

**CITY OF HOLLYWOOD
INTEROFFICE MEMORANDUM**

TO: Mayor and Commissioners **DATE:** May 23, 2014

FROM: Jeffrey P. Sheffel, City Attorney

SUBJECT: Proposed Agreement with First Florida Governmental Financing Commission (“FFGFC”) and Pinnacle Public Finance, Inc. “Pinnacle”) for Loan to Refinance Two Existing FFGFC Loans

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 – Loan Agreement
- 3) Method of Procurement (RFP, bid, etc.) – “Negotiated sale” exemption allowed by state law.
- 4) Term of Contract
 - a) initial – 10 yrs
 - b) renewals (if any) –
 - c) who exercises option to renew –
- 5) Contract Amount – Not to exceed \$8,000,000. The fixed interest rate will not exceed 2.37% and the net present value savings will equal or exceed 5% of the principal amount of the refinanced loans.
- 6) Termination rights – For cause only.
- 7) Indemnity/Insurance Requirements – City will indemnify FFGFC and Pinnacle.
- 8) Scope of Services – FFGFC will loan not more than \$8,000,000 to City to refinance two existing loans from FFGFC.
- 9) Other significant provisions – FFGFC will issue a bond to Pinnacle to fund the loan to City. If the bond is determined to be taxable or City breaches the agreement, the interest rate on the loan will increase.

cc: Cathy Swanson-Rivenbark, City Manager