells Fargo's national municipal platform.

### Top 5 Ranked Municipal Underwriter

From 2011 through 2013, Wells Fargo ranks 5<sup>th</sup> among senior managing underwriters of municipal bonds nationally based on a credited league table par amount of more than \$73 billion (\$114.9 billion of actual par).<sup>2</sup> In fact, year-to-year from 2011 through 2013, Wells Fargo has maintained a top 5 national ranking each year among senior managing underwriters.<sup>1</sup> In aggregate, Wells Fargo served as underwriter on 1,881 municipal offerings totaling more than \$341.3 billion in par from 2011 through 2013, including 107 financings in Florida totaling \$14.95 billion (Source: SDC). In 2013, Wells Fargo ranked 3<sup>rd</sup> among senior managing underwriters of Florida municipal bonds based on a par amount of more than \$1.285 billion.<sup>3</sup>

### One of the Best-Capitalized and Highest-Rated U.S. Banks

**Wells Fargo Bank, National Association ("WFBNA") is one of the best capitalized institutions in the nation with over \$137 billion of total capital as of December 31, 2013, and one of the strongest institutions in the nation with credit ratings of Aa3 from Moody's, AA- from S&P, and AA- from Fitch.** Wells Fargo's public finance practice, also known as the Municipal Products Group ("WFBNA MPG"), operates within WFBNA. Our strong ratings and exceptional capital levels position us as a powerful underwriter and a prominent credit provider for municipal issuers across the country and in Florida specifically, **as evidenced by our ranking as the #1 underwriter of competitive bonds in the State of Florida since January 1, 2012** based on the par amount of bonds purchased.<sup>4</sup>

### National Retail and Institutional Distribution

Wells Fargo's national retail sales force transacts its business as Wells Fargo Advisors LLC ("WFA"). **WFA has one of the nation's largest retail distribution networks, with 15,280 financial advisors around the country and client assets totaling nearly \$1.4 trillion as of December 31, 2013.** Wells Fargo also maintains 43 institutional sales offices worldwide covering large Tier 1 high grade accounts, as well as a middle market network covering 10,000 Tier 2 and Tier 3 clients. This Middle Markets channel allows us, unlike many of our competitors, to cover local community banks, smaller insurance companies, private corporations and public entities, many of which we believe will have strong

<sup>1</sup> Wells Fargo Securities is the trade name for certain capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including Wells Fargo Bank, National Association.

<sup>2</sup> Source: Thomson Reuters SDC Data. Represents combined competitive and negotiated municipal new issues underwritten from 2011 through 2013 by Wells Fargo Securities.

<sup>3</sup> Source: Thomson Reuters SDC Data. Represents combined competitive and negotiated municipal new issues underwritten from January 1, 2013 through December 31, 2013 by Wells Fargo Securities.

<sup>4</sup> Source: Thomson Reuters SDC Data – based on senior managed competitive municipal new issues underwritten from January 1, 2012 through May 2, 2014 by Wells Fargo Securities; true economics to book running senior manager.

# Request for Proposal for Bond Underwriter

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interest in the structure and credit strengths associated with the City's potential offerings. These accounts have the potential to make a difference in the City's financing results by helping Wells Fargo garner the lowest cost of funds for the City's debt issues.

## Florida Presence and Distribution Capabilities

Wells Fargo is an active participant in the Florida market. Our Government & Institutional Banking group includes 29 professionals in Florida dedicated to serving Florida municipal clients, including 7 Public Finance team members in our Clearwater Public Finance office, and 22 Government Banking team members throughout Florida. Additionally, Wells Fargo Advisors has 1,126 retail financial advisors in Florida who serve over 576,000 active client accounts.

From Public Finance and Government Banking to retail branch operations, Wells Fargo is committed to supporting our local communities. **Wells Fargo & Company (the "Company") employs 14,493 team members in 775 locations throughout the State of Florida, including 160 team members and 8 offices and bank branches in Hollywood.** These team members provide a broad range of banking and financial services including consumer and commercial banking; insurance; investment management; advisory services; brokerage services; and capital markets execution. Wells Fargo is an excellent corporate citizen and our employees take pride in supporting their communities. In the past year, the Company and its employees contributed more than \$14 million to charitable causes in Florida and volunteered more than 93,000 hours to community organizations in Florida. Wells Fargo is not merely a Wall Street firm looking for investment banking business in Florida; we are a member of the community and have a vested interest in the success of the City of Hollywood and the entire State.

**WFA's retail distribution system is among the largest in Florida with 1,126 financial advisors in Florida working from 42 retail brokerage offices and hundreds of bank branches. In Broward County, WFA employs a total of 77 financial advisors, working from retail offices and bank branch locations.** This significant retail brokerage presence throughout the State of Florida markedly enhances Wells Fargo's distribution of Florida bonds. **As evidence of these excellent distribution capabilities, as of February 2014, WFA customers hold approximately \$5.0 billion of Florida bonds, including over \$10.4 million in bonds issued by the City.**

## Government and Institutional Banking

In addition to Wells Fargo's public finance and sales and trading professionals, the City will have the expertise of Wells Fargo's Florida Government Banking team at its disposal. Government Banking and WFBNA MPG are both housed under Wells Fargo's Government and Institutional Banking group, making Wells Fargo one of the few firms that can offer both capital markets and commercial banking solutions from the same organization. Our public finance and government banking groups work together to address the debt needs of governmental issuers, whether those are best served by capital markets or bank products. We have created tremendous synergy in our coverage of municipal issuers, by linking our public finance, government banking, and retail distribution networks.

Thank you for the opportunity to present our credentials to serve the City on its underwriting team. Please do not hesitate to contact me if you have any questions regarding our proposal.

Sincerely,



John P. Generalli  
Managing Director  
Wells Fargo Securities  
2363 Gulf-to-Bay Boulevard, Suite 200  
Clearwater, Florida 33765  
(727) 953-1073



**5. Profile of Proposer**

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# Request for Proposal for Bond Underwriter

## 5. Profile of Proposer

- a. State whether your organization is national, regional, or local.

Wells Fargo Bank, N.A. is a national banking association.

- b. State the location of the office from which your work is to be performed.

2363 Gulf-to-Bay Boulevard, Suite 200  
Clearwater, Florida 33765

- c. Describe the firm, including the size, range of activities, etc. Particular emphasis should be given as to how the firm-wide experience and expertise in the area addressed by this Request for Proposal will be brought to bear on the proposed work. Supply your firm's federal ID number and Dun and Bradstreet number.

**Wells Fargo Bank, N.A.'s Federal Employer Identification Number: 94-1347393**

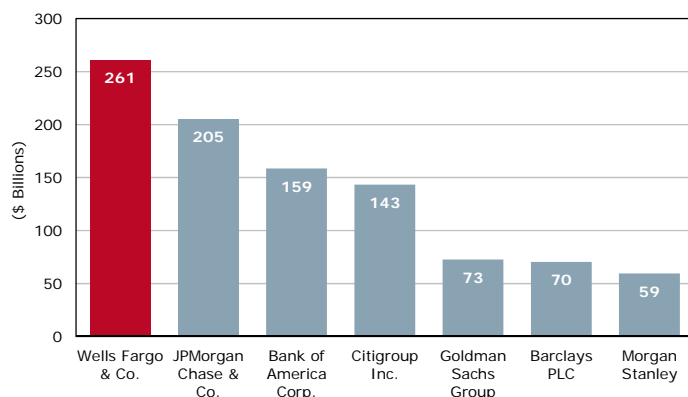
**Wells Fargo Bank, N.A.'s Dun and Bradstreet number: 00-691-3404**

### About Wells Fargo

Wells Fargo & Company (the "Company") was founded in New York in 1852 by Henry Wells and William Fargo to provide banking and express delivery services west of the Mississippi River. The Company rapidly grew throughout the West. By 1918, Wells Fargo & Company's express and monetary services linked 10,000 locations across the country. Today, the Company serves one in three U.S. households, operates in 35 countries, serves 70 million customers globally, and employs over 264,000 people worldwide.

With strong ratings and significant market capitalization, **Wells Fargo is able to and consistently does support the financing needs of our municipal clients**, both through capital markets underwriting and with direct funding solutions. Wells Fargo is currently rated Aa3 by Moody's, AA- by S&P and AA- by Fitch: these are among the highest ratings assigned to any bank in the country. As of May 2, 2014, Wells Fargo & Company ranks 1<sup>st</sup> in market capitalization (\$261 billion) among major banks.

Bank Market Capitalization\*



Bank Credit Ratings\*

	Moody's			S&P			Fitch		
	LT	ST	Outlook	LT	ST	Outlook	LT	ST	Outlook
Wells Fargo Bank	Aa3	P-1	Stable	AA-	A-1+	Stable	AA-	F1+	Stable
JPMorgan Chase Bank	Aa3	P-1	Stable	A+	A-1	Stable	A+	F1	Stable
Barclays Bank	A2	P-1	Neg	A	A-1	Stable	A	F1	Stable
Goldman Sachs Grp	Baa1	P-2	Stable	A-	A-2	Neg	A	F1	Stable
Citibank	A2	P-1	Stable	A	A-1	Stable	A	F1	Stable
Morgan Stanley Bank	A3	P-2	Stable	A	A-1	Neg	A	F1	Stable
Bank of America	A2	P-1	Stable	A	A-1	Neg	A	F1	Neg

\* Sources: Market Capitalizations from Bloomberg as of May 2, 2014. Ratings from Moody's, Standard & Poor's, and Fitch as of May 2, 2014.

*Euromoney* named Wells Fargo & Company "Best Bank" in its 2013 Global Awards for Excellence, the first time a U.S.-based bank has won the top award. Our strong and historically stable ratings and exceptional capital position have made us a powerful underwriter and a prominent credit provider for municipal issuers across the country. As a "well capitalized" bank under the Office of the Comptroller of the Currency's ("OCC") capital regulations, Wells Fargo is authorized to underwrite municipal securities without any regulatory-defined capital constraint: **the only constraint as to the par value of municipal securities that Wells Fargo underwrites is its own internal credit decision process.** In brief, our high market capitalization and excellent ratings position Wells Fargo to support the financing needs of our clients. Our firm's commitment to municipal issuers is evidenced by our pricing performance on senior managed issues

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and our willingness to underwrite our municipal clients' bonds to support their financings. In the current market environment, it will be critical for the City to engage strong and stable financial institutions. Wells Fargo exhibits such qualities, and is a leader among its peers.

## Government & Institutional Banking

Wells Fargo Securities is the trade name for certain capital markets and investment banking services of the Company and its subsidiaries, including Wells Fargo Bank, National Association ("WFBNA"). The earliest predecessor of the bank that is now WFBNA was originally chartered as a national bank in June 1863, and is headquartered in Sioux Falls, South Dakota. Wells Fargo's public finance practice, also known as the Municipal Products Group ("WFBNA MPG"), operates within WFBNA. WFBNA MPG operates from 17 offices nationwide and provides a full range of capital markets products, including banking and origination, underwriting, credit analysis, sales and trading, derivative and reinvestment solutions, and infrastructure/P3 advisory.

**Wells Fargo has created tremendous synergy in its coverage of municipal issuers by closely linking its public finance and commercial banking groups (both operating within Government & Institutional Banking).** Wells Fargo's Government & Institutional Banking, inclusive of Municipal Products, is a truly national organization located in 65 offices nationwide. The Government Banking group delivers commercial banking solutions to municipalities nationwide. **By placing both public finance and government banking within Government and Institutional Banking, Wells Fargo has created a distinctive synergy in the coverage of municipal issuers.** Our public finance and government banking groups work together to address the debt needs of municipal issuers whether those are best served by traditional capital market solutions or by commercial bank products, including direct lending and credit support.

**Wells Fargo's commitment to serving municipal issuers across the nation is demonstrated through the strategic building of its public finance practice.** In an effort to offer municipal clients a higher level of service and expertise, Wells Fargo has continuously sought to broaden the services and products offered to municipal issuers. Nationally, over the last three years, **Wells Fargo has increased its Municipal Products Group staff from 153 professionals in 2009 to 213 professionals** currently dedicated to public finance, trading, underwriting, institutional sales, risk management, and analytics. As an indication of the Company and Wells Fargo's dedication and support for the municipal market, **no other U.S. bank holds more municipal bonds than Wells Fargo Bank with \$33.48 billion in municipal holdings as of June 30, 2013** (Source: Bond Buyer). Our holdings represent approximately 57% more than the second largest holder of municipal bonds among U.S. banks, and in the last year, the Company has increased its holdings by approximately 13%.

## Florida Presence

Wells Fargo is an active participant in the Florida market. Our Government & Institutional Banking group includes 29 professionals in Florida dedicated to serving Florida municipal clients, including 7 Public Finance team members in our Clearwater Public Finance office, and 22 Government Banking team members in Florida. Additionally, Wells Fargo Advisors has 1,126 retail financial advisors in Florida who serve over 576,000 active accounts.

## National Underwriting Experience

Wells Fargo has consistently been among the leading underwriters of municipal bonds. From 2011 through 2013, Wells Fargo ranked 5<sup>th</sup> nationally among senior managing underwriters of municipal bonds based on a credited league table par amount of more than \$73 billion (\$114.9 billion of actual par).<sup>5</sup> In fact, year-to-year from 2011 through 2013, Wells Fargo has maintained a top 5 national ranking each year among senior managing underwriters, and **in 2014 year-to-date, Wells Fargo currently ranks 4<sup>th</sup> nationally among senior managing underwriters of tax-exempt and taxable municipal bonds by par amount.** In aggregate, Wells Fargo has served as underwriter on 2,058 municipal offerings totaling more than \$366 billion in par from 2011 through 2014 year-to-date.

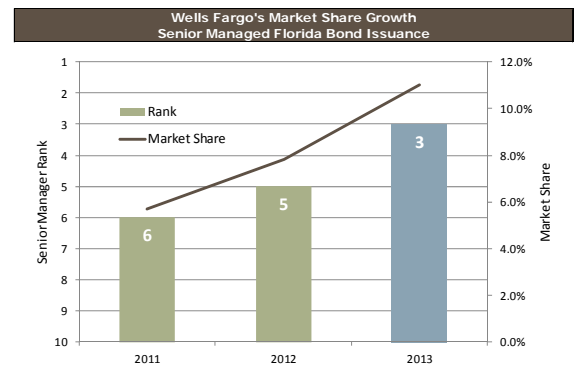
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<sup>5</sup> Source: Thomson Reuters SDC Data. Represents combined competitive and negotiated municipal new issues underwritten from 2011 through 2013 by Wells Fargo Securities.

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## Florida Financing Experience

With our continued investment in the State of Florida, Wells Fargo's market share of senior managed Florida municipal issuance has seen strong growth in the last few years. As illustrated in chart to the right, Wells Fargo has increased its senior managed market share in Florida from 5.7% in 2011 to 11.0% in 2013. In aggregate, Wells Fargo has served as underwriter on 112 municipal offerings in Florida totaling approximately \$16 billion in par since January 1, 2011 (Source: SDC). **In 2013, Wells Fargo ranked 3<sup>rd</sup> among senior managing underwriters of Florida municipal bonds based on a par amount of more than \$1.285 billion.**<sup>6</sup> Florida municipal issuers are increasingly realizing the value that Wells Fargo can provide to their underwriting teams.



Source: Thomson Reuters SDC Data.

## General Obligation Experience

Wells Fargo is an experienced underwriter of general obligation credits for cities and states, and has served as underwriter on several high-profile general obligation issues in the past several years that clearly demonstrate the capabilities of our platform. Since 2011, Wells Fargo has served as senior managing underwriter on 388 general obligation transactions with a total combined par amount of over \$72 billion, including 6 Florida general obligation deals with a total par of over \$1.2 billion. We have provided several case studies throughout our response that provide detail on specific general obligation transactions that we have recently completed, including the State of California, City of Chicago, and State of Illinois. We believe that these deals provide clear evidence to the City of our ability to execute general obligation financings.

## Water and Sewer Experience

Wells Fargo is a prominent underwriter of water and sewer bonds. Nationally, since 2011, Wells Fargo has served as senior managing underwriter on a total of 109 water and sewer transactions with a combined par amount of more than \$6.6 billion. In Florida, Wells Fargo has senior managed 11 issues with an aggregate par amount totaling over \$465 million. This represents an average deal size of approximately \$42 million in par amount (Source: SDC 4/16/14).

Wells Fargo's work with the Florida Governmental Utility Authority ("FGUA"), which acquires, owns, improves, operates, and maintains water and wastewater systems in Florida, has provided our deal team with extensive first hand, in-depth experience with water and sewer issues. Since 2011, Wells Fargo has served as senior managing underwriter on 6 issues for FGUA with a total combined par amount of over \$138 million. While the exact facts and circumstances of a water and sewer acquisition financing will differ from the City's water and sewer issues, Wells Fargo's frequent and recent experience underwriting water and sewer bond issues will offer the City constructive insight throughout its financing process, and would add significant value to the pricing results of the City's water and sewer bonds.

## Community Redevelopment Agency Experience

Wells Fargo has extensive experience with tax-increment financings similar to the City's Community Redevelopment Agency credit. Nationally since 2000, Wells Fargo has served as underwriter on 145 tax-increment financings with a total par amount of over \$2.8 billion. Wells Fargo is currently mandated to serve as sole manager for the Southeast Overtown/Park West Community Redevelopment Agency located in the City of Miami.

## Greenwich Associate Survey

The annual Greenwich Associates Municipal Bond and Derivatives Study looks at various performance measures across the industry's leading municipal bonds and derivatives sell-side dealers. Wells Fargo produced exceptional performance in the municipal industry over the past several years and continues to build on the extremely positive momentum established by the merger with Wachovia. Excerpts from the 2013 Study are provided below:



**Market Share** – No other bank has grown its market share to the degree that Wells Fargo has since 2010. During that span, the bank has grown its overall market share (in bonds and derivatives) from 2.2% to 10.1%. Looking strictly at secondary muni bond share, the story is even more positive: Wells Fargo has grown its share from an 8th ranked 2.3% in 2010 to a 3rd ranked 10.9% in 2013.

**Business Momentum** – Greenwich Associates asks a forward-looking question of each buy-side client interviewed, asking them to name any dealers that they expect to gain share in the next 6-12 months (as well as any that are at risk of losing share). For the second straight year, Wells Fargo leads the field in positive net momentum.

<sup>6</sup> Source: Thomson Reuters SDC Data. Represents combined competitive and negotiated municipal new issues underwritten from January 1, 2013 through December 31, 2013 by Wells Fargo Securities.

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**Market Penetration** – This metric measures the percentage of customers interviewed that name the bank as a significant counterparty (typically a top-8 counterparty). Wells Fargo has continued to grow its footprint in the market, with 77% of customers naming the bank as one of their significant players, up from 68% last year and 44% each of the prior two years. A quarter of Wells Fargo's clients rank the bank in their top 3 for secondary municipal bond share. This is unchanged from 2012 but dramatically higher than the levels seen in 2010 and 2011, when just 3-4% of WF's customers had the dealer ranked in the top 3.

## Capital Position and Capital Commitments

WFBNA is the legal entity that provides municipal securities underwriting services for Wells Fargo & Company. As a national bank registered with the SEC as a municipal securities dealer, WFBNA is not subject to the SEC's net capital rules that apply to broker-dealers. WFBNA is, however, subject to capital regulations prescribed by the Office of the Comptroller of the Currency ("OCC"), which is the regulatory authority for national banks. **As of December 31, 2013, WFBNA maintained total equity capital of over \$137.8 billion, total risk-based capital of over \$136.4 billion, and Tier 1 capital of over \$109.9 billion.**

Since WFBNA currently meets the definition of a "well capitalized" bank under the OCC's capital regulations, WFBNA is authorized under applicable federal banking rules to underwrite municipal securities without any regulatory-defined capital constraint. **WFBNA does not have, nor does it require, any committed or standby lines of credit or other forms of financing from other financial institutions to support its ability to underwrite municipal securities.** WFBNA's only constraint as to the par value of municipal securities it underwrites is its own internal credit decision process.

Wells Fargo Bank, National Association Capital Position (4th Quarter 2013)	
Total Capital	\$137,844,000,000
Total Risk-based Capital	\$136,449,000,000
Tier One Capital	\$109,987,000,000

Source: Wells Fargo Bank, N.A. Call Report

While a number of firms have a large capital base, it is most important that such firms evidence their ability to deploy capital in the municipal market on behalf of their clients. Wells Fargo, as a national bank conducting municipal securities underwriting, has a proven record of prudently committing capital in support of its municipal clients and has demonstrated its ability to commit capital in support by directly underwriting unsold balances on negotiated primary market issues; actively bidding for competitive issues; supporting the secondary markets; and, as a commercial bank, providing credit enhancement, liquidity support, and direct purchase credit to municipal issuers. Our industry leading marketing capitalization and strong ratings facilitate our ability to make these kinds of commitments in support of our clients. Additionally, Wells Fargo does not place any internal limitations on its underwriting for public finance activities, and for all intents and purposes, could underwrite a multi-billion dollar financing based on capital requirements.

One indicator of a firm's ability to commit capital is its performance in the competitive market, where the firm's capital is put at risk with the submission of every bid. Although many firms are ready to ask for an issuer's negotiated business, few are seen supporting the municipal sector in the competitive market. **Wells Fargo's commitment to the municipal sector is evidenced by the #1 ranking in the Florida competitive underwriting market for period from January 1, 2012 through May 2, 2014, during which time Wells Fargo has senior managed 11 competitive transactions totaling more than \$1.8 billion in par amount, representing over 24% of all competitive bonds issued during that time period in Florida.**<sup>7</sup>

Wells Fargo's consistent support of Florida competitive bond issues provides an excellent indication of the firm's deep commitment to supporting our clients' underwriting programs. Our track record of supporting key clients' municipal issues by underwriting unsold balances is further evidenced by the table on the following page, presenting a selection of large underwriting commitments made by the firm since January 1, 2012 with Florida issues highlighted.

<sup>7</sup> Source: Thomson Reuters SDC Data – based on senior managed competitive municipal new issues underwritten from January 1, 2012 through May 2, 2014 by Wells Fargo Securities; true economics to book running senior manager.



# Request for Proposal for Bond Underwriter

Select Wells Fargo Underwriting Commitments since 2012				
Date	Issuer	Bonds Inventoried (\$MM)	Issue Size (\$MM)	% of Deal Taken Down
10/24/2013	State of Minnesota	134.465	283.820	47%
8/22/2013	Florida International University Parking	32.240	48.365	67%
5/29/2013	Maricopa County, AZ Community College District	87.945	151.090	58%
5/22/2013	State of Florida PECO	109.520	297.965	37%
5/1/2013	University of Illinois	200.615	212.540	94%
4/18/2013	State of Florida DOT Turnpike	59.675	183.140	33%
4/4/2013	State of Florida Everglades Restoration	13.195	46.445	28%
2/20/2013	County of Santa Clara, CA	252.600	490.000	52%
2/1/2013	Mecklenburg County, NC	59.280	86.130	69%
1/23/2013	Port Authority of New York & New Jersey	195.690	350.000	56%
1/10/2013	State of Florida DOT Turnpike	88.930	306.070	29%
12/6/2012	Massachusetts State College Revenue	126.160	153.840	82%
11/29/2012	Virginia Housing Development Authority	169.540	230.000	74%
8/7/2012	State of Minnesota	143.000	234.000	61%
6/26/2012	Minnesota Metropolitan Council	155.345	214.035	73%
5/31/2012	Massachusetts Water Pollution Abatement Trust	90.260	116.880	77%
5/9/2012	Fairfax County Economic Development Authority	69.800	86.275	81%
5/8/2012	City of Knoxville, Tennessee	51.095	84.150	61%
3/28/2012	State of Florida PECO	166.710	223.585	75%
3/20/2012	New York City	326.240	370.000	88%
3/8/2012	State of California	380.955	1,904.595	20%
2/8/2012	State of Florida PECO	112.745	285.820	39%
1/31/2012	State of Washington	137.780	271.055	51%
1/11/2012	State of Illinois	243.945	525.000	46%

Source: Wells Fargo Internal Information

## Decision to Underwrite Bonds

A number of factors enter into Wells Fargo's decision to underwrite unsold bonds in a primary market offering, but most important is our belief in the price being offered investors when selling a new issue. Of course, prevailing market conditions at the time an issue is priced is a key factor in our decision to underwrite unsold balances, but more often than not, a belief in our municipal underwriting desk's pricing capabilities reflecting our connection with the market overall will determine the amount of capital we will commit to underwrite unsold bonds in the primary market. Although each transaction comes with its own set of "facts and circumstances," Wells Fargo provides benefit to our issuer clients by being one of the most active traders in the secondary market, on average, trading approximately \$270 million of fixed rate municipal bonds per day. The connection we have with all Tier 1 and over 10,000 Tier 2 and Tier 3 accounts adds to our depth of knowledge regarding the market which is critical to our understanding of a bond's value at any point in time. Additionally, our strong distribution outlets, including Wells Fargo Advisors' 15,000+ person retail sales division, allow us to take a longer view of the market than many of our competitors. As such, we frequently take prudent risks on behalf of our municipal clients and believe that the City will benefit from this approach with Wells Fargo serving as senior managing underwriter.

## Case Study

The transaction detailed below is a recent example where Wells Fargo committed capital to take general obligation bonds into inventory on behalf of one of our clients. We would be glad to furnish additional information for this issue at the City's request.



**\$1,904,595,000**  
**State of California**  
**General Obligation Refunding Bonds**  
**March 2012**

In March 2012, the State of California brought \$1,904,595,000 of Various Purpose General Obligation Refunding Bonds to market. The issue featured a two-day retail order period that saw substantial demand. However, prior to institutional pricing, the market began to soften. Wells Fargo took a leadership role and offered a variety of structural and pricing solutions to help drive down the State's total interest cost. During the preliminary institutional pricing period the market responded with limited subscription, leaving a balance of just under \$400 million in unsold bonds. Wells Fargo, along with the other two senior managers, subscribed for the remaining balance.

Following the sale, the market continued to soften and the other two senior managers did not have a workable plan to distribute the remaining balance while maintaining an orderly market. Wells Fargo decided to take a proactive leadership

# Request for Proposal for Bond Underwriter

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role and took down the entire remaining balance from the syndicate, approximately \$370 million of bonds. Our firm was confident that we could leverage our retail, middle markets, and institutional distribution capabilities to stabilize the market in the State's paper and maintain an orderly market. Wells Fargo also pledged to provide the State with daily tracking of its bonds and to deliver reports with an up-to-date and accurate value of its bonds under the existing, and potentially turbulent, market conditions.

## Direct Purchase Facilities

Wells Fargo is a leading purchaser of municipal bonds and loans through our Direct Purchase Program. Wells Fargo purchases municipal bonds for its own account on a buy and hold basis. The Direct Purchase can be structured as a fixed or variable rate, and can generally offer a lower cost than traditional fixed rate or letter-of-credit backed variable rate bonds with the same structure / maturity. To date, Wells Fargo has closed over \$22 billion of municipal notes and bonds through the Direct Purchase Program.

The Direct Purchase structure does not require an extended structuring or marketing period to solicit buyer interest, thereby reducing costs to the issuer in terms of staff time spent on the financing. Placement expenses are limited to legal fees customary in the development of loan documents. At the issuer's election, the underlying index and spread can be set in advance of the closing to provide pre-issuance certainty as to total cost.

Wells Fargo has also introduced two unique direct purchase structures, the first of which is the Forward Direct Purchase. Similar to a forward or delayed delivery bond issue in the capital markets, the deal is executed now and Wells Fargo agrees to purchase the bonds on a predetermined future delivery date. The yield on the bonds is based on the LIBOR swap market at the time of execution and includes a forward delivery premium. The Forward Direct Purchase offers issuers the ability to lock-in current interest rates and potentially avoid substantial negative arbitrage inherent in refundings in the current market environment. This structure is particularly effective when dealing with bonds that are not advance refundable on a tax-exempt basis, as the delivery date can be delayed until a point in time where the bonds qualify as a current refunding for tax purposes. However, this structure can also be economically beneficial for bonds that are advance refundable, as delaying delivery until closer to the call date of the bonds allows the issuer to burn off a portion of the negative arbitrage on the transaction.

Wells Fargo has also introduced the Convertible Loan. This financing concept serves as an additional alternative available to issuers who have outstanding bonds that are not advance refundable on a tax-exempt basis. Unlike a Forward Direct Purchase, where delivery of the bonds is simply delayed until a point in time where a tax-exempt refunding is permissible under tax law, the Convertible Loan structure involves the issuance of current delivery bonds that are initially taxable and later convert to tax-exempt bonds. Within 90 days of the call date of the refunded bonds, the coupon on the initial taxable issuance steps down to a tax-exempt rate, provided the issuer is able to deliver a tax opinion at that time. The specific mechanism of the coupon step down varies transaction to transaction (e.g. exchange, amendment, refunding) depending on bond counsel's interpretation of local and federal tax law. Both the taxable and tax-exempt rates are set simultaneously, representing spot levels instead of forward rates, allowing for the issuance of a refunding today with no forward delivery premium. Wells Fargo has completed several of these convertible direct purchase transactions for its clients.

## Case Study

A recent Forward Direct Purchase completed by Wells Fargo with the School District of Polk County, Florida is detailed in the case study below.



### **School District of Polk County, Florida \$43,470,000 Sales Tax Revenue Refunding Bonds, Series 2014 Forward Direct Purchase Priced February 12, 2014**

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On February 12, 2014, Wells Fargo Municipal Capital Strategies forward purchased the School District of Polk County's \$43,470,000 Sales Tax Revenue Refunding Bonds, Series 2014. This Forward Direct Purchase transaction was issued to current refund the District's Series 2004 Sales Tax Bonds and advance refund the District's Series 2005 Sales Tax Bonds, each on a forward basis. The 2004 Bonds had a call date of October 1, 2014 and the 2005 Bonds had a call date of October 1, 2015.

Both of the refunded issues were advance refundable on a tax-exempt basis, but the Forward Direct Purchase produced superior economics for the School District when compared to a spot Direct Purchase, as the delayed delivery was able to reduce the negative arbitrage in the transaction. Wells Fargo worked with the School District to identify the forward delivery date that would produce the highest level of savings for the District by measuring the cost of additional forward premium versus the benefit of additional negative arbitrage burn off for several different timing scenarios. Ultimately, a

# Request for Proposal for Bond Underwriter

forward delivery date of October 1, 2014 produced the best results for the School District. NPV savings on the refunding came to 6.49% of COPs refunded, or \$2.7 million.

- d. Provide, in chart form, a listing of the retail and institutional sales experience by type of debt (General Obligation, Water and Sewer, etc.) for which your firm served as Senior Manager or Co-Manager on bond issues in the State of Florida since 2010. Include role, date of issue, issue name, issue size, TIC, gross spread, and the components of the gross spread.

Please find a list of Wells Fargo's experience as a Senior Manager and Co-Manager on bond issues in Florida since 2010. As requested in Addendum No. 1, we have provided our experience in categories that the City expects the financing team to focus on (General Obligation, Water & Sewer, and Community Redevelopment Agency). We have also included bonds backed by an issuer's covenant to budget and appropriate non-ad valorem taxes, as these deals are similar to GO bonds from a credit perspective and relevant to the City's potential future financings.

Wells Fargo has not been able to provide certain information that the City has requested, such as TIC and components of the gross spread, for every deal listed. This information is sometimes not provided to co-managers by the senior manager on negotiated transactions or by an issuer if the deal is sold competitively. Wells Fargo used its own internal information, detail spread wires from other senior managing underwriters, and the industry standard public finance database program 'Thomson SDC Platinum' to compile as much of the requested information as possible.

							Components of Gross Spread				
	Par Amount (\$ mil)		Issue Description	Series	Relevancy to City	TIC (%)	Gross Spread (\$/bond)	Mgmt. Fee (\$/bond)	Average Takedown (\$/bond)	Expenses (\$/bond)	Role of Wells Fargo
02/26/2014	57.000	Sunshine State Govt Fin Commiss	Revenue Bonds	Series 2011 B & C- 1	CBA	4.180	2.804		2.500	.304	CO-MGR
12/17/2013	23.065	Miami-Dade Co- Florida	Special Oblig Court Facs Bonds	Series 2014 B	GO	4.620	9.786				SENIOR/SOLE MGR
07/26/2013	29.710	Jacksonville Electric Authority	Water & Sewer System Rev Bonds	2013 Series B	W&S		3.028				CO-MGR
07/26/2013	173.925	Jacksonville Electric Authority	Water & Sewer Sys & Sub Rev Bonds	2013 Series A	W&S		4.634				CO-MGR
07/19/2013	492.665	Miami-Dade Co- Florida	Water & Sewer Sys Rev & Ref Bonds	Series 2013 A & B	W&S		5.206		5.000	.206	CO-MGR
05/22/2013	297.965	Florida State BOE	Pub Ed Capital Outlay Ref Bonds	2013 Series C	GO	2.995	1.600				SENIOR/SOLE MGR
04/04/2013	46.445	Florida Dept of Environ Protect	Everglades Restoration Rev Bonds	Series 2013 A	W&S	3.035	6.687				SENIOR/SOLE MGR
03/15/2013	.465	Florida Governmental Utility Authority	Utility Revenue Bonds	Series 2013 B	W&S	2.400	9.841		6.250	3.591	SENIOR/SOLE MGR
03/15/2013	.595	Florida Governmental Utility Authority	Utility Revenue Bonds	Series 2013 B	W&S	2.350	9.927		6.250	3.677	SENIOR/SOLE MGR
03/15/2013	1.260	Florida Governmental Utility Authority	Utility Revenue Bonds	Series 2013 B	W&S	2.000	8.300		5.000	3.300	SENIOR/SOLE MGR
03/15/2013	17.495	Florida Governmental Utility Authority	Utility Revenue Bonds	Series 2013 A	W&S	4.445	9.927		6.250	3.677	SENIOR/SOLE MGR
03/15/2013	19.675	Florida Governmental Utility Authority	Utility Revenue Bonds	Series 2013 A	W&S	4.490	9.841		6.250	3.591	SENIOR/SOLE MGR
03/15/2013	26.065	Florida Governmental Utility Authority	Utility Revenue Bonds	Series 2013 A	W&S	4.103	8.300		5.000	3.300	SENIOR/SOLE MGR



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							Components of Gross Spread				
	Par Amount (\$ mil)		Issue Description	Series	Relevancy to City	TIC (%)	Gross Spread (\$/bond)	Mgmt. Fee (\$/bond)	Average Takedown (\$/bond)	Expenses (\$/bond)	Role of Wells Fargo
Sale Date		Issuer									
02/21/2013	79.640	Manatee Co-Florida	Rev Ref & Improvement Bonds	Series 2013	CBA	2.152	5.820		4.806	1.014	SENIOR/SOLE MGR
12/07/2012	20.275	Florida Governmental Utility Authority	Utility Refunding Revenue Bonds	Series 2012	W&S	3.158	6.240		5.309	.929	SENIOR/SOLE MGR
12/07/2012	31.080	Florida Governmental Utility Authority	Utility Refunding Revenue Bonds	Series 2012	W&S	3.484	6.125		5.231	.894	SENIOR/SOLE MGR
12/07/2012	44.725	Miami City-Florida	Special Oblig Revenue Ref Bonds	Series 2012	CBA		9.048				SENIOR/SOLE MGR
11/14/2012	34.860	Florida Municipal Loan Council	Refunding & Improvement Rev Bonds	Series 2012 B 1&2	CBA	3.049	6.200		5.012	1.191	SENIOR/SOLE MGR
10/24/2012	41.620	Florida Municipal Loan Council	Refunding & Imp Revenue Bonds	Series 2012 A	CBA	3.668	6.414		5.262	1.151	SENIOR/SOLE MGR
07/18/2012	178.365	Jacksonville Electric Authority	Water & Sewer Sys Sub & Rev Bonds	2012 Series B	W&S		5.729				CO-MGR
07/12/2012	290.000	Miami-Dade Co SD	TANs	Series 2012	GO		.040				SENIOR/SOLE MGR
06/22/2012	.705	Florida Governmental Utility Authority	Utility Revenue Bonds	Series 2012 B	W&S	2.815	8.295		6.250	2.045	SENIOR/SOLE MGR
06/22/2012	20.640	Florida Governmental Utility Authority	Utility Revenue Bonds	Series 2012 A	W&S	4.462	6.435	.500	5.175	.760	SENIOR/SOLE MGR
05/31/2012	17.900	Dunedin City-Florida	Water & Sewer Revenue Ref Bonds	Series 2012	W&S		4.900		4.274	.626	CO-MGR
05/03/2012	64.585	Fort Lauderdale City-Florida	Water & Sewer Revenue Ref Bonds	Series 2012	W&S	2.945	10.250				SENIOR/SOLE MGR
03/28/2012	223.585	Florida State BOE	Pub Ed Capital Outlay Ref Bonds	2012 Series B	GO	1.900	3.091				SENIOR/SOLE MGR
02/08/2012	285.820	Florida State BOE	Public Ed Cap Outlay Ref Bonds	2012 Series A	GO	1.385	1.930				SENIOR/SOLE MGR
01/26/2012	354.875	Jacksonville Electric Authority	Water & Sewer Sys Rev & Sub Bonds	2012 Series A	W&S		4.432		4.210	.220	CO-MGR
01/18/2012	19.365	Clearwater City-Florida	Stormwater System Rev Ref Bonds	Series 2012	W&S	3.036	5.390		4.690	.700	SENIOR/SOLE MGR
11/09/2011	106.560	Cape Coral City-Florida	Water & Sewer Refunding Rev Bonds	Series 2011 A	W&S		5.071		4.750	.322	CO-MGR
11/08/2011	22.650	Manatee Co-Florida	Public Utility Ref Rev Bonds	Series 2011	W&S		6.400		4.444	1.960	CO-MGR
10/19/2011	125.000	Broward Co SD	TANs	Series 2011	GO		.020				SENIOR/SOLE MGR
08/31/2011	121.050	Tampa City-Florida	Wtr & Swr Sys Imp & Ref Rev Bonds	Series 2011	W&S	3.685	5.629		4.896	.732	SENIOR/SOLE MGR
07/28/2011	47.025	Clearwater City-Florida	Water & Sewer Rev Ref Bonds	Series 2011	W&S	4.046	4.983		4.690	.293	SENIOR/SOLE MGR
07/19/2011	140.645	Tampa Bay Water Auth	Utility System Ref Rev Bonds	Series 2011 A	W&S		5.232		4.964	.268	CO-MGR
07/19/2011	148.920	Tampa Bay Water Auth	Utility System Ref Rev Bonds	Series 2011 B	W&S		5.253		4.977	.276	CO-MGR
05/11/2011	48.235	Florida Municipal Loan Council	Revenue Bonds	Series 2011 D	W&S	5.411	8.413	1.250	6.010	1.153	SENIOR/SOLE MGR

# Request for Proposal for Bond Underwriter

							Components of Gross Spread				
	Par Amount (\$ mil)		Issue Description	Series	Relevancy to City	TIC (%)	Gross Spread (\$/bond)	Mgmt. Fee (\$/bond)	Average Takedown (\$/bond)	Expenses (\$/bond)	Role of Wells Fargo
Sale Date		Issuer									
02/23/2011	5.825	Florida Municipal Loan Council	Revenue Refunding Bonds	Series 2011 B 1-2	CBA	3.993	7.146		5.038	2.109	SENIOR/SOLE MGR
12/17/2010	6.720	Manatee Co-Florida	Public Utils Rev Ref & Imp Bonds	Series 2010 C	W&S		5.762				CO-MGR
12/17/2010	8.190	Manatee Co-Florida	Public Utilities Rev Imp Bonds	Series 2010 D	W&S		7.255				CO-MGR
12/17/2010	17.925	Manatee Co-Florida	Public Utilities Rev Imp Bonds	Series 2010 A	W&S		7.255				CO-MGR
12/17/2010	45.300	Manatee Co-Florida	Public Utilities Rev Imp Bonds	Series 2010 B	W&S		6.673				CO-MGR
12/08/2010	40.280	Miami-Dade Co-Florida	Cap Asset Acq Spec Oblig Bonds	Series 2010 D	GO		6.322				CO-MGR
11/24/2010	6.315	Florida Governmental Utility Authority	Utility Refunding Revenue Bonds	Series 2010	W&S	5.831	10.068		7.500	2.568	SENIOR/SOLE MGR
11/24/2010	12.535	Florida Governmental Utility Authority	Utility Revenue Refunding Bonds	Series 2010	W&S	5.533	8.818		7.500	1.318	SENIOR/SOLE MGR
11/17/2010	38.050	Miami-Dade Co-Florida	Cap Asset Acq Spcl Oblig Bonds	Series 2010 E	CBA		5.480		4.670	.809	CO-MGR
11/10/2010	24.620	Collier Co-Florida	Special Obligation Ref Bonds	Series 2010 B	CBA	2.939	10.690				SENIOR/SOLE MGR
10/21/2010	3.480	Jacksonville Electric Authority	Water & Sewer System Rev Bonds	2010 Series G	W&S		4.275				CO-MGR
10/21/2010	45.520	Jacksonville Electric Authority	Water and Sewer Sys Rev Bonds	2010 Series F	W&S		5.825				CO-MGR
10/21/2010	73.760	Jacksonville Electric Authority	Water & Sewer Sys Sub & Rev Bonds	Series 2010 B & E	W&S		5.621				CO-MGR
10/19/2010	21.700	Hillsborough Co-Florida	Utility Revenue Bonds	Series 2010 C	W&S	5.958	14.690				SENIOR/SOLE MGR
10/19/2010	110.265	Hillsborough Co-Florida	Utility Revenue Bonds	Series 2010 B	W&S	3.526	12.690				SENIOR/SOLE MGR
09/30/2010	2.760	Florida Governmental Utility Authority	Utility Refunding Revenue Bonds	Series 2010 A	W&S	2.818	4.716	.600	3.750	.366	SENIOR/SOLE MGR
09/30/2010	121.145	Florida Governmental Utility Authority	Utility Refunding Revenue Bonds	Series 2010 B	W&S	4.121	6.996	.600	6.030	.366	SENIOR/SOLE MGR
09/29/2010	85.000	Pinellas Co SD	TANs	Series 2010	GO						SENIOR/SOLE MGR
09/22/2010	53.405	Florida State BOE	Capital Outlay Bonds	2010 Series A	GO	3.030	7.020				SENIOR/SOLE MGR
08/13/2010	27.730	Florida Municipal Loan Council	Revenue Bonds	Series 2010 A-D	CBA	4.388	8.701		5.879	2.851	SENIOR/SOLE MGR
08/11/2010	13.805	Miami-Dade Co-Florida	Capital Asset Actn Special Oblig	Series 2010 C	CBA		5.561		5.000	.561	CO-MGR
08/11/2010	15.925	Miami-Dade Co-Florida	Capital Asset Actn Special Oblig	Series 2010 A	CBA		4.604		4.104	.500	CO-MGR
08/11/2010	71.115	Miami-Dade Co-Florida	Capital Asset Actn Special Oblig	Series 2010 B	CBA		6.213		5.730	.483	CO-MGR
07/22/2010	9.965	Florida Governmental Utility Authority	Utility Revenue Bonds	Series 2010 A	W&S		7.131				SENIOR/SOLE MGR

# Request for Proposal for Bond Underwriter

							Components of Gross Spread				
	Par Amount (\$ mil)		Issue Description	Series	Relevancy to City	TIC (%)	Gross Spread (\$/bond)	Mgmt. Fee (\$/bond)	Average Takedown (\$/bond)	Expenses (\$/bond)	Role of Wells Fargo
Sale Date		Issuer									
07/22/2010	52.475	Florida Governmental Utility Authority	Utility Revenue Bonds	Series 2010 B	W&S		9.631				SENIOR/SOLE MGR
07/21/2010	220.860	Jacksonville Electric Authority	Water & Sewer Sys & Sub Rev Bonds	2010 Series A & D	W&S	4.260	5.064				SENIOR/SOLE MGR
06/22/2010	4.350	Gainesville City-Florida	Capital Improvement Revenue Bonds	Series 2010	CBA	3.988	8.057				SENIOR/SOLE MGR
05/26/2010	82.300	Fort Lauderdale City-Florida	Water and Sewer Revenue Bonds	Series 2010	W&S	4.300	9.580				SENIOR/SOLE MGR
04/07/2010	29.000	Brevard Co SD	RANs	Series 2010	GO						SENIOR/SOLE MGR
04/07/2010	4.760	Orlando Community Redev Agency	Tax Increment Revenue Bonds	Series 2010 A	CRA		6.343				CO-MGR
04/07/2010	71.415	Orlando Community Redev Agency	Tax Increment Revenue Bonds	Series 2010 B	CRA		6.343				CO-MGR
02/25/2010	24.665	Florida Governmental Utility Authority	Utility Revenue Bonds	Series 2010	W&S		2.500				SENIOR/SOLE MGR
02/23/2010	594.330	Miami-Dade Co-Florida	Water & Sewer System Rev Bonds	Series 2010	W&S		5.237	.084	4.960	.193	CO-MGR
02/10/2010	239.755	Miami-Dade Co-Florida	GO Double-Barreled Aviation Bonds	Series 2010	GO		5.257	.160	4.850	.250	CO-MGR
01/21/2010	204.145	Florida State BOE	Public Ed Capital Outlay Bonds	2007 Series G	GO	5.709	6.159				SENIOR/SOLE MGR
01/14/2010	24.220	Jacksonville Electric Authority	Water and Sewer System Rev Bonds	2010 Series B	W&S		6.747				CO-MGR
01/14/2010	45.780	Jacksonville Electric Authority	Water and Sewer System Rev Bonds	2010 Series C	W&S		5.205				CO-MGR
01/14/2010	83.115	Jacksonville Electric Authority	Water and Sewer System Rev Bonds	2010 Series A	W&S		7.407				CO-MGR

e. Have you been involved in litigation within the last five (5) years or is there any pending litigation arising out of your performance? Provide details on any active SEC investigations of your firm.

Wells Fargo Bank N.A. ("WFBNA") is a national banking association chartered under federal law, and is a wholly owned subsidiary of Wells Fargo & Company ("WFC"), a corporation organized under the laws of Delaware. WFBNA's principal office is located in Sioux Falls, South Dakota. The firm responding to this request is the Wells Fargo Bank, N.A. Municipal Products Group, a separately identifiable department of WFBNA ("WFBNA MPG"). WFC's principal office is located in San Francisco, California. On December 31, 2008, WFC acquired the former Wachovia Corporation and its subsidiaries, including Wachovia Bank, N.A ("WBNA"). On March 20, 2010, WBNA merged into WFBNA.

As with any large diversified financial services company of its size in the highly-regulated banking and securities field, WFBNA MPG is subject to receiving inquiries and subpoenas from regulators and law enforcement from time to time, as well as being subject to civil litigation. None have resulted in any restrictions on WFBNA MPG's ability to operate its businesses, and none are or have been material to the operation of WFBNA MPG's businesses.

During the fourth quarter of 2011, WFBNA entered into a settlement with various regulators regarding municipal derivatives contracts. Please see the Legal Actions section of WFC's 2011 Annual Report for additional information regarding the municipal derivatives bid practices settlement with the Office of the Comptroller of the Currency, Securities

# Request for Proposal for Bond Underwriter

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and Exchange Commission, the U.S. Internal Revenue Service, U.S. Department of Justice and a group of state Attorneys General.

Access to the Legal Proceedings sections of Wachovia Corporation's 10-K dated February 28, 2008; and 10-Q's dated October 30, 2008, August 11, 2008, and May 12, 2008 are available via the internet link below:

[https://www.wellsfargo.com/invest\\_relations/filings/preferred-funding](https://www.wellsfargo.com/invest_relations/filings/preferred-funding)

Copies of the Legal Proceedings sections from Wells Fargo & Company recent public filings are available via the internet link below:

[https://www.wellsfargo.com/invest\\_relations/filings](https://www.wellsfargo.com/invest_relations/filings)

Wells Fargo & Company Annual Report Link:

[https://www.wellsfargo.com/invest\\_relations/annual](https://www.wellsfargo.com/invest_relations/annual)

**6. Summary of Proposer’s Qualifications**

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# Request for Proposal for Bond Underwriter

## 6. Summary of Proposer's Qualifications

- a. Identify the project manager and each individual who will work as part of the engagement. Include resumes for each person to be assigned. The resumes may be included as an appendix.

Mr. John Generalli, Managing Director, will serve as project manager, lead banker, and principal contact on behalf of Wells Fargo. Mr. Generalli will be supported by members of Wells Fargo's public finance; municipal sales and trading; and commercial banking teams. The individuals on Wells Fargo's team assigned to the City are listed below. Complete resumes for each member of the deal team are provided in **Appendix A**.

Role	Professional	Contact Information
Wells Fargo Securities - Public Finance Investment Banking		
Engagement Leader (Clearwater, FL)	<b>John Generalli (Lead Banker and Principal Contact)</b> <i>Managing Director, Southeast Public Finance</i>	(727) 953-1073 john.generalli@wellsfargo.com
Engagement Team (Clearwater, FL)	<b>David Thornton</b> <i>Managing Director, Southeast Public Finance</i>	(727) 953-1074 david.thornton@wellsfargo.com
	<b>Michael Olliff</b> <i>Vice President, Southeast Public Finance</i>	(727) 953-1072 michael.olliff@wellsfargo.com
	<b>Molly Clark</b> <i>Vice President, Southeast Public Finance</i>	(727) 953-1075 molly.clark@wellsfargo.com
	<b>Glenn Gough</b> <i>Vice President, Southeast Public Finance</i>	(727) 953-1076 glenn.gough@wellsfargo.com
	<b>Charlie Yadon</b> <i>Analyst, Southeast Public Finance</i>	(727) 953-1080 charles.p.yadon@wellsfargo.com
Credit Strategist (New York, NY)	<b>Nancy Feldman</b> <i>Managing Director, Structured Finance</i>	(212) 214-6559 nancy.b.feldman@wellsfargo.com
Quantitative Specialist (Denver, CO)	<b>Scott Goldstein</b> <i>Director, Quantitative Structuring</i>	(303) 893-9224 scott.goldstein@wellsfargo.com
Wells Fargo Securities - Municipal Sales, Trading & Syndicate		
Underwriters (Charlotte, NC)	<b>Walker McQuage</b> <i>Managing Director, Head of Fixed Rate Underwriting</i> <b>Amanda Pogue</b> <i>Analyst, Municipal Syndicate</i>	(704) 374-4442 walker.mcquage@wellsfargo.com (704) 410-4087 amanda.pogue@wellsfargo.com
Municipal Sales (Charlotte, NC)	<b>Kit Wood</b> <i>Managing Director, Head of Institutional Sales</i> <b>Julie Chavez</b> <i>Director, Head of Retail Sales</i>	(704) 410-4093 kit.wood@wellsfargo.com (704) 410-4069 julie.v.chavez@wellsfargo.com
Credit Strategist (New York, NY)	<b>Don Lipkin</b> <i>Managing Director, Credit Strategy</i>	(212) 214-5509 donald.lipkin@wellsfargo.com
Wells Fargo Bank, N.A. - Commercial Banking		
Government Banking (Miami, FL)	<b>Lance Aylsworth</b> <i>Vice President, Relationship Manager, Government Banking</i>	(305) 789-4824 lance.aylsworth@wellsfargo.com

# Request for Proposal for Bond Underwriter

- b. Describe the experience in conducting similar projects for each of the consultants assigned to the engagement. Describe the relevant educational background of each individual.

Wells Fargo has organized an experienced team of seasoned bankers who will marshal the comprehensive resources of the firm to benefit the City. Key strengths of the team include: (1) lead banker and support staff located in Florida, (2) growing market share as an underwriter of Florida credits, (3) experience structuring Florida transactions, (4) investor relations experts, (5) an experienced quantitative and support staff with knowledge of the City's financing and structuring needs, and (6) a strong national distribution platform with significant Florida presence.

**John Generalli – Engagement Leader & Principal Contact**  
*Managing Director, Southeast Public Finance*

**Clearwater, Florida**

**Expertise / Experience Relevant to the City:** Large issuance, Florida issuance, G.O. & CRA issuance

Mr. Generalli has served as an investment banker for 21 years. Since joining Wells Fargo as a senior investment banker in 2008, he has served as the lead banker on \$8 billion of bonds that were either senior managed or co-senior managed by Wells Fargo, a substantial portion of which has been issued by South Florida issuers. He has also completed over \$2 billion of direct lending and syndicated lending solutions for Wells Fargo government clients.

**Education:** B.A. in Finance from Eckerd College and an M.B.A. in Finance from the University of South Carolina (Columbia).

**Securities Registrations:** FINRA Series 7, Series 53, and Series 63

**David Thornton – Primary Engagement Support**  
*Managing Director, Southeast Public Finance*

**Clearwater, Florida**

**Expertise / Experience Relevant to the City:** Florida issuance, Water and Sewer, G.O., & CRA issuance

Mr. Thornton has substantial utility financing experience, and a particular expertise with water and sewer transactions. From 2000 to April 2008 (while working as the head of Bank of America's Florida public finance practice), Mr. Thornton served as lead banker on 27 utility financings, totaling more than \$1.0 billion in par. Since joining Wells Fargo, Mr. Thornton has served as the lead banker on 24 utility financings, totaling more than \$1.7 billion in par. In sum, since 2000, Mr. Thornton has served as lead banker on 51 utility system transactions, including water and sewer financings, totaling over \$2.7 billion in par.

Mr. Thornton has served as senior managing underwriter on utility system bonds issued by the following Florida issuers, among others:

- |   |                                      |
|---|--------------------------------------|
| ▪ Sarasota County                                   | ▪ Hernando County                    |
| ▪ Florida Governmental Utilities Authority ("FGUA") | ▪ City of Boynton Beach              |
| ▪ Florida Municipal Loan Council                    | ▪ Bonita Springs Utilities           |
| ▪ JEA   | ▪ Immokalee Water and Sewer District |
| ▪ City of Clearwater                                | ▪ Sanibel Island                     |
| ▪ City of Palm Coast                                | ▪ Bay County                         |
| ▪ City of Marco Island                              | ▪ Citrus County                      |
| ▪ City of Tampa                                     | ▪ Madison County                     |
| ▪ Palm Beach County                                 | ▪ Palm Beach County                  |
|   | ▪ Seminole County                    |

In addition to his experience serving as lead banker, Mr. Thornton has significant experience serving as a financial advisor for Florida water and sewer issues. As a financial advisor, Mr. Thornton has worked with various issuers through the entire process of developing their water and sewer financing plans. In this role, Mr. Thornton assisted these issuers in evaluating their needs and in identifying various financing solutions. Mr. Thornton has seen a wide variety of financing plans implemented for utility systems, and has a firm grasp on which financing solutions work best for which issuers, and why. Through his banking and financial advisory work on water and sewer bond issues, Mr. Thornton has developed a



# Request for Proposal for Bond Underwriter

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keen understanding of the requirements of utility bond finance, and also of the needs of and issues facing Florida utility systems.

**Securities Registrations:** FINRA Series 7, Series 24, Series 53, and Series 63.

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**Michael Olliff – Primary Engagement Support**  
*Vice President, Southeast Public Finance*

**Clearwater, Florida**

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**Expertise / Experience Relevant to the City:** Florida issuance, Water and Sewer issuance

Mr. Olliff joined Wells Fargo Securities through the merger with A.G. Edwards St. Petersburg Public Finance team and has 18 years' experience within municipal finance and investment banking. He is responsible for Florida's school credits and many other local credits throughout the State. He has served as Wells Fargo's lead banker on municipal debt transactions, both fixed and variable rate, totaling approximately \$5 billion.

Mr. Olliff served as senior manager for Palm Beach County's \$68,115,000 Series 2009 Water and Sewer Revenue Bonds. The Private Activity Bonds were issued to finance the installation of 18 miles of pipeline to transport reclaimed water from the County's East Central Regional Wastewater Facility to Florida Power and Light's ("FPL's") West County Energy Center ("WCEC"). A notable feature of the financing is the extraordinary optional call feature on the 2039 term bond. The exact route of the pipeline being installed was not determined at the time of pricing – the Series 2009 bond issue was sufficient to accommodate the longest of the routes under consideration. In the event a shorter (and therefore less costly) route was selected, the 2039 term bond was sold with an extraordinary optional call feature, to accommodate the County's potential need to redeem bonds in the event that the County and FPL determine that certain proceeds will not be needed to construct the project.

**Education:** B.A. in Accounting from Huntingdon College and Master of Accountancy from the University of Alabama.

**Securities Registrations:** FINRA Series 7 and Series 63

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**Molly Clark – Engagement Support**  
*Vice President, Southeast Public Finance*

**Clearwater, Florida**

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**Expertise / Experience Relevant to the City:** Florida issuance, Water and Sewer issuance

**Experience:** Ms. Clark joined Wells Fargo in August 2008 and has 13 years total experience in public finance. Her work has focused on general governmental finance, utility finance, and 501(c) (3) issues. She has supported governmental issuers through all aspects of the financing process, including participating in early stage bond structuring discussions, to preparing quantitative analyses, reviewing legal documents, assisting with rating agency presentations, and coordinating bond pricings and closings. Ms. Clark has experience working on fixed and variable rate bond issues, with various forms of credit enhancement and derivative products.

**Education:** B.A. in Economics from Carleton College.

**Securities Registrations:** FINRA Series 7 and Series 63.

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**Glenn Gough – Engagement Support**  
*Vice President, Southeast Public Finance*

**Clearwater, Florida**

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**Expertise / Experience Relevant to the City:** Florida issuance, CRA issuance

Mr. Gough joined Wells Fargo in April 2009 and has more than seven years of public finance experience. His work has focused on municipal finance primarily in Florida for a variety of credits including transportation, special assessment, water and sewer, covenant to budget and appropriate, sales tax, and limited obligation. In total Mr. Gough has worked with senior bankers on more than \$4.6 billion of senior managed financings in Florida during his career in public finance.

**Education:** B.S. in Finance and an M.S. in Business Administration from the University of Florida.



# Request for Proposal for Bond Underwriter

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**Securities Registrations:** FINRA Series 7 and Series 63.

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**Charlie Yadon – Engagement Support**  
*Analyst, Southeast Public Finance*

**Clearwater, Florida**

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**Expertise / Experience Relevant to the City:** Florida issuance

Mr. Yadon joined Wells Fargo Securities as an Analyst in 2013. Prior to joining Wells Fargo, he had 3 years of municipal bond experience working as a Bond Development Specialist at the Florida Division of Bond Finance, where he served as financial advisor on over \$1.5 billion in competitive bond issues on behalf of the State of Florida.

**Education:** B.S. in Finance and B.S. in Accounting from Florida State University and an M.S. in Finance from the University of Florida.

**Securities Registrations:** FINRA Series 52 and Series 63.

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**Scott Goldstein – Technical Support**  
*Director, Quantitative Structuring*

**Denver, Colorado**

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**Expertise / Experience Relevant to the City:** Quantitative Analysis, exposure to issuers nationwide

Mr. Goldstein has over 26 years' experience in investment banking as a quantitative specialist with extensive understanding of bond related tax code issues. He has structured over a 1,000 senior managed municipal transactions with significant emphasis for refunding and structured solutions.

**Education:** B.S. in Business with an emphasis in Finance and Accounting from the University of Maryland and a M.B.A. in Finance from George Washington University.

**Securities Registrations:** FINRA Series 7 and Series 63.

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**Walker McQuage – Lead Underwriter**  
*Managing Director, Head of Fixed Rate Underwriting*

**Charlotte, North Carolina**

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**Expertise / Experience Relevant to the City:** Fixed rate underwriting, exposure to issuers nationwide

Mr. McQuage has 18 years of underwriting experience with general obligation, revenue, and taxable municipals. Since January 2011, Mr. McQuage has supervised the underwriting of 910 senior managed issues with a combined aggregate par amount of approximately \$124 billion. Of those senior managed issues, 388 were general obligation financings with a total par of approximately \$73 billion, and 110 were transportation issues with an aggregate combined par of approximately \$7 billion.<sup>8</sup>

Further illustrating Wells Fargo's ability and willingness to put its own capital to work for municipal issuers in Florida and the confidence Wells Fargo has in its distribution system and the capabilities of our underwriting desk, **Wells Fargo ranks 1<sup>st</sup> among senior managing competitive underwriters of Florida municipal bonds by par amount since January 1, 2012 through May 2, 2014**, having won 11 competitive issuances totaling more than \$1.8 billion in par.<sup>9</sup> Mr. McQuage was the lead underwriter for Wells Fargo on all of these transactions. While negotiated experience measures the frequency that an underwriting firm is selected to perform, competitive experience better gauges how often an underwriter actually outperforms other underwriters and places its own capital at risk. Through performance in the competitive marketplace, Wells Fargo has distinguished itself as one of the top underwriters of municipal paper in Florida and the country by purchasing bonds from issuers at the lowest price offered at the time of sale.

**Education:** B.S. in Finance from the University of South Carolina

**Securities Registrations:** FINRA Series 3, Series 7, Series 24, Series 53, and Series 63 registrations.

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<sup>8</sup> Source: Thomson Reuters SDC Data as of May 2, 2014.

<sup>9</sup> Source: Thomson Reuters SDC Data – based on senior managed competitive municipal new issues underwritten from January 1, 2012 through May 2, 2014 by Wells Fargo Securities; full credit to book running senior manager.

# Request for Proposal for Bond Underwriter

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**Amanda Pogue – Underwriting Support**  
*Associate, Municipal Syndicate*

**Charlotte, North Carolina**

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**Expertise / Experience Relevant to the City:** Fixed rate underwriting, exposure to issuers nationwide

Ms. Pogue has approximately 4 years of underwriting experience with a focus on the pricing, distribution, and marketing of fixed rate transactions in the Southeast.

**Education:** B.S. in Business Administration and a B.A. in Economics from University of North Carolina (Chapel Hill).

**Securities Registrations:** FINRA Series 7 and Series 63.

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**Kit Wood – Institutional Sales**  
*Managing Director, Head of Institutional Sales*

**Charlotte, North Carolina**

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**Expertise / Experience Relevant to the City:** Institutional sales, relationships with institutional investors nationwide

Mr. Wood has approximately 23 years of experience and joined Wells Fargo in May 2005 to launch a new Municipal Institutional Derivatives Marketing business, and shortly after he was named National Sales Manager.

**Education:** B.A. from the University of Colorado and also attended M.B.A. programs at the University of Chicago and the University of Maryland.

**Securities Registrations:** FINRA Series 7, Series 24, Series 53, and Series 63.

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**Julie Chavez – Retail Sales**  
*Director, Head of Retail Sales*

**Charlotte, North Carolina**

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**Expertise / Experience Relevant to the City:** Liaison to Wells Fargo Advisors retail accounts

Ms. Chavez brings over 13 years of sales and trading experience to Wells Fargo from Banc of America, NetRoadshow, and Morgan Stanley.

**Education:** B.S in Business from Colorado State University.

**Securities Registrations:** FINRA Series 7 and Series 63.

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**Don Lipkin – Credit Strategist**  
*Managing Director, Credit Strategy*

**New York, New York**

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**Expertise / Experience Relevant to the City:** Credit Strategist

Mr. Lipkin brings over 20 years of municipal credit analyst experience to Wells Fargo's team.

**Education:** B.A. and M.B.A. from the University of Albany – SUNY and an M.A. in English and American Literature from the University of Maryland.

**Securities Registrations:** FINRA Series 7, Series 16, and Series 53.

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**Nancy Feldman – Credit Specialist**  
*Managing Director, Structured Finance*

**New York, New York**

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**Expertise / Experience Relevant to the City:** Credit Specialist, Rating Strategist

# Request for Proposal for Bond Underwriter

**Experience:** Ms. Feldman joined Wells Fargo in 2010 spending after 3 ½ years as the Director of the Office of Public Finance for the State of New Jersey. During her tenure she was responsible for all aspects of bond issuance for the State and certain authorities, managing the State's derivatives portfolio; overseeing debt reporting; maintaining investor, rating agency, and bond insurer relationships and additionally directed a major infrastructure asset evaluation project focusing on public/private partnership opportunities. Ms. Feldman previously spent eight years with Standard & Poor's specializing in tax backed, infrastructure, utility and structured credit analysis and 4 years with both retail and institutional broker/dealers.

**Education:** B.A. in Economics from Albany State University and an M.B.A. in Finance from Baruch College.

**Securities Registrations:** FINRA Series 7, Series 53, and Series 63.

- c. Describe the organization of the proposed project team, detailing the level of involvement, field of expertise and estimated hours for each member of the team.



## Wells Fargo's Dedicated City of Hollywood Team

Florida Public Finance		Credit Strategies	Fixed Rate Underwriting
<b>John Generalli</b> <i>Managing Director</i> (727) 953-1073 john.generalli@wellsfargo.com	<b>Molly Clark</b> <i>Vice President</i> (727) 953-1075 molly.clark@wellsfargo.com	<b>Nancy Feldman</b> <i>Managing Director</i> (212) 214-6559 nancy.b.feldman@wellsfargo.com	<b>Walker McQuage</b> <i>Managing Director</i> (704) 374-4442 walker.mcquage@wellsfargo.com
<b>David Thornton</b> <i>Managing Director</i> (727) 953-1074 david.thornton@wellsfargo.com	<b>Glenn Gough</b> <i>Vice President</i> (727) 953-1076 glenn.gough@wellsfargo.com	<b>Don Lipkin</b> <i>Managing Director</i> (212) 214-5509 donald.lipkin@wellsfargo.com	<b>Amanda Pogue</b> <i>Associate</i> (704) 410-4087 amanda.pogue@wellsfargo.com
<b>Mike Olliff</b> <i>Vice President</i> (727) 953-1072 michael.olliff@wellsfargo.com	<b>Charlie Yadon</b> <i>Analyst</i> (727) 953-1080 charles.p.yadon@wellsfargo.com	Institutional Sales	
Government Banking*		Retail Sales	
<b>Lance Aylsworth</b> <i>Vice President, Relationship Manager</i> (305) 789-4824 lance.aylsworth@wellsfargo.com	<b>Scott Goldstein</b> <i>Director</i> (303) 893-9224 scott.goldstein@wellsfargo.com	<b>Kit Wood</b> <i>Managing Director</i> (704) 410-4093 kit.wood@wellsfargo.com	<b>Julie Chavez</b> <i>Director</i> (704) 410-4069 julie.v.chavez@wellsfargo.com

\*Services provided by Wells Fargo Bank, N.A.

Wells Fargo's team of professionals will be led by **John Generalli**, *Managing Director*, who brings over 21 years of experience in the municipal market. During his career, Mr. Generalli has served as the lead banker on numerous large, complex transactions involving a variety of structures. As the senior banker who will assume the day-to-day responsibilities and serve as the lead banker and principal contact for this engagement, Mr. Generalli will work closely with the proposed team to ensure that the City has the full resources of Wells Fargo at its disposal to complete its financing objectives. Mr. Generalli will be directly supported members of Wells Fargo's public finance; municipal sales and trading; and commercial banking teams. We have provided the areas of expertise of each member of the deal team in our response to Question 6, Part B.

# Request for Proposal for Bond Underwriter

## Public Finance

The Public Finance efforts will be supported by **David Thornton**, *Managing Director*, **Michael Olliff**, *Vice President*, **Molly Clark**, *Vice President*, **Glenn Gough**, *Vice President*, and **Charlie Yadon**, *Analyst*, all located in Wells Fargo's Clearwater, Florida public finance office. Additional analytical support will be provided by **Scott Goldstein**, *Director*, from the Quantitative Structuring group located in Denver, Colorado.

Public finance team members will be engaged on the City's financing from day one through closing. These individuals will be available as often as needed, to support the City and see its financing through to a successful close. We have assigned several experienced team members to support the City, and we believe this team's depth of experience with a wide range of issuers and credit structures will provide real benefit to the City, as we work to identify appropriate and efficient structures for the City's financings. Mr. John Generalli will serve as the lead banker to the City, and will be available to attend meetings with the City in person throughout the financing process. In the event that Mr. Generalli has an unresolvable scheduling conflict preventing him from attending a meeting with the City in person, he will attend by conference call and/or will assign attendance to the meeting to another public finance team member. Mr. David Thornton, manager of the Florida public finance team, will serve as Mr. Generalli's primary backup. Mr. Thornton has 25 years of experience in public finance.

## Municipal Sales, Trading & Syndicate

Sales and Trading team members will also support the City's financings from day one through closing. Immediately upon being engaged by the City, Wells Fargo will begin working with the City and its financial advisor to identify potential structures for the City's financing. Wells Fargo will rely upon current market information, as provided by our underwriting personnel. Wells Fargo will provide in depth analysis of potential outcomes for the City's financing, based on various possible structures and ever changing market conditions. In each step, Wells Fargo's underwriting personnel will be available to provide market intelligence and other support to the City. As potential financing structures are reviewed, underwriting personnel will work closely with sales personnel, who will gauge investor appetite for particular financing alternatives and ensure that buyers will demonstrate interest in the structures under consideration for the City. Wells Fargo's credit analyst and credit strategist will provide insight on the City's proposed financing, from a credit perspective. These individuals will closely review the proposed structure from a rating agency and investor perspective, in order to anticipate potential questions and issues that rating agencies and investors may raise regarding the issue. The input of these individuals ahead of the marketing period will assist in the streamlined marketing of the City's bonds, with the goal of reaching as many investors as possible and achieving a low cost of funds for the City's issue.

In general, members of the underwriting and sales teams will attend meetings by conference call. Sales & Trading personnel will become increasingly involved in the City's financing as the issue approaches its marketing period and sale date(s).

## Commercial Banking

Should the need for commercial bank products arise, **Mr. Lance Aylsworth**, *Vice President*, serves as Wells Fargo's Government Banker for the City. Mr. Aylsworth will work with other members of the Wells Fargo team assigned to the City to determine how best to meet the City's financing needs. Mr. Aylsworth is located in Miami, Florida, and would be available to attend meetings with the City in person, should the need arise.

Mr. Generalli will ensure that Wells Fargo's finance team is appropriately staffed and focused to meet all of the City's needs. The assigned banking team has comprehensive experience with the types of debt in the City's current debt profile. The chart below provides an additional overview of Wells Fargo's team and includes estimated hours for each member of the team.

d. Describe what municipal staff support you anticipate for the project.

Wells Fargo encourages the City and its financial advisor to actively participate in any bond transaction, however, the level of involvement in a particular transaction will ultimately be up to the City's discretion. At a minimum, a representative of the City with the authority to make decisions on behalf of the City will need to sign off on several aspects of any transaction, including the final negotiated pricing. The City will be invited to the underwriting desk on the day of pricing an issue. Wells Fargo has assembled a team of public finance professionals fully capable of completing every aspect of a bond underwriting, but we would welcome any additional input or support regarding structuring, timing, or any other area of the financing in which the City and its financial advisor would like to provide input. Additionally, as described in

## Request for Proposal for Bond Underwriter

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greater detail in our response to Question 7, Wells Fargo supports the participation of issuers and their financial advisors in the allotment of bonds and the establishment of the priority of orders.

e. Has your firm ever failed to complete any work awarded to you? If so, where and why?

To the best of Wells Fargo Bank, N.A. Municipal Products Group's knowledge, Wells Fargo Bank, N.A. Municipal Products Group is not aware of failing to complete work in connection with any work awarded to it.

f. Has your firm ever been terminated from a contract? If so, where and why?

To the best of Wells Fargo Bank, N.A. Municipal Products Group's knowledge, Wells Fargo Bank, N.A. Municipal Products Group is not aware of ever being terminated from a contract.

## **7. Project Understanding, Proposed Approach, and Methodology**

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# Request for Proposal for Bond Underwriter

## 7. Project Understanding, Proposed Approach, and Methodology

Describe your approach to performing the contracted work. This should include the following points:

- Discuss your project plan for this engagement outlining major tasks and responsibilities, time frames and staff assigned.
- Describe the marketing approach your firm would recommend for the issuance of General Obligation, Water and Sewer and Refunding bonds.
- Provide case studies for financings completed by your firm in the past three (3) years. Describe any unique challenges encountered and the results.
- Describe investor relations approaches your firm would recommend to the City.
- Given the final maturities of potential City refunding bonds, if your firm provides fixed rate, non-bank qualified loans, please include such analysis in your response.

As underwriter to the City, Wells Fargo will work with the City and its financing team to deliver cost effective financing with a heightened standard of professionalism as a service provider to the City. As stated previously in our response, Wells Fargo prides itself on being a member of the Florida community. Our interests are greater than simply serving as the City's underwriter. As a service provider to the City, we are a steward to the public and local community, and our policies, procedures and code of ethics are focused on enhancing the value that we can provide our clients, including the City and its citizens. Below, we outline our general policies and procedures for the sales process of the City's bonds. While we note that every bond issuance is unique, and presents differing fact patterns that may or may not be conducive to certain structuring, marketing, or sales processes, we believe that the overall approach to the City's financings will be similar regardless of the specific credit. Wells Fargo's public finance professionals assigned to the City have decades of combined experience in the municipal finance industry, and we will work with the City and its financing team to develop appropriate structures for presentation to rating agencies and marketing to investors, marketing plans for investor outreach, and sales efforts tailored for each individual bond issuance.

### Market Updates

Whether or not the City has immediate financing plans, as a member of the City's underwriting team, Wells Fargo will regularly provide the City updates of municipal market conditions. As discussed in our response to Question 5, Part C, Wells Fargo is among the most active participants in the municipal marketplace. Given the volume of our participation for new issuance activity and the secondary market trading of our Municipal Sales & Trading Desk, our public finance banking team is truly able to hone in on current market conditions and keep our issuer clients updated on the daily changes occurring in the municipal market. Further, we have at our disposal the economic and municipal research capabilities of one of the largest financial institutions in the world, and we actively disseminate the relevant work of Wells Fargo's research departments to our issuer clients. We will provide the City updated market data, as well as economic and municipal research as they become available.

### Financing Events/Timeline

A preliminary timetable of events for the City's proposed bond issues is provided below. The timing for each of the City's issues will normally be dependent on the complexity of the financing and market conditions. However, should the City be motivated to accelerate an issuance of bonds, Wells Fargo is confident as senior manager that it can bring an issue from rating release, to price, to close in a matter of days, assuming the City's financing team is able to draft and finalize necessary documents, and the City's authorized officers are able to execute documents in a timely manner. A senior manager's ability to move quickly to market bonds can be particularly meaningful when market conditions are deteriorating: getting an issue into the market sooner than later can make a meaningful difference in total issue costs and refunding savings when rates are rising steadily.

With that said, we find that most bond financings are able to move from the structuring/planning stages to close in a 6 to 8 week timeframe. Regardless of the City's timing needs, we will be available and fully committed to assist the City's staff and its financing team to bring a transaction to close in an efficient and timely basis.

Step	Action	Responsible Party
Step 1	Develop Plan of Finance/Structure	All
Step 2	Develop Draft Bond Documents and Credit Packages for Rating Agencies (and Bond Insurers, where appropriate)	All



# Request for Proposal for Bond Underwriter

<b>Step 3</b>	Submit Credit Packages to Rating Agencies (and Bond Insurers, where appropriate)	City, FA, and Wells Fargo
<b>Step 4</b>	Receive Ratings (and commitment from Bond Insurers, where appropriate)	City, FA, and Wells Fargo
<b>Step 5</b>	Post and Disseminate Preliminary Official Statement and begin marketing to investors	Wells Fargo (after sign-off of the POS from the financing team)
<b>Step 6</b>	Price Bonds and Execute Bond Purchase Agreement	City, FA, and Wells Fargo
<b>Step 7</b>	Final Official Statement; Closing Documentation	All
<b>Step 8</b>	Pre-Closing and Closing	All

## Structuring/Financing Considerations

In Wells Fargo's opinion, the key consideration to most financings is that the issue achieves the highest possible ratings and thereby realizes a lower cost of funds. We will work with the City, its financial advisor, and its bond counsel in developing financing structures with the goal of obtaining high ratings, while maintaining appropriate future bonding capacity by including flexible covenants when possible. Financing and security structures that are creative and unique can reduce interest from some buyers if they are unable or unwilling to devote the time required for credit analysis of an atypical or unfamiliar financing structure. It will be imperative for the City to strike an appropriate balance between strong credit structures with high ratings, flexible bond covenants for maximum bonding capacity, and marketable securities that are acceptable to investors. We feel it is appropriate and recommend that all members of the City's financing team be involved in the structuring/plan of finance process, including the senior managing underwriter, financial advisor, bond counsel, and City staff.

## Rating Agency Process & Strategy

Wells Fargo has significant experience working with issuer clients in the rating agency process for both well-established credits and first time credits. The members of the City's financing team involved in the rating agency process should be at the discretion of City staff. While certain municipal issuers prefer that their financial advisor be primarily involved in the rating agency process, we have found that the involvement of the senior managing underwriter can be valuable to the process, particularly for new or infrequent credits. As an example, in March 2013, Wells Fargo sole managed three simultaneous bond sales for the Florida Governmental Utility Authority ("FGUA"). The bonds were issued by FGUA to finance FGUA's acquisition of and capital improvements to water and wastewater utility systems from Aqua Utilities Florida, Inc. The financing took shape in three separate bond transactions due to the fact that the assets were located throughout the State of Florida, in twelve counties. Each financing was separately presented to Moody's, S&P, and Fitch. With assistance from the issuer, engineers, and feasibility consultant, Wells Fargo was the primary author of the rating agency presentation and was actively involved in the rating agency meetings. Each financing, being backed by separate revenue bases, was rated differently by the different rating agencies. The three bond issues each priced on March 14, 2013 and closed on March 28, 2013.

The City's bond ratings vary by credit and by rating agency. The City's General Obligation Bonds currently carry ratings of 'A1' from Moody's and 'A' from Fitch. The rating from each agency has been lowered in the past few years as the City dealt with the effects of the economic downturn, which saw the City's tax revenues decrease and created a structural imbalance. The City has taken steps to correct this imbalance and the City's economy has shown strong signs of recovery. This has had a positive effect on the ratings of its General Obligation Bonds, with Fitch revising its outlook on the GO credit from negative to stable in August of 2013 and Moody's affirming their rating in September 2013. Both Moody's and Fitch cite the City's high fixed costs, partially from its pension obligations, as a credit challenge. The City was able to reduce its pension obligations through fiscal urgency measures that helped bring its budget in to balance, and we would anticipate that the main ratings driver in the near-term will be the City's ability to consistently achieve a balanced budget.

The City's Water and Sewer Improvement Revenue Bonds are its highest rated credit with ratings of 'Aa2' from Moody's and 'AA-' from Fitch. The credit has been relatively insulated from the issues that have affected the credit of the City's General Obligation Bonds. The Water and Sewer Improvement Revenue Bonds have posted strong debt service coverage ratios, 6.07x in 2013. While the City is currently projecting that the coverage levels will decrease in future years, the lowest project coverage ratio of 3.91x in 2018 still represents strong debt service coverage. Additionally, the system has a strong liquidity position and its customer base, while predominantly retail users located in the City, includes wholesale sewer customers in neighboring cities that provide a certain level of diversification of the system's revenues.



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The City's Community Redevelopment Agency Bonds (Beach CRA) are rated 'A3' by Moody's and 'A-' by Fitch. The strong debt service coverage provided by the pledged trust fund revenues and the mature, developed project area have resulted in these strong ratings.

Generally, Wells Fargo would suggest that the City continue to obtain ratings from only two of the three major rating agencies for these credits (Moody's and Fitch). We have found that a third rating, assuming that the S&P rating would not be higher, provides little if any added value to potential investors.

## Marketing Process and Strategy

As underwriter to the City, Wells Fargo will focus on gathering updated market information, in order to make informed decisions as to the best structure and timing for selling the City's bonds, to assist the City in achieving the lowest possible cost for its bonds. Wells Fargo's public finance bankers and municipal underwriting team will work together closely and stay in constant communication, to ensure that we provide the City and its financial advisor the most accurate and current information available. Our underwriters will provide information on market conditions and investor preferences on a daily basis. Using this information, our public finance bankers will work with the City and its financial advisor to develop a marketing plan and timetable for selling the City's bonds. With the timetable and marketing plan established, Wells Fargo will focus on debt structuring options which best meet the City's planning and budgeting goals. **Between our public finance bankers, underwriting personnel, institutional and retail sales forces, and quantitative debt structuring team, Wells Fargo will provide an experienced and committed team to support the City's bond issues.**

We expect the City's bond sales to draw significant interest from retail and institutional buyers alike, and we will deploy our tier-one, taxable, middle market, and retail sales forces to reach investors in each investors segment and across all pricing points on the yield curve. Wells Fargo will work with the City and its financial advisor to develop an appropriate marketing plan to meet the challenges of today's market, and to take advantage of opportunities presented by the current municipal market.

The initial steps in Wells Fargo's marketing plan to reach institutional investors will include disseminating a complete and concise POS, and participating in conference calls with the underwriting syndicate to discuss the marketing strategy. Our institutional sales force will actively market the City's bonds to their clients, by contacting all prospective buyers well in advance of the scheduled bond pricing. Our sales force, underwriting personnel, and public finance bankers will all be available to respond to any questions from institutional investors related to the City's bonds. We also recommend hosting an Internet Road Show, geared primarily toward institutional investors, approximately one week prior to the bond sales for any of the City's credits rated below the 'AA' category, including both the General Obligation Bonds and Community Redevelopment Agency Bonds. Together, these steps will generate investor interest to deliver aggressive pricing possible for the City's financings.

Wells Fargo believes the most competitive pricing for the City's offering can be achieved by a marketing plan targeting both retail and institutional investor classes. We believe our ability to access true and professional retail, untapped institutional investors, and middle market buyers will allow Wells Fargo to price the City's offerings more competitively than other underwriters.

In order to complement the City's existing investor base, the Wells Fargo team has designed a holistic marketing and finance plan that seeks to maximize investor penetration. As senior manager, Wells Fargo would recommend the City incorporate the following key steps in order to maintain its existing investor base while expanding its distribution to new, non-traditional investors:

### Step 1: Announce the Financing Schedule Well in Advance of Pricing

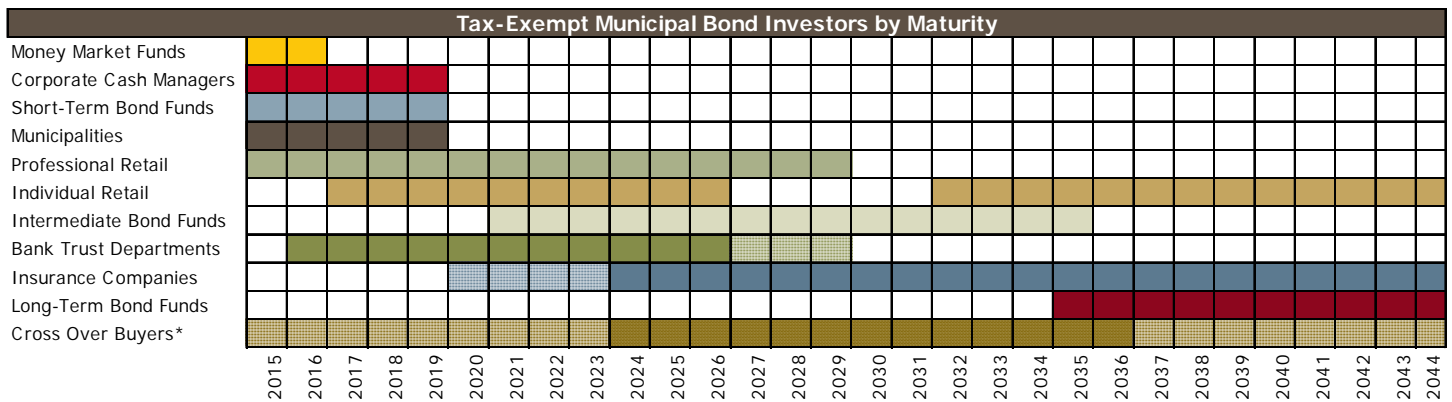
Wells Fargo will announce the financing schedule for the transaction substantially prior to the actual sale. We recommend mailing the POS 7 to 14 days in advance of any bond sale. This allows institutional investors to incorporate the City's bond issue into their investment plans and enables credit sensitive retail investors to complete their proper due diligence and gain familiarity with the City's credit.

### Step 2: Identify and Expand Target Markets

As the table on the following page illustrates, many investors exist in the market, but their interest in bonds of a particular maturity is not uniform. **Wells Fargo will provide feedback to the City regarding the type of investors it can expect to show interest in its bonds, and will develop a targeted marketing plan for each investor type.** Using our retail and multi-tiered institutional sales forces, Wells Fargo is well positioned to reach the entire spectrum of potential buyers of the City's bonds. Further, the breadth of our distribution platform allows Wells Fargo to effectively market and distribute a wide variety of municipal bonds on behalf of Florida issuers, including general obligation, water

# Request for Proposal for Bond Underwriter

and sewer, and tax-increment community redevelopment issues, with long-term, short-term, fixed rate and variable rate structures.



\*Interest highly dependent on current tax-exempt/taxable ratios; subject to change.

## Retail Investor Outreach

Retail investors have long been targeted by underwriters as they tend to be less price sensitive and accepting of lower yields than institutional investors. True retail investors help lower the cost of the transaction and set the tone for the overall pricing. However, in the current low rate environment we believe professional retail may play a larger role in the City's financings.

- **Marketing to Retail** – Wells Fargo will market to retail by maximizing transaction-specific as well as general marketing materials via a full range of communication channels including sales memoranda, press releases, advertisements in local newspapers, internet media including advertising on the City's website, and sales calls.
- **Evaluating the Use of a Retail Order Period** – While a one-day retail order period insulates smaller local orders and national retail orders from competing with larger institutional purchasers, it may not always be the best strategy to hold a retail order period, especially in a volatile interest rate environment. To that end, it may be more efficient to take retail orders concurrently with institutional orders to generate the most demand and maintain strong momentum during pricing. Determining the use of a retail order period should be done on a case by case basis depending on financing structure and market conditions. We will work with the City and its financial advisor in determining the appropriateness of a retail order period. During a retail order period, the bonds would be marketed using coupons geared toward retail buyers, with priority given first to City of Hollywood and Broward County residents, and then to Florida residents.
- **Professional Retail Investors** – "Professional retail" investors have been prominent participants on recent municipal transactions. Professional retail includes Institutional Asset Managers consisting generally of bank trust departments, investment advisors and other licensed money managers--many of which have separately managed accounts (SMAs). This investor group will be a component of Wells Fargo's marketing plan as it is typically less price sensitive than other institutional investors. For "professional retail" investors we would recommend a priority of orders below true Florida and national retail orders and levels not in excess of \$1 million per order.
- **Incent Retail Brokers** – With the City's consent and agreement as well as with input from the City's financial advisor we believe setting takedowns at reasonable levels, sufficient to attract attention from retail brokers can have a positive impact on retail participation and the final cost of borrowing for the City.

## Institutional Investor Outreach

Wells Fargo's institutional marketing goals are to strategically target existing institutional holders, as well as new institutional buyers who value similar bonds and have an appetite for the City's bonds. Our strategy includes the following:

- **Identify "Anchor Investors"** – Wells Fargo recommends targeting institutional investors who are holders of the City's bonds (including Vanguard, Franklin Templeton, Nuveen and Fidelity) and thus are likely buyers of the City's new offerings. Due to our active participation in the secondary market, Wells Fargo maintains strong relationships with these institutions and will target them early in the pre-marketing phase to ensure that they are aware of the offering and ready to support the transaction. Further, Wells Fargo Capital Management ("Wells Capital") is among the current investors in the City's bonds. Wells Capital is among the largest buyers of Florida municipal paper.
- **Target New Institutional Investors** – In addition to the targeted investors described above, Wells Fargo would also focus its marketing efforts on new institutional buyers who value similar bonds and have an appetite for the City's credit. In order to target such investors, Wells Fargo will evaluate the universe of potential "cross-over" buyers who have large holdings in other similar paper, but little or no holdings of the City's paper.

# Request for Proposal for Bond Underwriter

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The limited amount of new bond issuance by Florida issuers over the last 12-months should serve to generate substantial investor interest in a City offering, and the City's improved outlook by Fitch should have a positive impact on the pricing of any General Obligation Bonds transaction. For its future bond sales, we recommend the City develop a marketing plan that targets existing institutional holders of the City's bonds and existing institutional holders of similarly rated Broward County municipalities which are not currently holders of the City's bonds.

We have reviewed current holders of the City's outstanding bonds (Source: Ipreo as of 5/6/2014), and the City's largest bondholders are currently:

- State Farm
- Loews Corp.
- USAA
- Nuveen Asset Management
- Thornburg Investments

We will actively market to these institutions, as they have shown prior interest in the City's issues and would likely participate again. Next we have cross referenced the City's holders with current holders of similarly rated tax-exempt bonds issued by other municipalities in Broward County, including Fort Lauderdale, Pembroke Pines Miramar, and Coral Springs, among others (Source: Ipreo as of 5/7/2014). The largest holders of the bonds as described which are not currently holding the City's bonds include:

- Travelers
- Capital World Investors
- Invesco
- Citadel Advisors

We will also specifically target these institutions, as they have shown interest in the bonds of entities which we feel portray credit characteristics similar to the City's. The institutions detailed above do not represent the full extent of our institutional marketing, and Wells Fargo will develop a more comprehensive list of targeted institutional investors prior to any bond deal by the City based on the specific credit being sold.

### Step 3: Conduct Extensive Pre-Marketing Efforts

Undertaking an extensive pre-marketing effort has become more crucial to a successful financing since the credit crisis. Investors need to conduct significantly more due diligence on underlying credits than in previous years. Wells Fargo's pre-marketing efforts consider this and include the following:

- **Sales Force Education** – Wells Fargo would initiate our marketing campaign with several internal salesforce meetings with a focus on all aspects of the proposed financing. These sessions would be led by our banking team as well as our head credit analyst, Nancy Feldman.
- **A Net Road Show / One-on-One Investor Meetings / Institutional Investor Conferences** – Wells Fargo personnel have worked with numerous issuers on investor presentations and meetings in the past, and we continue to believe that those outlets would offer the City an excellent opportunity to emphasize the credit and structural strengths of any proposed financing. Wells Fargo also offers multiple institutional investor conferences throughout the year, and Wells Fargo would be happy to have the City participate. In addition, NetRoadshow has recently developed a new RetailRoadshow product that allows issuers to directly market to retail investors through a NetRoadshow venue. A number of issuers across the country have already taken advantage of the new RetailRoadshow marketing tool, and we would be pleased to assist the City and its financial advisor in developing a RetailRoadshow to further leverage Wells Fargo's retail distribution network.
- **Diversity of Underwriters / Middle Market Sales** – While the largest accounts are typically covered by all major Wall Street firms, certain underwriting firms offer new relationships with a diverse set of investors. In order to effectively target the broadest range of investors, we generally recommend our clients utilize multiple co-senior underwriters for each financing, as to expand the universe of possible investors and explore the addition of new investors other firms may not have relationships with.
- **Syndicate Conference Call** – Prior to the sale, Wells Fargo would recommend the City hold a syndicate conference call to ensure all of the City's managers are coordinated and motivated to actively participate in the sale.
- **Maintain Flexibility / Avoid Competing Supply** – Illiquidity in the marketplace has exaggerated price movements and taking advantage of market "tail winds" can have a more significant impact on pricing than in years past. In addition, to the extent possible, avoiding competing supply from other Florida issuers may also help the City ensure the most aggressive pricing.
- **Coupon Considerations** – In the present market, high yield buyers tend to demand premium bonds given that "defensive" (i.e. higher) coupons tend to insulate them from market sell-offs. When structuring the City's financings, Wells

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Fargo's public finance bankers will work closely with our underwriting desk to develop premium, and in certain instances, discount couponing in order to attract various investor sectors and thus achieve favorable overall cost of funds.

## **Debt Service Repayment Schedule**

While the marketing plan and schedule are being developed, Wells Fargo's public finance team will also be in the process of considering various debt service repayment schedules which will meet the City's budgeting needs, and will be well received by investors. Wells Fargo primarily uses DBC Finance to size and structure debt issues for our municipal clients. DBC Finance, which is an industry standard and DBC's flagship program, is a general bond structuring tool that performs all debt service calculations, bond solutions, issue sizing, and refunding analyses. DBC Finance enables us to model complex financial structures, including advance refundings, escrow structurings, and multi-project financings. Other software and systems used in our bond structuring efforts include What's Best, FinCAD, Intuitive Analytics, and other proprietary trading systems, including Excel based models.

Wells Fargo's public finance practice's quantitative efforts are directed by a single, centralized group of highly experienced technical bankers. The Quantitative Structuring Group conducts or supervises all financial analysis and modeling for our municipal clients. The Group is composed of six senior-level professionals with over 125 years of combined experience at 16 different Wall Street firms. The group's combined depth and knowledge provide issuers with sound analysis and have garnered consistent accolades from clients, financial advisors, attorneys, and other professionals.

Scott Goldstein, whose resume is provided in **Appendix A**, provides quantitative support to the Florida public finance group. Mr. Goldstein has over 25 years' experience in the municipal finance industry.

The Quantitative Structuring Group also conducts comprehensive quantitative training programs for analysts and associates, called Quantitative School. This program consists of multiple three-day training sessions over a several-week period and is designed to equip participants with a broad array of analytical skills and techniques to add to the overall knowledge and sophistication of our public finance teams. Considerable time is also devoted to important legal and tax issues surrounding municipal bond transactions.

## **Pricing Process**

A short overview of a general pricing process for bond issues can be found below. Ultimately, each pricing of the City's bonds will follow a process agreed to by the City and its financial advisor.

### **Several Weeks Before Pricing**

Wells Fargo's underwriting desk will begin providing preliminary scales presenting expected pricing levels for the City's issue and we will provide various funding models for new money issues and updated savings estimates for refundings based on the expected pricing levels generated by our desk.

### **One to Two Weeks Prior to Pricing**

Wells Fargo's underwriting desk will also provide pricing results from recently priced issues, which are comparable in size, credit profile, issue type, and / or issuer type. Becoming familiar the results of comparable financings enables our underwriting personnel to better understand current investor preferences for any security structure, which in turn will inform their preliminary pricing "talk" about the City's proposed issue.

### **Week of Pricing**

Wells Fargo's underwriting personnel will work closely with the other members of the underwriting syndicate, and will jointly develop a consensus scale one to two days prior to the pricing of the City's bonds. With this consensus scale, Wells Fargo will run preliminary pricing numbers and will distribute to the City and the financing team.

### **One to Two Days Prior to Pricing**

Wells Fargo's underwriting and public finance personnel will join the City and its financial advisor for a pre-pricing call. During this call, underwriting personnel will review current market conditions, as interpreted by Wells Fargo and the members of the City's underwriting syndicate, and will respond to any questions from the City and its financial advisor. Wells Fargo's public finance personnel will discuss preliminary pricing levels as distributed prior to the call, and will also respond to any questions from the City and its financial advisor.

### **Pricing**

Depending on market conditions at the time of the City's financing, as noted previously Wells Fargo may suggest a one day retail order period, followed by an institutional order period on the following day. As discussed elsewhere in our proposal, we expect the City's issue to draw substantial interest from retail buyers, and depending on market conditions, we believe a separate retail order period may generate a large number of orders. After completing the order periods (whether



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scheduled over two days or one), Wells Fargo's public finance personnel will distribute updated pricing results to the City and financing team. Next, Wells Fargo will join the City and its financial advisor on a pricing call, during which Wells Fargo's underwriting personnel will review the order period and describe orders received. Wells Fargo's underwriting personnel will review any suggested modifications to the structure – whether changed yields or maturities added – to ensure the best pricing results are achieved. Once Wells Fargo, the City and its financial advisor agree to final pricing levels, the “verbal award” will be considered deemed. Underwriter's counsel will distribute a bond purchase agreement documenting the details of the pricing, which upon execution, will constitute the final award.

## City's Involvement in Allocations

We believe the City and its financial advisor should be an active participant in the allotment of bonds. We believe the issuer's involvement in allotments can add real benefit to the transaction, as this provides the issuer an opportunity to compensate members of the underwriting team who have supported the financing from its inception by placing “quality” orders early in the order period. Syndicate rules and designation policies among underwriters should be consistent with a strategy of achieving the optimal distribution of bonds and accomplishing the City's goal of obtaining the lowest cost of capital. We will act early on in the financing process to establish jointly with the City a set of syndicate rules that accurately reflects the way the City wishes for the syndicate to be run. Competition among the members of the management team combined with fairness fosters diligence among all managers, and results in the maximum distribution effort and the most successful underwriting. Establishing rules to protect co-managers and allotting the bonds fairly represent the overriding principles of Wells Fargo's approach to managing a syndicate.

The City should also be an active player in establishing the priority of orders. Typically, retail orders are given high priority since they are the least sensitive to yield and can lower the cost to the issuer. As senior manager, Wells Fargo can establish rules giving Hollywood and Broward County residents highest retail priority, followed by Florida retail, and then national retail orders. During the retail order period, legitimate orders placed by local and Florida retail buyers will be given the highest priorities. A number of national retail accounts have emerged as active participants in municipal issues. Often, these national retail buyers will place relatively large orders; Wells Fargo recommends setting an order size threshold (i.e. \$1 million) at and above which these national retail orders be distributed amongst the underwriting syndicate on a group net basis. We believe group net designation for these large retail orders provides the fairest outcome for all members of the syndicate.

The next level of priority can be either group net or net designated orders. Group net provides an avenue for each member of the team to receive its allocation; however, it does not provide incentive for members of the team to actively place orders for the issuer since there is not a reward for doing so. Net designated entices other members of the team to actively market and place orders for the issuer since they can be rewarded for this additional work. When determining the priority of orders, the City will have to weigh the desire for fair and equitable distribution among the team with the desire to provide incentive to those firms who perform well for the City. Wells Fargo would ultimately recommend establishing a set of ground rules rewarding an underwriter's performance with regard to marketing and the sale of the bonds, while maintaining compliance with Municipal Securities Rulemaking Board (“MSRB”) G-11. A description of these rules follows:

Approach		Purpose
<b>Timely Communications</b>	Regularly provide all managers with status reports on the financing.  Provide sufficient notice prior to the pricing.  Maintain close communication with the managers throughout the order period.	Allow managers to distribute marketing information to their sales force and customers.
<b>Priority of Orders</b>	Give members and in-state retail orders priority over institutional orders (group net and net designated orders). See also Extended Retail Order Price below.	Motivates in-state retail sales forces by ensuring access to the bonds for individual supporters.

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	Approach	Purpose
<b>Extended Retail Order Period</b>	A pre-sale order period where only retail orders are solicited. A special period could be created for members as well. Orders from any selling group will also be honored during this period.	Can create a large backlog of retail orders that will give the senior manager leverage over institutional buyers whose full participation will not be necessary to complete the transaction.
<b>Designation Policy</b>	<p>Notify institutional investors of whom the managers are and that all managers may be designated for sales commissions.</p> <p>Split all designations on orders among at least three managers (depending on the number of co-managers), with no more than 45% to 60% going to a single manager.</p>	Results in an equitable distribution of institutional sale credit to those managers who truly service institutional accounts, including regional firms.

Outside of the specific syndicate rules, we recommend that the City use the Electronic Municipal Market Access (“EMMA”) website ([www.emma.msrb.org](http://www.emma.msrb.org)) as a means for tracking secondary market trades of its bonds. As the City’s senior manager, we will remind the syndicate members of the City’s use of EMMA to track secondary market trading and that bad behavior could have a price. While websites come and go daily, the launch of the EMMA website represents a significant event in the municipal marketplace. The ease with which issuers are now able to track the activities of their outstanding bonds and locate other relevant information is a vast improvement over the recent past. We encourage the City, and all of our municipal clients, to make a habit of taking advantage of the information made available through EMMA.

## Ongoing Investor Relations Approach

Based on the City’s limited amount of outstanding debt in its portfolio and relatively infrequent issuance, we believe that an efficient and rational approach to investor relations takes the following form:

**Clear, complete and timely continuing disclosure** – The City has contracted with DAC to be dissemination agent for the City’s continuing disclosure. This certainly assists with timely release of continuing disclosure information. The content of what is disseminated is the City’s responsibility. We note that the information across all of the City’s credits in your CAFR and annual information filings is quite detailed and appears to be in full compliance with your continuing disclosure agreements. We encourage the City to utilize the filing of ‘voluntary information’ as a way of serving the investor community by providing relevant information that an investor would want to know, but is not currently required under the continuing disclosure agreements.

**Early dissemination of preliminary offering statements and investor net-roadshows in conjunction with new issuances** – Primary market disclosure is in itself a form of continuing disclosure. Existing investors may review a preliminary official statement as part of their annual review of existing holdings while at the same time, evaluating the new offering.

**Participation in industry conferences (e.g. ACI, NACo, NFMA), either in speaking roles on relevant panels or by hosting a side bar investor meeting** – While we note below that an annual investor conference is not a recommended approach, we do believe that participating in industry events where investors are in attendance will be a valuable platform for the City to disseminate its credit story to the investor community. Further, one option to consider, is hosting an investor meeting at an industry-wide conference, such as annual conference for the National Federation of Municipal Analysts (NFMA). A side-bar meeting could be held at the conference facility but in a separate room at a time when the primary conference is in recess. With the assistance of your financial professionals (underwriters, bond counsel and financial advisors) a group of institutional portfolio managers and credit analysts can be identified and invited to attend the meeting.

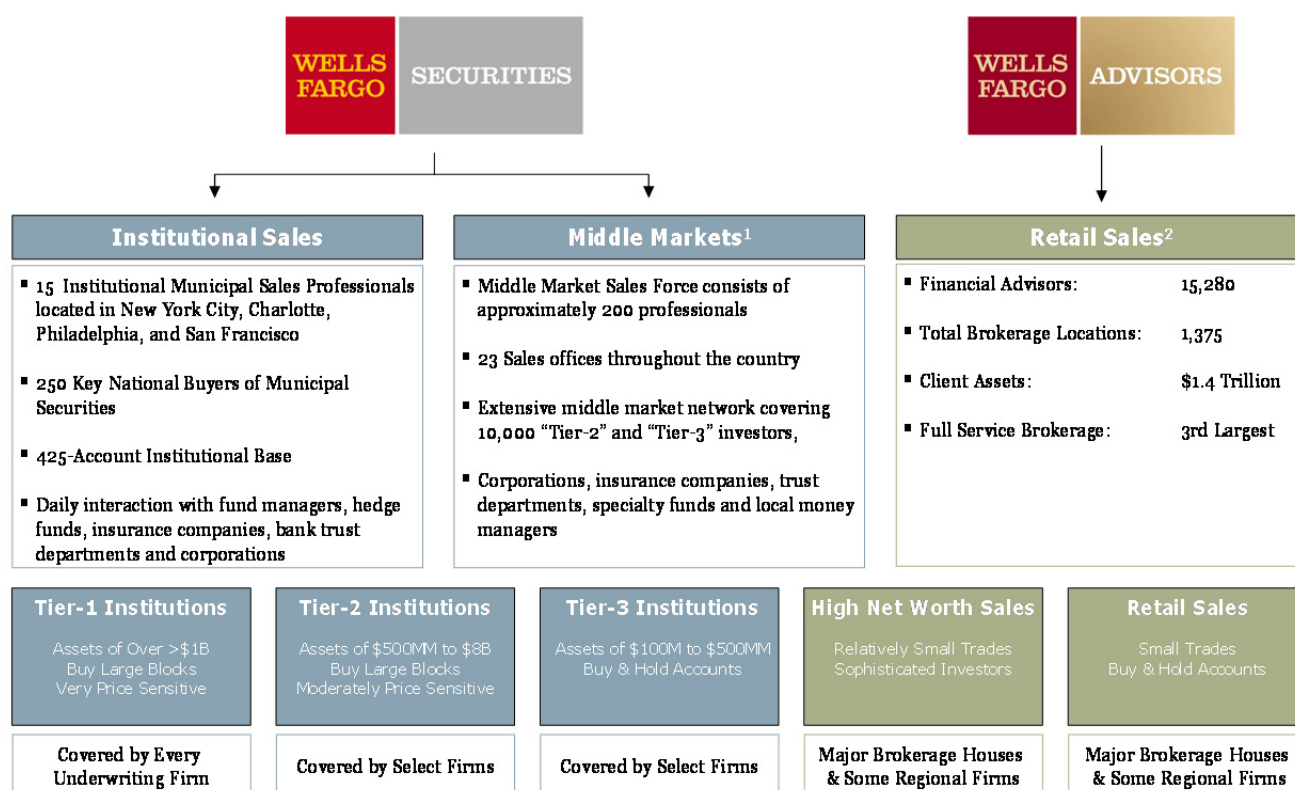
We do not believe that an annual investor conference sponsored by the City or an annual roadshow is necessary in light of the limited amount of credits in the City’s debt portfolio and the generally infrequent pattern of issuance of each credit, however, we do believe that providing full and complete continuing disclosure, participating in industry meetings/conferences and being responsive to incoming questions and requests from investors, will serve the City well

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and support investor acceptance of future new issues as well as support liquidity of outstanding bonds in the secondary market.

## Distribution Capabilities

Wells Fargo has an excellent record of distributing municipal securities, with particular strengths in accessing the market for Florida credits. Wells Fargo is one of few firms in the industry with three in-house distribution channels: (1) institutional sales, (2) middle-market sales, and (3) retail brokerage. Supported by a capital base of over \$137 billion, Wells Fargo's distribution capabilities enable us to consistently deliver strong pricing for our clients. In addition to covering the largest institutional accounts (with assets over \$1 billion), Wells Fargo's marketing network also covers smaller mid-tier accounts which are often overlooked by other firms. By targeting a wide investor base, we are able to consistently deliver aggressive pricing results for our clients.



<sup>1</sup> Wells Fargo Securities, LLC and Wells Fargo Institutional Securities, LLC.

<sup>2</sup> Peer group analysis based on number of financial advisors as disclosed in company reports, as of December 31, 2013. WFA statistical information as of December 31, 2013. Data is a combination of Wells Fargo Advisors, LLS; Wells Fargo Advisors Financial Network; LLC and First Clearing, LLC. First Clearing, LLC is a registered broker-dealer and non-bank affiliate of Wells Fargo & Company.

## Municipal Institutional Sales Force

Wells Fargo's institutional sales force includes 31 professionals who concentrate their efforts on selling municipal securities to the 250 top-tier institutional buyers nationwide, including the top 50 money market managers. Wells Fargo's active client list includes all of the predominant institutional buyers of municipal securities. Because of our ability to also sell aggressively to other banks and brokerage firms, insurance companies, pension funds, and other large corporate customers, Wells Fargo can offer the City strong institutional distribution of its bonds. Wells Fargo has active trading relationships with several institutional clients domiciled in Florida and a strong presence among financial services companies. Wells Fargo's knowledge of the Florida market coupled with its deep account base across Florida and the nation provides assurance to the City of Wells Fargo's excellent distribution potential and ability to achieve a low all in cost of borrowing for the City.

## Middle Market Sales

One of Wells Fargo's distinctive characteristics is its ability to reach middle market investors. By accessing our coast-to-coast banking presence, our sales force can reach investment advisors, mid-sized bank trust departments, regional insurance companies, and state-specific bond funds not typically covered by traditional investment banks. Middle market buyers continue to be an important investor group, as they are looking for conservative, high yield, fixed income investment opportunities. Moreover, the middle market investors tend to "buy and hold" securities in the difficult "belly"

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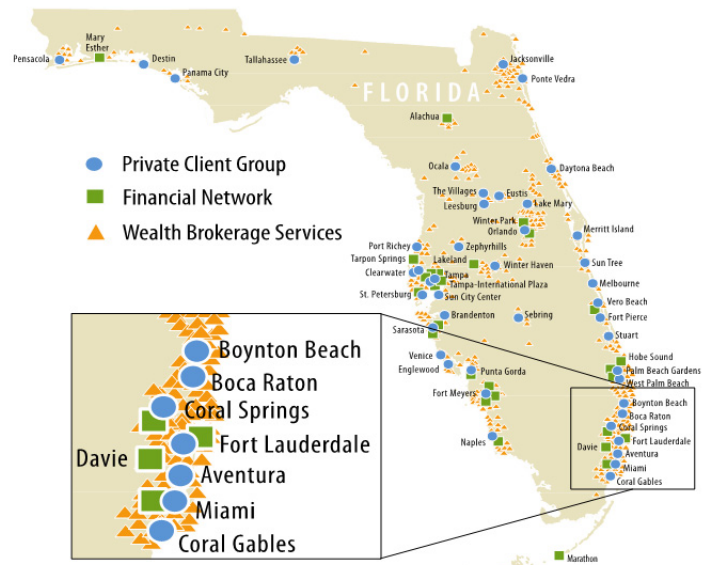
of the curve (10-20 year range). Wells Fargo's middle market channel represents a sales force of approximately 200 professionals covering over 10,000 Tier 2 and Tier 3 investors.

## National Retail Sales

**Wells Fargo Advisors ("WFA")<sup>10</sup> is the 3<sup>rd</sup> largest retail brokerage firm in the country,<sup>11</sup> with 15,280 full-service retail financial advisors across 1,375 offices nationwide. WFA has approximately 1.7 million active accounts with close to \$1.4 trillion in total client assets. Wells Fargo's daily inventory of bonds targeted for retail investors typically exceeds \$200 million. WFA's retail distribution capabilities, especially in today's market, are of exceptional importance and value, because the ability to price an issue aggressively has been linked directly to the presence or absence of retail participation.**

## Florida Retail

Wells Fargo Securities can leverage the laws of supply and demand to work to the City's favor by utilizing one of the nation's most powerful bond distribution systems. WFA currently maintains **42 retail brokerage offices and hundreds of bank branches across the state of Florida staffed by 1,126 financial advisors** serving over 576,000 active retail accounts with total retail account holdings of approximately \$117 billion. Of this amount, approximately \$5.0 billion are bonds from Florida-based issuers held in more than 123,000 accounts, including over \$10.4 million of the City's debt held in 365 accounts. **In Broward County alone, WFA employs 77 financial advisors.** In total, WFA's retail clients currently hold over \$88.3 billion in municipal bonds. Finally, in addition to the 1,089 financial advisors in Florida, over 14,000 WFA financial advisors in other states are registered to sell securities in Florida.



## Importance of Retail Distribution

Retail buyers, consisting of both traditional "Mom and Pop" investors along with "Professional" retail investors (bank trust departments, investment advisors, and other licensed money managers), can significantly enhance the pricing of the City's bond offerings by creating early momentum for pricing, providing a long-term investor base that is less sensitive to yield, reducing the amount of the City's paper available in the secondary market, and allowing an alternative couponing structure.

Historically, retail sales of taxable and tax-exempt bonds represent buy and hold buyers. Unlike institutional buyers who may purchase and sell municipal paper regularly, retail buyers purchase municipal bonds for the purpose of a long-term investment intended to be held to maturity. As bonds held by retail are not available for purchase in the secondary market, the supply of available bonds for institutional buyers shrinks, thereby tipping the supply-demand scales in the City's favor. As a result, strong retail demand often translates into increased interest and support for financings and prevents institutions from immediately selling their holdings to retail investors in the secondary market. Additionally, institutional investors have historically favored tax-exempt bonds with a premium structure (high coupons) that provide greater protection against rising interest rate environments. On the other hand, retail buyers have traditionally favored par-ish or discount structures, as they are less concerned with market fluctuations and par structures require less upfront investment. Further, the City can typically reduce its cost of borrowing by including par and discount bonds in its offering, as they are not penalized with the "kick-to-call" of a callable premium bond. We encourage the City to discuss the importance of retail distribution with its financial advisor.

### Why is Retail Distribution Important?

- Creates early momentum for offering, giving immediacy of retail order flow
- Broadens investor base with long-term holders
- Retail demand creates pricing leverage over price-sensitive institutional investors
- Reduces trading volatility in immediate aftermarket if placed within appropriate systems
- Reinforces our ability to meet distribution commitments in all market conditions

<sup>10</sup> Wells Fargo Advisors is the trade name used by two separate registered broker-dealers and non-bank affiliates and wholly owned subsidiaries of Wells Fargo & Company: Wells Fargo Advisors, LLC and Wells Fargo Advisors Financial Network, LLC (members SIPC).

<sup>11</sup> Peer group analysis based on number of financial advisors as disclosed in company reports, as of December 31, 2013. WFA statistical information as of December 31, 2013. Data is a combination of Wells Fargo Advisors, LLC; Wells Fargo Advisors Financial Network, LLC and First Clearing, LLC. First Clearing, LLC is a registered broker-dealer and non-bank affiliate of Wells Fargo & Company.



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## Retail Marketing Effort

Wells Fargo's public finance bankers will alert buyers of the City's upcoming bond issues **by communicating directly with local retail brokers**. Wells Fargo has found the using our local brokers to market our municipal issuers' financings to be an effective approach, as it alerts a large base of potential buyers, well in advance of a bond sale. As a part of our retail marketing effort, we will work to maximize transaction specific as well as general marketing materials via the full range of communication channels (e.g. sales memoranda, press releases, internet media, and sales calls). Two specific examples of retail marketing techniques that have proved effective are provided below.

### 1-(800) Retail Telephone Line

Wells Fargo sets up 1-(800) telephone numbers to local retail offices for upcoming bond issues. The 1-(800) number may be used by prospective retail buyers in order to get in touch with a local Wells Fargo retail office providing direct access to the City's Bonds. This approach is particularly effective in reaching new retail clients.

### Newspaper Advertisements

To attract additional local retail participation, Wells Fargo recommends placing advertisements of the upcoming bond sale in local Broward County newspapers. As mentioned above, we recommend releasing the preliminary official statement approximately two weeks prior to the pricing, in order to give retail buyers in particular sufficient time to review the offering and make an investment decision.

## Retail Pricing Priority

As mentioned previously, in order to increase retail participation in the City's bond offerings, it may be beneficial to **hold a one day retail order period** prior to the institutional order period. Wells Fargo recommends setting the order priority to **give local City of Hollywood and Broward County, then Florida buyers the first and second priority, respectively, of all orders**, before opening up to national and member orders. During the retail order period, the bonds will be marketed using coupons geared toward retail buyers. Wells Fargo also encourages our clients to set the maximum retail orders at levels high enough (i.e. \$1 million) to broaden the definition of the "retail buyer" and attract as many orders as possible. Additionally, with the City's consent and agreement, Wells Fargo would set takedowns at reasonable levels, sufficient to attract attention from retail brokers.

Wells Fargo actively monitors orders submitted to ensure the legitimacy of all retail orders. Wells Fargo will include detailed language on the retail order pricing wire, specifying exactly what will qualify as a retail order, and indicating the information required to be submitted with a retail order. Shown below are various questions and answers related to retail orders and the retail order period. After each question, the response language is taken, verbatim, from the retail pricing wire of a Florida bond issue recently senior managed by Wells Fargo. We have found that including explicit instructions/ language in the pricing wire has helped to provide for an organized, streamlined, and successful retail order period for our clients.

### What is (or is not) a retail order?

A retail order is defined as an order placed for the account of an individual and for bank trust departments, money managers, and investment advisors on behalf of an individual account.

Retail orders do not include bank portfolios, insurance companies, or bond funds.

An order generated through a distribution agreement with a third party broker-dealer shall not constitute a retail order if the order is not a direct order of a retail customer of the firm with the distribution agreement with the syndicate member.

The maximum retail order per account is \$1 million.

### How are retail orders tracked geographically, for priority order purposes?

Zip codes must be provided on each retail order.

### What are the penalties for illegitimate retail orders?

The pricing wire will detail the retail priority categories. All tickets shall be subject to audit by the issuer and its financial advisor. Upon request, any participating underwriter must provide their order tickets to the financial advisor for review. This information shall not be shared, nor reviewed, with the Senior Manager. Such information will only be available to the financial advisor on behalf of the issuer. Upon review, if the financial advisor discovers that orders were placed incorrectly by the manager, that manager will be awarded all of the bonds for which they placed an order with an incorrect designation. The manager placing such orders and receiving allocation of said

# Request for Proposal for Bond Underwriter

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bonds will forfeit all takedown associated with those bonds. Such takedown will be assigned by the issuer to the Senior Manager.

The amount of retail participation in the City's future transactions will ultimately be dependent on market conditions at the time of sale, and individual retail participation has been depressed in the current market due to historically low interest rates and "Professional" retail has been much more active than "Mom and Pop" investors. As the level of retail interest can change over the course of a standard 10-12 week financing, it is prudent for the City to have a Senior Manager who has the retail distribution capabilities in place to address any market environment.

## Case Study

The case study provided below provides a distinct example where Wells Fargo utilized its ability to target retail investors to deliver strong pricing for a Florida water and sewer issue.



**City of Tampa, Florida**

**\$121,050,000**

**Water & Sewer Systems Improvement and Refunding Bonds, Series 2011**

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In August 2011, Wells Fargo served as senior manager on the City of Tampa's ("Tampa") Series 2011 Water & Sewer Systems Improvement and Refunding Bonds (the "2011 Bonds"). The 2011 Bonds were issued to finance capital improvement projects for Tampa's water and sewer system, refinance outstanding commercial paper, as well as to refinance \$74.45 million of Series 2001A and 2001B Bonds for economic savings.

The strong ratings of the bonds allowed them to be issued without a funded debt service reserve, further enhancing the economics of the transaction for Tampa. In lieu of a funded debt service reserve, the Series 2011 Bonds incorporated a "springing reserve" that requires Tampa to fund a debt service reserve should future net revenues of the water and sewer system fall below expectations and debt service coverage fails to meet a predetermined threshold. The springing reserve was viewed positively by the rating agencies, and the absence of a funded debt service reserve did not negatively impact the ratings on the bonds. The 2011 Bonds ultimately received Aa1/AA+/AA+ underlying ratings from Moody's, S&P, and Fitch, respectively.

**In an effort to maximize the universe of potential buyers of the 2011 Bonds, twelve of Series 2001 Bonds' maturities were bifurcated to attract both retail and institutional investors. As a result, the retail order period generated over \$117 million of retail orders, including \$98.5 million of retail orders from Wells Fargo.**

The 2011 Bonds amortized from 2012 through 2013, and Wells Fargo's final pricing of the 2011 Bonds resulted in a true interest cost of 3.69% with an average life of approximately 14-years. On average, the 2011 Bonds priced at a spread to AAA MMD of 47 basis points. Comparable Florida water and sewer bonds offered near the time of the pricing for the 2011 Bonds were offered at yields ranging from 50 to 68 basis points.

Foregoing funding of a debt service reserve reduced the size of the 2011 Bonds by more than \$11 million and saved Tampa approximately \$358,000 of annual net interest carry on the bonds. Further, since the refunded 2001A and 2001B Bonds did not have a cash funded reserve fund, if the 2011 Bonds would have had to incorporate a funded debt service reserve, the economic refunding portion of the transaction would not have been feasible. Alternatively, the use of a surety policy to meet any reserve requirement would have substantially reduced debt service savings for Tampa.

The economic refunding portion of the transaction produced more than \$650,000 in annual debt service savings for Tampa, resulting in over \$9 million or 12.3% net present value savings (as a percentage of par refunded).

## Refunding Opportunities

Wells Fargo believes that one of its primary responsibilities to its clients is to actively monitor their outstanding debt and to identify opportunities to refund bonds for debt service savings, as refundings can offer the possibility of immediate budgetary relief for the City.

Wells Fargo has examined the City's existing debt portfolio and provided the City with periodic updates on its refunding candidates. Based on our analysis, the City currently has 3 potential refunding candidates: the Water and Sewer Improvement Revenue Bonds, Series 2003, the General Obligation Bonds, Series 2005, and the Community Redevelopment Agency Redevelopment Revenue Bonds (Beach CRA), Series 2004. We have presented refunding analyses for all of these transactions below. Each proposed refunding transaction is structured to achieve level debt service savings;

# Request for Proposal for Bond Underwriter

assumes that the current ratings of the refunded bonds remain in place; and is structured with estimated costs of issuance and underwriter's discount included. Wells Fargo would be pleased to provide copies of the full number runs for each refunding scenario at the City's request.

## Current Refunding of Water and Sewer Improvement Revenue Bonds, Series 2003

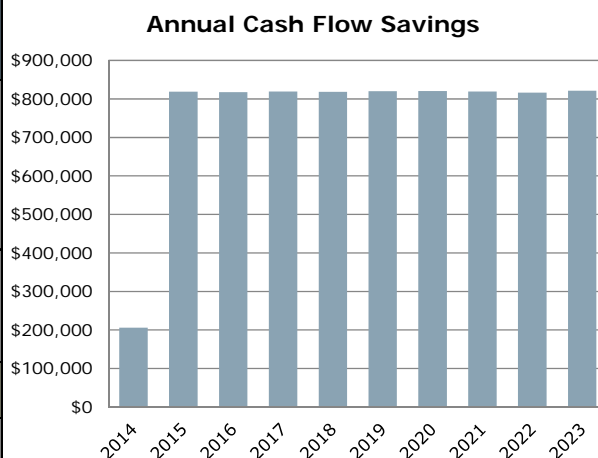
For purposes of this analysis, we have refunded all of the callable maturities of the City's Water and Sewer Improvement Revenue Bonds, Series 2003 (the "2003 Bonds"). We have assumed a delivery date of July 1, 2014, resulting in a current refunding of the 2003 Bonds under existing tax law.

Based on market conditions as of May 2, 2014 and assuming ratings of Aa2 (Moody's) and AA- (Fitch), **we estimate that the City could achieve combined net present value savings of approximately \$6.8 million, or 11.2% of the par amount refunded.** Beginning in 2014, the City could reduce its annual debt service payments by an estimated amount of \$206,000, increasing to \$819,000 annually from 2015 through 2023.

Our interpretation of the 1991 Bond Ordinance would allow the City to define the Reserve Account Requirement for each Series of Additional Bonds through the adoption of the Series Resolution. With ratings of Aa2/-/AA-, our desk believes Wells Fargo can sell these bonds in the market without a reserve fund, at interest levels no different than a bond issue sold with a reserve fund. For this analysis, we have assumed the City would not fund a Reserve Account for the refunding bonds.

A breakdown of the assumptions and highlight for this issue can be found below, along with a graph detailing the annual cash flow savings to the City.

Refunding Summary Statistics City of Hollywood, Florida Water and Sewer Revenue Improvement Bonds, Series 2003	
Refunding Par Amount	\$55,125,000
All-in TIC	2.246%
Average Coupon	4.913%
Average Life (years)	4.760
Estimated Upfront Costs	\$553,114
Total Debt Service	\$68,017,738
Refunded Bonds Par	\$61,345,000
Callable Unrefunded Bonds Par	\$0
Avg Coupon of Refunded Bonds	4.801%
Negative Arbitrage	\$104,222
<b>Net PV Savings (\$)</b>	<b>\$6,842,525</b>
<b>Net PV Savings (%)</b>	<b>11.154%</b>
Maturities Refunded: 2014-2023 Serials	



Additionally, to help put the current estimated savings of the refunding of the 2003 Bonds in perspective, the table below presents a summary of the previous refunding updates of the 2003 Bonds that Wells Fargo has provided to the City.

Prior Refunding Analyses of the 2003 Bonds Submitted to the City				
Date	Type	Refunding Type	NPV Savings (\$ mil)	NPV Savings (%)
01/10/14	Electronic Memo	Current	\$6.2	10.2%
10/18/13	Electronic Memo	Current	\$6.4	10.4%
08/29/13	Electronic Memo	Current	\$5.8	9.4%
06/04/13	Electronic Memo	Current	\$8.0	13.1%
01/18/13	In-person Meeting	Current	\$9.4	15.4%
12/14/12	Electronic Memo	Current	\$9.6	15.7%
		Forward	\$8.6	14.0%
09/13/12	Electronic Memo	Current	\$8.0	13.1%
		Forward	\$6.0	9.8%

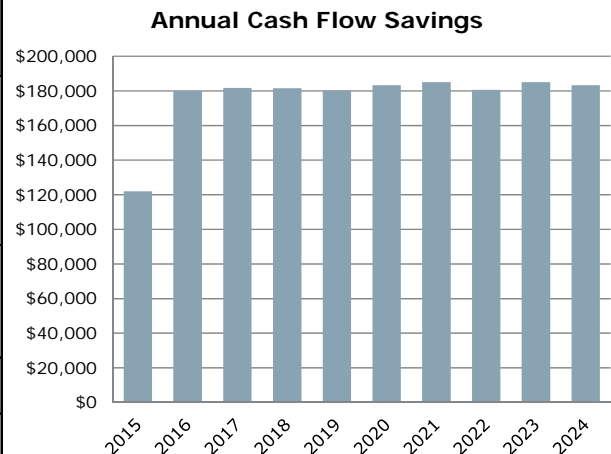
# Request for Proposal for Bond Underwriter

## Current Refunding of Redevelopment Revenue Bonds (Beach CRA), Series 2004

The proposed refinancing of the City's Community Redevelopment Agency Redevelopment Revenue Bonds (Beach CRA), Series 2004 (the "2004 Bonds") current refunds the 2024 term bond. We have assumed a July 1, 2014 delivery date for the transaction. For the purposes of this analysis, we have assumed that the City would meet the reserve requirement for the issue by utilizing the cash that is current in the reserve fund of the 2004 Bonds. Using market conditions as of May 2, 2014 and assuming ratings of A3 (Moody's) and A- (Fitch), **we estimate that the City could achieve net present value savings of approximately \$1.5 million, or 12.0% of the par amount refunded.** Annual debt service savings would initially equal \$121,000 in 2015, growing to approximately \$182,000 annually from 2015 through 2024.

Additional assumptions and highlights for the proposed refunding transaction have been provided below, along with a graph detailing the estimated annual cash flow savings to the City.

Refunding Summary Statistics City of Hollywood, Florida Redevelopment Revenue Bonds (Beach CRA), Series 2004	
Refunding Par Amount	\$11,685,000
All-in TIC	3.154%
Average Coupon	4.902%
Average Life (years)	5.536
Estimated Upfront Costs	\$117,803
Total Debt Service	\$14,855,888
Refunded Bonds Par	\$12,630,000
Callable Unrefunded Bonds Par	\$0
Avg Coupon of Refunded Bonds	5.625%
Negative Arbitrage	\$31,431
<b>Net PV Savings (\$)</b>	<b>\$1,515,976</b>
<b>Net PV Savings (%)</b>	<b>12.003%</b>
Maturities Refunded: 2024 Term	



While we have detailed a proposed capital markets refunding of the 2004 Bonds, based on the size and tenor of the proposed transaction, Wells Fargo may be able to offer a Wells Fargo Direct Purchase at an interest rate that produces superior economics for the City. The Direct Purchase structure eliminates the need for a marketing period to solicit interest buyers, reducing the expenses and the time required to execute a transaction. As mentioned previously in our response, Wells Fargo is a prominent provider of Direct Purchase solutions for municipal issuers, having purchased over \$22 billion in municipal notes and bonds.

## Advance Refunding of General Obligation Bonds, Series 2005

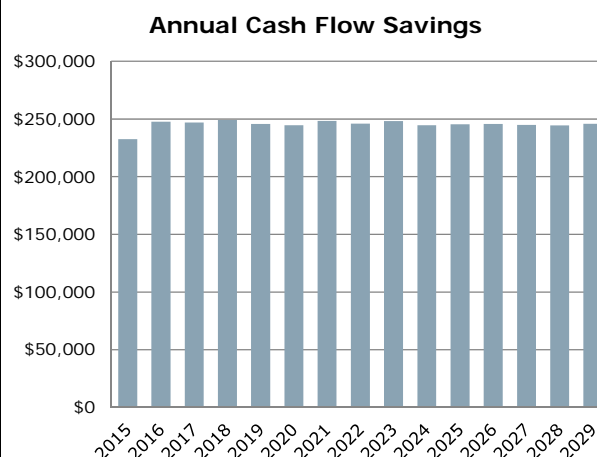
The proposed refinancing of the City's General Obligation Bonds, Series 2005 (the "2005 Bonds") advance refunds the 2016-2022 and 2027-2029 serial bonds and the 2024 and 2026 term bonds. We have assumed a July 1, 2014 delivery date for the transaction.

With a call date of June 1, 2015 for the 2005 Bonds, negative arbitrage exists in the transaction as the escrow yield is lower than the arbitrage yield on the new bonds. Assuming both municipal rates and escrow interest rates remain constant, the savings in this refunding transaction will improve as the amount of negative arbitrage diminishes over time with the reduction in the duration of the escrow.

Using market conditions as of May 2, 2014 and assuming ratings of A1 (Moody's) and A (Fitch), **we estimate that the City could achieve combined net present value savings of approximately \$2.9 million, or 7.2% of the par amount refunded.** The refunding would produce savings of approximately \$245,000 from 2015 through 2029. Additional assumptions and highlights for the proposed refunding have been provided on the following page.

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Refunding Summary Statistics City of Hollywood, Florida General Obligation Bonds, Series 2005	
Refunding Par Amount	\$37,125,000
All-in TIC	3.252%
Average Coupon	4.946%
Average Life (years)	9.134
Estimated Upfront Costs	\$371,322
Total Debt Service	\$53,895,958
Refunded Bonds Par	\$40,185,000
Callable Unrefunded Bonds Par	\$3,990,000
Avg Coupon of Refunded Bonds	4.708%
Negative Arbitrage	\$1,048,828
<b>Net PV Savings (\$)</b>	<b>\$2,890,960</b>
<b>Net PV Savings (%)</b>	<b>7.194%</b>
<b>Maturities Refunded:</b>	
2016-2022 & 2027-2029 Series; 2024 & 2026 Terms	



## Case Studies

Below, we have provided case studies for a selection of our recent senior managed water and sewer, general obligation, tax-increment, and covenant to budget and appropriate bond issues. These transactions are each comparable to the City's proposed issues, and we will draw upon our experiences with these clients and their transactions to benefit the City's future financings.



### City of Chicago, Illinois

**\$883,420,000 General Obligation Bonds, consisting of:**

**\$432,630,000 Project and Refunding Bonds, Series 2014A**

**\$450,790,000 Taxable Project and Refunding Bonds, Series 2014B**

On Wednesday, March 12, 2014, Wells Fargo served as Senior Manager on the City of Chicago's ("Chicago") \$883,420,000 General Obligation Bonds, Series 2014A and Series 2014B ("the 2014A&B Bonds"). This transaction represented Chicago's first general obligation bond issuance since its general obligation credit received a triple-notch downgrade from both Moody's and Fitch in 2013. The 2014A&B Bonds were rated Baa1/A+/A-, reflecting an additional one notch downgrade from Moody's due to Chicago's pension challenges.

In light of Chicago's recent credit downgrades, Wells Fargo assisted in completing a thorough analysis of Chicago's current general obligation bond holders and undertaking a targeted investor outreach campaign which involved producing an internet roadshow, scheduling one-on-one calls with 20 potential investors, and holding sales force teach-ins.

Chicago initially intended to sell approximately \$405 million of bonds to refund and restructure debt, pay off judgments and finance a portion of their 2013 capital program, followed by a second general obligation issuance later in the spring. However, due to the positive tone of the market, concerns surrounding further negative rating actions, and the risk of rising interest rates, Chicago made the decision to wrap its two planned financings into one and additionally fund 2014 capital program needs with the bond proceeds, nearly doubling the offering size from the \$405 million par amount shown in the preliminary official statement to a \$795 million amount reflected in the preliminary pricing wires.

Wells Fargo held to its conviction to price the 2014A&B Bonds as scheduled despite coming to market the same week as the Commonwealth of Puerto Rico's (Ba2/BB+/BB-) planned sale of \$3.5 billion general obligation bonds, which was slated to enter the market one day prior to the Chicago's offering. Wells Fargo priced the 2014A&B Bonds during a week of heavy municipal supply, which was expected at \$11.1 billion and represented more than 75% of the total volume for the entire month of February (Source: Bond Buyer). The tax-exempt series was scheduled to price on Wednesday while simultaneously receiving indications of interest on the taxable portion that was slated to price the following day. However, due to the significant interest that was generated by the taxable series and seeking to price ahead of Thursday's 30-year US Treasury bond auction, Wells Fargo accelerated the taxable pricing and executed the entire financing in one day.

Wells Fargo demonstrated leadership by entering the market with competitive spreads, resulting in a robust order book that was approximately 4.5x oversubscribed and consisted of more than \$3.6 billion orders from a wide variety of buyers, including institutional, middle market, and retail accounts. A number of institutional buyers who had not historically purchased Chicago's general obligation bonds participated in the transaction. The offering brought in orders from a total of 122 institutions, including 95 new investors of Chicago's general obligation credit, many of which were middle market



# Request for Proposal for Bond Underwriter

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accounts. The tax-exempt series was comprised of serial bonds maturing in years 2018 through 2036 and garnered \$1.97 billion of retail and institutional participation. Based on the recommendation of Wells Fargo's underwriters, the taxable series consisted of an index eligible term bond in 2044 which enabled the bonds to generate participation from municipal and corporate investors alike for a total of \$1.68 billion in orders. Wells Fargo accounted for over \$3.2 billion in retail and institutional orders, representing approximately 90% of the order book. The oversubscription enabled Wells Fargo to tighten spreads by 1 to 10 basis points across a number of maturities and allowed Chicago to upsize the transaction from \$795 million to \$883.42 million.

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**State of Illinois**  
**\$1,300,000,000**  
**General Obligation Bonds**  
**Series of June 2013**

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On June 26, 2013, Wells Fargo served as Book-Running Senior Manager for the State of Illinois' (the "State") \$1,300,000,000 General Obligation Bonds, Series of June 2013, which constituted the largest municipal transaction of the week. The issue was rated A3/A-/A- with a negative outlook from Moody's, Standard & Poor's, and Fitch, respectively.

In the month leading up to the transaction, the State faced negative headwinds as a result of the State's failure to achieve comprehensive pension reform which resulted in ratings downgrades by Moody's and Fitch. In light of these challenges, the joint senior managers assisted the State in formulating and executing a comprehensive, coast-to-coast marketing strategy. This marketing strategy represented a targeted investor outreach campaign which involved conducting a thorough review of potential investors, producing an internet roadshow, hosting a multi-city roadshow, scheduling one-on-one meetings with investors, and holding internal sales force teach-in calls.

During the week prior to pricing, the market experienced a significant amount of volatility and dislocation in response to the Fed's June 20th announcement, which resulted in a market sell-off. According to Lipper, municipal bond fund net investor outflows for the week ending June 26, 2013 were recorded at \$4.5 billion. Additionally, by June 25th, MMD rates had cheapened up to 36 basis points. Although heavy supply was anticipated for the week of June 24th, a number of issuers postponed their transactions as a result of the market volatility. Despite the market conditions, the continued pension reform stalemate, and a delayed release of the audit, the State's need to fund capital developments made it necessary for the bond sale to occur as scheduled.

Wells Fargo began initial premarketing talks at 190 basis points over MMD the night before pricing. Recognizing the State's sensitivity with regards to coupon structure, Wells Fargo incorporated bifurcated coupons in various maturities. In particular, the 10-year, 15-year, and 20-year maturities were bifurcated to allot a total of \$50 million of par bonds to retail investors. Based on internal market intelligence, Wells Fargo's strategy was to demonstrate leadership in a volatile market and did so by entering the market with a competitive scale that was 10 basis points tighter than premarketing levels. This leadership strategy proved to be successful as the 1½ hour order period was cut short after garnering \$9.1 billion in retail and institutional orders, of which Wells Fargo accounted for \$8.2 billion or 90.1%. The transaction was 7x oversubscribed and received participation from a broad spectrum of investors which included retail, middle market, and institutional buyers with orders ranging from \$125,000 in bonds to \$741 million from one large anchor investor. Over 100 Tier 1, Tier 2, and Tier 3 institutional investors submitted orders, including investors that had initially passed on the State's offering during the investor outreach campaign. Additionally, one municipality participated in the transaction, demonstrating the value Wells Fargo's middle market sales force provides to municipal issuers.

As a result of the strong market demand generated, Wells Fargo tightened yields on the issue by 6 to 20 basis points. From the premarketing period to final pricing, the total reduction in spread on the 2038 term bond amounted to 30 basis points. The State's \$260 million 2038 term bond was priced at a spread of 160 basis points to MMD, slightly wider than the State's last general obligation issuance in April 2013, which priced at a 145 basis point spread over MMD. Given the widespread negative press received by the State, its inability to achieve pension reform, and the ratings downgrades that occurred after the April 2013 issuance, the 15 basis point spread differential represents a very competitive pricing level for the State. The successful sale exceeded the State's expectations, particularly in light of the market volatility and fiscal challenges facing the State at the time of pricing.

# Request for Proposal for Bond Underwriter

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## **City of Miami, Florida**

**\$44,725,000**

### **Special Obligation Non-Ad Valorem Revenue Refunding Bonds, Series 2012**

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In December 2012, Wells Fargo priced the City of Miami's ("Miami") Series 2012 Special Obligation Non-Ad Valorem Revenue Refunding Bonds (the "2012 Bonds"). The 2012 Bonds were issued by Miami with a covenant to budget and appropriate pledge. Proceeds of the bonds were used to refinance a \$45 million bank note for the Port of Miami Tunnel Project, and convert the short-term indebtedness of the project to long-term financing. The Port Tunnel is located within the Miami's Omni Community Redevelopment Area (the "Omni CRA"). Miami intends to budget the amounts it receives from the Omni CRA, pursuant to an Interlocal and Grant Agreement between Miami and the Omni CRA, to pay the 2012 Bonds. The tax increment revenues of the Omni CRA, however, are not pledged to the 2012 Bonds and Bondholders cannot compel the use of tax increment revenues of the Omni CRA by Miami to pay the 2012 Bonds. The bonds received underlying ratings of A3 / BBB+ from Moody's and Fitch, respectively.

Complicating the sales process, at the time of the sale of the bonds, Miami was under investigation by the SEC and the IRS for issues unrelated to the Port of Miami Tunnel Project. Due to the investigations, Wells Fargo and Miami's financial advisor deemed it appropriate to offer the bonds for sale on a limited basis only to those investors who could demonstrate an understanding of the risks associated with the bonds and the ongoing investigations. The sale of the bonds was made only to "qualified institutional buyers" (QIBs) as defined under Rule 144A of the Securities Act of 1933. Wells Fargo further limited the offering of the 2012 Bonds to no more than 35 investors, all of whom were deemed sophisticated municipal market professionals. While a number of institutions expressed interest in the 2012 Bonds during the marketing process, the bonds were ultimately placed with four QIBs. Thanks to a thorough two-week marketing process, Wells Fargo was able to place all of the bonds at an all-in cost to Miami of 3.82% with an average life of 11 years.



## **City of Rock Hill, South Carolina**

**\$6,315,000 Tax Increment Bonds, Series 2013A**

**\$3,360,000 Tax Increment Bonds, Taxable Series 2013B**

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In July 2013, Wells Fargo served as sole manager for a \$9.675 million Tax Increment Bond financing for the City of Rock Hill, South Carolina ("Rock Hill"). Proceeds of this new money issue were used to fund various improvements within a Tax Increment District of the City to support new private investment. The tax-exempt Series 2013A Bonds funded improvements to streets, sidewalks, lighting, water and sewer lines, storm drainage, intersection and signalization improvements and a public park while the taxable Series 2013B Bonds funded the construction of a city-owned parking structure.

While this Tax Increment District had been in existence and generating revenue for over 20 years, Rock Hill's intention was to pay a significant portion of the debt service on the Series 2013 Bonds from the incremental tax revenue created by the new private investment (which consisted of a hotel and office building). Knowing the likely reception by the rating agencies, bond insurers and investors to a standalone tax increment financing secured by revenues from yet-to-be-developed projects, Wells Fargo worked with Rock Hill and its bond counsel to create a more attractive and creditworthy structure. After evaluating several options, utilizing Rock Hill's Combined Utility System, which was rated A2/A by Moody's and S&P, respectively, and produced over 2x senior lien debt service coverage, proved to be the most compelling option. Therefore, in addition to the outright pledge of the incremental property tax revenues generated in the Tax Increment District, Rock Hill also provided a lien on its Combined Utility System revenues, junior and subordinate to its senior lien revenue bonds.

Given the size of the financing, Rock Hill only needed a rating from one rating agency – in this case, S&P. S&P's approach to rating this type of credit involved analyzing each pledged revenue stream separately and then taking the higher rated of the two. As expected, the junior lien on the Combined Utility System carried the day and the Bonds were rated A- (one notch below the Combined Utility System senior lien rating).

With this A- rating in hand, Wells Fargo then solicited bond insurance quotes from both Assured Guaranty (S&P rating of AA-) and Build America Mutual (S&P rating of AA). After receiving the bond insurance premium quotes and evaluating the expected benefit of each insurer, Wells Fargo and Rock Hill ultimately decided to wrap the Bonds with insurance from Assured Guaranty.

Market conditions in the weeks leading up to the day of pricing were extremely volatile with rates rising dramatically and credit spreads widening. However, the silver lining to this rise in rates was the interest from investors that these higher



# Request for Proposal for Bond Underwriter

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yields produced. In addition, there was significant participation in this transaction from the “mom and pop” retail sector, which had been non-existent for most of the year given the historically low rates. On the day of pricing, Wells Fargo received approximately \$39 million in orders for the \$9.6 million of bonds which enabled us to lower yields 5-8 basis points.

This financing demonstrates Wells Fargo’s ability to think outside the box during the structuring process as well as its ability to successfully price and underwrite a small transaction in an extremely volatile market.

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## **City of Clearwater, Florida**

**\$47,025,000**

**Water & Sewer Revenue Refunding Bonds, Series 2011**

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In July 2011, Wells Fargo served as senior manager on the City of Clearwater’s (“Clearwater”) Series 2011 Water & Sewer Revenue Refunding Bonds. The Series 2011 Bonds were issued to current refund the City of Clearwater’s Series 2002 Bonds. Originally scheduled to price in August 2011, pricing of the Series 2011 Bonds was accelerated due to the uncertainty related to debt ceiling legislation in Congress and its potential impact on the municipal market. As a result of Wells Fargo’s aggressive pre-marketing of the Series 2011 Bonds, the accelerated pricing was completed with an order book more than two times the size of the issuance. In addition, to qualify the refunding as a “current” refunding (within 90-days of the call date), the Series 2011 Bonds did not close until 41 days after pricing (pricing date: July 28, 2011; closing date: September 7, 2011). Despite the extended time between pricing and closing, Wells Fargo was able to execute the pricing with no forward delivery premium priced into the bonds. The refunding of the 2002 Bonds produced more than \$2.8 million in net present value savings, or 5.9% of the refunded bonds.

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## **Florida Municipal Loan Council**

**\$48,235,000**

**Revenue Bonds (Hialeah Series), Series 2011D**

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In May 2011, Wells Fargo served as senior manager on the Florida Municipal Loan Council’s (“FMLC”) Revenue Bonds, Series 2011D (Hialeah Series) (the “2011D Bonds”). The 2011D Bonds were issued to finance a reverse osmosis plant secured by the net water and sewer revenues of the City of Hialeah (“Hialeah”) and marked the inaugural issuance for the City of Hialeah’s water and sewer system.

Wells Fargo’s professionals worked closely with Hialeah and its feasibility consultant for over a year leading up to pricing of the bonds to develop an appropriate structure that met Hialeah’s capital needs, while also creating a debt service structure that could be supported by Hialeah’s rate payers. In an effort to reduce the size of the financing and avoid negative interest carry that could deteriorate debt service coverage, Wells Fargo proposed that the 2011D Bonds be structured without a debt service reserve fund requirement. After discussions with the rating agencies, the financing team was successful in foregoing the reserve requirement without harming the underlying rating of the bonds.

Ultimately, the 2011D Bonds were rated of A+/A by Fitch and S&P, respectively, and received an insurance commitment from Assured Guaranty. During pricing, Wells Fargo was able to find wide distribution for the bonds with more than \$242 million of orders placed, oversubscribing the offering by more than five times. The oversubscription allowed Wells Fargo to tighten spreads and reduce the yield of the bonds by five (5) basis points across almost every maturity.

The 2011D Bonds amortized from 2012 through 2041 and priced at a net interest cost of 5.34% with an average life of approximately 20-years, representing a spread to AAA MMD of 125 basis points at the time of pricing. Similarly rated offerings at the time of pricing of the bonds priced at spreads between 130 and 170 basis points.

Foregoing funding of a debt service reserve reduced the size of the 2011D Bonds by more than \$3.3 million and saved Hialeah approximately \$165,000 of annual net interest carry on the bonds. The utilization of bond insurance from Assured Guaranty saved Hialeah more than \$600,000 of present value debt service payments thanks to competitive pricing negotiated by Wells Fargo and the FMLC’s financial advisor on behalf of Hialeah.

## 8. References

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# Proposal to Serve as Underwriter

## 8. References

Provide references for three (3) local or statewide issuers, which your firm served as Senior Manager or Co-manager, to include company name, contact name, phone, fax and email address.

Wells Fargo's references are provided below.



**Frank Hinton**  
**Director, Division of Bond Administration**  
**Miami-Dade County**  
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Phone: (305) 375-5046  
Fax: (305) 375-5659  
Email: fph1@miamidade.gov



**Danny Alfonso**  
**City Manager**  
**City of Miami**  
444 Southwest 2<sup>nd</sup> Avenue  
Miami, Florida 33130  
Phone: (305) 416-1011  
Fax: (305) 416-1019  
Email: djalfonso@miamigov.com



**Rene Gonzalez**  
**Finance Director**  
**City of Pembroke Pines**  
10100 Pines Boulevard  
Pembroke Pines, Florida 33026  
Phone: (954) 435-6515  
Fax: (954) 435-6524  
Email: rgonzalez@ppines.com

**9. Underwriter’s Counsel**

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## **9. Underwriter's Counsel**

The selection of underwriter's counsel shall be at the sole discretion of the senior managing underwriter. Please identify firms which will be considered for this role.

Should Wells Fargo be selected to serve the City as senior manager, we would propose working with JoLinda Herring of Bryant Miller Olive, P.A. as Underwriter's Counsel. Wells Fargo would be receptive to using other counsel at the City's suggestion.

**10. Summary of the Proposer’s Fee Statement**

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**10. Summary of the Proposer's Fee Statement**

Price may be considered in the final evaluation and ranking of the short-listed firms. If the Selection Committee will consider price, staff will provide each short-listed firm with a price submittal instrument and instructions for its preparation and deliver.

Not applicable. Wells Fargo will be pleased to provide estimated pricing and takedowns for any of the City's credits at the City's request.

**11. Project Time Schedule, If Applicable**

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**11. Project Time Schedule, If Applicable**

Provide a detailed time schedule for this project.

Please see our response to Question 7 of this document for a preliminary financing timeline for the City's proposed transactions.

# Appendix A: Resumes

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# Appendix A: Proposer's Acknowledgment

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**John Generalli – Engagement Leader & Principal Contact**  
*Managing Director, Southeast Public Finance*

**Clearwater, Florida**

**Responsibilities:** Mr. Generalli will serve as engagement leader and primary day-to-day contact for the City. He will participate in developing financing structures, consulting with rating agencies and credit enhancement providers, preparing bond and offering documents, and marshaling all of the resources necessary to successfully complete financings on behalf of the City.

**Qualifications:** Mr. Generalli has served as a municipal investment banker for 21 years. Since joining Wells Fargo as a senior investment banker in 2008, he has served as Wells Fargo's lead banker on \$8 billion of bonds that were either senior managed or co-senior managed by Wells Fargo, including serving as the lead banker for Wells Fargo on the City's 2012 Special Obligation Bonds. He has also completed over \$2 billion of direct lending and syndicated lending solutions for Wells Fargo government clients. He is responsible for large government relationships in Florida and Puerto Rico. Mr. Generalli has experience with a wide variety of municipal finance issues and has provided financing solutions for electric power, transit, water and sewer, airport, seaport, and general government infrastructure issuers. He serves as the lead banker for many issuers in Florida including four of the largest issuers: State of Florida, Miami-Dade County, Citizens Property Insurance Corporation, and the Florida Hurricane Catastrophe Fund. Mr. Generalli has completed numerous transactions involving agencies of the federal government. He also serves as Wells Fargo's lead banker responsible for all central government, agency, municipal and enterprise issuers in Puerto Rico. Prior to entering public finance, Mr. Generalli served as an officer in the United States Army. Mr. Generalli maintains Series 7, Series 63, and Series 53 (Municipal Securities Principal) licenses, and has a BA in Finance from Eckerd College and an MBA from the University of South Carolina.

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**David Thornton – Engagement Leader**  
*Managing Director, Southeast Public Finance*

**Clearwater, Florida**

**Responsibilities:** Mr. Thornton will provide direct support to Mr. Generalli and assist the City and the financing team in the development of financing ideas, will work with rating agencies and credit providers, and will assist in the preparation of bond documents.

**Qualifications:** Mr. Thornton joined Wells Fargo Securities in July 2008 after more than 21 years with other Florida investment banking firms. He has supervisory responsibility for Wells Fargo's Florida public finance operations and maintains primary responsibility for a number of accounts including Florida Governmental Utility Authority, JEA, Orlando Orange County Expressway Authority, City of Tampa, City of Clearwater, Florida Municipal Power Agency, and City of Jacksonville, among others. He also provides general banking support on a number of other significant accounts including but not limited to the Commonwealth of Puerto Rico, Miami-Dade County, the Florida Hurricane Catastrophe Fund, and Citizen's Property Insurance Corporation. Mr. Thornton maintains Series 7, Series 63, Series 53 (Municipal Securities Principal), and Series 24 (General Securities Principal) securities registrations.

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**Michael Olliff – Engagement Leader**  
*Vice President, Southeast Public Finance*

**Clearwater, Florida**

**Responsibilities:** Mr. Olliff will assist Mr. Generalli and participate in developing financing structures, consulting with rating agencies and credit enhancement providers, preparing bond and offering documents, and marshaling all of the resources necessary to successfully complete any financing pursued by the City.

**Qualifications:** Mr. Olliff joined Wells Fargo Securities through the merger with A.G. Edwards St. Petersburg Public Finance team and has 18 years' experience within municipal finance and investment banking. He is responsible for Florida's school credits and many other local credits throughout the State. He has served as Wells Fargo's lead banker on municipal debt transactions, both fixed and variable rate, totaling approximately \$5 billion. Since 2008, he has been lead banker/sole manager on transactions for Palm Beach County and the school districts of Hillsborough, Pasco, Orange, Collier, St. Lucie, Alachua, Clay, Lee, Osceola and Miami-Dade counties. Mr. Olliff maintains Series 7 and Series 63 licenses. He is also a Certified Public Accountant licensed in Alabama (currently inactive due to Florida residency).

## Appendix A: Proposer's Acknowledgment

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**Molly Clark – Engagement Support**  
*Vice President, Southeast Public Finance*

**Clearwater, Florida**

**Responsibilities:** Ms. Clark will provide project support to Mr. Generalli on financing issues that affect the City and its borrowing needs. She will participate in developing financing structures, consulting with rating agencies and credit enhancement providers, preparing bond and offering documents.

**Qualifications:** Ms. Clark joined Wells Fargo in August 2008 and has 12 years total experience in public finance. Her work has focused on general governmental finance, utility finance, and 501(c) (3) issues. She has supported governmental issuers through all aspects of the financing process, including participating in early stage bond structuring discussions, to preparing quantitative analyses, reviewing legal documents, assisting with rating agency presentations, and coordinating bond pricings and closings. Ms. Clark has experience working on fixed and variable rate bond issues, with various forms of credit enhancement and derivative products, and previously served as engagement support to Mr. Generalli on the City's 2012 Special Obligation Bonds. Ms. Clark has a Bachelor of Arts degree in Economics from Carleton College, in Northfield, Minnesota. She maintains Series 7 and Series 63 securities registrations.

**Glenn Gough – Engagement Support**  
*Vice President, Southeast Public Finance*

**Clearwater, Florida**

**Responsibilities:** Mr. Gough will provide project support and analytical support on behalf of Wells Fargo. Mr. Gough will coordinate with Mr. Generalli on financing issues relevant to the City and the overall execution of its borrowing needs. He will participate in developing financing structures, consulting with rating agencies and credit enhancement providers, preparing bond and offering documents.

**Qualifications:** Mr. Gough joined Wells Fargo Securities in April 2009 after more than 3 years with Bank of America's public finance group. His work has focused on municipal finance in Florida, Georgia and Puerto Rico for a variety of credits including transportation, special assessment, water and sewer, public power, certificates of participation, covenant to budget and appropriate, pooled loans, sales tax, and limited obligation. Mr. Gough has experience working on fixed and variable rate bonds, commercial paper, and privately placed loans, with various forms of credit enhancement and derivative products. He has experience working on all aspects of the financing process, from producing proposals and reviewing bond documents, to completing quantitative analyses and coordinating bond pricings. Prior to entering the public finance industry, Mr. Gough worked for KPMG's Risk Advisory Services, where he consulted local governments and agencies on the operation, construction and demand of sports and entertainment facilities. Mr. Gough is registered with FINRA as a General Securities Representative (Series 7) and has passed the Uniform Agent State Law Examination (Series 63).

**Charlie Yadon– Engagement Support**  
*Analyst, Southeast Public Finance*

**Clearwater, Florida**

**Responsibilities:** Mr. Yadon will provide general project support and analytical services, while coordinating with Mr. Generalli to facilitate the successful execution of financings for the City.

**Qualifications:** Mr. Yadon joined Wells Fargo Securities as an Analyst in 2013. He primarily provides support for the coverage of Florida municipal issuers. Prior to joining Wells Fargo, he had 3 years of municipal bond experience working as a Bond Development Specialist at the Florida Division of Bond Finance. Mr. Yadon received Bachelor of Science degrees in Finance and Accounting from Florida State University, and a Master of Science in Finance degree from the University of Florida. Mr. Yadon holds Series 52 and Series 63 securities registrations.



## Appendix A: Proposer's Acknowledgment

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**Scott Goldstein – Quantitative Specialist**  
*Director, Quantitative Structuring*

**Denver, Colorado**

**Responsibilities:** Mr. Goldstein will provide analytical and quantitative support to the City on behalf of Wells Fargo. Mr. Goldstein will coordinate with Mr. Generalli on quantitative structuring and idea generation for the City's future financings.

**Qualifications:** Mr. Goldstein joined Wells Fargo in 2007 (via merger with A.G. Edwards). He has over 26 years of experience in investment banking as a quantitative specialist with extensive understanding of bond related tax code issues. He has structured over 1,000 senior managed municipal transactions with significant emphasis for refunding and structured solutions. He has been instrumental in developing and applying several refunding innovations, providing analytical decision making framework for cash market and derivative solutions, as well as, improving escrow efficiencies to help issuers lower their cost of capital or overall funding cost. Mr. Goldstein is a graduate of the University of Maryland, College Park, Maryland, where he earned a B.S. degree in business with an emphasis in finance and accounting. He received his M.B.A. degree in finance from George Washington University, Washington, D.C. He holds Series 7 and 63 registrations.

**Walker McQuage – Underwriter**  
*Managing Director, Head of Fixed Rate Underwriting*

**Charlotte, North Carolina**

**Responsibilities:** Mr. McQuage will serve as the lead underwriter and coordinate the underwriting, marketing, and distribution activities for the City's fixed rate bond offerings. He will work with Mr. Generalli on the development of structuring and marketing plans for the City's bonds. Throughout the course of the deal, Mr. McQuage will provide pricing details and general updates regarding the municipal market and the impact of market movements on all of the City's potential future financings.

**Qualifications:** Mr. McQuage is responsible for municipal underwriting commitments made by Wells Fargo's institutional trading, sales, and underwriting operations. Mr. McQuage has 18 years of underwriting experience with general obligation, revenue, and taxable municipals. While serving as the national lead fixed rate underwriter on Wells Fargo's Municipal Sales & Trading desk, Mr. McQuage also specializes in southeast municipal issuance, including Florida, and served as the lead underwriter for the City's 2012 Special Obligation Bonds. Mr. McQuage holds a B.S. in Finance from the University of South Carolina and holds Series 7, 53, and 63 securities registrations.

**Amanda Pogue – Underwriting Support**  
*Associate, Municipal Syndicate*

**Charlotte, North Carolina**

**Responsibilities:** Ms. Pogue will support Mr. McQuage on behalf of Wells Fargo for any bonds issued by the City.

**Qualifications:** Ms. Pogue originally joined Wells Fargo through the 2010 analyst program where she supported the municipal sales, trading and syndicate desks. She is currently responsible for the pricing, distribution and marketing of fixed rate municipal transactions with a focus on Southeast, Texas, and Bank Qualified credits. She holds a B.S. in Business Administration and a B.A. in Economics from UNC Chapel Hill. She is a General Securities Registered Representative (Series 7) and Series 63 licensed.

**Kit Wood – Institutional Sales**  
*Managing Director, Head of Institutional Sales*

**Charlotte, North Carolina**

**Responsibilities:** Mr. Wood will direct all institutional sales for debt sold by the City.

**Qualifications:** Mr. Wood is Head of Wells Fargo's Municipal Institutional Sales efforts. Mr. Wood joined Wells Fargo in May 2005 to launch a new Municipal Institutional Derivatives Marketing business, shortly after he was named National Sales Manager. Prior to joining Wells Fargo, Mr. Wood was a Senior Portfolio Manager & Co-Head of JP Morgan Asset Management's New York Municipal Bond Department in NYC (1999-2005) managing assets in excess of \$45B. Prior to JPM, he was a Senior Portfolio Manager (Tax-Exempt Bonds) & Department Head at Mercantile Bank in Baltimore, MD (1998-1999) as well as an Institutional Municipal Bond Trader at both ABN AMRO LaSalle Bank & Kemper Securities in Chicago, IL. He received his B.A. from the University of Colorado in 1990 and also attended the MBA programs at the

## Appendix A: Proposer's Acknowledgment

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University of Chicago and the University of Maryland. He carries Series 7, 63, 53 & 24 securities registrations and has approximately 23 years of industry experience.

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**Julie Chavez – Retail Sales**  
*Director, Head of Retail Sales*

**Charlotte, North Carolina**

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**Responsibilities:** Ms. Chavez will serve as a Retail Liaison, actively marketing municipal product offerings as well as optimizing execution capabilities and flows to Wells Fargo Advisors. Her other responsibilities include active involvement on all negotiated and competitive transactions, partnering with internal constituents, intelligent and granular distribution targeting, product marketing, trade ideas, and bridging information/communication flow with Wells Fargo Advisors.

**Qualifications:** Ms. Chavez brings over 13 years of sales/trading experience to Wells Fargo from Banc of America, NetRoadshow, and Morgan Stanley. Ms. Chavez maintains FINRA Series 7 and 63 securities registrations.

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**Don Lipkin – Credit Strategist**  
*Managing Director, Credit Strategy*

**New York, New York**

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**Responsibilities:** Mr. Lipkin will provide credit strategy and market analysis to the all of the City's planned capital market offerings, and will be available to discuss with the City any opportunities and issues provided by the municipal market.

**Qualifications:** Mr. Lipkin joined Wells Fargo in 2010 as its Municipal Credit Strategist. Mr. Lipkin is available to the firm's public finance investment bankers and their issuer clients, including the District, to provide timely market analysis. With experience in all sectors of the municipal market, Mr. Lipkin has been widely recognized over the years for his expertise and integrity, including awards from Institutional Investor Magazine, Smith's Research and Ratings Review, and the National Federation of Municipal Analysts. Mr. Lipkin came to Wells Fargo from U.S. Trust, Bank of America Private Wealth Management, where he headed fixed income research efforts. Prior to that, he spent three years as Managing Director in charge of Municipal Market Strategy and Credit Analytics at Banc of America Securities LLC, 14 years as Senior Managing Director and co-head of Municipal Research at Bear, Stearns & Co, and seven years as Vice President of Municipal Research at the First Boston Corp. Mr. Lipkin holds a B.A. and an M.B.A. from The University at Albany – SUNY, as well as an M.A. in English and American Literature from the University of Maryland. Mr. Lipkin holds Series 7, Series 16 and Series 53 securities registrations.

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**Nancy Feldman – Credit Specialist**  
*Managing Director, Structured Finance*

**New York, New York**

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**Responsibilities:** Ms. Feldman will provide credit strategy and market analysis for the all of the City's potential future capital market offerings, and will be available to discuss with the City any opportunities and issues provided by the municipal market.

**Qualifications:** Ms. Feldman joined Wells Fargo in 2010 spending after 3 ½ years as the Director of the Office of Public Finance for the State of New Jersey. During her tenure she was responsible for all aspects of bond issuance for the State and certain authorities, managing the State's derivatives portfolio; overseeing debt reporting; maintaining investor, rating agency, and bond insurer relationships and additionally directed a major infrastructure asset evaluation project focusing on public/private partnership opportunities. Ms. Feldman previously spent eight years with Standard & Poor's specializing in tax backed, infrastructure, utility and structured credit analysis and 4 years with both retail and institutional broker/dealers. Ms. Feldman received a B.A. in economics from Albany State University and an MBA in finance from Baruch College and holds Series 7, 53 and 63 securities registrations.

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**Appendix B: Wells Fargo’s Forms to Meet Submission Requirements**

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 <p><b>Submit Proposals To:</b>  City of Hollywood  2600 Hollywood Boulevard  Hollywood, Florida 33020  Office of City Clerk, Room 221</p>	<p><b>CITY OF HOLLYWOOD, FLORIDA</b></p> <p><b>REQUEST FOR PROPOSALS</b></p> <p><b>PROPOSER ACKNOWLEDGMENT</b></p>
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<p><b>RFP Title:</b> Bond Underwriter</p> <p><b>RFP No.:</b> 4414-14-RD</p> <p><b>Service Required:</b> Bond Underwriter for debt transactions</p> <p><b>A Cone of Silence is in effect with respect to this RFP. The Cone of Silence prohibits certain communications between potential vendors and the City. For further information, please refer to Section 30.15(F) of the City's Code of Ordinances.</b></p>	<p>Proposals must be received prior to 3:00 P.M., Thursday, May 8, 2014 and may not be withdrawn within 90 calendar days after such date and time. Proposals received by the date and time specified will be opened in Room 303. All Proposals received after the specified date and time will be returned unopened.</p> <p><b>Procurement Services Contacts:</b> Ralph Dierks, or Linda Silvey, or Joel Wasserman, or his designee</p> <p><b>Telephone No.:</b> (954) 921-3223 or (954) 921-3200 or (954) 921-3290</p>
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### PROPOSER ACKNOWLEDGMENT

THIS FORM MUST BE COMPLETED AND SUBMITTED ALONG WITH THE COMPLETE PROPOSAL PRIOR TO THE DATE AND THE TIME OF PROPOSAL OPENING. THE PROPOSAL SUMMARY SHEET PAGES ON WHICH THE PROPOSER ACTUALLY SUBMITS A PROPOSAL AND ANY PAGES UPON WHICH INFORMATION IS REQUIRED MUST BE COMPLETED AND ATTACHED WITH ALL PAGES OF THE PROPOSAL DOCUMENT.

<b>Proposer's Name:</b> Wells Fargo Bank, N.A.	<b>Fed. ID No. or SS Number</b> 94-1347393
<b>Complete Mailing Address:</b> 2363 Gulf to Bay Blvd., Suite 200 Clearwater, Florida 33765	<b>Telephone No.:</b> 727-953-1073 <b>Fax No.:</b> 727-953-1077
<b>Do You Have a Permanent Office Located in the City of Hollywood?</b> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	<b>E-Mail Address:</b> john.generalli@wellsfargo.com
<b>Indicate type of organization below:</b> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Individual <input type="checkbox"/> Other National Banking Association	

**ATTENTION: FAILURE TO SIGN (PREFERABLY IN BLUE INK) OR COMPLETE ALL RFP SUBMITTAL FORMS AND FAILURE TO SUBMIT ALL PAGES OF THE RFP DOCUMENT AND ANY ADDENDUMS ISSUED MAY RENDER YOUR RFP NON-RESPONSIVE.**

THE PROPOSER CERTIFIES THAT THIS PROPOSAL IS BASED UPON ALL CONDITIONS AS LISTED IN THE PROPOSAL DOCUMENTS AND THAT HE HAS MADE NO CHANGES IN THE PROPOSAL DOCUMENT AS RECEIVED. HE FURTHER PROPOSES AND AGREES, IF HIS PROPOSAL IS ACCEPTED, HE/SHE WILL EXECUTE AN APPROPRIATE AGREEMENT FOR THE PURPOSE OF ESTABLISHING A FORMAL CONTRACTUAL RELATIONSHIP BETWEEN HIM AND THE CITY OF HOLLYWOOD, FLORIDA, FOR THE PERFORMANCE OF ALL REQUIREMENTS TO WHICH THIS PROPOSAL PERTAINS. FURTHER, BY SIGNING BELOW IN BLUE INK, ALL RFP PAGES ARE ACKNOWLEDGED AND ACCEPTED AS WELL AS ANY SPECIAL INSTRUCTION SHEET(S) IF APPLICABLE. I AM AUTHORIZED TO BIND PERFORMANCE OF THIS RFP FOR THE ABOVE PROPOSER.

  
John P. Generalli  
Authorized Name and Signature

Managing Director  
Title

05/06/2014  
Date

**RFP NO. 4414-14-RD  
ADDENDUM NO. 1**

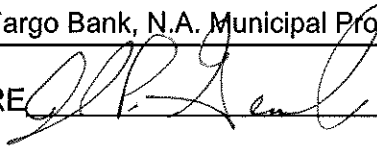
**All other specifications, terms & conditions remain the same.**

**MAILED RFP'S**

If you have already submitted your printed Request for Proposals, it will be retained in the City Clerk's Office until the Proposal opening time and date. If you wish to pick up your RFP that has already been submitted, you can do so by showing proper identification, in the Office of the City Clerk, 2600 Hollywood Blvd, Room 221, Hollywood, Florida 33020.

**Please sign and return with your RFP.**

COMPANY NAME: Wells Fargo Bank, N.A. Municipal Products Group

PROPOSER'S SIGNATURE  \_\_\_\_\_

Dated this 30th day of April 2014

The insurance policy shall not contain any exceptions that would exclude coverage for risks that can be directly or reasonably related to the scope of goods or services in this bid/proposal. A violation of this requirement at any time during the term, or any extension thereof shall be grounds for the immediate termination of any contract entered in to pursuant to this bid/proposal. In order to show that this requirement has been met, along with an insurance declaration sheet demonstrating the existence of a valid policy of insurance meeting the requirements of this bid/proposal, the successful proposer must submit a signed statement from insurance agency of record that the full policy contains no such exception.

The City reserves the right to require additional insurance in order to meet the full value of the contract.

The City reserves the right to require any other insurance coverage it deems necessary depending upon the exposures.

**HOLD HARMLESS AND INDEMNITY CLAUSE:**

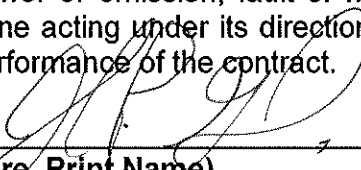
Wells Fargo Bank, N.A. Municipal Products Group

 John P. Generalli

(Company Name and Authorized Signature, Print Name),

the contractor shall indemnify, defend and hold harmless the City of Hollywood, its elected and appointed officials, employees and agents for any and all suits, actions, legal or administrative proceedings, claims, damage, liabilities, interest, attorney's fees, costs of any kind whether arising prior to the start of activities or following the completion or acceptance and in any manner directly or indirectly caused, occasioned or contributed to in whole or in part by reason of any act, error or omission, fault or negligence whether active or passive by the contractor, or anyone acting under its direction, control, or on its behalf in connection with or incident to its performance of the contract.

Wells Fargo Bank, N.A. Municipal Products Group

 John P. Generalli

(Company Name and Authorized Signature, Print Name),

further certifies that it will meet all insurance requirements of the City of Hollywood and agrees to produce valid, timely certificates of coverage.

**C. GENERAL INFORMATION AND SCHEDULE**

For information concerning procedure for responding to this Request for Proposal (RFP), contact the Procurement Services Division, Ralph Dierks, Procurement Manager at (954) 921-3223, or Linda Silvey, Budget and Procurement Technician at (954) 921-3200 or Joel Wasserman, Director, Procurement Services at (954) 921-3290, or his designee. Such contact is to be for clarification purposes only. Material changes, if any, to the scope of services, or Proposal procedures will only be transmitted by written addendum.

It is preferred that all questions be submitted in writing. Questions should be directed to the City of Hollywood, P.O. Box 229045, Hollywood, Florida 33022-9045, Attention: Ralph Dierks, Procurement Services Division, or to facilitate prompt receipt of questions, they may be sent via fax at (954) 921-3086, or via e-mail to [rdierks@hollywoodfl.org](mailto:rdierks@hollywoodfl.org) or [lsilvey@hollywoodfl.org](mailto:lsilvey@hollywoodfl.org) or contact the Director of Procurement Services or his designee.

**Questions must be received no later than 5:00 P.M., Thursday, April 17, 2014.**

Note: The signatures on this page take into account Wells Fargo's proposed modifications and amendments provided in Appendix C of this response.



**Wells Fargo & Company Risk & Insurance Management**

Wells Fargo Center, MAC# N9305-144

Sixth and Marquette

Minneapolis, MN 55479

**DIRECT QUESTIONS/COMMENTS REGARDING THIS EVIDENCE OF  
INSURANCE TO YOUR WELLS FARGO CONTACT.**

Date: 05/06/2014

**EVIDENCE OF CASUALTY INSURANCE COVERAGE****Insured:**

Wells Fargo &amp; Company and Its Subsidiaries

**Insurance Company:**

Old Republic Insurance Company

**This form certifies that the insurance policy described below has been issued to Wells Fargo & Company and its Subsidiaries.**

Coverage	Covered Location(s)	Limits of Liability	Policy Period	Policy Number
Commercial General Liability Including premises operations, occurrence form; blanket contractual liability; host liquor liability coverage	Omnibus Additional Insured endorsement extends coverage to any person or organization for whom Wells Fargo & Company or its Subsidiaries have agreed under contract or agreement to provide insurance. In no event shall the insurance provided hereunder exceed the scope of coverage required by contract or agreement	\$10,000,000 Each Occurrence \$10,000,000 Aggregate \$10,000,000 Personal & Adv. Injury \$10,000,000 Products and Completed Operations	4/01/10 - 4/01/15	MWZY58768
Automobile Liability	Covers all owned, non-owned and hired automobiles	\$10,000,000 Each Occurrence Combined Single Limit	4/01/10 - 4/01/15	MWTB20922
Workers' Compensation and Employers' Liability	Provides workers' compensation coverage for employees in all states - except statutory workers' compensation provided either through a Monopolistic State Fund or Self-Insurance in the following states: Ohio, North Dakota, Washington, West Virginia and Wyoming or by the Wells Fargo Injury Benefit Plan in Texas.	Statutory - WC \$1,000,000 - EL Each Accident \$1,000,000 - EL Disease Each Employee	4/01/10 - 4/01/15	MWC116599

**Evidence of Insurance Issued To:**

City of Hollywood, Florida

c/o Office of City Clerk

2600 Hollywood Boulevard, Room 221

Hollywood, FL 33020

Wells Fargo &amp; Company Risk &amp; Insurance Management

Jill M. Combs

Risk &amp; Insurance Manager

**The information provided in the Evidence of Insurance document is basic in nature and should not be viewed as a definitive position to any coverage issue, claim or loss scenario. In the event of a claim or loss, the actual policy terms shall apply.**

**Wells Fargo & Company Risk & Insurance Management**

Wells Fargo Center, MAC# N9305-144

90 South 7th Street, 14th Floor

Minneapolis, MN 55402

**DIRECT QUESTIONS/COMMENTS REGARDING THIS EVIDENCE OF  
INSURANCE TO YOUR WELLS FARGO CONTACT.****Date:** 05/06/2014

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**EVIDENCE OF PROFESSIONAL (Errors & Omissions)  
LIABILITY COVERAGE****Insured:**

Wells Fargo &amp; Company and Its Subsidiaries

**Insurance Company:**

Lexington Insurance Company

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**This form certifies that the insurance policy described below has been issued to Wells Fargo & Company and its Subsidiaries.**

Coverage	Coverage Details	Limits of Liability	Policy Period	Policy Number
Professional Liability	Provides Wells Fargo & Company and its Subsidiaries with coverage for claims arising out of an Employee's error or omission that occurs in performing professional services for others.	\$100,000,000 Per Occurrence and Aggregate	11/15/13 - 11/15/14	01-592-67-01

**Evidence of Insurance Issued To:**

City of Hollywood, Florida

c/o Office of City Clerk

2600 Hollywood Boulevard, Room 221

Hollywood, FL 33020

Wells Fargo &amp; Company Risk &amp; Insurance Management

Jill M. Combs

Risk &amp; Insurance Manager

**The information provided in the Evidence of Insurance document is basic in nature and should not be viewed as a definitive position to any coverage issue, claim or loss scenario. In the event of a claim or loss, the actual policy terms shall apply.**

**J. PUBLIC ENTITY CRIMES**

"A person or affiliate who has been placed on the convicted vendor list following a conviction for public entity crime may not submit a bid on a contract to provide any goods or services to a public entity, may not submit a bid on a contract with a public entity for the construction or repair of a public building or public work, may not submit bids on leases of real property to public entity, may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity, and may not transact business with any public entity in excess of the threshold amount provided in Section 287.017, for CATEGORY TWO for a period of 36 months from the date of being placed on the convicted vendor list."

**K. DECLARATION**

The aforementioned, as Proposer (herein used in the masculine singular, irrespective of actual gender and number), declares, under oath that no other person has any interest in this Proposal or in any resulting agreement to which this Proposal pertains, that this Proposal is not made with connection or arrangement with any other persons, and that this Proposal is made without collusion or fraud.

The Proposer further declares that he has complied in every respect with all the instructions to Proposers, that he has read all addenda, if any, issued prior to the opening of Proposals, and that he has satisfied himself fully relative to all matters and conditions with respect to the general conditions of the agreement and all relevant information to which this proposal pertains.

**L. DISCLOSURE OF CONFLICT OF INTEREST**

Vendor shall disclose below, to the best of his or her knowledge, any City of Hollywood officer or employee, or any relative of any such officer or employee as defined in Section 112.3135, Florida Statutes, who is an officer, partner, director or proprietor of, or has a material interest in the vendor's business or its parent company, any subsidiary, or affiliated company, whether such City official or employee is in a position to influence this procurement or not.

**Failure of a vendor to disclose any relationship described herein shall be reason for debarment in accordance with the provisions of the City of Hollywood Purchasing Ordinance.**

Name	Relationship
none	none
<hr/>	<hr/>
<hr/>	<hr/>

In the event the vendor does not indicate any name, the City shall interpret this to mean that no such relationship exists.

## Appendix B: Forms to Meet Submission Requirements

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### **Statement on Conflicts of Interest**

To the best of Wells Fargo Bank, N.A. (“WFBNA”) Municipal Products Group’s (“MPG”) knowledge, WFBNA MPG is not aware of any City of Hollywood officer or employee, or any relative of any such officer or employee as defined in Section 112.3135, Florida Statutes (collectively, “City Employees”), who is also an officer, partner, or director of, or who has a material interest in, WFBNA MPG’s business or its parent company, any subsidiary, or affiliated company (collectively, “Affiliates”). WFBNA is a wholly-owned subsidiary of Wells Fargo & Company (“WFC”), a NYSE listed publicly-traded company. Records of beneficial ownership of WFC stock are not available to WFBNA MPG, and as such WFBNA MPG is not in a position to have knowledge with respect to City Employees who may have a material interest in WFBNA MPG’s business or that of its Affiliates. Furthermore, WFC employs over 260,000 people and operates hundreds of subsidiaries. As such, WFBNA MPG has not undertaken any inquiry to determine whether any City Employee is an officer, partner, or director of WFBNA or its Affiliates, outside of WFBNA MPG.

## Appendix B: Forms to Meet Submission Requirements

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### **Statement on Equal Employment Opportunity**

Wells Fargo is an Equal Employment Opportunity/Affirmative Action employer. Our company policy is to provide equal opportunity in all employment decisions for all qualified applicants and team members, without regard to race, color, gender, national origin, religion, age, sexual orientation, gender identity, genetic information, physical or mental disability, pregnancy, marital status, veteran status, or any other status protected by federal, state, or local law.

Our equal employment opportunity policy specifies that Wells Fargo team members and job applicants will not be subject to discrimination, harassment, or retaliation for:

- Filing a complaint.
- Assisting or participating in an investigation.
- Opposing any unlawful act or discriminatory practice.
- Exercising any of their rights protected under federal or state laws and regulations.

Additionally, we would be pleased to provide the City with a copy of our Affirmative Action Program booklet at the City's request.



## Detail by Entity Name

### Designation of Registered Agent

WELLS FARGO BANK, N.A.

### Filing Information

**Document Number** Q95000000097  
**FEI/EIN Number** 941347393  
**Date Filed** 07/25/1995  
**State** OC  
**Status** ACTIVE

### Principal Address

420 MONTGOMERY ST.  
SAN FRANCISCO CA 94163

### Mailing Address

420 MONTGOMERY ST.  
SAN FRANCISCO CA 94163

### Registered Agent Name & Address

CORPORATION SERVICE COMPANY  
1201 HAYS STREET  
TALLAHASSEE FL 32301-2525 US

Name Changed: 09/07/2000

Address Changed: 09/07/2000

### Officer/Director Detail

#### Name & Address

NONE

### Annual Reports

No Annual Reports Filed

### Document Images



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Comptroller of the Currency  
Administrator of National Banks

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Washington, DC 20219

### **CERTIFICATE OF CORPORATE EXISTENCE**

I, John Walsh, Acting Comptroller of the Currency, do hereby certify that:

1. The Comptroller of the Currency, pursuant to Revised Statutes 324, et seq, as amended, and 12 USC 1, et seq, as amended, has possession, custody, and control of all records pertaining to the chartering, regulation, and supervision of all national banking associations.

2. "Wells Fargo Bank, National Association," Sioux Falls, South Dakota (Charter No. 1), is a national banking association formed under the laws of the United States and is authorized thereunder to transact the business of banking on the date of this certificate.

IN TESTIMONY WHEREOF, today, April

2, 2012, I have hereunto subscribed my  
name and caused my seal of office to be  
affixed to these presents at the U.S.

Department of the Treasury, in the City of  
Washington, District of Columbia.



*John Walsh*

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Acting Comptroller of the Currency



### E-Verify Affirmation Memo

This memo, affirms that Wells Fargo & Company is enrolled as of November 29, 2006 and will continue to participate in the E-Verify federal work authorization program. I also affirm that as an entity of Wells Fargo & Company, Wells Fargo Bank, NA, participates in the E-Verify program and does not and will not knowingly employ a person who is an unauthorized alien. Wells Fargo is in full compliance of the Form I-9 and E-verify process.

**Company Identification Number: 36564 (Wells Fargo & Company)**

- 41837 (CARCO); Wells Fargo & Company Client Company ID# 472498
- Date of Authorization (date MOU signed)
  - 36564 – 11/28/2006
  - 41837 Client ID 472498 – 12/09/2011

  
Signature of Authorized Officer or Agent

Rebecca L. Sanchez / HR Delivery & Service Manager  
Printed Name and Title of Authorized Officer of Agent

\* Any of the electronic verification of work authorization programs operated by the United States Department of Homeland Security or any equivalent federal work authorization program operated by the United States Department of Homeland Security to verify information of newly hired employees, pursuant to the Immigration Reform and Control Act of 1986 (IRCA), P.L. 99-603. The applicable federal work authorization program is operated by the U.S. Citizenship and Immigration Services Bureau of the U.S. Department of Homeland Security, in conjunction with the Social Security Administration (SSA).

**Appendix C: Modifications and Amendments to the City’s Submission Requirements**

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## Appendix C: Modifications and Amendments

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After review of the City's RFP, Wells Fargo would like to request the following modifications and amendments to the City's Submission Requirements. Should the City have any questions or comments regarding our requested exceptions and suggested changes to the City's Submission Requirements, we would be pleased to discuss or provide additional information.

### **Proposer's Acknowledgment**

Insert "except for those changes noted in Appendix C of this response" after the language "The Proposer certifies that this proposal is based upon all conditions as listed in the proposal documents and that he has made no changes in the proposal document as received."

### **Insurance Requirements**

#### ***Vehicle Liability Insurance Requirements***

Insert "Any request for additional insurance or increased limit amounts shall be based on insurance coverages maintained by Contractors performing similar services and supported by insurance industry benchmarking information" after "The City reserves the right to require additional insurance in order to meet the full value of the contract."

#### ***Professional Liability Insurance Requirements***

Make the following modifications to the final paragraph on page 11 (explanations for requested modifications are included in "[ ]" for the City's reference:

~~The Certificate shall contain a provision that coverage afforded under the policy will not be cancelled Contractor shall provide the City until at least thirty (30) days prior written notice of a cancellation or non-renewal has been given to the City.~~

[The type of notification requested is reserved for the First Named Insured which is Wells Fargo. Wells Fargo can agree to notify the City of any cancellation resulting in non-renewal.]

Certificates of insurance, reflecting evidence of the required insurance, shall be provided to the City. In the event the Certificate of Insurance provided indicates that the insurance shall terminate and lapse during the period of this Agreement, the vendor shall furnish, at least ~~thirty (30)~~ five (5) days ~~prior to~~ of the expiration of the date of such insurance, a renewed Certificate of Insurance as proof that equal and like coverage for the balance of the period of the Agreement or extension thereunder is in effect.

[While it is our intention to produce renewal certificates of insurance as soon as possible, there are many times that we are still negotiating renewal terms right up to the renewal date.]

Strike the first paragraph on page 12.

[We have standard ISO forms for our General Liability, Automobile Liability and Workers Compensation policies. These policies contain the typical exclusions that one would associate with these policies.

We have provided the City with certificates of insurance. However, we cannot agree to provide the City with copies of the declaration page of our policies. As a matter of Risk Management policy we do not release our proprietary insurance policies, including declaration pages.

Our insurance broker cannot agree to provide the requested signed statement.]

Insert "Any request for additional insurance or increased limit amounts shall be based on insurance coverages maintained by Contractors performing similar services and supported by insurance industry benchmarking information" following "The City reserves the right to require additional insurance in order to meet the full value of the contract."

## Appendix C: Modifications and Amendments

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Insert “Any request for additional insurance or increased limit amounts shall be based on insurance coverages maintained by Contractors performing similar services and supported by insurance industry benchmarking information” following “The City reserves the right to require any other insurance coverage it deems necessary depending upon the exposures.”

### ***Hold Harmless and Indemnity Clause Signature***

Strike the paragraph following the signature and replace with “the contractor agrees to be bound by customary indemnification provisions that will be set forth in a market standard bond purchase agreement for the proposed underwriting.”

[Wells Fargo’s acceptance of indemnification language would be included in a bond purchase agreement or similar contract entered into between Wells Fargo and the City. Such language would be consistent with indemnification language included in similar industry standard agreements, such as the bond purchase agreement executed by the City and its senior managing underwriter on its Water and Sewer Improvement Revenue Bonds, Series 2010A and 2010B.]

### ***Insurance Requirements Signature***

Insert “as modified and amended in Appendix C of this response” after “further certifies that it will meet all insurance requirements of the City of Hollywood.”

## Disclosures (continued)

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The Materials do not constitute an offer to sell or a solicitation of an offer to buy, or a recommendation or commitment for any transaction involving the securities or financial products named or described herein, and are not intended as investment advice or as a confirmation of any transaction. Externally sourced information contained in the Materials has been obtained or derived from sources we reasonably believe to be reliable, but WFS makes no representation or warranty, express or implied, with respect thereto, and does not represent or guarantee that such information is accurate or complete. Such information is subject to change without notice and WFS accepts no responsibility to update or keep it current. WFS does not assume or accept any liability for any loss which may result from reliance thereon. WFS and/or one or more of its affiliates may provide advice or may from time to time have proprietary positions in, or trade as principal in, any securities or other financial products that may be mentioned in the Materials, or in derivatives related thereto.

Notwithstanding anything to the contrary contained in the Materials, all persons may disclose to any and all persons, without limitations of any kind, the U.S. federal, state or local tax treatment or tax structure of any transaction, any fact that may be relevant to understanding the U.S. federal, state or local tax treatment or tax structure of any transaction, and all materials of any kind (including opinions or other tax analyses) relating to such U.S. federal, state or local tax treatment or tax structure, other than the name of the parties or any other person named herein, or information that would permit identification of the parties or such other persons, and any pricing terms or nonpublic business or financial information that is unrelated to the U.S. federal, state or local tax treatment or tax structure of the transaction to the taxpayer and is not relevant to understanding the U.S. federal, state or local tax treatment or tax structure of the transaction to the taxpayer.

Any opinions or estimates contained in the Materials represent the judgment of WFS at this time, and are subject to change without notice. Interested parties are advised to contact WFS for more information.

### IRS Circular 230 Disclosure:

To ensure compliance with requirements imposed by the IRS, we inform you that any advice contained in the Materials does not constitute tax advice and shall not be used for the purpose of (i) avoiding tax penalties or (ii) promoting, marketing or recommending to another party any transaction or matter addressed herein.

If you have any questions or concerns about the disclosures presented herein, you should make those questions or concerns known immediately to WFS.