



MIAMIBEACH

OFFICE OF THE CITY MANAGER

NO. LTC # **210-2016**

LETTER TO COMMISSION

TO: Mayor Philip Levine and Members of the City Commission

FROM: Jimmy Morales, City Manager

DATE: May 17, 2016

SUBJECT: **A Sixty (60) Day Extension to the City of Miami Beach's Line of Credit with Wells Fargo Bank**

The purpose of this Letter to Commission is to advise you of a sixty (60) day extension of the City's current Line of Credit ("LOC") with Wells Fargo Bank, NA.

The City entered into a \$60 million line of credit documented by a Loan Agreement with Wells Fargo Bank, NA on May 30, 2014. The Loan Agreement allows for tax-exempt draws up to \$59 million and taxable draws up to \$1 million. To date, the City has not drawn on the line of credit.

The City is currently in the process of extending the Loan Agreement from a maturity date of May 30, 2016 for an additional two years. While the City is negotiating an Amended and Restated Loan Agreement and related documents with Wells Fargo, the City and Wells Fargo agreed to a 60 day extension of the Loan Agreement under the same terms and conditions. This 60-day extension is documented in the First Modifications to the Tax-Exempt and Taxable Note, which extend the maturity to July 29, 2016.

Prior to July 29, 2016, the Mayor and Commission will be presented with a Resolution, Amended and Restated Loan Agreement, and other documentation requesting approval to extend the line of credit with Wells Fargo for an additional two years. As the 60-day extension is merely intended to permit the City and Wells Fargo to finalize their ongoing negotiations, the Administration will not draw on the line of credit prior to the Commission's consideration of the Amended and Restated Loan Agreement and related documents.

If you have any questions or need additional information, please feel free to contact me.

JLM:ARW:jr