

**CITY OF BALTIMORE**  
**COUNCIL BILL 14-0343**  
**(First Reader)**

---

Introduced by: The Council President  
At the request of: The Administration (Department of Planning)  
Introduced and read first time: March 24, 2014

Assigned to: Taxation, Finance and Economic Development Committee

---

REFERRED TO THE FOLLOWING AGENCIES: City Solicitor, Planning Commission, Department of Housing and Community Development, Baltimore Development Corporation, Department of Finance

---

A BILL ENTITLED

1 AN ORDINANCE concerning

2 **Bond Issue - Community and Economic Development Loan - \$47,000,000**

3 FOR the purpose of authorizing the Mayor and City Council of Baltimore (pursuant to Resolution  
4 III of 2014 approved by the members of the Maryland General Assembly representing  
5 Baltimore City) to create a debt, and to issue and sell its certificates of indebtedness as  
6 evidence thereof, and proceeds not exceeding \$47,000,000 from the sale of such certificates  
7 of indebtedness to be used for the cost of issuance, including the expense of engraving,  
8 printing, advertising, attorneys' fees, and all other incidental expenses connected therewith,  
9 and the remainder of such proceeds to be used for or in connection with planning,  
10 developing, executing, and making operative the community, commercial and industrial  
11 economic development programs of the Mayor and City Council of Baltimore, including, but  
12 not limited to, the acquisition, by purchase, lease, condemnation or any other legal means, of  
13 land or property, or any right, interest, franchise, easement or privilege therein, in the City of  
14 Baltimore; the payment of any and all costs and expenses incurred in connection with or  
15 incidental to the acquisition and management of said land or property, including any and all  
16 rights or interests therein hereinbefore mentioned; the payment of any and all costs and  
17 expenses incurred for or in connection with relocating and moving persons or other legal  
18 entities displaced by the acquisition of said land or property, or any of the rights or interests  
19 therein hereinbefore mentioned; the development, or redevelopment, including, but not  
20 limited to, the comprehensive renovation or rehabilitation of any land or property, or any  
21 rights or interests therein hereinbefore mentioned, in the City of Baltimore, and the  
22 disposition of land and property for such purposes; the elimination of unhealthful, unsanitary,  
23 or unsafe conditions, lessening density, eliminating obsolete or other uses detrimental to the  
24 public welfare or otherwise removing or preventing the spread of blight or deterioration in  
25 the City of Baltimore and the creation of healthy, sanitary, and safe, and green conditions in  
26 the City of Baltimore; the demolition, removal, relocation, renovation or alteration of land,  
27 buildings, streets, highways, alleys, utilities or services, and other structures or  
28 improvements, and for the construction and reconstruction, installation, relocation or repair  
29 of buildings, streets, highways, alleys, utilities or services, and other structures or  
30 improvements; the payment of any and all costs and expenses incurred for or in connection  
31 with doing any or all of the things herein mentioned, including, but not limited to, the costs  
32 and expenses of securing administrative, appraisal, economic analysis, engineering, planning,  
33 designing, architectural, surveying, and other professional services; the lending or granting of

EXPLANATION: CAPITALS indicate matter added to existing law.  
[Brackets] indicate matter deleted from existing law.

**Council Bill 14-0343**

1 funds to any person or other legal entity to be used for or in connection with the  
2 rehabilitation, renovation, redevelopment, improvement or construction of buildings and  
3 structures located within the boundaries of Baltimore City, which buildings or structures are  
4 to be used or occupied for residential or commercial purposes; making loans and grants to  
5 various projects and programs related to improving the cultural life and promotion of tourism  
6 in Baltimore City, including but not limited to the Bromo Arts Tower Facade Restoration, the  
7 Shot Tower, Carroll Mansion, Peale Museum, Lyric Foundation, Inc., The Maryland Zoo in  
8 Baltimore, Center Stage Associates, Inc., Chesapeake Shakespeare Company, Baltimore  
9 Heritage Area, Maryland Science Center, American Visionary Arts Museum, Creative  
10 Alliance and B&O Railroad Museum; and doing any and all things necessary, proper or  
11 expedient in connection with or pertaining to any or all of the matters or things hereinbefore  
12 mentioned; all such land or property shall be acquired, developed, redeveloped, renovated,  
13 rehabilitated, altered, improved, held or disposed of, as provided by law; authorizing the  
14 issuance of refunding bonds; conferring and imposing upon the Board of Finance of  
15 Baltimore City certain powers and duties; authorizing the submission of this Ordinance to the  
16 legal voters of the City of Baltimore, for their approval or disapproval, at the General  
17 Election to be held in Baltimore City, on Tuesday, the 4<sup>th</sup> day of November, 2014; and  
18 providing for the expenditure of the proceeds of sale of said certificates of indebtedness in  
19 accordance with the provisions of the Charter of the Mayor and City Council of Baltimore,  
20 and by the municipal agency designated in the annual Ordinance of Estimates of the Mayor  
21 and City Council of Baltimore.

22 **WHEREAS**, By Resolution III of 2014, approved by the members of the Maryland General  
23 Assembly representing Baltimore City, the Mayor and City Council of Baltimore is authorized to  
24 create a debt and to issue and sell its certificates of indebtedness (hereinafter called "bonds") as  
25 evidence thereof, and proceeds not exceeding \$47,000,000 from the sale of such bonds to be used  
26 in connection with the community development program of the Mayor and City Council of  
27 Baltimore as authorized by said Resolution; and

28 **WHEREAS**, Funds are now needed for said purposes; now, therefore,

29 **SECTION 1. BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF BALTIMORE**, That the  
30 Mayor and City Council of Baltimore, acting by and through the Board of Finance of said  
31 municipality, be and it is hereby authorized and empowered to create a debt and to issue and sell  
32 bonds of the Mayor and City Council of Baltimore from time to time, as may be needed or  
33 required for the purposes hereinafter named and said bonds shall be sold by the Board of Finance  
34 from time to time and at such times as shall be requisite, and proceeds not exceeding  
35 \$47,000,000 from the sale of such bonds shall be used for the purposes hereinafter named,  
36 provided that this Ordinance shall not become effective unless it shall be approved by a majority  
37 of the votes of the legal voters of Baltimore City cast at the time and place hereinafter designated  
38 by this Ordinance.

39 **SECTION 2. AND BE IT FURTHER ORDAINED**, That:

40 (a) The denomination or denominations of the bonds to be issued at any particular time  
41 and the place or places for the payment of principal and interest thereof are to be determined by  
42 the Board of Finance.

43 (b) The bonds authorized to be issued and sold under the provisions of this Ordinance  
44 may be issued to mature on such dates and in such amounts as the Board of Finance may

**Council Bill 14-0343**

1 determine; provided that the entire principal amount represented thereby shall be discharged not  
2 more than 40 years from the date of issuance of the bonds.

3 (c) The bonds, when issued, shall bear interest at such rate or rates as may be determined  
4 by the Board of Finance, which rate or rates may be fixed or variable or as determined by a  
5 method approved by the Board of Finance, and such interest shall be payable at such time or  
6 times as may be determined by the Board of Finance.

7 **SECTION 3. AND BE IT FURTHER ORDAINED,** That a majority of the Board of Finance of the  
8 Mayor and City Council of Baltimore be, and they are hereby, authorized to pass a resolution or  
9 resolutions, from time to time, to determine and set forth any or all of the following:

10 (a) The amount of debt to be incurred by the Mayor and City Council of Baltimore at any  
11 particular time, and from time to time, under and pursuant to the provisions of this Ordinance;  
12 the date or dates when any bonds representing said debt, or any part thereof, are to mature, and  
13 the amount or amounts of said debt, or any part thereof, which shall mature upon the aforesaid  
14 date or dates; and the date or dates in each year, during the entire period of time when any of said  
15 bonds are outstanding, when interest on any of said bonds shall be payable;

16 (b) The form or forms of the bonds representing the debt, or any part thereof, authorized  
17 to be issued under the provisions of this Ordinance at any particular time; and

18 (c) If the bonds are to be sold at public sale, the time, place, manner and medium of  
19 advertisement of the readiness of the Board of Finance, acting for and on behalf of the Mayor and  
20 City Council of Baltimore, to receive bids for the purchase of the bonds authorized to be issued  
21 hereunder or any part thereof; the form, terms and conditions of such bids; the time, place and  
22 manner of awarding bonds so bid for, including the right whenever any of the bonds authorized  
23 by this Ordinance are offered for sale and sold at the same time as other bonds of the City, to  
24 establish the conditions for bids and awards and to award all of the bonds on an all or none basis,  
25 and the time, place, terms and manner of settlement for the bonds so bid for; provided, however,  
26 that notwithstanding anything in this section, the Mayor and City Council of Baltimore, or the  
27 Board of Finance, as the case may be, shall have the right to reject any or all bids therefor for any  
28 reason.

29 **SECTION 4. AND BE IT FURTHER ORDAINED,** That:

30 (a) All premiums resulting from the sale of any of the bonds issued and sold pursuant to  
31 the provisions of this Ordinance shall be applied as directed by the Board of Finance.

32 (b) The debt authorized by the provisions of this Ordinance, and the bonds issued and  
33 sold pursuant thereto and their transfer, and the principal and interest payable thereon (including  
34 any profit made in the sale thereof), shall be and remain exempt from any and all State, county  
35 and municipal taxation in the State of Maryland.

36 (c) All bonds issued and sold pursuant to the provisions of this Ordinance may be sold at  
37 public sale by the solicitation of competitive bids or at private (negotiated) sale without  
38 advertisement or solicitation of competitive bids, for a price or prices which may be at, above or  
39 below par value of the bonds, as determined by resolution of the Board of Finance of the Mayor  
40 and City Council of Baltimore.

**Council Bill 14-0343**

1       **SECTION 5. AND BE IT FURTHER ORDAINED**, That until all of the interest on and principal of  
2 any bonds issued pursuant to the provisions of this Ordinance have been paid in full, the Mayor  
3 and City Council of Baltimore shall levy and impose an annual tax on each \$100 of assessable  
4 property in the City of Baltimore at a rate sufficient to produce revenue to pay all interest on and  
5 principal of all bonds theretofore issued and outstanding or authorized to be issued and  
6 outstanding, payable in the next succeeding year.

7       **SECTION 6. AND BE IT FURTHER ORDAINED**, That this Ordinance shall be submitted to the  
8 legal voters of the City of Baltimore, for their approval or disapproval, at the General Election to  
9 be held in Baltimore City, on Tuesday, the 4<sup>th</sup> day of November, 2014.

10       **SECTION 7. AND BE IT FURTHER ORDAINED**, That prior to the date of the election  
11 hereinbefore mentioned, notice shall be given to the public of the amount of money which the  
12 Mayor and City Council of Baltimore is authorized to borrow, and the general purposes for  
13 which such borrowed funds may be expended, under the terms and provisions of this Ordinance,  
14 and the time when the election hereinbefore mentioned is to be held; and such public notice shall  
15 be given in such manner and by such means or through such media and at such time or times as  
16 may be determined, from time to time, by a majority of the Board of Finance.

17       **SECTION 8. AND BE IT FURTHER ORDAINED**, That the actual cash proceeds derived from the  
18 sale of the bonds authorized to be issued under the provisions of this Ordinance shall be used  
19 exclusively for the following purposes, to wit:

20           (a) So much thereof as may be necessary for the cost of issuance, including the expense of  
21 engraving, printing, advertising, attorneys' fees, and all other incidental expenses connected  
22 therewith (which may include the proportion of the compensation of employees and general  
23 administrative expenses of the Department of Finance reasonably allocated to the issuance of the  
24 bonds); and

25           (b) The remainder of such proceeds shall be used for or in connection with planning,  
26 developing, executing and making operative the community, commercial and industrial  
27 economic development programs of the Mayor and City Council of Baltimore, including, but not  
28 limited to:

29               (i) The acquisition, by purchase, lease, condemnation, or any other legal means, of  
30 land or property, or any right, interest, franchise, easement or privilege therein, in the City of  
31 Baltimore;

32               (ii) The payment of any and all costs and expenses incurred in connection with or  
33 incidental to the acquisition and management of said land or property, including any and all  
34 rights or interests therein hereinbefore mentioned;

35               (iii) The payment of any and all costs and expenses incurred for or in connection with  
36 relocating and moving persons or other legal entities displaced by the acquisition of said land or  
37 property, or any of the rights or interests therein hereinbefore mentioned;

38               (iv) The development or redevelopment, including, but not limited to, the  
39 comprehensive renovation or rehabilitation of any land or property, or any rights or interests  
40 therein hereinbefore mentioned, in the City of Baltimore, and the disposition of land and property  
41 for such purposes;

**Council Bill 14-0343**

1 (v) The elimination of unhealthful, unsanitary, or unsafe conditions, lessening density,  
2 eliminating obsolete or other uses detrimental to the public welfare or otherwise removing or  
3 preventing the spread of blight or deterioration in the City of Baltimore and the creation of  
4 healthy, sanitary, and safe, and green conditions in the City of Baltimore;

5 (vi) The demolition, removal, relocation, renovation or alteration of land, buildings,  
6 streets, highways, alleys, utilities or services, and other structures or improvements, and for the  
7 construction and reconstruction, installation, relocation or repair of buildings, streets, highways,  
8 alleys, utilities or services, and other structures or improvements;

9 (vii) The payment of any and all costs and expenses incurred for or in connection with  
10 doing any or all of the things herein mentioned, including, but not limited to, the costs and  
11 expenses of securing administrative, appraisal, economic analysis, engineering, planning,  
12 designing, architectural, surveying, and other professional services;

13 (viii) The lending or granting of funds to any person or other legal entity to be used  
14 for or in connection with the rehabilitation, renovation, redevelopment, improvement or  
15 construction of buildings and structures located within the boundaries of Baltimore City, which  
16 buildings or structures are to be used or occupied for residential or commercial purposes;

17 (ix) Making loans and grants to various projects and programs related to improving  
18 the cultural life and promotion of tourism in Baltimore City, including but not limited to the  
19 Bromo Arts Tower Facade Restoration, the Shot Tower, Carroll Mansion, Peale Museum, Lyric  
20 Foundation, Inc., The Maryland Zoo in Baltimore, Center Stage Associates, Inc., Chesapeake  
21 Shakespeare Company, Baltimore Heritage Area, Maryland Science Center, American Visionary  
22 Arts Museum, Creative Alliance and B&O Railroad Museum; and

23 (x) Doing any and all things necessary, proper or expedient in connection with or  
24 pertaining to any or all of the matters or things hereinbefore mentioned.

25 All such land or property shall be acquired, developed, redeveloped, renovated,  
26 rehabilitated, altered, improved, held or disposed of, as provided by law.

27 **SECTION 9. AND BE IT FURTHER ORDAINED, That:**

28 (a) The Mayor and City Council of Baltimore, acting by and through the Board of Finance  
29 thereof, is hereby authorized and empowered to issue its bonds for the purpose of refunding any  
30 bonds authorized to be issued under the provisions of this Ordinance by payment at maturity or  
31 the purchase or redemption of bonds in advance of maturity. The validity of any refunding bonds  
32 shall in no way be dependent upon or related to the validity or invalidity of the bonds being  
33 refunded. Such refunding bonds may be issued by the Mayor and City Council of Baltimore,  
34 acting by and through the Board of Finance thereof, for the purpose of providing it with funds to  
35 pay any of its outstanding bonds authorized to be issued under the provisions of this Ordinance at  
36 maturity, to purchase in the open market any of its outstanding bonds authorized to be issued  
37 under the provisions of this Ordinance prior to their maturity, to redeem prior to their maturity  
38 any outstanding bonds which are, by their terms, redeemable, to pay interest on any outstanding  
39 bonds prior to their payment at maturity or purchase or redemption in advance of maturity, or to  
40 pay any redemption or purchase premium in connection with the refunding of any of its  
41 outstanding bonds authorized to be issued under the provisions of this Ordinance.

## Council Bill 14-0343

1 (b) Any refunding bonds authorized to be issued and sold under the provisions of this  
2 Ordinance may be issued for the public purpose of:

3 (1) Realizing savings to Baltimore City in the aggregate cost of debt service on either  
4 a direct comparison or present value basis; or

5 (2) Debt restructuring that:

6 (i) In the aggregate effects such a reduction in the cost of debt service; or

7 (ii) Is determined by the Board of Finance of the Mayor and City Council of  
8 Baltimore to be in the best interests of Baltimore City, to be consistent with Baltimore City's  
9 long-term financial plan, and to realize a financial objective of Baltimore City including,  
10 improving the relationship of debt service to a source of payment such as taxes, assessments, or  
11 other charges.

12 (c) Any refunding bonds authorized to be issued and sold under the provisions of this  
13 Ordinance may be issued in whatever principal amount shall be required to achieve the purpose  
14 for the issuance of the refunding bonds, which amount may be in excess of the principal amount  
15 of the bonds refunded or the maximum principal amount of bonds authorized to be issued under  
16 Section 1 of this Ordinance.

17 (d) Any refunding bonds authorized to be issued and sold under the provisions of this  
18 Ordinance may be issued to mature on such dates and in such amounts as the Board of Finance  
19 may determine; provided that the entire principal amount represented by the refunding bonds  
20 shall be discharged not more than 40 years from the date of issuance of the bonds being refunded.

21 (e) Any refunding bonds authorized to be issued and sold under the provisions of this  
22 Ordinance may be sold at public sale by the solicitation of competitive bids or at private  
23 (negotiated) sale without advertisement or solicitation of competitive bids, for a price or prices  
24 which may be at, above or below the par value of the refunding bonds, as determined by  
25 resolution of the Board of Finance of the Mayor and City Council of Baltimore.

26 (f) Any refunding bonds authorized to be issued and sold under the provisions of this  
27 Ordinance shall bear interest at such rate or rates as may be determined by the Board of Finance  
28 of the Mayor and City Council of Baltimore, which rate or rates may be fixed or variable or as  
29 determined by a method approved by the Board of Finance, and such interest shall be payable at  
30 such time or times as may be determined by the Board of Finance.

31 (g) The proceeds of the sale of any refunding bonds authorized to be issued and sold  
32 under the provisions of this Ordinance, after the payment of issuance costs relating thereto, shall  
33 be set aside by the Mayor and City Council of Baltimore as a separate trust fund to be used solely  
34 for the purposes stated in this Section 9.

35 (h) Except as otherwise provided in this Section 9, the powers granted in, the limitations  
36 and obligations imposed by, and the procedures specified in this Ordinance with respect to the  
37 issuance of bonds shall be applicable to the issuance of refunding bonds.

**Council Bill 14-0343**

1 (i) Any refunding bonds authorized to be issued and sold under the provisions of this  
2 Ordinance shall not be subject to any debt policy limitation that may from time to time be  
3 established by the Mayor and City Council of Baltimore.

4 **SECTION 10. AND BE IT FURTHER ORDAINED**, That the expenditure of the proceeds derived  
5 from the sale of the bonds authorized to be issued under the provisions of this Ordinance shall be  
6 in accordance with the provisions of the Charter of the Mayor and City Council of Baltimore, and  
7 by the municipal agency designated in the annual Ordinance of Estimates of the Mayor and City  
8 Council of Baltimore.