

**CITY OF HOLLYWOOD  
INTEROFFICE MEMORANDUM**

**TO:** Mayor and Commissioners

**DATE:** May 3, 2016

**FROM:** Jeffrey P. Sheffel, City Attorney

**SUBJECT:** Proposed Agreement with Wells Fargo Bank.to Renew Emergency Line of Credit

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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 per state law.
- 4) Term of Contract
  - a) initial – 9/2/2010-4/30/2011
  - b) renewals (if any) – May be renewed for an unlimited number of additional 1-yr. terms. The term of this renewal is 6/1/2016 to 5/31/2017.
  - c) who exercises option to renew – Renewal requires the approval of both parties.
- 5) Contract Amount – The aggregate principal amount will not exceed \$10,000,000. At the commencement of the new term, the City will pay the Bank a renewal fee of \$35,000 and legal fees of \$1,500. The interest rate on any amount borrowed will equal the three-month LIBOR (London Interbank Offered Rate) plus 1.00%, adjusted each calendar quarter.
- 6) Termination rights – For cause only.
- 7) Indemnity/Insurance Requirements – None.
- 8) Scope of Services – If the City requests a draw and the City’s financial condition at that time is acceptable to the Bank, the Bank will loan the requested monies to the City.
- 9) Other significant provisions – City must use the borrowed funds only for costs related to a natural disaster after a Presidential declaration of a state of emergency.

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