



Legislation Details (With Text)

File #: R-2017-035 **Version:** 1 **Name:** Refunding Revenue Note 2017 PNC
Type: Resolution **Status:** Passed
File created: 1/17/2017 **In control:** Department of Financial Services
On agenda: 2/1/2017 **Final action:** 2/1/2017

Title: A Resolution Of The City Commission Of The City Of Hollywood, Florida, (The "City"), Declaring That Competitive Proposals And Competitive Bidding To Obtain Financing To Refinance A Prior Bond Issued By The First Florida Governmental Financing Commission On Behalf Of The City Are Not In The Best Interest Of The City, And Authorizing The Appropriate City Officials To Negotiate And Execute A Loan Agreement Between PNC Bank, National Association ("PNC Bank") And The City, Pursuant To Which The City Will Borrow An Amount Not To Exceed \$8,595,000.00 In Order To Accomplish Such Refinancing, Such Indebtedness To Be Evidenced By The City's Refunding Revenue Note, Series 2017.

Sponsors:

Indexes:

Code sections:

Attachments: 1. 01 Resolution FFGFC PNC Refunding 2017.pdf, 2. 02 PNC Loan Agreement.pdf, 3. 03 R-2016-348 FFGFC Refunding Request to Proceed.pdf, 4. terpnbank.pdf, 5. BIS 17-091.pdf

Date	Ver.	Action By	Action	Result
2/1/2017	1	Regular City Commission Meeting	adopt	Pass

A Resolution Of The City Commission Of The City Of Hollywood, Florida, (The "City"), Declaring That Competitive Proposals And Competitive Bidding To Obtain Financing To Refinance A Prior Bond Issued By The First Florida Governmental Financing Commission On Behalf Of The City Are Not In The Best Interest Of The City, And Authorizing The Appropriate City Officials To Negotiate And Execute A Loan Agreement Between PNC Bank, National Association ("PNC Bank") And The City, Pursuant To Which The City Will Borrow An Amount Not To Exceed \$8,595,000.00 In Order To Accomplish Such Refinancing, Such Indebtedness To Be Evidenced By The City's Refunding Revenue Note, Series 2017.

Staff Recommends: Approval of the attached Resolution.

Explanation:

Pursuant to Resolution R-2016-348, the City received permission to initiate the process to refund the existing loan currently held with PNC Bank, National Association incurring related costs that are inherent to the process of refunding debt. This resolution represents the request for final approval to refund the debt with PNC Bank, National Association.

The City borrowed \$13,280,000.00 from the First Florida Governmental Financing Commission (the "FFGFC") from proceeds obtained from the FFGFC's Refunding Revenue Bond, Series 2012, dated September 26, 2012 (the "Prior Bond") to refinance various capital projects of the City.

The members of FFGFC met on November 4, 2016 and agreed to dissolve the FFGFC in an orderly and timely fashion in order to save on the annual costs to the FFGFC members, making it necessary for the City to refinance the Prior Bond.

The purchaser of the Prior Bond was originally procured through an RFP process on the City's behalf and the Prior Bond includes a "make-whole" prepayment penalty.

PNC Bank, the successful proposer in such RFP process and the holder of the Prior Bond, and the City have agreed to enter into a Loan Agreement (the "Loan Agreement") in order to refinance the Prior Bond on the same terms and conditions as the Prior Bond, the indebtedness to be incurred under the Loan Agreement not to exceed \$8,595,000.00 in principal amount and to be evidenced by the City's Refunding Revenue Note, Series 2017 (the "Note"). To accomplish the refinancing of the Prior Bond, PNC Bank shall cancel and surrender the Prior Bond in exchange for the Note.

Although the Purchasing Ordinance of the City does not permit direct negotiation between the City and Pinnacle to accomplish such refinancing, Purchasing Ordinance Section 38.40(C)(8) provides that when the City Commission declares by a five-sevenths (5/7ths) affirmative vote that competitive bidding and competitive proposals are not in the best interest of the City, such purchases are exempt from the competitive bidding and competitive proposal requirements.

Recommended for inclusion on the agenda by:

Dr. Wazir Ishmael, City Manager

George R. Keller, Jr., Assistant City Manager for Finance & Administration / Interim Director of Financial Services Department