

**CITY OF HOLLYWOOD
INTEROFFICE MEMORANDUM**

TO: Mayor and Commissioners

DATE: May 24, 2017

FROM: Jeffrey P. Sheffel, City Attorney

SUBJECT: Proposed Agreement with City National Bank of Florida for Emergency Line of Credit

I have reviewed the above-captioned agreement for form and legality, and the general business terms and other significant provisions are as follows:

- 1) Department/Office involved – Financial Services
- 2) Type of Agreement – Line of Credit Agreement
- 3) Method of Procurement (RFP, bid, etc.) – “Negotiated sale” exemption created by state law.
- 4) Term of Contract
 - a) initial – 1 yr. for City to make draws, 2 additional yrs. for City to make payment on the note.
 - b) renewals (if any) – Indefinite number of 1-yr. renewals.
 - c) who exercises option to renew – Renewal requires approval of both parties.
- 5) Contract Amount – City can borrow up to \$10,000,000. Interest rate is variable and based primarily on the London Interbank Offered Rate (LIBOR). City will pay a fixed fee of \$35,000 up front. At the time of the first draw, if any, City will pay a fee to Bank in the amount of \$6,500 for Bank’s attorney’s fees and costs.
- 6) Termination rights – For cause only.
- 7) Indemnity/Insurance Requirements – None.
- 8) Scope of Services – Bank will make loans to City when requested by City if City’s financial statement, at time of request, is acceptable to Bank.
- 9) City’s prior experience with Vendor – Yes.
- 10) Other significant provisions – None.

cc: Wazir A. Ishmael, Ph.D., City Manager